

**NOTICE - UNSECURED CREDITORS**

## ADANI GAS LIMITED

<b>Registered Office</b>	"Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat, India
<b>Tel No</b>	+91-79-2555 6129
<b>CIN</b>	U40100GJ2005PLC046553
<b>Website</b>	www.adanigas.com
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### MEETING OF THE UNSECURED CREDITORS

OF

### ADANI GAS LIMITED

(convened pursuant to order dated 10<sup>th</sup> day of May 2018 passed by the  
National Company Law Tribunal, Bench, at Ahmedabad)

#### MEETING

<b>Day</b>	Tuesday
<b>Date</b>	3 <sup>rd</sup> day of July 2018
<b>Time</b>	4.00 p.m. (1600 hours)
<b>Venue</b>	J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
BENCH, AT AHMEDABAD  
CA (CAA) NO. 37/NCLT/AHM/2018**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Adani Gas Limited;

And

In the matter of Composite Scheme of Arrangement among Adani Gas Holdings Limited and Adani Gas Limited and Adani Enterprises Limited and their respective shareholders and creditors;

**Adani Gas Limited**, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat, India, } ..... Applicant Company

**NOTICE CONVENING THE MEETING OF THE UNSECURED  
CREDITORS OF THE APPLICANT COMPANY**

To,

**All the unsecured creditors of Adani Gas Limited (the "Applicant Company"):**

**TAKE NOTICE** that by an order made on the 10<sup>th</sup> day of May 2018 in the abovementioned Company Application (the "**Order**"), the Hon'ble National Company Law Tribunal, Bench, at Ahmedabad ("**NCLT**") has directed that a meeting of the unsecured creditors of the Applicant Company, be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Tuesday, the 3<sup>rd</sup> day of July 2018 at 4.00 p.m. (1600 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Composite Scheme of Arrangement among Adani Gas Holdings Limited and Adani Gas Limited and Adani Enterprises Limited and their respective shareholders and creditors ("**Scheme**").

**TAKE FURTHER NOTICE** that in pursuance of the said Order and as directed therein, a meeting of the unsecured creditors of the Applicant Company, will be held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Tuesday, the 3<sup>rd</sup> day of July 2018 at 4.00 p.m. (1600 hours), at which place, day, date and time you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

**"RESOLVED THAT** pursuant to the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> day of March 2017, the no adverse observation/no objection letters issued by each of the BSE Limited and the National Stock Exchange of India Limited, both dated 20<sup>th</sup> day of March 2018, and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench, at Ahmedabad ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s)



which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Composite Scheme of Arrangement among Adani Gas Holdings Limited and Adani Gas Limited and Adani Enterprises Limited and their respective shareholders and creditors ("**Scheme**") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

**TAKE FURTHER NOTICE** that in compliance with the provisions of Section 230-232 of the Companies Act, 2013, the Applicant Company has provided the facility of voting by ballot/polling paper at the venue of the meeting to be held on Tuesday, the 3<sup>rd</sup> day of July 2018.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat, India or at the office of its advocates, M/s. Singhi & Co., Singhi House, 1, Magnet Corporate Park, Near Sola Bridge, S. G. Highway, Ahmedabad – 380 059, Gujarat, India.

NCLT has appointed Mr. J.C. Upadhyay, former judge of the High Court of Gujarat and in his absence Mr. Rajesh S. Adani, Director of the Applicant Company to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Sd/-  
**Mr. Justice J.C. Upadhyay**  
Former Judge of the High Court of Gujarat  
Chairman appointed for the meeting

Dated this 30<sup>th</sup> day of May 2018.

Registered office: "Adani House",  
Near Mithakhali Six Roads,  
Navrangpura,  
Ahmedabad- 380 009,  
Gujarat, India.

**Notes:**

1. All alterations made in the Form of Proxy should be initialled.
2. Only unsecured creditors of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an unsecured creditor of the Applicant Company) or in the case of a body corporate, by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the unsecured creditors of the Applicant Company. The authorised representative of a body corporate which is an unsecured creditor of the Applicant Company may attend and vote at the meeting of the unsecured creditors of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the unsecured creditors of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the unsecured creditors of the Applicant Company. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company.
3. The quorum of the meeting of the unsecured creditors of the Applicant Company shall be 5 (five) unsecured creditors of the Applicant Company, present in person.
4. Unsecured creditor or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
5. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the unsecured creditors at the registered office of the Applicant Company between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.
6. Unsecured creditors as per the books of accounts as on 25<sup>th</sup> day of May 2018 are entitled to exercise their right to vote on the above meeting.
7. NCLT by its said Order has directed that a meeting of the unsecured creditors of the Applicant Company shall be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Tuesday, the 3<sup>rd</sup> day of July 2018 at 4.00 p.m. (1600 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured creditors would be entitled to vote in the said meeting either in person or through proxy.
8. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the unsecured creditors of the Applicant Company, voting in person or by proxy, agree to the Scheme.
9. The Notice, together with the documents accompanying the same, is being sent to the unsecured creditors by Registered Post or Speed Post or by Courier or by e-mail. The Notice will be displayed on the website of the Applicant Company, [www.adanigas.com](http://www.adanigas.com).
10. The notice convening the meeting, the date of dispatch of the notice and the Explanatory Statement, amongst others, will be published through advertisement in the following newspapers, namely, (i) Economic Times (Ahmedabad Edition) in the English language; and (ii) translation thereof in Economic Times (Ahmedabad Edition) in the Gujarati language.
11. Mr. Chirag Shah, Practicing Company Secretary (Membership No. FCS 5545/COP 3498) has been appointed as the scrutinizer to conduct the voting process through ballot/polling at the venue of the meeting in a fair and transparent manner.
12. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the unsecured creditors of the Applicant Company through ballot/polling paper at the venue of the meeting. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through ballot/polling paper at the venue of the meeting will be announced on or before 5<sup>th</sup> day of July 2018 at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company [www.adanigas.com](http://www.adanigas.com).

**Encl.: As above**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
BENCH, AT AHMEDABAD  
CA (CAA) NO. 37/NCLT/AHM/2018**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Adani Gas Limited;

And

In the matter of Composite Scheme of Arrangement among Adani Gas Holdings Limited and Adani Gas Limited and Adani Enterprises Limited and their respective shareholders and creditors;

**Adani Gas Limited**, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat, India. } ..... Applicant Company

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE  
COMPANIES ACT, 2013 READ WITH RULE 6 OF THE  
COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. Pursuant to the order dated 10<sup>th</sup> day of May 2018, passed by the Hon'ble National Company Law Tribunal, Bench, at Ahmedabad (the "**NCLT**"), in C.A. (CAA) No. 37/NCLT/AHM/2018 ("**Order**"), a meeting of the unsecured creditors of Adani Gas Limited (hereinafter referred to as the "**Applicant Company**" or the "**Resulting Company**" or the "**Transferee Company**" or "**AGL**" as the context may admit) is being convened at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Tuesday, the 3<sup>rd</sup> day of July 2018 at 4.00 p.m. (1600 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the Composite Scheme of Arrangement among Adani Gas Holdings Limited (hereinafter referred to as the "**Transferor Company**" or "**AGHL**" as the context may admit) and the Applicant Company and Adani Enterprises Limited (hereinafter referred to as the "**Demerged Company**" or "**AEL**" as the context may admit) and their respective shareholders and creditors under Sections 230 – 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (the "**Scheme**"). AEL and AGHL and AGL are together referred to as the "**Companies**". A copy of the Scheme, which has been, inter alios, approved by the Board of Directors of the Applicant Company at its meeting held on 18<sup>th</sup> day of January 2018, is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme unless otherwise stated.
2. In terms of the said Order, the quorum for the said meeting shall be 5 (five) unsecured creditors present in person. Further in terms of the said Order, NCLT, has appointed Mr. J.C. Upadhyay, former judge of the High Court of Gujarat and in his absence Mr. Rajesh S. Adani, Director of the Applicant Company as the Chairman of the meeting of the unsecured creditors of the Applicant Company including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "**Act**") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "**Rules**").

4. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the unsecured creditors of the Applicant Company shall be convened and held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Tuesday, the 3<sup>rd</sup> day of July 2018 at 4.00 p.m. (1600 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured creditors would be entitled to vote in the said meeting either in person or through proxy.
5. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the unsecured creditors, or class of unsecured creditors, of the Applicant Company, as the case may be, voting in person or by proxy agree to the Scheme.
6. In terms of the Order dated 10<sup>th</sup> day of May 2018, passed by the NCLT, in CA(CAA) No. 37/NCLT/AHM/2018, if the entries in the records/registers of the Applicant Company in relation to the number or value, as the case may be, of the unsecured creditors are disputed, the Chairman of the meeting shall determine the number or value, as the case may be, for purposes of the meeting, subject to the orders of the NCLT in the petition seeking sanction of the Scheme.

#### **Particulars of the AGL**

7. AGL was incorporated on 5<sup>th</sup> day of August 2005 as Adani Energy (U.P.) Limited, a public company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956. Adani Energy (U.P.) Limited was thereafter converted into a private limited company and fresh certificate of incorporation was issued to it on 26<sup>th</sup> day of March 2009. Its name was then changed to Adani Gas Private Limited on 31<sup>st</sup> day of December 2009. Adani Gas Private Limited was thereafter converted into a public company as Adani Gas Limited on 8<sup>th</sup> day of January 2010. AGL is a wholly owned subsidiary of AGHL and in turn a wholly owned subsidiary of AEL. The Corporate Identification Number of AGL is U40100GJ2005PLC046553. The Permanent Account Number of AGL is AAFC3788D.
8. The registered office of AGL is situated at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. There has been no change in the registered office address of AGL in the last 5 years. The e-mail address of AGL is hardik.sanghvi@adani.com.
9. The objects for which AGL has been established are set out in its Memorandum of Association. The main object of AGL are, as follows:

#### **“III. [A]**

1. *To manufacture, produce, to acquire, concessions, licences or orders from any authority for supply, transportation and distribution of all forms of conventional and/or non-conventional types of energy, including gaseous fuel and products derived from natural gas for domestic, commercial, industrial lightning, heating, motive power or any their purpose.*
2. *To lay, design, construct, fabricate, install and maintain gas processing and gas manufacturing plants, gas installations including gas storage, machinery apparatus, pipes, valves, fittings, meters and other allied accessories necessary and useful for the manufacture, supply, transportation and distribution of gas energy.*
3. *To carry on business of dealing with all aspects of negotiations, procurements, imports, storage, handling, processing, supplying, distribution and transportation of Natural Gas, Liquefied Natural Gas (LNG), LPG Airmix, Propane and Butane alone or mix with air, Coal Gas, Synthetic Gas, Coal Bed Methane (CBM), Naphtha, Fuel Oils, crude Oil & other petroleum Products, coal and any other fuels and utilization thereof.*
4. *To act as technical advisors, consultants for undertaking market survey, techno-economic feasibility reports, basic know-how, design, detail engineering including procurement, executing, testing of any fuel product, revamping of the existing installations and commissioning services, providing skill training by setting-up and institute required for the manufacture, supply and distribution of gas energy and any other fuel.*
5. *To carry on the business of import, storage, transportation, regasification, trading and dealing in all types of Liquid or Piped Natural Gas.”*

*“III. [B]*

32. *To amalgamate, enter into partnership or into any arrangement for sharing or pooling of profits, amalgamation, union of interest, cooperation, joint venture, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on any business or transaction which may seem capable of being carried on or conducted so as, directly or indirectly to benefit the Company.”*
10. Clause 5 of the aforesaid main objects of AGL was inserted pursuant to the special resolution passed by the members of AGL on 1<sup>st</sup> day of January 2018. Except as stated above, there has been no change in the main object clause of AGL in the last 5 years.
11. AGL supplies Piped Natural Gas to household, commercial and industrial consumers and Compressed Natural Gas ('CNG') for use in automobiles. As on 31<sup>st</sup> day of December 2017, AGL has set up a gas distribution network of approximately 370 kms of steel pipeline and approximately 5,100 kms of polyethylene pipeline including 71 CNG stations spread across Ahmedabad and Vadodara in the State of Gujarat; Faridabad in the State of Haryana; and Khurja in the State of Uttar Pradesh.
12. The Authorised, Issued, Subscribed and Paid up Share Capital of AGL as on 31<sup>st</sup> day of March 2018 was as follows:

<b>Share Capital</b>	<b>Amount (in Rs.)</b>
<b>Authorized Share Capital</b>	
26,00,00,000 Equity Shares of Rs. 10/- each	260,00,00,000
<b>TOTAL</b>	<b>260,00,00,000</b>
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
25,67,42,040 Equity Shares of Rs. 10/- each fully paid up	256,74,20,400
<b>TOTAL</b>	<b>256,74,20,400</b>

13. Subsequent to 31<sup>st</sup> day of March 2018 there has been no change in the share capital of AGL.

**Particulars of the AGHL**

14. AGHL was incorporated on 28<sup>th</sup> day of August 2010 as Mundra LNG Limited, a public company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956. Its name was changed to Adani Gas Holdings Limited on 15<sup>th</sup> day of March 2017. AGHL is the holding company of AGL and holds 100% of the paid-up share capital of AGL along with its nominees. The entire share capital of AGHL is indirectly held by AEL. Thus, AGHL is a wholly owned subsidiary of AEL. The Corporate Identification Number of AGHL is U11200GJ2010PLC062148. The Permanent Account Number of AGHL is AAGCM8637G.
15. The registered office of AGHL is situated at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. There has been no change in the registered office address of AGHL in the last 5 years. The e-mail address of AGHL is gunjan.taunk@adani.com.
16. The objects for which AGHL has been established are set out in its Memorandum of Association. The main object of AGHL are, as follows:

*“III. [A]*

1. *To prospect, explore, develop, drill, produce, acquire, store, process, refine, liquify, regasify, transport, distribute, supply, sell, market, import, export, natural gas (NG), liquified natural gas (LNG), compressed natural gas (CNG), and other forms of natural gas, associated gaseous substances, hydro-carbons, oil and other related liquid or gaseous substances and to set-up, import terminals and facilities for receiving, storing, transporting, distributing, supplying, through vessels, tankers, pipelines or any other mode of transportation and re-gasification, compression other related processing plants for natural gas, LNG, CNG or other gaseous or liquid hydrocarbons and to carry on the business of developing, operating, maintaining, LNG Terminal, liquification facility, Re-gasification facility and all associated facilities and infrastructure required for LNG business in India or abroad.*



2. *To carry on the business of purchase, sale, supply, import, distribute, export, or transfer / exchange and to deal as trader, agent, representative, or otherwise, deal in all forms of electricity and in other forms of energy from any source whatsoever, both conventional and non-conventional and any other commodities, products, goods etc.”*

**“III.[B]**

8. *To acquire or amalgamate, absorb or merge with any other company or companies or to form, promote subsidiaries having objects altogether or in part similar to those of this company.”*
17. Clauses 2 of the aforesaid main objects of AGHL was inserted pursuant to the special resolution passed by the members of AGHL on 25<sup>th</sup> day of March 2017. Except as stated above, there has been no change in the main object clause of AGHL in the last 5 years.
18. The Authorised, Issued, Subscribed and Paid up Share Capital of AGHL as on 31<sup>st</sup> day of March 2018 was as follows:

