

INDEPENDENT AUDITOR'S REPORT

To the Members of **INDIAN OIL-ADANI GAS PRIVATE LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **INDIAN OIL-ADANI GAS PRIVATE LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (*including other comprehensive income*), Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

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 Companies Act, 2013, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and Loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the "the Board report", but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in Annexure –A of this Auditor's Report.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the Annexure –B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 C".
- (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 no. 49(i) 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 – Refer Note no. 49(ii) to the financial statements;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note no. 49(iii) to the financial statements.

PLACE: NEW DELHI
DATED: MAY 04, 2021

For V. K. DHINGRA & CO.,
CHARTERED ACCOUNTANTS
Firm Registration No. 000250N



(LALIT AHUJA)
PARTNER
M. No. 085842
UDIN: 21085842AAAADH3530

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

PLACE: NEW DELHI
DATED: MAY 04, 2021

For V. K. DHINGRA & CO.,
CHARTERED ACCOUNTANTS
Firm Registration No. 000250N

(LALIT AHUJA)
PARTNER
M. No. 085842



UDIN: 21085842AAAADH3530

Annexure-'B' to the Independent Auditor's Report

Referred to in the Independent Auditor's Report to the members of Indian Oil- Adani Gas Private Limited on the financial statements for the year ended 31st March 2021.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets, including Capital Stores, have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, periodicity of physical verification is reasonable having regards to size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The inventories of the Company comprise inventory of natural gas. According to information and explanation given to us the stock of gas in pipelines cannot be physically verified and is estimated on volumetric basis at year end.
- (b) In our opinion, the frequency of verification of inventory on estimated basis as above is reasonable. According to the information and explanation given to us, no material discrepancies have been noticed on physical verification of inventories as above as compared to books and records.
- (iii) According to the information and explanations given to us and as per the books of accounts, the Company has not granted any loans to companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
- (iv) The Company has not entered into any transactions requiring compliance with the provisions of Section 185 and 186 of Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to Section 76 or any other relevant provisions of the Companies Act, 2013 or rules framed there under.
- (vi) The Central Government has prescribed maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub section (1) of the Section 148 of the Act read with Companies (Cost Records & Audit) rules, 2014 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.



- (vii) (a) According to the information and explanations given to us and the records of the Company, in our opinion the Company is regular in depositing of undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with appropriate authorities to the extent applicable.
- No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as at 31st March, 2021 for a period of more than 6 months from the date they became payable.
- (b) According to the records of the company there are no dues of income tax, sales tax, service tax, goods and services tax, duty of custom, duty of excise and value added tax which have not been deposited with appropriate authorities on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, government or debenture holders during the year. In respect of borrowings from banks, the Company has not defaulted in repayment.
- (ix) Based on the examination of the records of the Company, we are of the opinion that term loans have been applied for the purposes for which those were obtained. Company has not made any public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud on the company by its officers or employees or by the Company has been noticed or reported during the year ended on 31st March 2021.
- (xi) Being a private limited company, the provisions of Section 197 read with Schedule V of the Companies Act, 2013 are not applicable on the Company. Hence, in our opinion, the requirements of Clause 3 (xi) of the Order do not apply to the Company.
- (xii) As the Company is not a Nidhi company, the requirements of Clause 3 (xii) of the Order do not apply to the Company.
- (xiii) Based on the information and explanations given to us, we are of the opinion that all the transactions with the related parties are in compliance with section 188 of Companies Act, 2013 and details thereof are duly disclosed in the financial statements as required by the applicable accounting standards. Section 177 of Companies Act, 2013 is not applicable on the Company.
- (xiv) The Company has not made any preferential allotments or private placement of shares or fully or partly convertible debenture during the year under review requiring compliance with Section 42 of Companies Act 2013.



- (xv) The Company has not entered into any non-cash transaction with its directors or any other person connected with them.
- (xvi) In our opinion and according to the information and explanations given to us, Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

PLACE: NEW DELHI
DATED: MAY 04, 2021

For V. K. DHINGRA & CO.,
CHARTERED ACCOUNTANTS
Firm Registration No. 000250N

(LALIT AHUJA)

PARTNER

M. No. 085842

UDIN: 21085842AAAADH43536



Annexure-‘C’ 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 Indian Oil-Adani Gas Private Limited (“the Company”) as of 31st March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, 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 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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE: NEW DELHI
DATED: MAY 04, 2021

For V. K. DHINGRA & CO.,
CHARTERED ACCOUNTANTS
Firm Registration No. 000250N

(LALIT AHUJA)
PARTNER
M. No. 085842

UDIN: 21085842AAAADH3530



IndianOil-Adani Gas Private Limited Balance Sheet
as at 31 March 2021

| | | (₹ in Lakhs) | |
|--|------|------------------------|------------------------|
| Particulars | Note | As at 31 March 2021 | As at 31 March 2020 |
| ASSETS | | | |
| 1) Non-current assets | | | |
| a. Property, Plant and Equipment | 3 | 1,12,751.88 | 90,028.50 |
| b. Right of use Assets | 5a | 2,264.11 | 2,525.91 |
| c. Capital work-in-progress | 4 | 48,473.87 | 40,312.57 |
| d. Intangible assets | 5 | 1.02 | 4.30 |
| e. Financial Assets | | | |
| Other non-current financial assets | 6 | 726.72 | 741.12 |
| f. Deferred tax assets (net) | 7 | 805.19 | 489.58 |
| g. Other non-current assets | 8 | 5,177.31 | 271.78 |
| 2) Current assets | | | |
| a. Inventories | 9 | 432.47 | 722.91 |
| b. Financial Assets | | | |
| I. Investments | 10 | - | 54.97 |
| II. Trade receivables | 11 | 4,052.26 | 2,883.96 |
| III. Cash and cash equivalents | 12 | 9,501.86 | 9,564.06 |
| IV. Bank balances other than (III) above | 13 | 3,037.72 | 2,330.58 |
| v. Other current financial assets | 14 | 296.99 | 138.41 |
| c. Other Current assets | 15 | 1,204.11 | 1,058.63 |
| Total Assets | | 1,88,725.51 | 1,51,127.28 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| a. Equity Share capital | 16 | 86,449.00 | 58,200.00 |
| b. Other Equity | | (1,461.51) | (1,889.91) |
| LIABILITIES | | | |
| 1) Non-current liabilities | | | |
| a. Financial Liabilities | | | |
| I. Borrowings | 17 | 76,204.10 | 72,163.07 |
| II. Other financial liabilities | 18 | 1,355.54 | 1,647.69 |
| b. Provisions | 19 | 169.63 | 93.30 |
| 3) Current liabilities | | | |
| a. Financial Liabilities | | | |
| I. Borrowings | 20 | 526.63 | - |
| II. Trade payables | 21 | 1,046.97 | 391.91 |
| III. Other financial liabilities | 22 | 23,843.21 | 20,138.06 |
| b. Other current liabilities | 23 | 581.26 | 379.29 |
| c. Provisions | 24 | 10.68 | 3.87 |
| Total Equity and Liabilities | | 1,88,725.51 | 1,51,127.28 |
| Significant accounting policies | 1 | | |
| Significant accounting judgements, estimates and assumptions | 2 | - | - |

The notes 1 to 52 referred to above form an integral part of the financial statements As per our report of even date attached.

For M/s V.K.Dhingra & Co.

Chartered Accountants

Registration No: 000250N

Lalit Ahuja

Partner

Membership No: 085842

For and on behalf of the Board of Directors

Suresh P. Manghani

Director

DIN: 00165162

G.K. Satish

Chairman

DIN: 06932170

Rajiv Sikka

Chief Executive Officer

Yash Arora

Chief Finance Officer

Himanshi Zaira

Company Secretary

Place : New Delhi

Date : 29 April, 2021

IndianOil-Adani Gas Private Limited
Statement of Profit and Loss for the year ended 31 March 2021

(₹ in Lakhs)

| Particulars | Note | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|------|-----------------------------|-----------------------------|
| INCOME | | | |
| I Revenue from Operations II | 25 | 35,427.94 | 30,929.90 |
| Other Income | 26 | 392.44 | 222.77 |
| Total Income | | 35,820.38 | 31,152.67 |
| EXPENSES | | | |
| III a. Cost of Natural Gas and Traded items | 27 | 17,149.67 | 16,764.03 |
| c. Changes in inventories | 28 | (32.65) | (81.18) |
| d. Excise duty on sale of Compressed Natural Gas (CNG) | | 2,743.62 | 2,887.87 |
| e. Employee benefits expenses | 29 | 1,373.41 | 837.36 |
| f. Finance costs | 30 | 5,360.18 | 3,411.59 |
| g. Depreciation and Amortization expenses | 31 | 4,225.30 | 2,657.80 |
| h. Other expenses | 32 | 7,138.27 | 4,544.96 |
| Total Expenses | | 37,957.80 | 31,022.43 |
| IV Profit/(loss) before Tax V | | (2,137.42) | 130.24 |
| Tax expense: | | | |
| a. Current Tax | | - | - |
| b. Deferred tax | 33 | (312.42) | 114.90 |
| Total Tax expense | | (312.42) | 114.90 |
| VI Profit/(loss) after Tax | | (1,825.00) | 15.34 |
| VII Other comprehensive Income | | | |
| Items that will not be reclassified to profit or loss Remeasurement of defined benefit liability (asset) | 34 | 12.30 | (1.90) |
| Income tax related to items that will not be reclassified to profit or loss | | (3.20) | 0.49 |
| Total comprehensive income for the period | | (1,834.10) | 16.75 |
| VIII Earnings per equity share | | | |
| a. Basic | 35 | (0.26) | 0.00 |
| b. Diluted | | (0.26) | 0.00 |

The notes 1 to 52 referred to above form an integral part of the financial statements As per our report of even date attached.