<b>Share Capital</b>	<b>Amount (in Rs.)</b>
<b>Authorized Share Capital</b>	
50,000 Equity Shares of Rs. 10/- each	5,00,000
24,99,50,000 Preference Shares of Rs. 10/- each	249,95,00,000
<b>TOTAL</b>	<b>250,00,00,000</b>
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
50,000 Equity Shares of Rs. 10/- each fully paid up	5,00,000
23,36,00,000 Compulsory Convertible Preference Shares of Rs. 10/- each fully paid up	233,60,00,000
<b>TOTAL</b>	<b>233,65,00,000</b>

19. Subsequent to 31<sup>st</sup> day of March 2018 there has been no change in the share capital of AGHL.

**Particulars of AEL**

20. AEL was incorporated on 2<sup>nd</sup> day of March 1993 as Adani Exports Limited, a public company with the Registrar of Companies, Gujarat under the provisions of the Companies Act, 1956. Subsequently, its name was changed to Adani Enterprises Limited on 10<sup>th</sup> day of August 2006. The equity shares of AEL are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The secured redeemable non-convertible debentures issued by AEL are listed on the Wholesale Debt Market segment of BSE. There has been no change in the name of AEL in the last five (5) years. The Corporate Identification Number of AEL is L51100GJ1993PLC019067. The Permanent Account Number of AEL is AABCA2804L.
21. The registered office of AEL is situated at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. There has been no change in the registered office address of AEL in last five (5) years. The e-mail address of AEL is investor.relations@adani.in.
22. The objects for which AEL has been established are set out in its Memorandum of Association. Some of the main object of AEL are, as follows:

**“III. [A]**

1. *To organise and effect exports from India of such goods and commodities as are manufactured, produced or otherwise available in the State of Gujarat and elsewhere in the Country and to import into the Country such goods and commodities as the Company from time to time determine.*
2. *To purchase, sell and undertake general trade in such goods and commodities.*
3. *To serve as a channel for the outflow of goods to the export market and to take such steps as may be considered necessary by the company to promote export and to serve as a channel for the inflow of the goods imported by various Agencies.*
19. *To carry on the business of generation, accumulation, distribution and supply of and to generally deal in electricity and in other forms of energy from any source or whatsoever.*

38. *To carry on India or elsewhere in the world the business to prospect for, explore, mine, quarry, beneficiate, develop derive, discover, excavate, dredge for, open work on mine, win, purchase, crush polish, smelt, manufacture, process, generate, release, dig, break blast, grade, manipulate, acquire, operate, organize, commercialize, promote, exercise, turn to account, produce, prepare, remove, undertake, convert, finish, load, unload, handle, transport, buy, sell, import, export, supply or otherwise obtain and to act as agent, broker, intermediary, advisor, stockiest, distributor, consultant, contractors, manager, mine owner, quarry owner, operator, or otherwise to deal in all sorts of coal, ore, minerals, metals, stones, etc. including raw materials either finished or processed ores or in any other form and other allied materials, by products, mixtures, blends, residues & substances and other rights, properties and works. To carry out mining, underground coal and lignite gasification, liquefaction, manufacture coke, and its by products and other related activities like survey and preparation of plan for mining, exploration, drilling and prospecting, assessment of quality through laboratory and analysis, assessment of reserves, mine development, beneficiation, environment management, logistics, infrastructure creation and to carry out open pit excavation, surface mining, bucket mines, opencast or/and underground mining, using owned or leased equipment, etc. for exploration, raising and mining of all kinds of mineral, ferrous materials, non-ferrous materials, stones precious or otherwise and to search survey find out and to acquire by concession, grant, lease, licence, barter or otherwise of equipment, land or water area and to give lease, licence, barter equipments, land or water area incidental to mining and to enter into partnership and various ventures/structures for mining and other related activities.*
39. *To carry on the business of water desalination, sea water desalination, marine work, water treatment, waste water treatment and recycling facilities, water supply, drinking water supply and distribution system and to undertake projects of every description in any development or construction mode and to undertake the operation and maintenance of any plant in any mode."*
23. Clause 38 of the aforesaid main objects of AEL was inserted pursuant to the composite scheme of arrangement approved by the Hon'ble High Court of Gujarat at Ahmedabad by its order dated 7<sup>th</sup> day of May 2015 and effective from 1<sup>st</sup> day of April 2015 and further, Clause 39 of the aforesaid main objects of AEL was inserted pursuant to the special resolution passed by the members of AEL on 23<sup>rd</sup> day of February 2018, by postal ballot. Except as stated above, there has been no change in the main object clause of AEL in the last 5 years.
24. AEL is global integrated infrastructure conglomerate with significant business interests in resources (coal mining and trading), logistics, sourcing of gas and city gas distribution and agri business. The brief description of the major businesses being carried out by the Demerged Company alongwith its subsidiaries, joint venture companies and its associates is as under:
- (i) The Demerged Company is one of the largest coal trader importing thermal coal from Indonesia and South Africa and supplying the same to various customers in India;
  - (ii) The Demerged Company is carrying on the business of sourcing and trading in natural gas. The Demerged Company supports the Transferee Company by sourcing various spares required for city gas distribution related infrastructure. The Demerged Company indirectly holds the entire share capital of the Transferee Company. The Transferee Company, is in the business of supply of Piped Natural Gas and Compressed Natural Gas. The aforesaid businesses are hereinafter referred to as **"Gas Sourcing and Distribution Business"**.
  - (iii) The Demerged Company is a Mine Developer and Operator in India. Currently, the Demerged Company under a long-term contract has developed and is operating coal mine in the Parsa East-Kente Basan Mine in Chhattisgarh. The Demerged Company through its subsidiaries also carries on coal mining operations in Bunyu Island, Indonesia and in Queensland, Australia;
  - (iv) The Demerged Company carries on edible oil refining business under the brand "Fortune" amongst other brands through its 50:50 joint venture company, namely, Adani Wilmar Limited;
  - (v) Further, the Demerged Company, through its subsidiary, Adani Agri Fresh Limited carries on the business of developing integrated storage, handling and transportation infrastructure for

horticulture products. Adani Agri Logistics Limited, a wholly owned subsidiary of the Demerged Company, carries on the business of bulk handling, storage and transportation (distribution) of food grains, providing an end-to-end bulk supply chain solution to Food Corporation of India and various state governments;

- (vi) The Demerged Company through its subsidiary, Adani Bunkering Private Limited ('ABPL'), is providing bunkering services (Fuel Oil and Marine Gas Oil) to various ocean going vessels in India. Presently, ABPL has physical bunkering facilities at Mundra, Hazira and Goa with capabilities of supplying bunker fuel to the vessels calling at any port in Gujarat and Goa. ABPL is also supplying duty paid bunkers at other locations on back to back basis through oil public sector undertakings; and
- (vii) The Demerged Company through its subsidiary, Mundra Solar PV Limited, has set up a manufacturing facility to produce silicon ingots / wafers, silicon solar cells, modules and support manufacturing facilities that includes Ethylene Vinyl Acetate (EVA), back sheets, glass, junction box and solar cell and string interconnect ribbon.

25. The Authorised, Issued, Subscribed and Paid up Share Capital of AEL as on 31<sup>st</sup> day of March 2018 was as follows:

Share Capital	Amount (in Rs.)
<b>Authorized Share Capital</b>	
485,92,00,000 Equity Shares of Re. 1/- each	485,92,00,000
45,00,000 Preference Shares of Rs. 10/- each	4,50,00,000
<b>TOTAL</b>	<b>490,42,00,000</b>
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
109,98,10,083 Equity Shares of Re. 1/- each fully paid-up	109,98,10,083
<b>TOTAL</b>	<b>109,98,10,083</b>

26. Subsequent to 31<sup>st</sup> day of March 2018, there has been no change in the share capital of AEL.

#### Description and Rationale for the Scheme

27. The Scheme, inter alia, provides for :

- (a) the amalgamation of AGHL with AGL;
- (b) cancellation of the equity shares issued by AGL and held by AGHL;
- (c) issuance of equity shares by AGL to the compulsorily convertible preference shareholders of AGHL;
- (d) issuance of Preference Shares by AGL to the equity shareholders of AGHL;
- (e) reclassification and merger of the authorised share capital of AGHL with the authorised share capital of AGL;
- (f) dissolution without winding up of AGHL;
- (g) demerger of the Demerged Undertaking (*as defined in the Scheme*) of AEL and transfer of the same to AGL subject to satisfactory fulfillment of the amalgamation of AGHL with AGL becoming effective;
- (h) sub-division of the equity share capital of AGL;
- (i) issuance of equity shares by AGL to the equity shareholders of AEL;
- (j) listing of the equity shares of AGL on BSE and NSE;
- (k) cancellation of the equity shares issued by AGL to AEL upon effectiveness of Part II of the Scheme and reduction of share capital of AGL; and
- (l) various other matters consequential to or otherwise integrally connected with the above.

The proposal is to be implemented in terms of the Scheme under Sections 230 – 232 of the Act.



28. The rationale and purpose for the Scheme is as under:

- (i) The amalgamation of the Transferor company with the Transferee company is proposed for simplification of the holding structure resulting in reduction of managerial overlaps and reduction in multiplicity of legal and regulatory compliances.
- (ii) Further, considering the following factors, it is desired to segregate Gas Sourcing and Distribution Business from other businesses of the Demerged Company.
  - (a) Each of the varied businesses being carried on by the Demerged Company either by itself or through its subsidiaries or through associate companies including Gas Sourcing and Distribution Business have significant potential for growth and profitability. The nature of risk, competition, challenges, opportunities and business methods for Gas Sourcing and Distribution Business is separate and distinct from other businesses being carried out by the Demerged Company. The Gas Sourcing and Distribution Business and the other businesses of the Demerged Company are capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which the Gas Sourcing and Distribution Business and other businesses of the Demerged Company are required to be handled and managed. In order to lend greater/enhanced focus to the operation of the said businesses, it is proposed to re-organize and segregate the Gas Sourcing and Distribution Business by way of demerger and transfer the same to the Resulting Company.
  - (b) The segregation would enable greater/enhanced focus of the management in the Gas Sourcing and Distribution Business and other businesses whereby facilitating the management to efficiently exploit opportunities for each of the said businesses.
  - (c) The proposed re-organisation will create enhanced value for shareholders and allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies.
  - (d) The demerger will also provide scope for independent collaboration and expansion pertaining to Gas Sourcing and Distribution Business.

#### Corporate Approvals

- 29. The proposed Scheme, was placed before the Audit Committee of AEL at its meeting held on 18<sup>th</sup> day of January 2018. The Audit Committee of AEL took into account the Valuation Report, dated 18<sup>th</sup> day of January 2018, issued by B S R & Associates LLP, Chartered Accountants (the "**Valuation Report**") and the fairness opinion, dated 18<sup>th</sup> day of January 2018, provided by JM Financial Institutional Securities Limited, a Category I Merchant Banker ("**Fairness Opinion**"), appointed for this purpose by AEL. A copy of the Valuation Report is enclosed as **Annexure 2**. The Valuation Report is also open for inspection. A copy of the Fairness Opinion is enclosed as **Annexure 3**. The Audit Committee based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of AEL for its approval.
- 30. The Scheme along with the Valuation Report was placed before the Board of Directors of AEL, at its meeting held on 18<sup>th</sup> day of January 2018. The Fairness Opinion and the report of the Audit Committee was also submitted to the Board of Directors of AEL. Based on the aforesaid, the Board of Directors of AEL approved the Scheme. The meeting of the Board of Directors of AEL, held on 18<sup>th</sup> day of January 2018, was attended by 9 (Nine) directors (namely, Mr. Gautam S. Adani, Mr. Rajesh S. Adani, Mr. Pranav V. Adani, Mr. Rajiv Nayar, Mr. Vinay Prakash, Mr. Berjis Desai, Mr. V. Subramanian, Mrs. Vijaylaxmi Joshi and Mr. Narendra Mairpady in person). None of the directors of AEL who attended the meeting, voted against the Scheme. Thus, the Scheme was approved unanimously by the directors, who attended and voted at the meeting.
- 31. The Scheme alongwith the aforesaid valuation report, in respect of the Scheme, were placed before the Board of Directors of AGHL in its meeting held on 18<sup>th</sup> day of January 2018. The Board of Directors of AGHL, inter alia, based on the aforesaid, approved the Scheme at its meeting held on 18<sup>th</sup> day of January 2018. The meeting of the Board of Directors of AGHL, held on 18<sup>th</sup> day of January 2018 was attended by 3 (Three) directors (namely, Dr. Malay Mahadevia, Mr. Rajeev Sharma, Mr. Jatin Jalundhwala in person).

None of the directors of AGHL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors, who attended and voted at the meeting.

32. The Scheme alongwith the aforesaid valuation report, in respect of the Scheme, were placed before the Board of Directors of AGL in its meeting held on 18<sup>th</sup> day of January 2018. The Board of Directors of AGL, inter alia, based on the aforesaid, approved the Scheme at its meeting held on 18<sup>th</sup> day of January 2018. The meeting of the Board of Directors of AGL, held on 18<sup>th</sup> day of January 2018, was attended by 3 (Three) directors (namely, Mr. Pranav V. Adani, Mr. Rajesh S. Adani and Mr. Shridhar Tambraparni in person). None of the directors of AGL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors, who attended and voted at the meeting.

#### **Approvals and actions taken in relation to the Scheme**

33. BSE was appointed as the designated stock exchange by AEL for the purpose of coordinating with the Securities and Exchange Board of India ("**SEBI**"), pursuant to Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> day of March 2017 (the "**SEBI Circular**") issued by SEBI.

34. AEL has received no adverse observations/no objection letters regarding the Scheme from BSE and NSE, both on 20<sup>th</sup> day of March 2018. In terms of the no adverse observations/no objection letters of BSE and NSE, both dated 20<sup>th</sup> day of March 2018, BSE and NSE, inter alia, conveyed their no adverse observations/no objection for filing the Scheme with the NCLT pursuant to the letter dated 20<sup>th</sup> day of March 2018 addressed by SEBI to BSE and NSE which, inter alia, stated the following:

*"Company shall ensure that information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company."*

*"Company shall duly comply with various provisions of the Circulars."*

*"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."*

*"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations."*

Copies of the no adverse observations/no objection letters both dated 20<sup>th</sup> day of March 2018, received from BSE and NSE, respectively, are enclosed as **Annexures 4 and 5**.

The Scheme at Annexure 1 already incorporates the provisions as suggested by BSE by its letter dated 20<sup>th</sup> day of March 2018.

Pursuant to the aforesaid letters issued by BSE and NSE, AEL, by its e-mail, dated 23<sup>rd</sup> day of March 2018, informed BSE and NSE about the factual update which had occurred post filing of the Scheme with the BSE and NSE, namely, the sanctioning of the scheme of arrangement among AEL and Adani Green Energy Limited by NCLT vide its order dated 16<sup>th</sup> day of February 2018 and stated that relevant changes will be made to the Scheme to address such update. The Scheme annexed at Annexure 1 reflects the aforesaid factual updates which have occurred post filing of the Scheme with the BSE and NSE. Copy of the aforesaid e-mail dated 23<sup>rd</sup> day of March 2018 is open for inspection.

35. As required by the SEBI Circular AEL had filed the complaint reports with BSE and NSE, on 13<sup>th</sup> day of February 2018 and 14<sup>th</sup> day of February 2018, respectively. These reports indicate that AEL received nil complaints. Copy of the complaint reports submitted by AEL to BSE and NSE dated on 13<sup>th</sup> day of February 2018 and 14<sup>th</sup> day of February 2018, respectively are enclosed as **Annexure 6**.

36. The Companies or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.

37. The applications along with the annexures thereto (which includes the Scheme) were filed by the Companies with the NCLT, on 26<sup>th</sup> day of April 2018.

## Salient extracts of the Scheme

38. Certain clauses of the Scheme are extracted below:

### 1.1. DEFINITIONS

- 1.1.7. *“Demerged Undertaking” means all the businesses, undertakings, activities, properties, investments and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to Gas Sourcing and Distribution Business (which includes (i) the Demerged Company's strategic investment in the Transferee Company as on the Effective Date 1; (ii) the business relating to sourcing and trading in natural gas; and (iii) the business of sourcing various spares required for city gas distribution related infrastructure for the Transferee Company), including specifically the following:*
- (a) *all immovable properties, if any, i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) currently being used for the purpose of and in relation to the Gas Sourcing and Distribution Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;*
  - (b) *all assets, as are movable in nature pertaining to and in relation to the Gas Sourcing and Distribution Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including electrical fittings, furniture, fixtures, appliances, accessories, office equipments, communication facilities, installations and inventory), actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Appropriate Authority, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to goods and service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, advance tax, tax deducted at source and tax refunds;*
  - (c) *all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Gas Sourcing and Distribution Business;*
  - (d) *all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Gas Sourcing and Distribution Business;*
  - (e) *all applications (including hardware, software, licenses, source codes, para-meterisation and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Gas Sourcing and Distribution Business;*
  - (f) *all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company pertaining to or in connection with or relating to the Demerged Company in respect of the Gas Sourcing and Distribution Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company and pertaining to the Gas Sourcing and Distribution Business;*

- (g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Gas Sourcing and Distribution Business;
- (h) all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Demerged Company pertaining to the Gas Sourcing and Distribution Business and/or arising out of and/or relating to the Gas Sourcing and Distribution Business including:
  - i. the debts, liabilities, duties and obligations of the Demerged Company which arises out of the activities or operations of the Gas Sourcing and Distribution Business;
  - ii. specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Gas Sourcing and Distribution Business;
  - iii. in cases other than those referred to in Sub-Clause i. or Sub-Clause ii. above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger bears to the total value of the assets of the Demerged Company immediately prior to the Effective Date 2;
- (i) all employees of the Demerged Company employed/engaged in the Gas Sourcing and Distribution Business as on the Effective Date 2; and
- (j) all Proceedings of whatsoever nature that pertain to the Gas Sourcing and Distribution Business.

**Explanation:**

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Gas Sourcing and Distribution Business or whether it arises out of the activities or operations of the Gas Sourcing and Distribution Business, the same shall be decided by mutual agreement between Board of the Demerged Company and the Resulting Company.

- 1.1.8. **“Effective Date 1”** means opening of business hours of the business day from last of the dates on which the conditions specified in Clause 25.1 and Clause 25.3 are complied with. The Effective Date 1 shall be the appointed date for Part II of the Scheme.
- 1.1.9. **“Effective Date 2”** means opening of business hours of the last of the dates on which the conditions specified in Clause 25.2 and Clause 25.3 are complied with or after seven days of Effective Date 1, whichever is later. The Effective Date 2 shall be the appointed date for Part III of the Scheme.
- 1.1.14. **“Preference Shares”** means 10% - Cumulative Redeemable Preference Shares of the Transferee Company, to be allotted in terms of Clause 6.1(c) hereof, which shall (a) have a face value of Rs.10/- (Rupees Ten Only); (b) bear dividend at the rate of 10% per annum determined from the date of allotment of the Preference Shares on the face value of the Preference Shares; (c) be redeemable at face value in one or more tranches provided however, that the Preference Shares shall anyways be redeemed in full within a maximum period of 3 years from the date of allotment of the Preference Shares; (d) have a preferential right to receive their redemption value in precedence to holders of equity shares during a winding up or repayment of capital; and (e) carry all the statutory rights which may be available to the Preference Shareholder in accordance with the provisions of the Act.
- 1.1.17. **“Remaining Undertaking”** means all the undertakings, businesses, activities and operations of the Demerged Company other than those comprised in the Demerged Undertaking.
- 1.1.26. **“Undertaking of the Transferor Company”** means the Transferor Company and includes all the business, undertakings, assets, properties, investments and liabilities of the Transferor Company, of whatsoever nature and kind and wherever situated, on a going concern basis and with continuity of business of the Transferor Company, which shall include:
  - (a) all moveable assets, whether present, future or contingent, in possession or reversion including electrical fittings, equipment, installations, appliances, tools, accessories, power lines, stocks and inventory, computers, communication facilities, furniture, fixtures and office equipment;
  - (b) all current assets, including sundry debtors, receivables, cash, bank balances, loans and advances, actionable claims, bills and credit notes;
  - (c) all licences, rights, entitlements, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, tax deferrals, tax credits, (including any credits arising from advance



*tax, self-assessment tax, other income tax credits, withholding tax credits, minimum alternate tax credits, CENVAT credits, goods and services tax credits, other indirect tax credits and other tax receivables), other claims under tax laws, privileges, incentives (including incentives in respect of income tax, sales tax, value added tax, service tax, custom duties and goods and services tax), benefits, tax holidays, tax refunds (including those pending with any tax authority), advantages, benefits and all other rights and facilities of every kind, nature and description whatsoever;*

- (d) all contracts, bids, letters of intent, arrangements, understandings, engagements, deeds and instruments, purchase orders, service orders, operation and maintenance contracts, memoranda of understanding, hire and purchase agreements, panchnamas for right of way, equipment purchase agreements and all rights, title, interest, claims and benefits thereunder;*
- (e) all application monies, advance monies, earnest monies and security and other deposits paid to any person, including any governmental authority, and payments against other entitlements;*
- (f) all investments, including long term, short term, quoted, unquoted investments in different instruments, including shares, debentures, units warrants and bonds;*
- (g) all liabilities (including contingent liabilities), loans, debts (secured or unsecured), guarantees, duties, responsibilities and obligations;*
- (h) all immovable assets, if any, including all freehold, leasehold, leave and licenced, tenancies and any other covenants, title, interest or continuing rights in such immovable assets;*
- (I) all intangible assets, including all intellectual property rights and all goodwill attaching to such intellectual property rights;*
- (j) all employees of the Transferor Company;*
- (k) all reserves, provisions and funds, books, records, files, papers, engineering and process information, software licences, test reports, records of standard operating procedures, computer programs along with their licences, drawings, manuals, data, databases catalogues, quotations, sales and advertising materials, dossiers, product master cards, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form;*
- (l) all rights to use and avail telephone, facsimile, e-mail, internet, leased line connections and installations, utilities, electricity and other services; and*
- (m) all Proceedings involving the Transferor Company.*

## **AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY**

### **2. TRANSFER OF ASSETS AND LIABILITIES**

- 2.1. *Upon Part II of the Scheme becoming effective and with effect from the Effective Date 1 and pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Act, if any, and in accordance with provisions of section 2(1B) of the Income-tax Act, 1961, the Undertaking of the Transferor Company along with all its assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral part of the Transferor Company shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in the Transferee Company as a going concern so as to become as and from the Effective Date 1, the assets, liabilities, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.*
- 2.2. *Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon Part II of the Scheme becoming effective and with effect from the Effective Date 1:*
  - 2.2.1. *subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the assets and liabilities, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been, transferred to, and vested in, the Transferee Company, so as to become, on and from the Effective Date 1, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to sections 230 to 232 of the Act and in accordance with the provisions of section 2(1B) of the Income-tax Act, 1961, subject however, to all charges, liens, mortgages, then affecting the Transferor Company or any part thereof; provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the Transferor Company, which shall be deemed to have been vested with the Transferee Company by virtue of the amalgamation, and the Transferee Company shall not be obliged to create any further or additional security therefore upon coming into effect of this Scheme or otherwise, except in case where the required security has not*

been created and in such case if the terms thereof require, the Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.

- 2.2.5. for the avoidance of doubt, it is clarified that upon the effectiveness of Part II of this Scheme and in accordance with the provisions of relevant Applicable Law, all consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same, and all intellectual property rights of whatsoever nature and all other interests relating to the goods or services being dealt with by the Transferor Company, shall be transferred to and vest in the Transferee Company.
- 2.2.6. subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, subsisting or having effect on or immediately before the Effective Date 1, to which the Transferor Company is a party shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into novation agreement(s) in relation to such contracts, deeds, bonds, agreements and other instruments as stated above. Any inter-se contracts between the Transferor Company on the one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the effectiveness of Part II of this Scheme.
- 2.2.9. all debts, liabilities, duties and obligations of the Transferor Company shall, pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Act, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to have been stood transferred to, and vested in, the Transferee Company, so as to become on and from the Effective Date 1, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 2.2.9.
- 2.2.15. without prejudice to the foregoing provisions of this Clause 2.2, upon the effectiveness of Part II of this Scheme, all debt securities (which includes NCDs) of the Transferor Company, pursuant to the provisions of sections 230 to 232 and other relevant provisions of the Act shall, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested.

### **3. PERMITS, CONSENTS AND LICENSES**

- 3.1. Upon Part II of this Scheme becoming effective, all the licenses, permits, consents, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of sections 230 to 232 of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Effective Date 1, the estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law.

### **4. EMPLOYEES**

- 4.1. On and from the Effective Date 1, the Transferee Company undertakes to engage all the employees, if any, of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service as a result of the amalgamation of the Transferor Company with the Transferee Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the amalgamation of the Transferor Company with the Transferee Company shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund,

gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company, or to the government provident fund in relation to the employees of the Transferor Company who are not eligible to become members of the provident fund maintained by the Transferee Company. In relation to those employees who are not covered under the provident fund trust of the Transferor Company, and for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees.

## **5. PROCEEDINGS**

- 5.1. If any suit, cause of actions, appeal or other legal, taxation, quasi-judicial, arbitral, administrative, or other proceedings of whatever nature, under any Applicable Law (hereinafter referred to as the "Proceedings") by or against the Transferor Company be pending on the Effective Date 1, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in the Scheme, but such Proceedings may be continued, prosecuted, defended, and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date 1, the Transferee Company may initiate any Proceedings for and on behalf of the Transferor Company.

## **6. CONSIDERATION**

- 6.1. Upon the effectiveness of Part II of this Scheme and in consideration of the amalgamation of the Transferor Company with the Transferee Company, including the transfer and vesting of the assets and liabilities of the Transferor Company in the Transferee Company pursuant to the provisions of this Scheme:

- (a) all the equity shares issued by the Transferee Company and held by the Transferor Company shall stand cancelled;
- (b) the Transferee Company shall, without any further act or deed, issue and allot to each compulsorily convertible preference shareholder, whose name is recorded in the register of members and the records of the depository as preference shareholders of the Transferor Company on the Record Date 1, 1 (One) equity share of Rs. 10/- (Rupees Ten only) each of the Transferee Company credited as fully paid-up for every 1 (One) compulsorily convertible preference share of Rs. 10/- (Rupees Ten only) each held by such compulsorily convertible preference shareholder ("New Equity Shares");
- (c) the Transferee Company shall, without any further act or deed, issue and allot to each equity shareholder, whose name is recorded in the register of members and the records of the depository as equity shareholders of the Transferor Company on the Record Date 1, 1 (One) Preference Share of Rs. 10/- (Rupees Ten only) each of the Transferee Company credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten only) each held by such equity shareholder.

- 6.9. As stipulated in Clause 6.1(a) above, all the equity shares issued by the Transferee Company and held by the Transferor Company shall stand cancelled. Such cancellation of the share capital of the Transferee Company upon the amalgamation of the Transferor Company with the Transferee Company shall be effected as a part of the Scheme itself and not in accordance with section 66 of the Act. The order of the Tribunal sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act shall be necessary.

## **7. REORGANISATION OF AUTHORISED SHARE CAPITAL**

- 7.1. As an integral part of the Scheme, and upon the effectiveness of Part II of this Scheme, the authorised share capital of the Transferor Company shall stand transferred to and be amalgamated with the authorised share capital of the Transferee Company, and that the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company, without any liability for payment of any additional fees (including fees and charges to the Registrar of Companies, Gujarat) or stamp duty. For the purpose of the aforesaid increase in the authorised share capital of the Transferee Company and for that limited purpose, the existing authorized equity share capital and the authorised preference share capital of the Transferor Company, without any further act, instrument or deed shall be deemed to have been reclassified to 24,99,50,000 equity shares of Rs. 10/- each and 50,000 preference shares of Rs. 10/- each. Consequently, the authorised share capital of the Transferee Company shall be Rs. 510,00,00,000/- (Rupees Five Hundred and Ten Crores only) comprising of 50,99,50,000 (Fifty Crores Ninety Nine Lacs Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten only) each and 50,000 (Fifty Thousand)



preference shares of Rs. 10/- (Rupees Ten only) each, without any further act, instrument or deed

**9. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY**

- 9.1. Notwithstanding anything to the contrary herein, upon the effectiveness of Part II of this Scheme, the Transferee Company shall give effect to the accounting treatment in its books of accounts in accordance with the accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Effective Date 1.

**11. DISSOLUTION OF THE TRANSFEROR COMPANY**

- 11.1. Upon the effectiveness of Part II of this Scheme, the Transferor Company shall stand dissolved without being wound up, without any further act or deed.

**DEMERGER OF THE DEMERGED UNDERTAKING**

**12. TRANSFER OF ASSETS AND LIABILITIES**

- 12.1. Subject to implementation of Part II of this Scheme and with effect from the Effective Date 2, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Demerged Undertaking, the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been transferred to and vested in the Resulting Company on a going concern basis, so as to become on and from the Effective Date 2, the estate, assets, rights, title, interest and authorities of the Resulting Company, pursuant to sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act and in accordance with the provisions of section 2(19AA) of the Income-tax Act, 1961.
- 12.2. Without prejudice to the generality of Clause 12.1 above, on and from the Effective Date 2:
- 12.2.1. the Demerged Undertaking including all its assets, properties, investments, shareholding interests in other companies, claims, title, interest, assets of whatsoever nature such as licenses and all other rights, title, interest, contracts or powers of every kind, nature and description of whatsoever nature and wheresoever situated shall, pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any, of the Act, and pursuant to the order of the Tribunal sanctioning this Scheme and without further act or deed or instrument, but subject to the charges affecting the same as on the Effective Date 2, be and stand transferred to and vested in the Resulting Company as a going concern.
- 12.2.6. subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, in relation to the Demerged Undertaking, to which the Demerged Company is a party subsisting or having effect on or immediately before the Effective Date 2 shall remain in full force and effect against or in favour of the Resulting Company and shall be binding on and be enforceable by and against the Resulting Company as fully and effectually as if the Resulting Company had at all material times been a party thereto. The Resulting Company will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements and other instruments as stated above.
- 12.2.9. all debts, liabilities, loans raised and used, obligations incurred, duties of any kind, nature or description (including contingent liabilities which arise out of the activities or operations of the Demerged Undertaking) of the Demerged Company as on the Effective Date 2 and relatable to the Demerged Undertaking ("Transferred Liabilities") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date 2 and shall become the debts, liabilities, loans, obligations and duties of the Resulting Company which shall meet, discharge and satisfy the same. The term "Transferred Liabilities" shall include:
- 12.2.9.1. the debts, liabilities, duties and obligations of the Demerged Undertaking which arises out of the activities or operations of the Demerged Undertaking;
- 12.2.9.2. the specific loans and borrowings raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking; and
- 12.2.9.3. in cases other than those referred to in Clauses 12.2.9.1 or 12.2.9.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger bear to the total value of the assets of the Demerged Company immediately prior to the Effective Date 2.
- 12.2.10. in so far as any encumbrance in respect of Transferred Liabilities is concerned, such encumbrance shall, without any further act, instrument or deed being required be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which may have been encumbered in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme. For the



avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Undertaking are concerned, the encumbrance, if any, over such assets relating to the Transferred Liabilities, without any further act, instrument or deed being required, be released and discharged from the obligations and encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities.