For M/s V.K. Dhingra & Co.
Chartered Accountants
Registration No: 000250N


Lalit Ahuja
Partner
Membership No: 085842

For and on behalf of the Board of Directors


Suresh P. Mangani
Director
DIN:00165162


G.K. Satish
Chairman
DIN:06932170


Rajiv Sikka
Chief Executive Officer


Yash Arora
Chief Finance Officer


Himanshi Zaira
Company Secretary

Place : New Delhi
Date : 29 April, 2021

IndianOil-Adani Gas Private Limited
Statement of Changes in Equity as at 31 March 2021

A. Equity Share Capital

(₹ in Lakhs)

| Particulars | No. of Shares | Amount |
|-------------------------------------|---------------|--------|
| Balance as at 1st April 2020 | 58,20,00,000 | 58,200 |
| Changes in the Equity Share Capital | 28,24,90,000 | 28,249 |
| Balance as at Mar 31, 2021 | 86,44,90,000 | 86,449 |

(₹ in Lakhs)

| B. Other equity (Attributable to owners of the company) | Share application money pending allotment | Retained Earnings | Other Comprehensive Income (Remeasurement of Employee benefit) | Total |
|--|---|----------------------|--|------------|
| Balance as at 1st April 2020 | - | (1,895.79) | 5.88 | (1,889.91) |
| Profit / (Loss) for the year | | (1,825.00) | | (1,825.00) |
| Other comprehensive Income for the year | | | (9.10) | (9.10) |
| Total comprehensive Income for the year | - | (1,825.00) | (9.10) | (1,834.10) |
| Share application money received during the year | 30,511.50 | | | 30,511.50 |
| Less: Issue of Share capital (Note 16) | 28,249.00 | - | - | 28,249.00 |
| Balance at Mar 31, 2021 | 2,262.50 | (3,720.79) | (3.22) | (1,461.51) |

The notes 1 to 52 referred to above form an integral part of the financial statements

As per our report of even date attached.

For and on behalf of the Board of Directors For

M/s V.K.Dhingra & Co.

Chartered Accountants Registration

No: 000250N


Suresh P. Manglani
 Director
 DIN:00165162


G.K. Sadash
 Chairman
 DIN:06932170

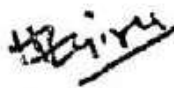

Lalit Ahuja
 Partner
 Membership No: 085842



Rajiv Sikka
 Chief Executive Officer



Yash Arora
 Chief Finance Officer



Himanshi Zaira
 Company Secretary

Place : New Delhi
 Date : 29 April, 2021

IndianOil-Adani Gas Private Limited
Statement of Cash Flow for the year ended 31 March 2021

(₹ in Lakhs)

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|-----------------------------|-----------------------------|
| A Cash flow from operating activities: | | |
| Profit before tax | (2,137.42) | 130.24 |
| Adjustments for: | | |
| Depreciation and amortisation | 4,225.30 | 2,657.80 |
| Finance cost charged to P&L | 5,360.18 | 3,411.59 |
| Interest Income | (326.64) | (123.37) |
| (Income)/Loss from sale of current investments | (0.77) | (97.93) |
| Actuarial gains and losses (Reclassified to OCI) | (12.30) | (1.90) |
| Operating profit before working capital changes | 7,108.35 | 5,976.43 |
| Adjustments for: | | |
| Inventories | 290.44 | (488.31) |
| Trade and other receivables | (2,168.30) | (1,110.27) |
| Other current assets | (304.06) | (202.21) |
| Non-current assets | (17.47) | (46.05) |
| Trade payables | 655.06 | (327.40) |
| Other financial liabilities | 3,413.00 | 8,935.87 |
| Other current liabilities | 208.78 | 130.58 |
| Non-current liabilities | 76.33 | 44.76 |
| Cash generated from operations | 10,262.13 | 12,913.94 |
| Income Tax (paid) / refund | 10,262.13 | 12,913.94 |
| Net cash from operating activities | | |
| B Cash flow from investing activities: | | |
| Capital expenditure on fixed assets, including capital advances and capital work in progress | (38,804.56) | (32,838.76) |
| Redemption / (investment) in Mutual funds | 54.97 | 1,727.30 |
| Fixed Deposits | (707.14) | (1,781.71) |
| Interest received | 327.41 | 221.30 |
| Net cash used in investing activities | (39,129.32) | (32,671.87) |
| C Cash flow from financing activities: | | |
| Proceeds from issue and application of Equity shares | 30,511.50 | 11,100.00 |
| Proceeds from Long Term borrowings | 4,041.03 | 10,256.93 |
| Proceeds from Short Term borrowings | 526.63 | - |
| Finance cost charged to P&L | (5,360.18) | (3,411.59) |
| Repayment of lease liabilities - IND AS 116 | (798.14) | (705.59) |
| Interest on lease liabilities - IND AS 116 | (115.85) | (219.25) |
| Net cash used in financing activities | 28,804.99 | 27,030.50 |
| Net Increase / (decrease) in cash and cash equivalents (A+B+C) | (62.20) | 7,271.97 |
| Cash and cash equivalents at the beginning of the year | 9,568.06 | 2,292.09 |
| Cash and cash equivalents at end of the year | 9,501.86 | 9,564.06 |
| Net Increase / (decrease) in cash and cash equivalents | (62.20) | 7,271.97 |
| Cash and cash equivalents comprises of: | | |
| Balances with bank in current accounts | 4,032.67 | 3,054.73 |
| In Deposit accounts (Maturity less than 3 months) | 5,469.19 | 6,509.33 |

Note: Above cash flow statement is prepared on the basis of indirect method as specified in IND AS 7.
 Previous year's figures have been regrouped, wherever necessary.

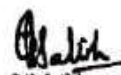
The notes 1 to 52 referred to above form an integral part of the financial statements As per our report of even date attached.

For M/s V.K.Chingra & Co.
 Chartered Accountants Registration
 No: 000250H




 Suraj K. Chingra
 Director
 DIN:00165162

For and on behalf of the Board of Directors


 G.K. Sarish
 Chairman
 DIN: 06932170


 Rajiv Sikka
 Chief Executive Officer


 Yash Arora
 Chief Finance Officer


 Himanshi Zaira
 Company Secretary

Place : New Delhi
 Date: 29 April 21

IndianOil-Adani Gas Private Limited
Notes Forming part of Financial Statements for the year ended 31 March 2021

Note: 3
Property, Plant and Equipment

| Particulars | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | | |
|-------------------------|--------------------------|-------------|-----------|-----------|--------------------------|--------------------------|-------------|---------------------|------------------------|--------------------------|--------------------------|
| | Balance as at 01-04-2020 | Adjustments | Additions | Disposals | Balance as at 31-03-2021 | Balance as at 01-04-2020 | Adjustments | Charge for the year | Eliminated on disposal | Balance as at 31-03-2021 | Balance as at 01-04-2020 |
| Freehold Land | 281.91 | - | 3,072.54 | - | 3,354.45 | - | - | - | - | 3,354.45 | 281.91 |
| Buildings | 200.47 | - | - | - | 200.47 | 105.62 | - | 66.08 | - | 145.70 | 54.77 |
| Furniture and Equipment | 93,783.22 | - | 23,417.18 | - | 1,17,180.40 | 4,544.70 | - | 3,841.11 | - | 8,385.81 | 1,06,798.69 |
| Furniture and Fixtures | 421.31 | - | 87.38 | - | 478.69 | 147.16 | - | 48.90 | - | 194.05 | 281.84 |
| Computer | 144.08 | - | 81.14 | - | 195.22 | 69.00 | - | 34.28 | - | 133.10 | 82.04 |
| Office Equipment | 248.77 | - | 138.79 | - | 387.56 | 148.82 | - | 51.27 | - | 187.10 | 184.30 |
| TOTAL | 98,670.78 | - | 26,739.82 | - | 1,25,410.60 | 5,042.28 | - | 4,013.84 | - | 8,056.08 | 1,12,751.86 |
| Previous year | 48,434.54 | - | 45,639.22 | - | 94,073.76 | 2,483.80 | - | 2,758.37 | - | 5,042.28 | 89,025.50 |

a) Impairment of Fixed Assets
Management has carried out a review of the carrying value of assets as March 31, 2021 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 other impairment indicators that necessitate any adjustments to the carrying value of the assets.

b) For Securities refer note no 17

c) Depreciation Reconciliation

| Particulars | IN IN Lakhs | |
|--|--------------------------|--------------------------|
| | Year ended 31 March 2021 | Year ended 31 March 2020 |
| Depreciation charge for the year including adjustments | 4,013.84 | 2,758.37 |
| Allocated to: | | |
| Profit and Loss account | 3,805.08 | 3,822.12 |
| Capital Work in Progress | 108.08 | 86.25 |

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IndianOil-Adani Gas Private Limited

Notes Forming part of Financial Statements for the year ended 31 March 2021

Note: 4

Capital Work in Progress

(₹ in Lakhs)

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Capital work-in-progress | | |
| Balance as at beginning of the period | 13,451.06 | 26,541.17 |
| Add: Expenditure during the year | 26,406.85 | 18,758.03 |
| Less: Expenditure allocated to Fixed Assets | (19,172.77) | (31,848.14) |
| Capital Stores | 20,880.87 | 18,904.74 |
| Project development Expenditure | | |
| Balance as at beginning of the period | 7,956.77 | 11,615.68 |
| Add: Expenditure during the year * | 6,516.63 | 10,129.37 |
| Less: Expenditure allocated to Fixed Assets ** | (7,565.54) | (13,788.28) |
| Total | 48,473.87 | 40,312.57 |
| * Expenditure during the year | | |
| Application and License Fee (PNGRB) | - | 57.05 |
| Legal and Professional charges | 292.31 | 482.57 |
| Employee salary and welfare | 1,956.81 | 1,385.33 |
| Repairs and Maintenance Others | 123.37 | 556.98 |
| Power and Fuel | 18.24 | 18.66 |
| Rent | 890.07 | 636.35 |
| Duties, Rates and Taxes | 6.75 | 271.52 |
| Telephone and Telex | 6.62 | 12.04 |
| Travelling and Conveyance | 81.08 | 61.50 |
| Printing and Stationery | 13.62 | 2.26 |
| Commission and Brokerage | 4.70 | 4.88 |
| Postage and Courier | 1.75 | 0.57 |
| Depreciation on Tangible asset | 108.58 | 86.25 |
| Amortization of Intangible asset | 249.97 | 604.70 |
| Security expenses | 130.67 | 51.05 |
| Other expenses | 146.64 | 489.35 |
| Insurance | 66.09 | 16.97 |
| Other Bank Charges | 211.12 | 1,773.96 |
| Interest During Construction period | 1,866.56 | 3,154.37 |
| Corporate Guarantee Commission | 341.68 | 463.01 |
| Total | 6,516.63 | 10,129.37 |

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IndianOil-Adani Gas Private Limited

Notes Forming part of Financial Statements for the year ended 31 March 2021

Note: 4 (continued)

Capital Work In Progress

| (₹ In Lakhs) | | |
|---|--------------------------------|--------------------------------|
| ** Expenditure allocated to Fixed Assets | As at 31 March 2021 | As at 31 March 2020 |
| Application and License Fee (PNGRB) | 11.63 | 115.42 |
| Legal and Professional charges | 388.07 | 254.78 |
| Employee salary and welfare | 1,405.18 | 1,493.45 |
| Repairs and Maintenance Others | 320.44 | 294.18 |
| Power and Fuel | 21.58 | 38.47 |
| Rent | 703.62 | 511.64 |
| Duties, Rates and Taxes | 130.66 | 12.12 |
| Telephone and Telex | 25.17 | 31.13 |
| Travelling and Conveyance | 93.77 | 102.94 |
| Printing and Stationery | 7.97 | 12.89 |
| Commission and Brokerage | 2.39 | 4.69 |
| Postage and Courier | 0.85 | 2.18 |
| Depreciation on Tangible asset | 120.50 | 115.48 |
| Amortization of Intangible asset | 495.85 | 0.26 |
| Security expenses | 102.36 | 254.51 |
| Other expenses | 365.15 | 3,216.55 |
| Insurance | 41.17 | 196.49 |
| Other Bank Charges | 1,127.37 | 3,404.29 |
| Interest During Construction period | 2,201.81 | 3,726.81 |
| Total | 7,585.54 | 13,788.28 |

Note: Project development expenditure are allocated to Plant and Machinery assets proportionately on part commissioning of Projects

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IndianOil-Adani Gas Private Limited
Notes Forming part of Financial Statements for the year ended 31 March 2021

Note: 5
Other Intangible Assets

| Particulars | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | | NET BLOCK | | |
|-------------------|---------------|-------------|-----------|-----------|--------------------------|---------------|-------------|---------------------|------------------------|---------------|---------------|---------------|
| | Balance as at | Adjustments | Additions | Disposals | Balance as at | Balance as at | Adjustments | Charge for the year | Eliminated on disposal | Balance as at | Balance as at | Balance as at |
| | 01-04-2020 | | | | 31-03-2021 | 01-04-2020 | | | | 31-03-2021 | 31-03-2021 | 01-04-2020 |
| Computer Software | 158.06 | - | 1.28 | - | 157.34 | 151.75 | - | 4.57 | - | 158.32 | 1.02 | 4.30 |
| TOTAL | 158.06 | - | 1.28 | - | 157.34 | 151.75 | - | 4.57 | - | 158.32 | 1.02 | 4.30 |
| Previous year | 155.95 | - | 0.10 | - | 153.05 | 115.88 | - | 35.77 | - | 151.75 | 4.30 | 38.57 |

Note: 5a
Right of Use - IND AS 116

| Particulars | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | | NET BLOCK | | |
|-------------------------|---------------|-------------|-----------|-----------|--------------------------|---------------|-------------|---------------------|------------------------|---------------|---------------|---------------|
| | Balance as at | Adjustments | Additions | Disposals | Balance as at | Balance as at | Adjustments | Charge for the year | Eliminated on disposal | Balance as at | Balance as at | Balance as at |
| | 01-04-2020 | | | | 31-03-2021 | 01-04-2020 | | | | 31-03-2021 | 31-03-2021 | 01-04-2020 |
| ROU - Financial lease * | 3,152.11 | - | 303.84 | - | 3,455.95 | 825.20 | - | 855.84 | - | 1,191.84 | 2,264.11 | 2,525.91 |
| TOTAL | 3,152.11 | - | 303.84 | - | 3,455.95 | 825.20 | - | 855.84 | - | 1,191.84 | 2,264.11 | 2,525.91 |
| Previous year | 284.38 | - | 2,867.75 | - | 3,152.11 | 21.59 | - | 804.61 | - | 825.20 | 2,525.91 | |

* ROU - Financial lease is amortised over a period of lease. Amount of amortisation for the current year is shown in depreciation column.

Depreciation Reconciliation

| Particulars | (₹ in Lakhs) | |
|--|--------------------------|--------------------------|
| | Year ended 31 March 2021 | Year ended 31 March 2020 |
| Depreciation charge for the year including adjustments | 570.21 | 840.38 |
| Allocated to: | | |
| Profit and Loss account | 320.24 | 35.68 |
| Capital Works in Progress | 249.97 | 804.70 |

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IndianOil-Adani Gas Private Limited
Notes Forming part of Financial Statements for the year ended 31 March 2021
(₹ in Lakhs)

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|--------------------------------|--------------------------------|
| Note 6 | | |
| <u>Other non-current financial assets</u> | | |
| Security deposits | | |
| (Unsecured, considered good) | | |
| - With Government authorities | 475.19 | 454.24 |
| - With Others | 212.54 | 252.39 |
| Deposits in Bank accounts | 38.99 | 34.49 |
| (Maturity period more than 12 months) | | |
| Total | 726.72 | 741.12 |
| Note 7 | | |
| <u>Deferred tax assets (net)</u> | | |
| <u>Tax effect of items constituting deferred tax liability</u> | | |
| On difference between book balance and tax balance of Property, Plant and Equipment and Intangible assets | 6,116.02 | 4,770.38 |
| DTL on IND AS adjustment on Borrowings | 60.94 | 72.96 |
| DTL on IND AS adjustment on IND AS 116 | 762.20 | 563.58 |
| <u>Tax effect of items constituting deferred tax liability</u> | 6,939.16 | 5,406.92 |
| <u>Tax effect of items constituting deferred tax assets</u> | | |
| Provision for compensated absences, gratuity and other employee benefits | 45.19 | 25.27 |
| Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961 | - | - |
| Unabsorbed Depreciation and Business Loss | 7,144.24 | 5,207.89 |
| DTA on IND AS adjustment on Borrowings | 60.94 | 72.96 |
| DTA on IND AS adjustment on IND AS 116 | 493.98 | 590.38 |
| <u>Tax effect of items constituting deferred tax assets</u> | 7,744.35 | 5,898.50 |
| Net deferred tax asset / (liability) | 805.19 | 489.58 |
| <u>Movement in Deferred Tax Assets</u> | | |
| Opening Balance | 489.58 | 603.99 |
| Property, Plant and Equipment and Intangible assets | (1,345.64) | (1,984.10) |
| DTL on IND AS adjustment on Borrowings | 12.02 | 81.06 |
| DTL on IND AS adjustment on IND AS 116 | (198.62) | (555.15) |
| Provision for employee benefits | 19.92 | (31.63) |
| Disallowances under the Income Tax Act, 1961 | - | - |
| Unabsorbed Depreciation and Business Loss | 1,936.35 | 1,874.52 |
| DTA on IND AS adjustment on Borrowings | (12.02) | (81.06) |
| DTA on IND AS adjustment on IND AS 116 | (96.40) | 581.95 |
| Closing Balance | 805.19 | 489.58 |