### **13. PERMITS, CONSENTS AND LICENSES**

- 13.1. All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Demerged Company, in relation to or in connection with the Demerged Undertaking, pursuant to the provisions of sections 230 to 232 of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Resulting Company so as to become as and from the Effective Date 2, the estates, assets, rights, title, interests and authorities of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law.

### **14. EMPLOYEES**

- 14.1. Upon the effectiveness of Part III of this Scheme and with effect from the Effective Date 2, the Resulting Company undertakes to engage all the employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by the Demerged Company without any interruption of service as a result of transfer of the Demerged Undertaking to the Resulting Company. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company, or to the government provident fund in relation to the employees of the Demerged Company who are not eligible to become members of the provident fund maintained by the Resulting Company. In relation to those employees who are not covered under the provident fund trust of the Resulting Company, and for whom the Demerged Company is making contributions to the government provident fund, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees.

### **15. PROCEEDINGS**

- 15.1. If any Proceedings by or against the Demerged Company be pending, in relation to or in connection with the Demerged Undertaking, on the Effective Date 2, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking or of anything contained in the Scheme, but such Proceedings may be continued, prosecuted, defended and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made. On and from the Effective Date 2, the Resulting Company may initiate any Proceedings for and on behalf of the Demerged Company for matters relating to or in connection with the Demerged Undertaking. The Resulting Company shall have all Proceedings initiated by or against the Demerged Company with respect to the Demerged Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

### **16. SUB-DIVISION OF EQUITY SHARE CAPITAL OF THE RESULTING COMPANY**

- 16.1. As an integral part of the Scheme, and, upon the effectiveness of Part III of this Scheme, the face value per equity share of the Resulting Company shall be sub-divided from Rs. 10/- to Re. 1/-, without any further act, instrument or deed on the part of the Resulting Company, such that upon the effectiveness of Part III of this Scheme, the authorised share capital of the Resulting Company shall be Rs. 510,00,00,000/- (Rupees Five Hundred and Ten Crores only) comprising of 509,95,00,000 (Five Hundred and Nine Crores and Ninety Five Lacs) equity shares of Re. 1/- (Rupee One only) each and 50,000 (Fifty Thousand) preference shares of

Rs. 10/- (Rupees Ten only) each. Clause V of the Memorandum of Association of the Resulting Company shall, upon the effectiveness of Part III of this Scheme and without any further act or deed, be replaced by the following clause:

“V. The Authorised Share Capital of the Company is Rs. 510,00,00,000/- (Rupees Five Hundred and Ten Crores only) divided into 509,95,00,000 (Five Hundred and Nine Crore and Ninety Five Lacs) equity shares of Re. 1/- (Rupee One only) each and 50,000 (Fifty Thousand) preference shares of Rs. 10/- (Rupees Ten only) each.”.

## **17. CONSIDERATION**

- 17.1. Upon the effectiveness of Part III of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company pursuant to provisions of this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each shareholder of the Demerged Company, whose name is recorded in the register of members and records of the depository as members of the Demerged Company, on the Record Date 2, 1(One) equity share of Re. 1/- (Rupee One only) each of the Resulting Company credited as fully paid up for every 1 (One) equity share of Re. 1/- (Rupee One only) each held by such shareholder in the Demerged Company (“Resulting Company New Equity Shares”).
- 17.10. The equity shares issued by the Resulting Company shall be listed and admitted to trading on the Stock Exchanges pursuant to this Scheme and in compliance with the applicable regulations and the SEBI Circular. The Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular and Applicable Law and take all steps to procure the listing of the equity shares issued by it.
- 17.11. The Resulting Company New Equity Shares issued by the Resulting Company shall remain frozen in the depository system till listing/trading permission is given by the Stock Exchanges.
- 17.12. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date 2 and the listing of the equity shares on the Stock Exchanges.

## **18. REDUCTION OF SHARE CAPITAL OF THE RESULTING COMPANY**

- 18.1. Simultaneously, with the issue and allotment of the Resulting Company New Equity Shares by the Resulting Company to the shareholders of the Demerged Company in terms of Clause 17 of the Scheme, the equity shares issued by the Resulting Company to the Demerged Company upon effectiveness of Part II of this Scheme shall stand cancelled, without any further act, instrument or deed. Such cancellation of the share capital of the Resulting Company shall be effected as a part of the Scheme itself and not in accordance with section 66 of the Act. The order of the Tribunal sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act shall be necessary.

## **19. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY**

- 19.1. Upon the effectiveness of Part III of this Scheme, the investment held by the Demerged Company in the Resulting Company shall stand cancelled.
- 19.2. The Demerged Company shall account for the transfer and vesting of the Demerged Undertaking in its books of account as per the applicable accounting standards notified under section 133 of the Act read with relevant rules issued thereunder after considering the adjustment provided under Clause 19.1 of the Scheme.
- 19.3. The difference being the excess of the book value of the assets over the book value of liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to Part III of this Scheme shall be first adjusted against the Capital Reserve of the Demerged Company and balance if any shall be adjusted against the other reserves of the Demerged Company.

## **20. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY**

- 20.1. Upon the effectiveness of Part III of this Scheme, the shareholding of the Demerged Company in the Resulting Company shall stand cancelled. Upon cancellation, the Resulting Company shall debit to its equity share capital account, the aggregate face value of the equity shares held by the Demerged Company in the Resulting Company which stands cancelled hereof.
- 20.2. The Resulting Company shall account for the transfer and vesting of the Demerged Undertaking in its books of account as per the “Pooling of Interest Method” prescribed under Indian Accounting Standard 103 – “Business Combinations” notified under section 133 of the Act read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act after considering the adjustment provided under Clause 20.1 of the Scheme.

## **22. REMAINING UNDERTAKING**

- 22.1. The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and remain vested in and be managed by the Demerged Company.

## **25. CONDITIONS PRECEDENT**

- 25.1. *Part II of this Scheme is conditional on and subject to certified copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the Registrar of Companies, Gujarat, having jurisdiction for the Transferor Company and the Transferee Company in relation to Part II of this Scheme.*
- 25.2. *Part III of this Scheme is conditional on and subject to certified copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the Registrar of Companies, Gujarat, having jurisdiction for the Demerged Company and the Resulting Company in relation to Part III of this Scheme.*
- 25.3. *Other conditions precedent for this Scheme:*
  - 25.3.1. *The Demerged Company having received observation letter/ no-objection letter from the Stock Exchanges in respect of the Scheme pursuant to Regulations 11, 37 and 94 of the SEBI Listing Regulations read with the SEBI Circular.*
  - 25.3.2. *The Scheme being approved by the respective requisite majority of each classes of the shareholders and creditors (where applicable) of the Parties in accordance with the Act.*
  - 25.3.3. *The Scheme being approved by the majority of the public shareholders of the Demerged Company (by way of e-voting) as required under the SEBI Circular. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders, against it as required under the SEBI Circular. The term 'public shareholder' shall carry the same meaning as defined under Rule 2 of the Securities Contracts (Regulation) Rules, 1957.*
  - 25.3.4. *The Tribunal having accorded its sanction to the Scheme."*

**You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.**

### **Other matters**

- 39. Summary of the Valuation Report including the basis of valuation issued by B S R & Associates LLP, Chartered Accountants is enclosed as **Annexure 7**.
- 40. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection.
- 41. Under the Scheme, an arrangement is sought to be entered into between AEL and its equity shareholders (promoter shareholders and non-promoter shareholders). Upon the coming into effect of Part III of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking into AGL and as enumerated in Clause 17 of Part III of the Scheme, AGL shall issue and allot to each equity shareholder of AEL, 1 (One) equity share of Re. 1/- (Rupee One only) each of AGL credited as fully paid up for every 1 (One) equity share of Re. 1/- (Rupee One only) each held by such shareholder of AEL.  
In respect of the Scheme, an arrangement is sought to be entered into between AEL and its creditors though no liabilities of the creditors of AEL is being reduced or being extinguished under the Scheme. The creditors of AEL would not be prejudicially affected by the Scheme.  
As on date, AEL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustees does not arise.  
Under the Scheme, no arrangement is sought to be entered into between AEL and its debenture holder. No rights of the debenture holder of AEL is being affected pursuant to the transfer and vesting of the Demerged Undertaking into AGL. The debenture trustee appointed for debentures shall continue to remain the debenture trustee.  
Under clause 14 of Part III of the Scheme, and with effect from the Effective Date 2, AGL undertakes to engage the employees of AEL, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by AEL without any interruption of service and in the same manner as provided under clause 14 of Part III of the Scheme. In the circumstances, the rights of the employees of AEL, engaged in or in relation to the Demerged Undertaking, would in no way be affected by the Scheme. The employees engaged by AEL for its Remaining Undertaking shall continue to be employed by AEL.  
The directors, key managerial personnel of AEL and their respective relatives may have an interest in the Scheme to the extent of the equity shares held by them in AEL and/or to the extent they are holding shares in AGHL and AGL as nominees and/or to the extent that two of the directors of AEL, namely,

Mr. Rajesh S. Adani and Mr. Pranav V. Adani are the directors of AGL and/or to the extent that the key managerial personnel of AEL, namely, Mr. Jatin Jalundhwala is a director of AGHL and/or to the extent that the said director(s), key managerial personnel and their respective relatives are the director(s), members of the companies/trust that hold shares in AEL. Save as aforesaid, none of the said directors or key managerial personnel has any material interest in the Scheme.

42. Under the Scheme, an arrangement is sought to be entered into between AGHL and its preference shareholders. Upon the coming into effect of Part II of this Scheme and in consideration of the amalgamation of AGHL with AGL and as enumerated in Clause 6 of Part II of the Scheme, AGL shall issue and allot to each compulsorily convertible preference shareholder of AGHL, 1 (One) equity share of Rs. 10/- (Rupees Ten only) each of AGL credited as fully paid-up for every 1 (One) compulsorily convertible preference share of Rs. 10/- (Rupees Ten only) each held by such compulsorily convertible preference shareholder of AGHL.

Under the Scheme, an arrangement is sought to be entered into between AGHL and its equity shareholders. Upon the coming into effect of Part II of the Scheme and in consideration of the amalgamation of AGHL with AGL and as enumerated in Clause 6 of Part II of the Scheme, AGL shall issue and allot to each equity shareholder of AGHL, 1 (One) Preference Share of Rs. 10/- (Rupees Ten only) each of AGL credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten only) each held by such equity shareholder of AGHL.

Under the Scheme, there is no arrangement with the creditors of AGHL. No compromise is offered under the Scheme to any of the creditors of AGHL. The liability of the creditors of AGHL, under the Scheme is neither being reduced nor being extinguished.

Under the Scheme, no arrangement is sought to be entered into between AGHL and its debenture holders (secured). No rights of the debenture holders of AGHL are being affected pursuant to the Scheme. The debenture trustee appointed for the different series of debentures shall continue to remain the debenture trustee.

As on date, the AGHL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustees does not arise.

Under clause 4 of Part II of the Scheme, and with effect from the Effective Date 1, AGL undertakes to engage the employees of AGHL on the same terms and conditions on which they are engaged by AGHL without any interruption of service and in the same manner as provided under clause 4 of Part II of the Scheme. In the circumstances, the rights of the employees of AGHL would in no way be affected by the Scheme.

The directors, key managerial personnel of AGHL and their respective relatives may have an interest in the Scheme to the extent of the equity shares held by them in AEL and/or to the extent they are holding shares in AGL as nominee and/or to the extent that the said director(s), key managerial personnel and their respective relatives are the director(s), members of the companies that hold shares in AEL. Save as aforesaid, none of the said directors or key managerial personnel has any material interest in the Scheme.

43. Under the Scheme, an arrangement is sought to be entered into between AGL and its equity shareholders. Upon the coming into effect of Part II of this Scheme and in consideration of the amalgamation of AGHL with AGL: (a) all the equity shares issued by AGL and held by AGHL shall stand cancelled; (b) AGL shall allot equity shares to the compulsorily convertible preference shareholders of AGHL in the ratio stipulated in clause 6.1(b) of the Scheme; and (c) AGL shall allot Preference Shares to the equity shareholders of AGHL in the ratio stipulated in clause 6.1(c) of the Scheme. Further, upon the coming into effect of Part III of this Scheme: (i) AGL shall allot equity shares to the shareholders of AEL equity shares in the manner stipulated in clause 17.1 of the Scheme; and (ii) the equity shares issued by AGL to AEL upon the effectiveness of Part II of this Scheme shall stand cancelled in the manner as stipulated in clause 18.1 of the Scheme.

In respect of the Scheme, an arrangement is sought to be entered into between the AGL and its creditors though no liabilities of the creditors of the AGL is being reduced or being extinguished under the Scheme. The creditors of AGL would not be prejudicially affected by the Scheme.

As on date, the AGL has no outstanding towards any public deposits or debentures and therefore, the



effect of the Scheme on any such public deposit holders or debenture holders or deposit trustees or debenture trustees does not arise.

Under clause 4 of Part II of the Scheme, on with effect from the Effective Date 1, AGL undertakes to engage the employees of AGHL on the same terms and conditions on which they are engaged by AGHL without any interruption of service and in the same manner as provided under clause 4 of Part II of the Scheme. In the circumstances, the rights of the employees of AGHL would in no way be affected by the Scheme. Under clause 14 of Part III of the Scheme, and with effect from the Effective Date 2, AGL undertakes to engage the employees of AEL, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by AEL without any interruption of service and in the same manner as provided under clause 14 of Part III of the Scheme. In the circumstances, the rights of the employees of AEL, engaged in or in relation to the Demerged Undertaking, would in no way be affected by the Scheme. The employees engaged by AGL shall continue to be employed by AGL.