IndianOil-Adani Gas Private Limited

Notes Forming part of Financial Statements for the year ended 31 March 2021

| Particulars | (₹ in Lakhs) | |
|---|------------------------|------------------------|
| | As at 31 March 2021 | As at 31 March 2020 |
| Note 8 | | |
| <u>Other non-current assets</u> | | |
| (Unsecured, considered good) | | |
| Advance against Expenses | | |
| - Capital Advances | 1,972.74 | 228.87 |
| Income Tax Assets (Net) | | |
| - TDS Receivable | 74.78 | 42.91 |
| Prepaid expenses | 3,129.79 | - |
| Total | 5,177.31 | 271.78 |
| Note 9 | | |
| <u>Inventories</u> | | |
| Stock in trade - Natural Gas | 172.98 | 140.33 |
| (Valued at cost or NRV whichever is less) | | |
| Stores & spares | 259.49 | 582.58 |
| (Valued at cost) | | |
| Total | 432.47 | 722.91 |
| Note 10 | | |
| <u>Current Investment</u> | | |
| Investment in unquoted Mutual Funds | | |
| SBI Premier Liquid Fund Direct Plan - Growth | | 54.97 |
| No. of Units : NIL, (P.Y:1768.115); Face Value per unit: ₹ 1000 | | |
| Total | - | 54.97 |
| Aggregate value of unquoted investments | - | 54.97 |
| Note 11 | | |
| <u>Trade receivables</u> | | |
| Trade receivables - unsecured, considered good | 4,052.26 | 2,883.96 |
| TOTAL | 4,052.26 | 2,883.96 |
| (*) Includes receivables from related parties (Refer Note: 41) | 1,990.32 | 1,557.50 |

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IndianOil-Adani Gas Private Limited
Notes Forming part of Financial Statements for the year ended 31 March 2021
(₹ in Lakhs)

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|--------------------------------|--------------------------------|
| Note 12 | | |
| <u>Cash and cash equivalents</u> | | |
| Balances with bank | | |
| - In current accounts | 4,032.67 | 3,054.73 |
| - In Deposit accounts | 5,469.19 | 6,509.33 |
| (Maturity period less than 3 months) | | |
| TOTAL | 9,501.86 | 9,564.06 |
| Note 13 | | |
| <u>Other bank balances</u> | | |
| Balances with bank | | |
| - In Deposit accounts | 3,037.72 | 2,330.58 |
| (Maturity period more than 3 months and upto 12 months) | | |
| TOTAL | 3,037.72 | 2,330.58 |
| Note 14 | | |
| <u>Other current financial assets</u> | | |
| (Unsecured, considered good) | | |
| Unbilled Revenue (*) | 296.99 | 138.41 |
| TOTAL | 296.99 | 138.41 |
| (*) In case of customers where meter reading dates for billing is not matching with reporting date, the gas sales between last meter reading date and reporting date have been accrued by the company based on past average sales. The actual sales revenue may vary compared to accrued unbilled revenue. | | |
| Note 15 | | |
| <u>Other Current assets</u> | | |
| (Unsecured, considered good) | | |
| Advance against expenses | 235.58 | 377.01 |
| Balance with statutory authorities for Excise, VAT and GST | 643.03 | 664.86 |
| Prepaid expenses | 325.50 | 16.76 |
| TOTAL | 1,204.11 | 1,058.63 |

IndianOil-Adani Gas Private Limited
Statement of Changes in Equity as at 31 March 2021

Note 16

| Equity share capital | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---------------------|-------------|---------------------|-------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| (₹ in Lakhs) | | | | |
| (a) Authorised (*) (Equity shares of Rs.10 each) | 4,00,00,00,000 | 4,00,000.00 | 4,00,00,00,000 | 4,00,000.00 |
| (b) Issued, Subscribed and fully paid up (*) (Equity shares of Rs.10 each) | 86,44,90,000 | 86,449.00 | 58,20,00,000 | 58,200.00 |
| The Reconciliation of Number of Shares outstanding at the beginning and at the end of the year | | | | |
| | As at 31 March 2021 | | As at 31 March 2020 | |
| | No. of Shares | Amount | No. of Shares | Amount |
| (a) Equity | | | | |
| Balance at the beginning of the year | 58,20,00,000 | 58,200.00 | 37,10,00,000 | 37,100.00 |
| Shares allotted during the year | 28,24,90,000 | 28,249.00 | 21,10,00,000 | 21,100.00 |
| Balance at the end of the year | 86,44,90,000 | 86,449.00 | 58,20,00,000 | 58,200.00 |

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 share 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.

Details of shareholders holding more than 5% shares of the Company

| | As at 31 March 2021 | | As at 31 March 2020 | |
|--|---------------------|------------------|---------------------|------------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Equity shares of Rs.10 each fully paid | | | | |
| Indian Oil Corporation Limited | 43,22,45,000 | 43,224.50 | 29,10,00,000 | 29,100.00 |
| Adani Gas Limited | 43,22,45,000 | 43,224.50 | 29,10,00,000 | 29,100.00 |
| Total | 86,44,90,000 | 86,449.00 | 58,20,00,000 | 58,200.00 |

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IndianOil-Adani Gas Private Limited

Notes Forming part of Financial Statements for the year ended 31 March 2021

(₹ in Lakhs)

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Note 17 | | |
| <u>Non-current financial liabilities : Borrowings</u> | | |
| <u>Secured</u> | | |
| Term loans from banks | 76,204.10 | 72,163.07 |
| Total | 76,204.10 | 72,163.07 |

Terms of Repayment of Loans and Security:

Secured by:

A first ranking pari passu charge/ mortgage on the fixed assets (moveable and immovable) of the Borrower in relation to the Project, both present and future, except Current Assets (on which the working capital lenders of the Borrower shall have a first charge);

A second ranking charge/mortgage on the Current Assets of the Project, both present and future, ranking pari passu inter se the Rupee Lenders

A first pari passu charge/assignment on the Debt Service Reserve Account; and

A first charge/assignment on the Trust and Retention Accounts (other than the Debt Service Reserve Account under the Trust and Retention Account Agreement) formed under the Trust and Retention Account Agreement, pari passu with the working capital lenders

In respect of Outstanding loan taken for Allahabad and Chandigarh CGD Project:

Principal repayment payable in 28 quarterly installments starting from December 2019

Current maturities of long-term Debt is ₹ 2154.36 Lakhs payable upto March 2022

Interest is payable monthly at State bank Marginal Cost of Funds based Lending Rate (1 year MCLR) + 1%

In respect of Outstanding loan taken for Ernakulam, Daman and Panipat CGD Project:

Principal repayment payable in 28 quarterly installments starting from June 2020

Current maturities of long-term Debt is ₹ 3998 Lakhs payable upto March 2022

Interest is payable monthly at State bank Marginal Cost of Funds based Lending Rate (1 year MCLR) + 0.55%

In respect of Outstanding loan for Dharwad and Udham singh nagar CGD Project:

Principal repayment payable in 28 quarterly installments starting from June 2021

Current maturities of long-term Debt is ₹ 3216.74 Lakhs payable upto March 2022

Interest is payable monthly at State bank Marginal Cost of Funds based Lending Rate (1 year MCLR) + 0.60%

In respect of Outstanding loan for South Goa and Bulandshahr CGD Project:

Principal repayment payable in 28 quarterly installments starting from June 2024

Interest is payable monthly at State bank Marginal Cost of Funds based Lending Rate (1 year MCLR) + 0.75%

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IndianOil-Adani Gas Private Limited
Notes Forming part of Financial Statements for the year ended 31 March 2021

| (₹ in Lakhs) | | |
|--|------------------------|------------------------|
| Particulars | As at 31 March 2021 | As at 31 March 2020 |
| Note 18 | | |
| Other non-current financial liabilities | | |
| Financial Lease-Non-Current | 1,355.54 | 1,647.69 |
| Total | 1,355.54 | 1,647.69 |
| Note 19 | | |
| Long Term Provisions | | |
| Provision for gratuity (Refer Note: 39) | 50.10 | 14.35 |
| Provision for leave encashment | 119.53 | 78.95 |
| Total | 169.63 | 93.30 |
| Note 20 | | |
| Current borrowings | | |
| Secured borrowings | | |
| - Trade credit from banks (*) | 526.63 | - |
| Total | 526.63 | - |
| (*) Trade credit from banks - Interest is payable monthly at 11.05% p.a. Secured by: A first ranking charge/mortgage on the Current Assets of the Project, both present and future, ranking pari passu inter se the Rupee Lenders A second ranking pari passu charge/ mortgage on the fixed assets (moveable and immovable) of the Borrower in relation to the Project, both present and future | | |
| Note 21 | | |
| Trade payables | | |
| Trade payables | | |
| - Micro and small enterprises | - | - |
| - Others than micro and small enterprises (*) | 1,046.97 | 391.91 |
| Total | 1,046.97 | 391.91 |
| (*) Includes payables to related parties (Refer Note: 41) | | |
| | 258.14 | 182.85 |
| Note 22 | | |
| Other current financial liabilities | | |
| Current maturities of long-term Debt | 9,369.10 | 3,004.24 |
| Deposit from customer (*) | 2,524.30 | 1,491.73 |
| (*) Deposits from all customers of natural gas refundable on termination / alteration of the gas sales agreements are classified as current financial liabilities as every customer has a right to request for termination of supply and the Company does not have a contractual right to delay payment for more than 12 months | | |
| Security Deposit and retention from Contractor | 4,315.48 | 4,101.04 |
| Financial Lease-Current | 544.37 | 623.02 |
| Other payables | | |
| - Creditors for capital goods | 6,827.00 | 8,772.95 |
| - To Related parties (Refer Note: 41) | 14.94 | 1,453.61 |
| - To Others | 248.02 | 691.47 |
| Total | 23,843.21 | 20,138.06 |
| Note 23 | | |
| Other current liabilities | | |
| Statutory dues payable (includes TDS, GST, PF etc) | 581.26 | 379.29 |
| Total | 581.26 | 379.29 |
| Note 24 | | |
| Short Term Provisions | | |
| Provision for gratuity (Refer Note: 39) | 0.77 | 0.27 |
| Provision for leave encashment | 9.91 | 3.60 |
| Total | 10.68 | 3.87 |

IndianOil-Adani Gas Private Limited

Notes Forming part of Financial Statements for the year ended 31 March 2021

(₹ in Lakhs)

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Note 25 | | |
| Revenue from Operations | | |
| Sale of CNG (including excise duty) | 22,790.76 | 23,515.52 |
| Sale of PNG | 12,261.34 | 7,139.96 |
| Unbilled PNG revenue (Refer Note: (1) m) | 157.70 | 138.41 |
| Revenue from services (net) | 51.25 | 44.28 |
| Other operating revenues | 166.89 | 91.73 |
| Total | 35,427.94 | 30,929.90 |
| Note 26 | | |
| Other income | | |
| Interest income | 326.64 | 123.37 |
| Unwinding of discount on security deposits | - | - |
| Net Gain on current investments | 0.77 | 97.93 |
| Other non-operating income | 65.03 | 1.47 |
| Total | 392.44 | 222.77 |
| Note 27 | | |
| Cost of Natural Gas and Traded items | | |
| Cost of Natural Gas | 17,149.67 | 16,764.03 |
| Total | 17,149.67 | 16,764.03 |
| Note 28 | | |
| Changes in inventories | | |
| Opening Stock of Finished goods, Stock in Trade | 140.33 | 59.15 |
| Less: Closing Stock of Finished goods, Stock in Trade | 172.98 | 140.33 |
| Net change in inventory | (32.65) | (81.18) |

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IndianOil-Adani Gas Private Limited
Notes Forming part of Financial Statements for the year ended 31 March 2021
(₹ in Lakhs)

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Note 29 | | |
| <u>Employee benefit expense</u> | | |
| Salaries and wages | 1,318.21 | 799.58 |
| Contribution to provident and other funds | 41.03 | 24.78 |
| Staff Welfare Expenses | 14.17 | 13.02 |
| Total | 1,373.41 | 837.36 |
| Note 30 | | |
| <u>Finance Costs</u> | | |
| Interest on Rupee Term Loan | 5,151.73 | 3,166.87 |
| Interest on Short Term Loan | 33.74 | - |
| Financial Lease liabilities | 115.85 | 219.25 |
| Other Borrowing costs | 58.86 | 25.47 |
| Total | 5,360.18 | 3,411.59 |
| Note 31 | | |
| <u>Depreciation and Amortization</u> | | |
| Depreciation on Property, Plant and Equipment | 3,905.06 | 2,622.12 |
| Amortization on Intangible assets | 320.24 | 35.68 |
| Total | 4,225.30 | 2,657.80 |
| Note 32 | | |
| <u>Other expenses</u> | | |
| Rent, Rates and Taxes | 17.75 | 21.34 |
| Electricity & Fuel cost | 584.03 | 668.00 |
| Insurance | 87.54 | 3.41 |
| Business development expenses | 126.40 | 17.01 |
| Travelling and conveyance | 149.51 | 108.76 |
| Statutory Audit Fees | 11.03 | 8.56 |
| Legal and Professional charges | 545.42 | 214.00 |
| Operation and Maintenance | 3,030.23 | 1,560.67 |
| Consumption of stores and spares | 96.49 | 63.39 |
| Bank charges | 1,732.95 | 1,369.51 |
| Other Expenses | 756.92 | 510.31 |
| Total | 7,138.27 | 4,544.96 |

IndianOil-Adani Gas Private Limited
Notes Forming part of Financial Statements for the year ended 31 March 2021
(₹ In Lakhs)

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Note 33 | | |
| <u>Tax expense</u> | | |
| Current Tax | - | - |
| Deferred tax | (312.42) | 114.90 |
| Income tax related to items that will not be reclassified to profit or loss | 3.20 | 0.49 |
| Total | (315.62) | 114.41 |
| The Company has adopted Section 115BAA of the Income Tax Act in Financial Year 2019-20. The Tax expenses for the year ended on March 31, 2021 have been provided for at reduced tax rate (effective rate is 25.168%). | | |
| Note 34 | | |
| <u>Items that will not be reclassified to profit or loss</u> | | |
| Remeasurement of defined benefit liability (asset) | 12.30 | (1.90) |
| Total | 12.30 | (1.90) |
| Note 35 | | |
| <u>Earning per share</u> | | |
| Profit after taxes as per Statement of Profit and Loss | (1,825.00) | 15.34 |
| Net profit / (loss) attributable to equity share holders | (1,825.00) | 15.34 |
| Total number equity shares outstanding at the end of the year | 86,44,90,000 | 58,20,00,000 |
| Number of weighted average equity shares for | | |
| Basic | 68,95,37,562 | 41,32,65,753 |
| Diluted | 68,95,37,562 | 41,32,65,753 |
| Nominal value of equity share (Rs) | 10.00 | 10.00 |
| Basic earning / (loss) per share | (0.26) | 0.00 |
| Diluted earning / (loss) per share | (0.26) | 0.00 |



IndianOil-Adani Gas Private Limited

Notes Forming part of Financial Statements for the year ended 31 March 2021

(₹ in Lakhs)

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Note 36 | | |
| Contingent liabilities | | |
| Contingent liabilities(to the extent not provided for) | Nil | 27.35 |
| Demand raised by Income Tax Authorities: During the year 2018-19, in respect of Assessment Year: 2016-17, the Assessing officer has disallowed ₹4,47,59,029. The Department has raised demand of ₹27,35,908. The Company has filed appeals with Commissioner of Income Tax (Appeals) against the decision of the Income Tax Department. During the year 2020-21, the Company has received rectification order u/s 143(3) by Asst. Commissioner consequently no demand is payable. | | |
| Note 37 | | |
| Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) | 53,866.38 | 41,499.48 |
| Note 38 | | |
| Effective Tax Rate reconciliation | | |
| Profit Before Tax | (2,137.42) | 130.24 |
| Tax Rate for Corporate Entity as per I. Tax Act, 1961 | 25.17% | 26.00% |
| Tax Expense as per Income Tax Act, 1961. | NIL | NIL |
| Calculation of Provision of Tax as per I.Tax Act 1961 | | |
| Profit before tax as per books | (2,137.42) | 130.24 |
| Additional Depreciation Allowable as per I.Tax Act | (4,225.30) | (2,657.79) |
| Employee benefits disallowed during the period | 82.36 | 40.27 |
| Other Disallowable expenses | | |
| Total differences b/w financial & Statement of Income | (6,280.36) | (2,487.28) |
| Tax Provision | - | - |
| Total Current Tax Provision as per Books | - | - |
| Effective Tax Rate | - | - |
| Tax Adjustments of earlier years | - | - |
| Deferred Tax Liability Provision | | |
| Change in unrecognised temporary differences | -315.62 | 115.39 |
| Total Tax expense as per Financial Statement | (315.62) | 115.39 |

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Note 39

Employee benefit plans

Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans maintained by Employee Provident Fund Commissioner, Delhi, for qualifying employees.