The directors, key managerial personnel of AGL and their respective relatives may have an interest in the Scheme to the extent of the equity shares held by them in AEL and/or to the extent they are holding shares in AGHL as nominees and/or to the extent that two of the directors of AGL, namely, Mr. Rajesh S. Adani and Mr. Pranav V. Adani are the directors of AEL and/or to the extent that the said director(s), key managerial personnel and their respective relatives are the director(s), members of the companies/trust that hold shares in AEL. Save as aforesaid, none of the said directors or key managerial personnel has any material interest in the Scheme.

44. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of Companies in their separate meetings, all held on, 18<sup>th</sup> day of January 2018, have adopted a report, inter alia, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders amongst others. Copy of the reports adopted by the respective Board of Directors of the Companies are enclosed as **Annexure 8, Annexure 9 and Annexure 10**, respectively.
45. No investigation proceedings have been instituted or are pending in relation to the Companies under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against any of the Companies.
46. To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.
47. The copy of the proposed Scheme has been filed by the Companies before the concerned Registrar of Companies on 27<sup>th</sup> day of April 2018.
48. The Audited Financial Results / Statement for the year ended 31<sup>st</sup> day of March 2018 of AEL, AGHL and AGL are enclosed as **Annexure 11, Annexure 12 and Annexure 13**, respectively.
49. In terms of SEBI Circular, the applicable information of AGHL and AGL in the format specified for abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 are enclosed as **Annexure 14 and Annexure 15**.
50. As per the books of accounts (as on 25<sup>th</sup> day of May 2018) of AEL, AGHL and AGL, the amount due to the unsecured creditors are Rs. 65,20,30,40,992/-, Rs. 46,07,93,749/- and Rs. 3,53,13,15,137/-, respectively.

51. The name and addresses of the promoters of AEL including their shareholding in the Companies as on 31<sup>st</sup> day of March 2018 are as under:

Sr. No.	Name and Address of Promoters	No. of equity shares of Re. 1 each	%
1.	Shri Gautam S. Adani "Shantivan", B/H. Karnavati Club, Gandhinagar-Sarkhej Highway, Mohemadapura, Ahmedabad – 380058	1	0.00
2.	Shri Rajesh S. Adani Shanti Sagar Bunglow, Rajpath Club to Bopal Road, Near Kantam Party Plot Cross Road, Bodakdev, Ahmedabad-380 059	1	0.00
3.	Shri Gautam S. Adani/Shri Rajesh S. Adani (on behalf of S. B. Adani Family Trust) 9 <sup>th</sup> Floor, Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	62,11,97,910	56.48
4.	Shri Gautam S. Adani/ Smt. Priti G. Adani (on behalf of Gautam S. Adani Family Trust) 9 <sup>th</sup> Floor, Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad-380009	88,36,750	0.80
5.	Adani Tradeline LLP (Formerly Parsa Kente Rail Infra LLP) 801, Shikhar Complex, Srimali Soc., Navrangpura, Ahmedabad-380009	9,94,91,719	9.05
6.	Afro Asia Trade and Investments Limited 6 <sup>th</sup> Floor, Tower I, Nexteracom Building, Ebene, Mauritius-111111	3,02,49,700	2.75
7.	Universal Trade and Investments Limited 6 <sup>th</sup> Floor, Tower I, Nexteracom Building, Ebene, Mauritius-111111	3,02,49,700	2.75
8.	Worldwide Emerging Market Holding Limited 6 <sup>th</sup> Floor, Tower I, Nexteracom Building, Ebene, Mauritius-111111	3,02,49,700	2.75
9.	Pan Asia Trade & Investment Private Limited Suite 501, St. James Court, St. Denis Street, Port Louis, Mauritius-111111	36,88,000	0.34

- None of the Promoters of AEL are holding any share of AGHL or AGL except Mr. Gautam S. Adani and Mr. Rajesh S. Adani holding 1 equity share each of AGHL as nominee of the Mahaguj Power LLP.

52. The name and addresses of the promoters of AGHL including their shareholding in the Companies as on 31<sup>st</sup> day of March 2018 are as under:

Sr. No.	Name and Address of Promoters	No. of equity shares of Rs. 10 each	%	No. of preference shares of Rs. 10 each	%
1.	Mahaguj Power LLP alongwith its nominees Adani House, 56, Shrimali Society, Navrangpura, Ahmedabad - 380 009	25,500	51.00	Nil	Nil

Sr. No.	Name and Address of Promoters	No. of equity shares of Rs. 10 each	%	No. of preference shares of Rs. 10 each	%
2.	Adani Tradewing LLP Adani House, 56, Shrimali Society, Navrangpura, Ahmedabad - 380 009	24,500	49.00	Nil	Nil
3.	Adani Enterprises Limited Adani House, Near Mithakhali Six Road, Navrangpura, Ahmedabad - 380006	Nil	Nil	23,36,00,000	100.00

- None of the Promoters of AGHL are holding any share of AEL or AGL.

53. The name and addresses of the promoters of AGL including their shareholding in the Companies as on 31<sup>st</sup> day of March 2018 are as under:

Sr. No.	Name and Address of Promoters	No. of equity shares of Rs. 10 each	%
1.	Adani Gas Holdings Limited alongwith its nominees Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	25,67,42,040	100.00

- None of the Promoters of AGL are holding any share of AEL or AGHL.

54. The details of the directors of AEL as on 31<sup>st</sup> day of March 2018 are as follows:

Sr.No.	Name of the Director	Address	DIN
1	Shri Gautam S. Adani	"Shantivan", B/h. Karnavati Club, Gandhinagar-Sarkhej Highway, Mohemadapura, Ahmedabad – 380058	00006273
2	Shri Rajesh S. Adani	Shanti Sagar Bunglow, Rajpath Club to Bopal Road, Near Kantam Party Plot Cross Road, Bodakdev, Ahmedabad – 380 059	00006322
3	Shri Pranav V. Adani	Param Shanti Bunglow, Survey No. 100/1, Nr. Shaswat Bunglow, B/h. Rajpath Club, Ahmedabad – 380059	00008457
4	Mr. Rajiv Nayar	2 <sup>nd</sup> Floor, Retreat, 7 Unique Park, Satellite, Manekbag, Ahmedabad – 380015	07903822
5	Mr. Vinay Prakash	4, Espace, Nirvana Country, South City II, Gurgaon – 122 003	03634648
6	Mr. Berjis Desai	Yezerina-II Road No 5, 740/741, Dadar Parsi Colony Dadar, Mumbai – 400014	00153675
7	Mr. Hemant Nerurkar	1201, Lodha Grandeur, Rahimtullah Sayani Road, Prabhadevi, Mumbai – 400025	00265887
8	Mr. V. Subramanian	B-265, 1 <sup>st</sup> Floor, Greater Kailash, Part-I, New Delhi – 110 048	00357727
9	Mrs. Vijaylaxmi Joshi	Government Bungalow No. 25, Dafnala, Shaibaug, Vadodara – 380004	00032055
10	Mr. Narendra Mairpady	Door No. 8-125/16, Sumati Sadan, Dattanagar, Padavu, Mangalore, Karnataka, India – 575 006	00536905

55. The details of the directors of AGHL as on 31<sup>st</sup> day of March 2018 are as follows:

Sr. No.	Name of the Director	Address	DIN
1	Dr. Malay Mahadevia	12-B, Gyankunj Society, Opp. St. Xavier's College, Navrangpura Ahmedabad – 380009	00064110
2	Mr. Rajeev Sharma	C-6/6254 Vasant Kunj, New Delhi - 110070	00084188
3	Mr. Jatin Jalundhwala	602, Satkrut, Partha Sarthi Avenue, 132, Ring Road, Near Shaymal Raw House, Ahmedabad - 380015	00137888

56. The details of the directors of AGL as on 31<sup>st</sup> day of March 2018 are as follows:

Sr. No.	Name of the Director	Address	DIN
1	Shri Rajesh S. Adani	Shanti Sagar Bungalow, Rajpath Club to Bopal Road, Near Kantam Party Plot Cross Road, Bodakdev, Ahmedabad – 380 059	00006322
2	Shri Pranav V. Adani	Param Shanti Bungalow, Survey No. 100/1, Nr. Shaswat Bungalow, B/H Rajpath Club, Ahmedabad – 380059	00008457
3	Mr. Rajeev Sharma	C-6/6254 Vasant Kunj, New Delhi - 110070	00084188

57. The details of the shareholding of the Directors, the Key Managerial Personnel and their relatives of AEL in the Companies as on 31<sup>st</sup> day of March 2018 are as follows:

Name of Director and KMP	Position	Equity Shares held in		
		AEL	AGHL	AGL
Shri Gautam S. Adani	Chairman	1	1*	Nil
Shri Rajesh S. Adani	Managing Director	1	1*	Nil
Shri Pranav V. Adani	Director	Nil	1*	Nil
Mr. Rajiv Nayar	Additional Director & CFO	Nil	Nil	Nil
Mr. Vinay Prakash	Additional Director	Nil	Nil	Nil
Mr. Berjis Desai	Independent Director	Nil	Nil	Nil
Mr. Hemant Nerurkar	Independent Director	Nil	Nil	Nil
Mr. V. Subramanian	Independent Director	Nil	Nil	Nil
Mrs. Vijaylaxmi Joshi	Independent Director	Nil	Nil	Nil
Mr. Narendra Mairpady	Independent Director	Nil	Nil	Nil
Mr. Jatin Jalundhwala	Company Secretary & Sr. Vice President (Legal)	700	Nil	220 <sup>#</sup>

\*Holding as nominee of Mahaguj Power LLP

<sup>#</sup> Holding as nominee of Adani Gas Holdings Limited

58. The details of the shareholding of the Directors, the Key Managerial Personnel and their relatives of AGHL in the Companies as on 31<sup>st</sup> day of March 2018 are as follows:

Name of Director and KMP	Position	Equity Shares held in		
		AEL	AGHL	AGL
Dr. Malay Mahadevia	Director	Nil	Nil	Nil
Mr. Rajeev Sharma	Director	Nil	Nil	Nil
Mr. Jatin Jalundhwala	Director	700	Nil	220 <sup>#</sup>

<sup>#</sup> Holding as nominee of Adani Gas Holdings Limited



59. The details of the shareholding of the Directors, the Key Managerial Personnel and their relatives of AGL in the Companies as on 31<sup>st</sup> day of March 2018 are as follows:

Name of Director and KMP	Position	Equity Shares held in		
		AEL	AGHL	AGL
Shri Rajesh S. Adani	Director	1	1*	Nil
Shri Pranav V. Adani	Director	Nil	1*	Nil
Mr. Rajeev Sharma	Whole-time Director	Nil	Nil	Nil
Mr. Naresh Poddar	Chief Financial Officer	Nil	Nil	100 <sup>#</sup>
Mr. Hardik Sanghvi	Company Secretary	Nil	Nil	220 <sup>#</sup>

\* Holding as nominee of Mahaguj Power LLP

<sup>#</sup> Holding as nominee of Adani Gas Holdings Limited

60. The pre Scheme shareholding pattern of AEL, AGHL and AGL as on 31<sup>st</sup> day of March 2018 and the post Scheme shareholding pattern of AEL and AGL (assuming the continuing shareholding pattern as on 31<sup>st</sup> day of March 2018) are as under:

**Pre & Post arrangement shareholding pattern of AEL is as under :**

Sr. No.	Category of shareholder	Pre & Post Scheme shareholding pattern	
		No. of equity shares of Re. 1 each	%
<b>(A)</b>	<b>Promoter and Promoter Group</b>		
<b>1</b>	<b>Indian</b>	-	-
(a)	Individuals/ Hindu Undivided Family	2	0.00
(b)	Central Government/ State Government(s)	-	-
(c)	Financial Institutions/ Banks	-	-
(d)	Any Other (specify)		
	Held by respective trustees (Beneficiary holders Family Trusts)	63,00,34,660	57.29
	Held by respective LLP	9,94,91,719	9.05
	<b>Sub-Total (A)(1)</b>	<b>72,95,26,381</b>	<b>66.33</b>
<b>2</b>	<b>Foreign</b>		
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-
(b)	Government	-	-
(c)	Institutions	-	-
(d)	Foreign Portfolio Investor		
(e)	Any Other (specify)		
	Bodies Corporate	9,44,37,100	8.59
	<b>Sub-Total (A)(2)</b>	<b>9,44,37,100</b>	<b>8.59</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>82,39,63,481</b>	<b>74.92</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>1</b>	<b>Institutions</b>		
(a)	Mutual Funds	58,94,581	0.54
(b)	Venture Capital Funds	-	-
(c)	Alternate Investment Funds	-	-
(d)	Foreign Venture Capital Investors	-	-
(e)	Foreign Portfolio Investor	22,77,69,434	20.71

Sr. No.	Category of shareholder	Pre & Post Scheme shareholding pattern	
		No. of shares of Re. 1 each	%
(f)	Financial Institutions / Banks	59,13,900	0.54
(g)	Insurance Companies	-	-
(h)	Provident Funds/ Pension Funds	-	-
(I)	Any Other (Specify)		
	Foreign Institutional Investors	163,478	0.01
	<b>Sub-Total (B)(1)</b>	<b>23,97,41,393</b>	<b>21.80</b>
2	Central Government/ State Government(s)/President of India	-	-
	<b>Sub-Total (B)(2)</b>	-	-
<b>3</b>	<b>Non-Institutions</b>		
(a)	Individuals		
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	2,19,57,868	2.00
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	25,10,762	0.23
(b)	NBFCs registered with RBI	-	-
(c)	Employee Trusts	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-
(e)	Any Other (Specify)		
	Hindu Undivided Family	12,96,342	0.12
	Trusts	3,100	0.00
	Bodies Corporate	55,49,460	0.50
	NRIs	9,70,095	0.09
	Clearing Members (Shares in Transit)	37,63,058	0.34
	Foreign National	10,000	0.00
	IEPF Authority	44,524	0.00
	<b>Sub-Total (B)(3)</b>	<b>3,61,05,209</b>	<b>3.28</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>27,58,46,602</b>	<b>25.08</b>
	<b>Total Shareholding (A)+(B)</b>	<b>109,98,10,083</b>	<b>100.00</b>

Pre arrangement shareholding pattern of AGHL is as under:

Sr. No.	Category of shareholder	Pre Scheme shareholding pattern			
		No. of equity shares of Rs. 10 each	%	No. of preference shares of Rs. 10 each	%
<b>(A)</b>	<b>Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>	-	-	-	-
(a)	Individuals/ Hindu Undivided Family	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-
(d)	Any Other (specify)				
	Nominees of Mahaguj Power LLP	6	0.01	-	-
	Held by respective LLP	49,994	99.99	-	-
	Body Corporate	-	-	23,36,00,000	100.00
	<b>Sub-Total (A)(1)</b>	<b>50,000</b>	<b>100.00</b>	<b>23,36,00,000</b>	<b>100.00</b>
<b>2</b>	<b>Foreign</b>				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-
(b)	Government	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-
(e)	Any Other (specify)				
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>50,000</b>	<b>100.00</b>	<b>23,36,00,000</b>	<b>100.00</b>
<b>(B)</b>	<b>Public Shareholding</b>				
<b>1</b>	<b>Institutions</b>				
(a)	Mutual Funds	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-
(f)	Financial Institutions / Banks	-	-	-	-
(g)	Insurance Companies	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-
(i)	Any Other (Specify)				
	Foreign Institutional Investors	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2	Central Government/State Government(s)/ President of India	-	-	-	-
	<b>Sub-Total (B)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3</b>	<b>Non-Institutions</b>				
(a)	Individuals				
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	-	-	-	-

Sr. No.	Category of shareholder	Pre Scheme shareholding pattern			
		No. of equity shares of Rs. 10 each	%	No. of preference shares of Rs. 10 each	%
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	-	-	-
(b)	NBFCs registered with RBI	-	-	-	-
(c)	Employee Trusts	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-
(e)	Any Other (Specify)				
	Hindu Undivided Family	-	-	-	-
	Trusts	-	-	-	-
	Bodies Corporate	-	-	-	-
	NRIs	-	-	-	-
	Clearing Members (Shares in Transit)	-	-	-	-
	Foreign National	-	-	-	-
	IEPF Authority				
	<b>Sub-Total (B)(3)</b>	-	-	-	-
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	-	-	-	-
	<b>Total Shareholding (A)+(B)</b>	<b>50,000</b>	<b>100.00</b>	<b>23,36,00,000</b>	<b>100.00</b>

**Pre & Post arrangement shareholding pattern of AGL is as under:**

Pre Scheme shareholding pattern of Adani Gas Limited as on 31<sup>st</sup> day of March 2018 and Post Scheme shareholding pattern of Adani Gas Limited (assuming the continuing shareholding pattern as on 31<sup>st</sup> day of March 2018) is enclosed as **Annexure 16**.