Defined benefit plans

The Company offers the Gratuity and Leave encashment benefit schemes to its employees

The liability for gratuity is funded annually to a gratuity fund maintained with the Life Insurance Corporation of India

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

| Particulars | (₹ in Lakhs) | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Gratuity | | Leave Encashment | |
| | As at 31-03-2021 | As at 31-03-2020 | As at 31-03-2021 | As at 31-03-2020 |
| Change in Benefit Obligation | | | | |
| Present value of obligation as at the beginning of the period | 74.43 | 39.03 | 82.56 | 50.77 |
| Acquisition adjustment | - | - | - | - |
| Interest Cost | 5.03 | 2.99 | 5.58 | 3.89 |
| Service Cost | 47.46 | 34.42 | 53.22 | 38.67 |
| Past Service Cost including curtailment Gains/Losses | - | - | - | - |
| Benefits Paid | - | - | (5.78) | (12.05) |
| Total Actuarial (Gain)/Loss on Obligation | (12.61) | (2.00) | (6.13) | 1.27 |
| | 114.32 | 74.43 | 129.44 | 82.56 |
| Present value of obligation as at the End of the period | | | | |
| Balance Sheet and related analysis | | | | |
| Present Value of the obligation at end | 114.32 | 74.43 | 129.44 | 82.56 |
| Fair value of plan assets | 63.46 | 59.82 | - | - |
| Unfunded Liability/provision in Balance Sheet | (50.86) | (14.62) | (129.44) | (82.56) |
| The amounts recognized in the income statement | | | | |
| Total Service Cost | 47.46 | 34.42 | 53.22 | 38.67 |
| Net Interest Cost | 0.99 | 0.47 | 5.58 | 3.89 |
| Net actuarial (gain) / loss recognized in the period | - | - | (6.13) | 1.27 |
| Expense recognized in the Income Statement | 48.45 | 34.89 | 52.67 | 43.83 |
| Assumptions | | | | |
| Interest / Discount rate | 6.76% | 6.76% | 6.76% | 6.76% |
| Rate of increase in compensation | 8.00% | 8.00% | 8.00% | 8.00% |
| | IALM(2012-14) | IALM(2012-14) | IALM(2012-14) | IALM(2012-14) |
| Mortality | | | | |
| Retirement Age (Years) | 68 | 58 | 58 | 58 |
| Attrition at Ages (Withdrawal Rate (%)) | | | | |
| Up to 30 Years | 6% | 6% | 6% | 6% |
| From 31 to 44 years | 1% | 1% | 1% | 1% |
| Above 44 years | 0% | 0% | 0% | 0% |
| Leave Availment Rate | | | 2% | 2% |
| | | | (₹ in Lakhs) | |
| Sensitivity Analysis of the defined benefit obligation | | | | |
| a) Impact of the change in discount rate | | | | |
| Present Value of Obligation closing | 114.32 | 74.43 | 129.44 | 82.56 |
| Impact due to increase of 0.50 % | (10.42) | (6.83) | (11.19) | (7.08) |
| Impact due to decrease of 0.50 % | 11.79 | 7.75 | 12.83 | 8.01 |
| b) Impact of the change in salary increase | | | | |
| Present Value of Obligation closing | 114.32 | 74.43 | 129.44 | 82.56 |
| Impact due to increase of 0.50 % | 11.59 | 7.62 | 12.42 | 7.87 |
| Impact due to decrease of 0.50 % | (10.35) | (6.78) | (11.12) | (7.03) |
| Maturity Profile of Defined Benefit Obligation | | | | |
| 0 to 1 Year | 0.77 | 0.27 | 9.91 | 3.60 |
| 1 to 2 Year | 1.09 | 0.83 | 2.79 | 4.78 |
| 2 to 3 Year | 3.33 | 0.94 | 4.54 | 1.65 |
| 3 to 4 Year | 5.24 | 2.08 | 1.99 | 1.96 |
| 4 to 5 Year | 1.48 | 3.40 | 1.65 | 1.17 |
| 5 to 6 Year | 3.84 | 0.89 | 3.75 | 0.97 |
| 6 Year onwards | 98.57 | 66.04 | 104.80 | 68.44 |

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IndianOil-Adani Gas Private Limited

Notes Forming part of Financial Statements for the year ended 31 March 2021

Note 39

Employee benefit plans (continued)

(₹ In Lakhs)

| Particulars | Gratuity | |
|---|------------|------------|
| | As at | As at |
| | 31-03-2021 | 31-03-2020 |
| Other Comprehensive Income (OCI) | | |
| Net cumulative unrecognized actuarial gain/(loss) opening | - | - |
| Actuarial gain / (loss) for the year on PBO | 12.61 | 2.00 |
| Actuarial gain /(loss) for the year on Asset | (24.90) | (0.10) |
| Unrecognized actuarial gain/(loss) For the Year ended | (12.30) | 1.90 |
| Change in plan assets | | |
| Fair value of plan assets at the beginning of the period | 59.82 | 32.90 |
| Difference in Opening Fund | (24.81) | |
| Actual return on plan assets | 4.30 | 2.95 |
| Less- FMC Charges | (0.35) | (0.53) |
| Employer contribution | 24.50 | 24.50 |
| Benefits paid | - | - |
| Fair value of plan assets at the end of the period | 63.46 | 59.82 |
| Reconciliation of Present value of obligation and the | | |
| Fair value of the plan assets | | |
| Present value of obligation | 114.32 | 74.43 |
| Fair value of plan assets | 63.46 | 59.82 |
| Net assets / (liability) recognized in balance sheet as provision | (50.86) | (14.62) |

Note 40

Segment Reporting

The Company is in the business of carrying out City Gas Distribution in the geographical area primarily in India which constitutes a single business segment.

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IndianOil-Adani Gas Private Limited
Notes Forming part of Financial Statements for the year ended 31 March 2021

Note 41

Related Party Transactions

| Description of relationship | Names of related parties |
|---------------------------------------|--|
| Entities having significant influence | Indian Oil Corporation of India Limited (IOCL) Adani Total Gas Limited (ATGL) |
| Key Management Personnel | <u>Nominee Directors from IOCL</u> Mr. G.K. Satish wef 23/07/2020 Mr. S.K. Sharma, resigned on 22/07/2020 and again appointed wef 04/12/2020 <u>Nominee Directors from AGL</u> Mr. Suresh Prakash Manglani Mr. Ashish Rajvanshi Mr. Jose Ignacio Sanz Salz wef 04/12/2020 <u>Managerial Personnel</u> Mr. Rajiv Sikka, CEO Mr. Yash Anora, CFO Ms. Himanshi Zaira, CS wef 20/04/2020 |

Details of related party transactions during the year ended 31 March, 2021 and balances outstanding as at 31 March, 2021:

(₹ In Lakhs)

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|--------------------------------|--------------------------------|
| Related Party Transactions | | |
| <u>Indian Oil Corporation of India Limited (IOCL)</u> | | |
| Sale of CNG (excluding excise) | 14,427.81 | 15,936.74 |
| Purchase of Natural Gas | 1,423.27 | 5,435.59 |
| Gas Transport Charges | 237.99 | 111.00 |
| Employee deputation and welfare expense | 446.68 | 230.65 |
| Corporate Guarantee Commission | 416.95 | 416.95 |
| Reimbursement of other expenses | 8.09 | 58.08 |
| Equity shares issued | 14,124.50 | 10,550.00 |
| Share application money pending allotment | 2,262.50 | - |
| Tap Off O & M Charges | 14.97 | 14.25 |
| Facility Charges | 250.99 | 264.65 |
| <u>Adani Total Gas Limited (ATGL)</u> | | |
| Sale of CNG | 142.13 | 25.80 |
| Sale of goods | 13.70 | 471.65 |
| Operating Income | 190.06 | - |
| Purchase of goods | 2.04 | - |
| Gas Transport Charges | 112.83 | 144.47 |
| Purchase of Natural Gas | 103.73 | 287.56 |
| Employee deputation and welfare expense | 509.50 | 313.07 |
| Corporate Guarantee Commission | 416.95 | 416.95 |
| Equity shares issued | 14,124.50 | 10,550.00 |
| Short term loan received | 700.00 | - |
| Short term loan repaid | 700.00 | - |
| Interest on short term loan | 33.74 | - |
| Reimbursement of other expenses | 159.48 | 234.41 |
| <u>Adani Total Pvt Ltd</u> | | |
| Purchase of Natural Gas | 1,333.36 | - |
| Outstanding balances at year end: | As at 31 March 2021 | As at 31 March 2020 |
| <u>Payables</u> | | |
| Indian Oil Corporation of India Limited (IOCL) | 119.99 | 684.60 |
| Adani Total Gas Limited (ATGL) | 463.15 | 789.02 |
| Adani Total Pvt Ltd | 179.39 | - |
| Adani Enterprises Limited (AEL) | - | 93.10 |
| <u>Receivables</u> | | |
| Indian Oil Corporation of India Limited (IOCL) | 1,990.32 | 1,557.50 |
| Adani Gas Limited (AGL) | 91.72 | 500.88 |
| <u>Security Deposit</u> | | |
| Indian Oil Corporation of India Limited (IOCL) | 3.55 | 3.55 |

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IndianOil-Adani Gas Private Limited
Notes Forming part of Financial Statements for the year ended 31 March 2021

Note 42
Details unhedged exposures and transactions in foreign currency

The Company does not have any transactions in foreign currency during the year ended 31st March 2021