61. The capital structure (expected, based on capital structure as on 31<sup>st</sup> day of March 2018) of AEL and AGL after the implementation of the Scheme.

#### **AEL**

Share Capital	Amount (in Rs.)
<b>Authorized Share Capital</b>	
485,92,00,000 Equity Shares of Re. 1/- each	485,92,00,000
45,00,000 Preference Shares of Rs. 10/- each	4,50,00,000
<b>Total</b>	<b>490,42,00,000</b>
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
109,98,10,083 Equity Shares of Re. 1/- each fully paid-up	109,98,10,083
<b>Total</b>	<b>109,98,10,083</b>

**AGL**

Upon the effectiveness of Part II of the Scheme		Upon the effectiveness of Part III of the Scheme	
Share Capital	Amount (in Rs.)	Share Capital	Amount (in Rs.)
<b>Authorized Share Capital</b>		<b>Authorized Share Capital</b>	
50,99,50,000 Equity Shares of Re. 10/- each	509,95,00,000	509,95,00,000 Equity Shares of Re. 1/- each	509,95,00,000
50,000 Preference Shares of Rs. 10/- each	5,00,000	50,000 Preference Shares of Rs. 10/- each	5,00,000
<b>Total</b>	<b>510,00,00,000</b>	<b>Total</b>	<b>510,00,00,000</b>
<b>Issued, Subscribed and Paid-Up Share Capital</b>		<b>Issued, Subscribed and Paid-Up Share Capital</b>	
23,36,00,000 Equity Shares of Rs. 10/- each fully paid-up	233,60,00,000	109,98,10,083 Equity Shares of Re. 1/- each fully paid-up	109,98,10,083
50,000 - 10% Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up	5,00,000	50,000 - 10% Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up	5,00,000
<b>Total</b>	<b>233,65,00,000</b>	<b>Total</b>	<b>110,03,10,083</b>

62. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.
63. The following documents will be open for inspection by the unsecured creditors of AGL at its registered office at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India, between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:
- Copy of the order passed by NCLT in C.A. (CAA) No. 38/NCLT/AHM/2018, dated 10<sup>th</sup> day of May 2018 directing AEL to, inter alia, convene the meetings of its equity shareholders, secured creditors (including debenture holders) and unsecured creditors;
  - Copy of the order passed by NCLT in C.A. (CAA) No. 36/NCLT/AHM/2018, dated 10<sup>th</sup> day of May 2018, inter alia, dispensing with the meetings of the equity shareholders and preference shareholder and directing convening of the meeting of the secured debenture holders and unsecured creditors of AGHL;
  - Copy of the order passed by NCLT in C.A. (CAA) No. 37/NCLT/AHM/2018, dated 10<sup>th</sup> day of May 2018, inter alia, dispensing with the meeting of the equity shareholders and directing convening of the meeting of the secured creditors and unsecured creditors of AGL;
  - Copy of the C.A. (CAA) No. 38/NCLT/AHM/2018 along with annexures filed by AEL before NCLT;
  - Copy of the C.A. (CAA) No. 36/NCLT/AHM/2018 along with annexures filed by AGHL before NCLT;
  - Copy of the C.A. (CAA) No. 37/NCLT/AHM/2018 along with annexures filed by AGL before NCLT
  - Copy of the Memorandum and Articles of Association of AEL, AGHL and AGL, respectively;
  - Copy of the annual reports of AEL, AGHL and AGL, respectively, for the financial years ended 31<sup>st</sup> day of March 2016 and 31<sup>st</sup> day of March 2015, respectively;
  - Copy of the annual reports of AEL, AGHL and AGL, respectively, for the financial year ended 31<sup>st</sup> day of March 2017;
  - Copy of the Audited Financial Results / Statement for the year ended 31<sup>st</sup> day of March 2018 of AEL, AGHL and AGL;
  - Statement showing assets and liabilities of the Demerged Undertaking of AEL as on 31<sup>st</sup> day of December 2017 proposed to be transferred to AGL;
  - Copy of the Register of Directors' shareholding of each of the Companies;
  - Copy of Valuation Report, dated 18<sup>th</sup> day of January 2018, submitted by B S R & Associates LLP, Chartered Accountants;

- (xiv) Copy of the Fairness Opinion, dated 18<sup>th</sup> day of January 2018, issued by JM Financial Institutional Securities Limited, to the Board of Directors of AEL;
- (xv) Copy of the Audit Committee Report, dated 18<sup>th</sup> day of January 2018 of AEL;
- (xvi) Copy of the resolutions, dated 18<sup>th</sup> day of January 2018, passed by the respective Board of Directors of the Companies, approving the Scheme;
- (xvii) Copy of the extracts of the minutes of the meetings, held on 18<sup>th</sup> day of January 2018, of the Board of Directors of the Companies, respectively, in respect of the approval of the Scheme;
- (xviii) Copy of the Statutory Auditors' certificate dated 19<sup>th</sup> day of January 2018 issued by Shah Dhandharia & Co., Chartered Accountants to AEL;
- (xix) Copy of the Statutory Auditors' certificate dated 19<sup>th</sup> day of January 2018 issued by Dharmesh Parikh & Co., Chartered Accountants to AGHL;
- (xx) Copy of the Statutory Auditors' certificate dated 19<sup>th</sup> day of January 2018 issued by Shah Dhandharia & Co., Chartered Accountants to AGL;
- (xxi) Copy of the complaint reports, dated 13<sup>th</sup> day of February 2018 and 14<sup>th</sup> day of February 2018, submitted by AEL to BSE and NSE, respectively;
- (xxii) Copy of the no adverse observations/no objection letter issued by BSE and NSE, both dated 20<sup>th</sup> day of March 2018, respectively, to AEL;
- (xxiii) Copy of the e-mail dated 23<sup>rd</sup> day of March 2018 addressed by AEL to BSE and NSE;
- (xxiv) Summary of the Valuation Report including the basis of valuation issued by B S R & Associates LLP, Chartered Accountants;
- (xxv) Copy of Form No. GNL-1 filed by the respective Companies with the Registrar of Companies, Gujarat along with challan dated 27<sup>th</sup> day of April 2018, evidencing filing of the Scheme;
- (xxvi) Copy of the certificate, dated 26<sup>th</sup> day of May 2018, issued by Dharmesh Parikh & Co., Chartered Accountants, certifying the amount due to the unsecured creditors of AEL as on 25<sup>th</sup> day of May 2018;
- (xxvii) Copy of the certificate, dated 26<sup>th</sup> day of May 2018, issued by Dharmesh Parikh & Co., Chartered Accountants, certifying the amount due to the unsecured creditors of AGHL as on 25<sup>th</sup> day of May 2018;
- (xxviii) Copy of the certificate, dated 26<sup>th</sup> day of May 2018, issued by Dharmesh Parikh & Co., Chartered Accountants, certifying the amount due to the unsecured creditors of AGL as on 25<sup>th</sup> day of May 2018;
- (xxix) Copy of the Scheme;
- (xxx) Copy of the Reports, all dated 18<sup>th</sup> day of January 2018, adopted by the Board of Directors of the Companies, pursuant to the provisions of Section 232(2)© of the Act; and
- (xxxi) Copies of the applicable information of AGHL and AGL in the format specified for abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The unsecured creditors shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (ii), (iii), (ix), (xviii), (xix), (xx) and (xxix) above.

63. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by AGL to its creditors, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the creditors of AGL.
64. After the Scheme is approved by the equity shareholders, secured creditors and unsecured creditors of AGL, it will be subject to the approval/sanction by NCLT.

Sd/-

**Mr. Justice J.C. Upadhyay**  
**Former Judge of the High Court of Gujarat**  
Chairman appointed for the meeting

Dated this 30<sup>th</sup> day of May 2018.

Registered office: "Adani House",  
Near Mithakhali Six Roads,  
Navrangpura,  
Ahmedabad- 380 009,  
Gujarat, India.

**SCHEME**

**COMPOSITE SCHEME OF ARRANGEMENT**

**AMONG**

**ADANI GAS HOLDINGS LIMITED**

**AND**

**ADANI GAS LIMITED**

**AND**

**ADANI ENTERPRISES LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF**

**THE COMPANIES ACT, 2013)**

**A. PREAMBLE**

This composite scheme of arrangement (hereinafter referred to as the "**Scheme**"), inter alia, provides for:

- (a) amalgamation of Adani Gas Holdings Limited ("Transferor Company") with Adani Gas Limited ("Transferee Company" or "Resulting Company") pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013; and
- (b) subject to satisfactory fulfilment of (a) above i.e., upon amalgamation of the Transferor Company with the Transferee Company becoming effective, demerger of the Demerged Undertaking (as defined hereinafter) of Adani Enterprises Limited ("Demerged Company") and transfer of the same to the Resulting Company pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

**B. INTRODUCTION**

- (i) The Transferor Company was incorporated on 28th day of August 2010 as Mundra LNG Limited, a public company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956, with Corporate Identification Number U11200GJ2010PLC062148. Its name was changed to Adani Gas Holdings Limited on 15th day of March 2017. The registered office of the Transferor Company is situated at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. The Transferor Company is the holding company of the Transferee Company and holds 100% of the paid-up share capital of the Transferee Company along with its nominees. The entire share capital of the Transferor Company is indirectly held by the Demerged Company. Thus, the Transferor Company is a wholly owned subsidiary of the Demerged Company.
- (ii) The Transferee Company/Resulting Company was incorporated on 5th day of August 2005 as Adani Energy (U.P.) Limited, a public company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956, with Corporate Identification Number U40100GJ2005PLC046553. Adani Energy (U.P) Limited was thereafter converted into a private limited company and fresh certificate of incorporation was issued to it on 26th day of March 2009. Its name was then changed to Adani Gas Private Limited on 31st day of December 2009. Adani Gas Private Limited was thereafter converted into a public company as Adani Gas Limited on 8th day of January 2010. The registered office of the Transferee Company/Resulting Company is situated at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. The Transferee Company/Resulting Company is a wholly owned subsidiary of the Transferor Company and in turn a wholly owned subsidiary of the Demerged Company.
- (iii) The Transferee Company/Resulting Company supplies Piped Natural Gas to household, commercial and industrial consumers and Compressed Natural Gas ('CNG') for use in automobiles. As on 31st day of December 2017, the Transferee Company/Resulting Company has set up a gas



distribution network of approximately 370 kms of steel pipeline and approximately 5,100 kms of polyethylene pipeline including 71 CNG stations spread across Ahmedabad and Vadodara in the State of Gujarat; Faridabad in the State of Haryana; and Khurja in the State of Uttar Pradesh.

- (iv) The Demerged Company was incorporated on 2nd day of March 1993 as Adani Exports Limited, a public company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956, with Corporate Identification Number L51100GJ1993PLC019067. Its name was changed to Adani Enterprises Limited on 10th day of August 2006. The registered office of the Demerged Company is situated at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. The equity shares of the Demerged Company are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The secured redeemable non convertible debentures issued by the Demerged Company are listed on the Wholesale Debt Market segment of BSE.
- (v) The Demerged Company is global integrated infrastructure conglomerate with significant business interests in resources (coal mining and trading), logistics, sourcing of gas and city gas distribution and agri business. The brief description of the major businesses being carried out by the Demerged Company alongwith its subsidiaries, joint venture companies and its associates is as under:
  - (a) The Demerged Company is one of the largest coal trader importing thermal coal from Indonesia and South Africa and supplying the same to various customers in India;
  - (b) The Demerged Company is carrying on the business of sourcing and trading in natural gas. The Demerged Company supports the Transferee Company by sourcing various spares required for city gas distribution related infrastructure. The Demerged Company indirectly holds the entire share capital of the Transferee Company. The Transferee Company, is in the business of supply of Piped Natural Gas and CNG, more particularly stated in Clause B.(iii) above. The aforesaid businesses are hereinafter referred to as **"Gas Sourcing and Distribution Business"**.
  - (c) The Demerged Company is a Mine Developer and Operator in India. Currently, the Demerged Company under a long-term contract has developed and is operating coal mine in the Parsa East-Kente Basan Mine in Chhattisgarh. The Demerged Company through its subsidiaries also carries on coal mining operations in Bunyu Island, Indonesia and in Queensland, Australia;
  - (d) The Demerged Company carries on edible oil refining business under the brand "Fortune" amongst other brands through its 50:50 joint venture company, namely, Adani Wilmar Limited;
  - (e) Further, the Demerged Company, through its subsidiary, Adani Agri Fresh Limited carries on the business of developing integrated storage, handling and transportation infrastructure for horticulture products. Adani Agri Logistics Limited, a wholly owned subsidiary of the Demerged Company, carries on the business of bulk handling, storage and transportation (distribution) of food grains, providing an end-to-end bulk supply chain solution to Food Corporation of India and various state governments;
  - (f) The Demerged Company through its subsidiary, Adani Bunkering Private Limited ('ABPL'), is providing bunkering services (Fuel Oil and Marine Gas Oil) to various ocean going vessels in India. Presently, ABPL has physical bunkering facilities at Mundra, Hazira and Goa with capabilities of supplying bunker fuel to the vessels calling at any port in Gujarat and Goa. ABPL is also supplying duty paid bunkers at other locations on back to back basis through oil public sector undertakings; and
  - (g) The Demerged Company through its subsidiary, Mundra Solar PV Limited, has set up a manufacturing facility to produce silicon ingots / wafers, silicon solar cells, modules and support manufacturing facilities that includes Ethylene Vinyl Acetate (EVA), back sheets, glass, junction box and solar cell and string interconnect ribbon.



## C. RATIONALE

- (i) The amalgamation of the Transferor company with the Transferee company is proposed for simplification of the holding structure resulting in reduction of managerial overlaps and reduction in multiplicity of legal and regulatory compliances.
- (ii) Further, considering the following factors, it is desired to segregate Gas Sourcing and Distribution Business from other businesses of the Demerged Company.
  - (a) Each of the varied businesses being carried on by the Demerged Company either by itself or through its subsidiaries or through associate companies including Gas Sourcing and Distribution Business have significant potential for growth and profitability. The nature of risk, competition, challenges, opportunities and business methods for Gas Sourcing and Distribution Business is separate and distinct from other businesses being carried out by the Demerged Company. The Gas Sourcing and Distribution Business and the other businesses of the Demerged Company are capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which the Gas Sourcing and Distribution Business and other businesses of the Demerged Company are required to be handled and managed. In order to lend greater/enhanced focus to the operation of the said businesses, it is proposed to re-organize and segregate the Gas Sourcing and Distribution Business by way of demerger and transfer the same to the Resulting Company.
  - (b) The segregation would enable greater/enhanced focus of the management in the Gas Sourcing and Distribution Business and other businesses whereby facilitating the management to efficiently exploit opportunities for each of the said businesses.
  - (c) The proposed re-organisation will create enhanced value for shareholders and allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies.
  - (d) The demerger will also provide scope for independent collaboration and expansion pertaining to Gas Sourcing and Distribution Business.

## D. PARTS OF THE SCHEME

- (a) **Part I** of the Scheme deals with definitions, interpretation and the share capital;
  - (b) **Part II** of the Scheme deals with the amalgamation of the Transferor Company with the Transferee Company in accordance with sections 230 to 232 of the Companies Act, 2013;
  - (c) **Part III** of the Scheme deals with the demerger of the Demerged Undertaking from the Demerged Company and transfer to and vesting into the Resulting Company; and
  - (d) **Part IV** of the Scheme deals with the general terms and conditions applicable to the Scheme.
- E. The amalgamation of the Transferor Company with the Transferee Company/Resulting Company and the demerger of the Demerged Undertaking of the Demerged Company and its transfer to and vesting in the Resulting Company shall be in compliance with the provisions of section 2(1B) and section 2(19AA) of the Income-tax Act, 1961, respectively

### PART I

#### 1. DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

##### 1.1. DEFINITIONS

- 1.1.1. **"Act"** means the Companies Act, 2013 and shall include the provisions of the Companies Act, 1956, to the extent the corresponding provisions in the Companies Act, 2013 have not been notified.
- 1.1.2. **"Applicable Law"** means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, circulars, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force.
- 1.1.3. **"Appropriate Authority"** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or

judicial body or authority, including, but not limited, to SEBI, Stock Exchanges, Registrar of Companies, Tribunal and Reserve Bank of India.

- 1.1.4. **"Board"** in relation to the Transferor Company, the Transferee Company/Resulting Company and the Demerged Company, as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the Board or such committee of directors duly constituted and authorized for the purposes of matters pertaining to the arrangement as contemplated under this Scheme and/or any other matter relating thereto.
- 1.1.5. **"BSE"** means the BSE Limited.
- 1.1.6. **"Demerged Company"** means Adani Enterprises Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956 and having its registered office at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India.
- 1.1.7. **"Demerged Undertaking"** means all the businesses, undertakings, activities, properties, investments and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to Gas Sourcing and Distribution Business (which includes (i) the Demerged Company's strategic investment in the Transferee Company as on the Effective Date 1; (ii) the business relating to sourcing and trading in natural gas; and (iii) the business of sourcing various spares required for city gas distribution related infrastructure for the Transferee Company), including specifically the following:
- (a) all immovable properties, if any, i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) currently being used for the purpose of and in relation to the Gas Sourcing and Distribution Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
  - (b) all assets, as are movable in nature pertaining to and in relation to the Gas Sourcing and Distribution Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including electrical fittings, furniture, fixtures, appliances, accessories, office equipments, communication facilities, installations and inventory), actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Appropriate Authority, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to goods and service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, advance tax, tax deducted at source and tax refunds;
  - (c) all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Gas Sourcing and Distribution Business;
  - (d) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Gas Sourcing and Distribution Business;

- (e) all applications (including hardware, software, licenses, source codes, para-meterisation and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Gas Sourcing and Distribution Business;
- (f) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company pertaining to or in connection with or relating to the Demerged Company in respect of the Gas Sourcing and Distribution Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company and pertaining to the Gas Sourcing and Distribution Business;
- (g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Gas Sourcing and Distribution Business;
- (h) all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Demerged Company pertaining to the Gas Sourcing and Distribution Business and/or arising out of and/or relatable to the Gas Sourcing and Distribution Business including:
  - i. the debts, liabilities, duties and obligations of the Demerged Company which arises out of the activities or operations of the Gas Sourcing and Distribution Business;
  - ii. specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Gas Sourcing and Distribution Business;
  - iii. in cases other than those referred to in Sub-Clause i. or Sub- Clause ii. above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger bears to the total value of the assets of the Demerged Company immediately prior to the Effective Date 2;
- (i) all employees of the Demerged Company employed/engaged in the Gas Sourcing and Distribution Business as on the Effective Date 2; and
- (j) all Proceedings of whatsoever nature that pertain to the Gas Sourcing and Distribution Business.

*Explanation:*

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Gas Sourcing and Distribution Business or whether it arises out of the activities or operations of the Gas Sourcing and Distribution Business, the same shall be decided by mutual agreement between Board of the Demerged Company and the Resulting Company.

1.1.8. **"Effective Date 1"** means opening of business hours of the business day from last of the dates on which the conditions specified in Clause 25.1 and Clause 25.3 are complied with. The Effective Date 1 shall be the appointed date for Part II of the Scheme.

1.1.9. **"Effective Date 2"** means opening of business hours of the last of the dates on which the conditions specified in Clause 25.2 and Clause 25.3 are complied with or after seven days of Effective Date 1, whichever is later. The Effective Date 2 shall be the appointed date for Part III of the Scheme.

- 1.1.10. **"NCDs"** means the Non-Convertible Debentures issued by the Transferor Company.
- 1.1.11. **"NSE"** means the National Stock Exchange of India Limited.
- 1.1.12. **"Parties"** means collectively the Transferor Company, the Transferee Company/Resulting Company and the Demerged Company.
- 1.1.13. **"Party"** means the Transferor Company, the Transferee Company/Resulting Company or the Demerged Company, individually.
- 1.1.14. **"Preference Shares"** means 10% - Cumulative Redeemable Preference Shares of the Transferee Company, to be allotted in terms of Clause 6.1(c) hereof, which shall (a) have a face value of Rs.10/- (Rupees Ten Only); (b) bear dividend at the rate of 10% per annum determined from the date of allotment of the Preference Shares on the face value of the Preference Shares; (c) be redeemable at face value in one or more tranches provided however, that the Preference Shares shall anyways be redeemed in full within a maximum period of 3 years from the date of allotment of the Preference Shares; (d) have a preferential right to receive their redemption value in precedence to holders of equity shares during a winding up or repayment of capital; and (e) carry all the statutory rights which may be available to the Preference Shareholder in accordance with the provisions of the Act.
- 1.1.15. **"Record Date 1"** shall be the date to be fixed by the Board of the Transferee Company, for the purpose of determining the equity shareholders and compulsorily convertible preference shareholders of the Transferor Company for issue of New Equity Shares and Preference Shares, respectively (as defined in Clause 6.1 and Clause 1.1.14), pursuant to this Scheme.
- 1.1.16. **"Record Date 2"** shall be the date to be fixed by the Board of the Demerged Company in consultation with the Resulting Company, for the purpose of determining the equity shareholders of the Demerged Company for issue of Resulting Company New Equity Shares (as defined in Clause 17.1), pursuant to this Scheme.
- 1.1.17. **"Remaining Undertaking"** means all the undertakings, businesses, activities and operations of the Demerged Company other than those comprised in the Demerged Undertaking.
- 1.1.18. **"Scheme"** means this composite scheme of arrangement including any modification or amendment hereto, made in accordance with the terms hereof.
- 1.1.19. **"SEBI"** means the Securities and Exchange Board of India.
- 1.1.20. **"SEBI Circular"** means, together, the circular no. CFD/DIL3/CIR/2017/21 dated 10th day of March 2017; the circular no. CFD/DIL3/CIR/2017/26 dated 23rd day of March 2017; the circular no. CFD/DIL3/CIR/2017/105 dated 21st day of September 2017; and the circular no. CFD/DIL3/CIR/2018/2 dated 3rd day of January 2018, each issued by SEBI.
- 1.1.21. **"SEBI Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.1.22. **"Stock Exchanges"** means BSE and NSE.
- 1.1.23. **"Transferor Company"** means Adani Gas Holdings Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956 and having its registered office at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India.
- 1.1.24. **"Transferee Company"** or "Resulting Company" means Adani Gas Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956 and having its registered office at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India.
- 1.1.25. **"Tribunal"** means the National Company Law Tribunal, Bench at Ahmedabad, which has jurisdiction in relation to the Parties.
- 1.1.26. **"Undertaking of the Transferor Company"** means the Transferor Company and includes all the business, undertakings, assets, properties, investments and liabilities of the Transferor Company, of whatsoever nature and kind and wherever situated, on a going concern basis and with continuity of business of the Transferor Company, which shall include:

- (a) all moveable assets, whether present, future or contingent, in possession or reversion including electrical fittings, equipment, installations, appliances, tools, accessories, power lines, stocks and inventory, computers, communication facilities, furniture, fixtures and office equipment;
- (b) all current assets, including sundry debtors, receivables, cash, bank balances, loans and advances, actionable claims, bills and credit notes;
- (c) all licences, rights, entitlements, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, tax deferrals, tax credits, (including any credits arising from advance tax, self-assessment tax, other income tax credits, withholding tax credits, minimum alternate tax credits, CENVAT credits, goods and services tax credits, other indirect tax credits and other tax receivables), other claims under tax laws, privileges, incentives (including incentives in respect of income tax, sales tax, value added tax, service tax, custom duties and goods and services tax), benefits, tax holidays, tax refunds (including those pending with any tax authority), advantages, benefits and all other rights and facilities of every kind, nature and description whatsoever;
- (d) all contracts, bids, letters of intent, arrangements, understandings, engagements, deeds and instruments, purchase orders, service orders, operation and maintenance contracts, memoranda of understanding, hire and purchase agreements, panchnamas for right of way, equipment purchase agreements and all rights, title, interest, claims and benefits thereunder;
- (e) all application monies, advance monies, earnest monies and security and other deposits paid to any person, including any governmental authority, and payments against other entitlements;
- (f) all investments, including long term, short term, quoted, unquoted investments in different instruments, including shares, debentures, units warrants and bonds;
- (g) all liabilities (including contingent liabilities), loans, debts (secured or unsecured), guarantees, duties, responsibilities and obligations;
- (h) all immoveable assets, if any, including all freehold, leasehold, leave and licenced, tenancies and any other covenants, title, interest or continuing rights in such immoveable assets;
- (i) all intangible assets, including all intellectual property rights and all goodwill attaching to such intellectual property rights;
- (j) all employees of the Transferor Company;
- (k) all reserves, provisions and funds, books, records, files, papers, engineering and process information, software licences, test reports, records of standard operating procedures, computer programs along with their licences, drawings, manuals, data, databases catalogues, quotations, sales and advertising materials, dossiers, product master cards, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form;
- (l) all rights to use and avail telephone, facsimile, e-mail, internet, leased line connections and installations, utilities, electricity and other services; and
- (m) all Proceedings involving the Transferor Company.

## 1.2. **INTERPRETATION**

- 1.2.1. All terms and words used in the Scheme but not specifically defined herein shall, unless contrary to the context thereof, have the meaning ascribed to them under the Act.
- 1.2.2. In the Scheme, unless the context otherwise requires:
  - (a) words denoting singular shall include plural and vice versa and references to any gender includes the other gender;
  - (b) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
  - (c) references to the word "include" or "including" shall be construed without limitation;
  - (d) references to Clauses are to the Clauses to this Scheme;



- (e) references to the words "hereof", "herein" and "hereunder" and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme;
- (f) references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme becoming effective" or "Scheme coming into effect" shall mean Effective Date 1 or Effective Date 2, as the case may be;
- (g) reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;
- (h) reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- (i) word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- (j) references to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality); and
- (k) where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any forgoing words.

### 1.3. SHARE CAPITAL

- 1.3.1. The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on 31st day of December 2017 was as under:

Share Capital	Amount (in Rs.)
<b>Authorized Share Capital</b>	
50,000 Equity Shares of Rs. 10/- each	5,00,000
24,99,50,000 Preference Shares of Rs. 10/- each	249,95,00,000
<b>TOTAL</b>	<b>250,00,00,000</b>
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
50,000 Equity Shares of Rs. 10/- each fully paid up	5,00,000
23,36,00,000 Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up	233,60,00,000
<b>TOTAL</b>	<b>233,65,00,000</b>

- 1.3.2. The authorised, issued, subscribed and paid-up share capital of the Transferee Company/Resulting Company as on 31st day of December 2017 was as under:

Share Capital	Amount (in Rs.)
<b>Authorized Share Capital</b>	
26,00,00,000 Equity Shares of Rs. 10/- each	260,00,00,000
<b>TOTAL</b>	<b>260,00,00,000</b>
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
25,67,42,040 Equity Shares of Rs. 10/- each fully paid up	256,74,20,400
<b>TOTAL</b>	<b>256,74,20,400</b>

- 1.3.3. The authorised, issued, subscribed and paid-up share capital of the Demerged Company as on 31st day of December 2017 was as under:

<b>Share Capital</b>	<b>Amount (in Rs.)</b>
<b>Authorized Share Capital</b>	
485,92,00,000 Equity Shares of Re. 1/- each	485,92,00,000
45,00,000 Preference Shares of Rs. 10/- each	4,50,00,000
<b>TOTAL</b>	<b>490,42,00,000</b>
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
109,98,10,083 Equity Shares of Re. 1/- each fully paid-up	109,98,10,083
<b>TOTAL</b>	<b>109,98,10,083</b>

## **PART II**

### **AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY**

#### **2. TRANSFER OF ASSETS AND LIABILITIES**

- 2.1. Upon Part II of the Scheme becoming effective and with effect from the Effective Date 1 and pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Act, if any, and in accordance with provisions of section 2(1B) of the Income-tax Act, 1961, the Undertaking of the Transferor Company along with all its assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral part of the Transferor Company shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in the Transferee Company as a going concern so as to become as and from the Effective Date 1, the assets, liabilities, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.
- 2.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon Part II of the Scheme becoming effective and with effect from the Effective Date 1:
- 2.2.1. subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the assets and liabilities, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been, transferred to, and vested in, the Transferee Company, so as to become, on and from the Effective Date 1, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to sections 230 to 232 of the Act and in accordance with the provisions of section 2(1B) of the Income-tax Act, 1961, subject however, to all charges, liens, mortgages, then affecting the Transferor Company or any part thereof; provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the Transferor Company, which shall be deemed to have been vested with the Transferee Company by virtue of the amalgamation, and the Transferee Company shall not be obliged to create any further or additional security therefore upon coming into effect of this Scheme or otherwise, except in case where the required security has not been created and in such case if the terms thereof require, the Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.
- 2.2.2. with respect to the assets of the Transferor Company that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Company without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Effective Date 1.