Note 43
MSME Vendors

MSME creditors if any are as identified by the management based on available data. Disclosure required under section 22 of the Micro, Small and Medium Enterprise Development Act, 2008:

| (₹ in Lakhs) | | |
|--|------------------------|------------------------|
| Particulars | As at 31 March 2021 | As at 31 March 2020 |
| Delayed payments due as at the end of each accounting year on account of Principal | Nil | Nil |
| Delayed payments due as at the end of each accounting year on account of Interest due thereon | Nil | Nil |
| Total Interest paid on all delayed payments during the year under the provisions of the Act | Nil | Nil |
| Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act | Nil | Nil |
| Interest accrued as at the end of the year but not due as interest is computed at monthly rests from the due date | Nil | Nil |
| All interest amounts remaining due together with that from prior year(s) until such date when the interest was actually paid | Nil | Nil |

Note 44
Lease rentals

The Company has adopted Ind AS 116 with modified retrospective approach, with effect from 1st April, 2019.

| Carrying amounts of IND AS 116 - Lease assets (₹ in Lakhs) | | |
|--|------------------------|------------------------|
| Particulars | As at 31 March 2021 | As at 31 March 2020 |
| Balance at 31 March | 1,792.00 | 2,187.90 |

| (₹ in Lakhs) | | |
|---|------------------------|------------------------|
| Particulars | As at 31 March 2021 | As at 31 March 2020 |
| Repayment of lease liabilities | 798.14 | 705.58 |
| Interest on lease liabilities charged to P&L | 115.85 | 219.25 |
| Interest on lease liabilities charged to CWIP | 12.22 | - |
| Total cash outflow on leases | 926.21 | 924.84 |

Maturity analysis (Based on undiscounted lease payments) are as follows:

| (₹ in Lakhs) | | |
|---|------------------------|------------------------|
| Particulars | As at 31 March 2021 | As at 31 March 2020 |
| Within one year | 563.98 | 893.04 |
| Later than one year and not later than five years | 1,432.74 | 1,687.79 |
| More than five years | 360.76 | 925.27 |

Note 45
Information regarding raw material and stores and spares consumed

| (₹ in Lakhs) | | |
|----------------------------------|------------------------|------------------------|
| Particulars | As at 31 March 2021 | As at 31 March 2022 |
| Raw material | | |
| Natural Gas | | |
| - Opening Stock | 140.33 | 59.15 |
| - Purchases | 17,236.18 | 16,764.03 |
| - Consumption | 17,117.02 | 16,682.85 |
| - Closing Stock | 259.49 | 140.33 |
| Stores and spares | | |
| Indigenous | | |
| - Opening Stock | 582.58 | 175.45 |
| - Purchases | 516.78 | 470.52 |
| - Consumption | 98.49 | 63.39 |
| - Re-classified to Capital stock | 743.38 | - |
| - Closing Stock | 259.49 | 582.58 |

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Note 48

Financial Instruments – Fair values and risk management

A The carrying value of financial instruments by categories as of March 31, 2021 is as follows :

(₹ in Lakhs)

| Particulars | Fair Value through profit or loss | Amortised cost | Total |
|--|-----------------------------------|--------------------|--------------------|
| Financial Assets | | | |
| i. Investments | - | - | - |
| ii. Trade receivables | - | 4,052.26 | 4,052.26 |
| iii. Cash and cash equivalents | - | 9,501.86 | 9,501.86 |
| iv. Other Bank balances | - | 3,037.72 | 3,037.72 |
| v. Other current financial assets | - | 296.99 | 296.99 |
| vi. Other non-current financial assets | - | 726.72 | 726.72 |
| Total | - | 17,615.55 | 17,615.55 |
| Financial Liabilities | | | |
| i. Borrowings | - | 76,204.10 | 76,204.10 |
| ii. Trade payables | - | 1,046.97 | 1,046.97 |
| iii. Other non-current financial liabilities | - | 1,355.54 | 1,355.54 |
| iv. Other current financial liabilities | - | 23,843.21 | 23,843.21 |
| Total | - | 1,02,449.82 | 1,02,449.82 |

The carrying value of financial instruments by categories as of March 31, 2020 is as follows :

(₹ in Lakhs)

| Particulars | Fair Value through profit or loss | Amortised cost | Total |
|--|-----------------------------------|------------------|------------------|
| Financial Assets | | | |
| i. Investments | 54.97 | - | 54.97 |
| ii. Trade receivables | - | 2,883.96 | 2,883.96 |
| iii. Cash and cash equivalents | - | 9,564.06 | 9,564.06 |
| iv. Other Bank balances | - | 2,330.58 | 2,330.58 |
| v. Other current financial assets | - | 138.41 | 138.41 |
| vi. Other non-current financial assets | - | 741.12 | 741.12 |
| Total | 54.97 | 15,658.13 | 15,713.10 |
| Financial Liabilities | | | |
| i. Borrowings | - | 72,163.07 | 72,163.07 |
| ii. Trade payables | - | 391.91 | 391.91 |
| iii. Other non-current financial liabilities | - | 1,647.69 | 1,647.69 |
| iv. Other current financial liabilities | - | 20,138.06 | 20,138.06 |
| Total | - | 94,340.73 | 94,340.73 |

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations/projects and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations/projects and investment in Mutual Funds which are for temporary parking of funds required for the project.

B

Interest rate risk

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.

C Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks and financial institutions.

Customer credit risk is managed by the Company's, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

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Note 47
Auditors' remuneration (including taxes)

| Particulars | (₹ in Lakhs) | |
|----------------------|------------------------|------------------------|
| | As at 31 March 2021 | As at 31 March 2020 |
| Statutory Audit fees | 9.79 | 7.67 |
| Tax Audit fees | 1.18 | 0.89 |
| Total | 10.97 | 8.56 |

Note 48
Bank Guarantee

The Company has been granted authorization for laying, building, operating and expanding City Gas Distribution (CGD) network in the ten geographical areas under the Petroleum and Natural Gas Regulatory Board (Authorizing entities to lay, build, operate or expand city or local Natural Gas Distribution Networks) Regulation 2008. The Company has submitted a performance bank guarantee of ₹7,09,092 Lakhs to Petroleum and Natural Gas Regulatory Board to cover the construction obligation for creation of infrastructure in the first 5 to 8 years.

Note 49

- The Company do not have any pending litigations which would impact its financial position
- The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses
- The Company was not required to transfer any amount to Investor Education and Protection Fund during the year
- The Company does not foresee any decommissioning cost in respect of fixed assets of the Company, in view of nature of its business.

Note 50

Balances of payable, advances and other recoverable accounts are subject to reconciliation / confirmation from the respective parties. The management does not expect to have any material differences affecting the financial statements for the year

Note 51

The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial statements. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID-19, the Company has, at the date of approval of the financial statements, expects that the carrying amount of the assets will continue to be maintained. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of the same.

Note 52


Previous year figures have been regrouped / reclassified, wherever necessary, to confirm with current years grouping.


As per our report of even date attached.
For M/s V.K. Dhingra & Co.
Chartered Accountants Registration
No: 000250N


Lalit Ahuja
Partner
Membership No: 085842



For and on behalf of the Board of Directors


Suresh P. Mangani
Director
DIN:00165162


G.K. Satish
Chairman
DIN:06932170


Rajiv Sikka
Chief Executive Officer


Yash Arora
Chief Finance Officer


Himanshi Zaira
Company Secretary

IndianOil-Adani Gas Private Limited

Notes Forming part of Financial Statements for the year ended 31 March 2021

1. Company Overview and Significant Accounting Policies

A. Company Overview Corporate Information

Indian Oil-Adani Gas Private Limited (IOAGPL), a joint venture company between Indian Oil Corporation Limited ('IOCL') and Adani Gas Limited ('AGL'), was incorporated on October 4, 2013 vide CIN: U40300DL2013PTC258690, to engage in the business of carrying out City Gas Distribution. The Company is domiciled and incorporated in India. The registered office of the company is located at 306-309, 3rd Floor, Salcon Aurum, Plot No.4, Jasola District Centre, New Delhi-110025.

B. Significant Accounting Policies

a. Basis of Preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 and the Companies (Indian Accounting Standards) Rules (as amended from time to time) and other relevant provisions of the Act.

These Financial statements have been prepared on accrual basis of accounting under Historical Cost convention, except for certain financial instruments that are measured at fair values and amortized cost.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

The Financial Statements have been presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in Indian Rupees (₹) have been rounded off to the nearest two decimals of Lakhs unless otherwise stated.

In preparing the financial statements in conformity with Company's Accounting Policies, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements, the amounts of revenue and expenses during the reported period and notes to the Financial Statements. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period in which the same is determined.

b. Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

1. it is probable that future economic benefits associated with the item will flow to the entity; and
2. the cost of the item can be measured reliably Property, Plant and Equipment, are stated at cost of acquisition or construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management less accumulated depreciation and cumulative impairment losses & net recoverable taxes, wherever applicable.

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IndianOil-Adani Gas Private Limited

Notes Forming part of Financial Statements for the year ended 31 March 2021

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax interest rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its carrying amount or recognized as a separate asset, if appropriate and carrying amount of replacement parts is derecognized at its carrying value.

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.

An item of Property, plant and equipment is derecognized 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 recognized in profit or loss.

The Natural Gas distribution systems for PNG connections are capitalized when ready for supply of gas to individual consumers.

The CNG outlets are capitalized when ready for sale of CNG to the customers.

In the case of commissioned assets where final payment to the contractors is pending, capitalization is made on an estimated basis wherever applicable pending receipt of final bills from the contractors and subject to adjustment in cost and depreciation in the year of final settlement.

Depreciation / Amortization

Depreciation on items of PPE excluding free hold land, is provided on straight line method in accordance with the useful life as specified in Schedule II to the Companies Act, 2013 except in case of following assets where depreciation is charged over the estimated useful life of the asset. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

| Asset Class | Estimated Useful Life |
|-------------|-----------------------|
| Compressors | 10 years |
| Dispensers | 10 years |
| Cascades | 20 years |

Depreciation is charged on pro-rata basis from / up to the month of capitalization / sale, disposal and dismantling of the assets during the year.

Cost of leasehold land is amortized over the lease period where the significant risk & rewards incidental to ownership is not transferred to company.

Assets residual values and useful lives are reviewed and adjusted, at the end of each reporting period. Residual value is generally considered between 0 to 5% of cost of assets.

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IndianOil-Adani Gas Private Limited

Notes Forming part of Financial Statements for the year ended 31 March 2021

Capital work-in-progress

The cost incurred on assets, which are not yet ready to use and capital inventory are disclosed under capital work-in-progress.

Expenditure incurred during the period of construction including all direct expenses (including finance cost) attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management is carried forward. On completion, the costs are allocable to the respective fixed assets. All costs attributable to respective assets are capitalized to the assets. Other expenses are capitalized to Plant and Machinery in proportion of the value of the assets. Capital spares are valued at cost.

c. Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets are amortized on straight line basis over their estimated useful life as below:

| Assets Class | Estimated Useful Life |
|--------------|-----------------------|
| Software | 3 Years |

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 in respect of finite intangible assets. 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.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets with infinite useful life tested annually for impairment. The useful life of an intangible asset that is not amortised, is reviewed at each period to determine whether events and circumstances continue to support an infinite useful life assessment for that asset. If they do not, the change in the useful life assessment from infinite to finite shall be accounted for as a change in an accounting estimate.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is de-recognized

d. Borrowing Cost

Borrowing cost consists of interest and other costs in connection with the borrowings of funds. Borrowing costs computed based on effective interest rate method as per the policy of financial liability.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, up to the date that asset are ready for use their intended use, are capitalized as part of the cost of that asset.

Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized up to the date of capitalization.

Financing cost, if any, incurred on General Borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined after setting off the amount of internal accruals.



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Other borrowing costs are charged to the Statement of Profit & Loss in which they are incurred.

e. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities

Show-cause Notices Issued by various Government Authorities are not considered as Obligation.

When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

The treatment in respect of disputed obligations are as under:

- a) a provision is recognized in respect of present obligations where the outflow of resources is probable;
- b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

Contingent Asset

A contingent asset is disclosed where an inflow of economic benefits is probable.

f. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account are considered for disclosure

g. Taxes on Income Current income tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961

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.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized 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.

Deferred tax

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

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Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that future 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, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Any tax credit available is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h. Cash Flow Statements

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and Cash Equivalents (For Purposes of Cash flow Statements)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short- term balances (with an original maturity of 3 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 risks of changes in value

i. Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti-dilutive

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j. Leases

The Company has adopted Ind AS 116 with modified retrospective approach, with effect from 1st April, 2019. Accordingly, the comparative periods have not been restated. There is no impact of Ind AS 116 adoption to the retained earnings as at 1st April, 2019. In the results for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous period to depreciation for the right to use asset and finance cost for interest accrued on lease liability.

k. Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification as per the requirements of Ind AS compliant Schedule III to the Companies Act, 2013.

l. Inventories**Finished Products and Stock-in-Trade**

Stock of CNG in cascades and Natural Gas in pipelines is valued at lower of cost and net realizable value. Cost is ascertained on weighted average cost method and includes expenditure incurred in the normal course of business in bringing inventories to their location & condition except the taxes & duties which are recoverable. Net Realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

Closing stock of Natural Gas in pipelines and cascades is estimated on a volumetric basis.

Stores and Spares

Stores and spares not meeting the definition of PPE are valued at weighted average cost. Stores & Spares in transit (not meeting the definition of PPE) are valued at cost.

m. Revenue Recognition

The Company is in the business of City Gas Distribution and it earns revenue primarily from sale of piped natural gas (PNG) and compressed natural gas (CNG).

Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., customer loyalty points). In determining the transaction price for the sale of products, the company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue from the sale of piped natural gas (PNG) and compressed natural gas (CNG) are recognized at a point in time, generally upon delivery of the products. Sales are billed bi-monthly for domestic customers, fortnightly for commercial, Non commercial & Industrial Customer. Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to customers from CNG stations.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved



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Notes Forming part of Financial Statements for the year ended 31 March 2021

The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The volume rebates/ Cash discount give rise to variable consideration. To estimate the variable consideration for the expected future rebates/ cash discount, the Company applies the most likely amount method for contracts with a single- volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract and accordingly, the Company recognizes a refund liability for the expected future rebates.

Interest income from financial assets is recognized using effective interest rate (EIR) method. Dividend income is recognized when the company's right to receive dividend is established.

Claims (including interest on outstanding) are recognized at cost when there is reasonable certainty regarding its ultimate collection.

Unbilled Revenue

In case of customer where meter reading dates for billing is not matching with reporting date, the Gas sales between last meter reading date and reporting date is accrued by the Company based on past average sales. The actual sales revenue may vary compared to accrued unbilled revenue included in sales of natural gas and classified under current financial assets.

n. Foreign Currency Transactions

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at exchange rates prevailing as at the end of reporting period.

Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are valued at the exchange rate prevailing on the date of the transaction, other than revalued items.

Non-monetary items which are revalued in a foreign currency are translated using the exchange rates at the date when the revaluation is determined. The gain or loss arising on translation of revalued non-monetary items is treated in line with the recognition of the gain or loss on revaluation of the item (i.e., translation differences on items whose revaluation gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

o. Employee Benefits

Company's contribution to defined contribution plans such as Provident Fund, are charged to the Statement of Profit and Loss, CWIP as and when incurred.

The Company also provides for retirement benefits such as gratuity and leave encashment.

Short Term Employee Benefits:

Short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period the employee rendered such services.

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Post-Employment Benefits:

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 recognized 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 recognizes the following changes in the net defined benefit obligation as an expense in the Financial statement:

- > 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.

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

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.

p. Impairment of Plant, Property and Equipment's and Intangible Assets

The values of tangible and intangible assets of respective Cash Generating Units (CGU) are reviewed by the management for impairment at each Balance Sheet date, if events or circumstances indicate that the carrying values may not be recoverable.

If the carrying value is more than the recoverable amount of the asset, the difference is recognized as an impairment loss. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any).

q. Accounting of Claims

Claims received are accounted at the time of lodgment depending on the certainty of receipt and claims payable are accounted at the time of acceptance.

Claims raised by Government authorities regarding taxes and duties, which are disputed by the Company, are accounted based on merits of each claim. Adjustments, if any, are made in the year in which disputes are finally settled.

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r. Grants

Capital Grants

In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are deferred & recognized as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

Revenue Grants

Revenue grants are reckoned as per the respective schemes notified by Government from time to time, subject to final adjustments as per separate audit wherever applicable.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

s. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operational Decision Maker (CODM). Accordingly, the Board of Directors of the Company is CODM for the purpose of segment reporting. The Company operates in a single segment of City Gas Distribution and relevant disclosure requirement as per Ind AS 108 "Operating Segments" have been disclosed by the Company under note no.40.

t. Related Party Transaction

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" has been set out in note 41. 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.

u. 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.

v. Financial Instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognized and are measured initially at fair value adjusted by transactions costs, except for those financial assets which are classified at fair value through profit or loss (FVTPL) at inception.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortized cost
- financial assets at fair value through profit or loss (FVTPL)
- financial assets at fair value through other comprehensive income (FVOCI)

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IndianOil-Adani Gas Private Limited

Notes Forming part of Financial Statements for the year ended 31 March 2021

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

Amortized cost

A financial asset is measured at amortized cost using effective interest rates if both of the following conditions are met:

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

The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortized cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at FVOCI

FVOCI financial assets are either debt instruments that are managed under hold to collect and sell business model or are non-trading equity instruments that are designated to this category.

FVOCI financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognized in statement of profit or loss.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss. All derivative financial instruments are accounted for at FVTPL.

Embedded Derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

Trade Receivables

The Company applies approach as specified in Indian Accounting Standards (Ind AS) 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of receivables.

Other Financial Assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition.

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2. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with Indian Accounting Standards (IND AS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year.

Accounting estimates could change from year to year. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

Defined Benefit Obligation (DBO)

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

Useful lives of depreciable/ amortizable assets (tangible and intangible)

Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment



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