- 2.2.3. subject to Clause 2.2.4 below, with respect to the assets of the Transferor Company other than those referred to in Clause 2.2.2 above, whether or not the same is held in the name of the Transferor Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of sections 230 to 232 of the Act, with effect from the Effective Date 1. It is hereby clarified that all the investments made by the Transferor Company and all the rights, title and interests of the Transferor Company in any properties of the Transferor Company shall, pursuant to sections 230 to 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.
- 2.2.4. without prejudice to the aforesaid, all the immovable property, if any, (including but not limited to the land, buildings, offices and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Company, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Company, without any act or deed to be done or executed by the Transferor Company and/or the Transferee Company. For the purpose of giving effect to the vesting order passed under section 232 of the Act in respect of this Scheme, the Transferee Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Transferee Company pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of Part II of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Transferor Company and/or the Transferee Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.
- Notwithstanding any provision to the contrary, until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/ or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is deemed to be authorized to carry on business in the name and style of the Transferor Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.
- 2.2.5. for the avoidance of doubt, it is clarified that upon the effectiveness of Part II of this Scheme and in accordance with the provisions of relevant Applicable Law, all consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same, and all intellectual property rights of whatsoever nature and all other interests relating to the goods or services being dealt with by the Transferor Company, shall be transferred to and vest in the Transferee Company.
- 2.2.6. subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, subsisting or having effect on or immediately before the Effective Date 1, to which the Transferor Company is a party shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into novation agreement(s) in relation to such contracts, deeds, bonds, agreements and other instruments as stated above. Any inter-se contracts between the Transferor Company on the one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the effectiveness of Part II of this Scheme.
- 2.2.7. without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the assets and liabilities of the Undertaking of the Transferor Company occurs by

virtue of this Scheme, the Transferee Company may, at any time after Part II of the Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

- 2.2.8. in so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges of whatsoever nature enjoyed, granted by any Appropriate Authority, or availed of and/or entitled to, by the Transferor Company are concerned as on the Effective Date 1, including income tax benefits, deductions, recognitions and exemptions under applicable provisions of the Income-tax Act, 1961, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions with effect from the Effective Date 1.
- 2.2.9. all debts, liabilities, duties and obligations of the Transferor Company shall, pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Act, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to have been stood transferred to, and vested in, the Transferee Company, so as to become on and from the Effective Date 1, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 2.2.9.
- 2.2.10. if and to the extent there are loans, deposits or balances or other outstanding inter-se between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Effective Date 1, come to an end and suitable effect shall be given in the books of the Transferee Company.
- 2.2.11. with effect from the Effective Date 1, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between the Transferor Company and the Transferee Company.
- 2.2.12. any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, goods and service tax laws, value added tax laws, as applicable to any State in which the Transferor Company operates, Central Sales Tax Act, 1956, any other State sales tax / value added tax laws, or service tax, or corporation tax, or other Applicable Law and regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause 2.2 referred to as "Tax Laws") to the extent not provided for or covered by tax provision in the Transferor Company's accounts made as on the date immediately preceding the Effective Date 1 shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source, tax refunds and MAT credit entitlement as on the date immediately preceding the Effective Date 1 will also be transferred to the account of and belong to the Transferee Company.
- 2.2.13. any refund under the Tax Laws due to the Transferor Company consequent to the assessment and which have not been received by the Transferor Company as on the date immediately preceding the Effective Date 1 shall also belong to and be received by the Transferee Company.
- 2.2.14. without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Transferor Company is entitled to in terms of the applicable Tax Laws, including but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/entity, shall be available to and vest in the Transferee Company.
- 2.2.15. without prejudice to the foregoing provisions of this Clause 2.2, upon the effectiveness of Part II of this Scheme, all debt securities (which includes NCDs) of the Transferor Company,

pursuant to the provisions of sections 230 to 232 and other relevant provisions of the Act shall, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested.

- 2.2.16. with respect to the investments made by the Transferor Company in shares, stocks, bonds, warrants, units of mutual fund or any other securities, shareholding interests, memberships in other companies, whether quoted or unquoted, by whatever name called, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Effective Date 1.
- 2.2.17. it is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Company shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 2.2.18. on and from the Effective Date 1, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.
- 2.2.19. for avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date 1 and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date 1 shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case maybe, continued by or against the Transferee Company after the coming into effect of Part II the Scheme.
- 2.2.20. without prejudice to the provisions of this Clause 2.2, and upon the effectiveness of Part II of this Scheme, the Transferor Company and the Transferee Company shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat, to give formal effect to the above provisions.
- 2.2.21. upon the effectiveness of Part II of this Scheme, the Transferee Company shall be entitled to file / revise Income Tax returns, TDS Certificates, TDS returns, wealth tax returns and other statutory returns to the extent required for itself and on and/ or behalf of the Transferor Company, as the case may be. The Transferee Company shall be entitled to get credit/claim refunds, advance tax credits, credit of tax including minimum alternate tax, credit of tax



deducted at source, credit of foreign tax paid/ withheld, etc., if any, for and / or on behalf of the Transferor Company, as may be required consequent to the implementation of Part II of the Scheme.

### **3. PERMITS, CONSENTS AND LICENSES**

- 3.1. Upon Part II of this Scheme becoming effective, all the licenses, permits, consents, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of sections 230 to 232 of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Effective Date 1, the estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law.
- 3.2. Upon the Effective Date 1 and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, easements, special status are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant license and/or permit and/or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

### **4. EMPLOYEES**

- 4.1. On and from the Effective Date 1, the Transferee Company undertakes to engage all the employees, if any, of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service as a result of the amalgamation of the Transferor Company with the Transferee Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the amalgamation of the Transferor Company with the Transferee Company shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company, or to the government provident fund in relation to the employees of the Transferor Company who are not eligible to become members of the provident fund maintained by the Transferee Company. In relation to those employees who are not covered under the provident fund trust of the Transferor Company, and for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees.
- 4.2. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved.

Notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to: (i) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (ii) merge with other similar funds of the Transferee Company.

### **5. PROCEEDINGS**

- 5.1. If any suit, cause of actions, appeal or other legal, taxation, quasi-judicial, arbitral, administrative, or other proceedings of whatever nature, under any Applicable Law (hereinafter referred to as the

"Proceedings") by or against the Transferor Company be pending on the Effective Date 1, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in the Scheme, but such Proceedings may be continued, prosecuted, defended, and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date 1, the Transferee Company may initiate any Proceedings for and on behalf of the Transferor Company.

## **6. CONSIDERATION**

- 6.1. Upon the effectiveness of Part II of this Scheme and in consideration of the amalgamation of the Transferor Company with the Transferee Company, including the transfer and vesting of the assets and liabilities of the Transferor Company in the Transferee Company pursuant to the provisions of this Scheme:
- (a) all the equity shares issued by the Transferee Company and held by the Transferor Company shall stand cancelled;
  - (b) the Transferee Company shall, without any further act or deed, issue and allot to each compulsorily convertible preference shareholder, whose name is recorded in the register of members and the records of the depository as preference shareholders of the Transferor Company on the Record Date 1, 1(One) equity share of Rs. 10/- (Rupees Ten only) each of the Transferee Company credited as fully paid-up for every 1 (One) compulsorily convertible preference share of Rs. 10/- (Rupees Ten only) each held by such compulsorily convertible preference shareholder ("New Equity Shares");
  - (c) the Transferee Company shall, without any further act or deed, issue and allot to each equity shareholder, whose name is recorded in the register of members and the records of the depository as equity shareholders of the Transferor Company on the Record Date 1, 1 (One) Preference Share of Rs. 10/- (Rupees Ten only) each of the Transferee Company credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten only) each held by such equity shareholder.
- 6.2. Upon the New Equity Shares and Preference Shares in the Transferee Company issued and allotted by it to the equity shareholders and compulsorily convertible preference shareholders of the Transferor Company in terms of Clauses 6.1(b) and 6.1(c) above, the equity shares and the compulsorily convertible preference shares of the Transferor Company, shall be deemed to have been automatically cancelled and be of no effect.
- 6.3. The New Equity Shares issued pursuant to Clause 6.1(b) above shall be issued and allotted in a dematerialized form to those compulsorily convertible preference shareholders who hold such preference shares in the Transferor Company in the dematerialized form, into the account with the depository participant as is intimated by the compulsorily convertible preference shareholders of the Transferor Company to the Transferee Company. All those compulsorily convertible preference shareholders of the Transferor Company who hold the preference shares of the Transferor Company in physical form shall also have the option to receive the New Equity Shares in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Transferee Company. In the event that the Transferee Company has received notice from any compulsorily convertible preference shareholder of the Transferor Company that the New Equity Shares are to be issued in physical form or if any compulsorily convertible preference shareholder has not provided the requisite details relating to his/her account with a depository participant or other confirmations as may be required or if the details furnished by any compulsorily convertible preference shareholder do not permit electronic credit of the New Equity Shares of the Transferee Company, then the Transferee Company shall issue New Equity Shares in accordance with Clause 6.1(b) above, in physical form to such compulsorily convertible preference shareholder.
- 6.4. The Preference Shares issued pursuant to Clause 6.1(c) above shall be issued and allotted in a dematerialized form to those equity shareholders who hold such equity shares in the Transferor Company in the dematerialized form, into the account with the depository participant as is intimated by the equity shareholders of the Transferor Company to the Transferee Company. All those equity shareholders of the Transferor Company who hold the equity shares of the Transferor Company in physical form shall also have the option to receive the Preference Shares in

dematerialized form provided the details of their account with the depository participant are intimated in writing to the Transferee Company. In the event that the Transferee Company has received notice from any equity shareholder of the Transferor Company that the Preference Shares are to be issued in physical form or if any equity shareholder has not provided the requisite details relating to his/her account with a depository participant or other confirmations as may be required or if the details furnished by any equity shareholder do not permit electronic credit of the Preference Shares of the Transferee Company, then the Transferee Company shall issue Preference Shares in accordance with Clause 6.1(c) above, in physical form to such equity shareholder.

- 6.5. In the event that the aggregate number of the New Equity Shares to be issued by the Transferee Company to the compulsorily convertible preference shareholders of the Transferor Company results in a fraction of equity shares, the Board of the Transferee Company shall round-off such fraction to the nearest whole number, and thereupon shall issue and allot the New Equity Shares to the compulsorily convertible preference shareholders of the Transferor Company. Further, fractional entitlements of individual compulsorily convertible preference shareholders, based on the share exchange ratio prescribed in Clause 6.1(b) above, shall also be rounded-off to the nearest whole number by the Board of the Transferee Company.
- 6.6. In the event that the aggregate number of the Preference Shares to be issued by the Transferee Company to the equity shareholders of the Transferor Company results in a fraction of Preference Shares, the Board of the Transferee Company shall round-off such fraction to the nearest whole number, and thereupon shall issue and allot the Preference Shares to the equity shareholders of the Transferor Company. Further, fractional entitlements of individual equity shareholders, based on the share exchange ratio prescribed in Clause 6.1(c) above, shall also be rounded-off to the nearest whole number by the Board of the Transferee Company.
- 6.7. The New Equity Shares issued and allotted by the Transferee Company, in terms of Clause 6.1(b) above, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *pari passu* in all respects with the then existing equity shares, if any, of the Transferee Company after the Record Date 1.
- 6.8. Approval of the Scheme by the equity shareholders of the Transferee Company shall be deemed to be the due compliance of the provisions of section 62 and section 55 of the Act for the issue and allotment of the New Equity Shares and Preference Shares by the Transferee Company to the compulsorily convertible preference shareholders and equity shareholders, respectively, of the Transferor Company, as provided in the Scheme.
- 6.9. As stipulated in Clause 6.1(a) above, all the equity shares issued by the Transferee Company and held by the Transferor Company shall stand cancelled. Such cancellation of the share capital of the Transferee Company upon the amalgamation of the Transferor Company with the Transferee Company shall be effected as a part of the Scheme itself and not in accordance with section 66 of the Act. The order of the Tribunal sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act shall be necessary.

## **7. REORGANISATION OF AUTHORISED SHARE CAPITAL**

- 7.1. As an integral part of the Scheme, and upon the effectiveness of Part II of this Scheme, the authorised share capital of the Transferor Company shall stand transferred to and be amalgamated with the authorised share capital of the Transferee Company, and that the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company, without any liability for payment of any additional fees (including fees and charges to the Registrar of Companies, Gujarat) or stamp duty. For the purpose of the aforesaid increase in the authorised share capital of the Transferee Company and for that limited purpose, the existing authorized equity share capital and the authorized preference share capital of the Transferor Company, without any further act, instrument or deed shall be deemed to have been reclassified to 24,99,50,000 equity shares of Rs. 10/- each and 50,000 preference shares of Rs. 10/- each. Consequently, the authorised share capital of the Transferee Company shall be Rs. 510,00,00,000/- (Rupees Five Hundred and Ten Crores only) comprising of 50,99,50,000 (Fifty Crores Ninety Nine Lacs Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten only) each and 50,000 (Fifty Thousand) preference shares of Rs. 10/- (Rupees Ten only) each, without any further act, instrument or deed.

- 7.2. Clause V. of the Memorandum of Association of the Transferee Company shall, upon the effectiveness of Part II of this Scheme and without any further act or deed, be replaced by the following clause:

"V. The Authorised Share Capital of the Company is Rs. 510,00,00,000/- (Rupees Five Hundred and Ten Crores only) divided into 50,99,50,000 (Fifty Crores Ninety Nine Lacs Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten only) each and 50,000 (Fifty Thousand) preference shares of Rs. 10/- (Rupees Ten only) each."

- 7.3. The consent of the shareholders of the Transferor Company and the Transferee Company to the Scheme shall be deemed to be sufficient for purposes of effecting the above and that no further action under section 13 or section 61 or any other applicable provisions of the Act, shall be separately required nor shall any additional fees (including fees and charges to the Registrar of Companies, Gujarat) or stamp duty be payable by the Transferee Company.

## **8. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY UNTIL THE EFFECTIVE DATE 1**

- 8.1. With effect from the date of approval of this Scheme by the respective Boards of the Transferor Company and the Transferee Company, the Transferor Company undertakes to carry on the business and activities with reasonable diligence, business prudence and shall not except in the ordinary course of business or without prior written consent of the Transferee Company or as provided in this Scheme, alienate, charge, mortgage, encumber or otherwise deal with or dispose any business or part thereof, provided that the Board of the Transferor Company shall be permitted to enter into transactions for disposal of assets and/or undertaking, with third parties on arms-length basis.
- 8.2. With effect from the date of approval of this Scheme by the respective Boards of the Transferor Company and the Transferee Company, the Transferor Company shall notify the Transferee Company in writing as soon as reasonably practicable of any matter, circumstance, act or omission which is or may be a breach of this Clause 8.

## **9. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY**

- 9.1. Notwithstanding anything to the contrary herein, upon the effectiveness of Part II of this Scheme, the Transferee Company shall give effect to the accounting treatment in its books of accounts in accordance with the accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Effective Date 1.

## **10. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

- 10.1. Upon the effectiveness of Part II of this Scheme, the resolutions of the Transferor Company, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date 1, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

## **11. DISSOLUTION OF THE TRANSFEROR COMPANY**

- 11.1. Upon the effectiveness of Part II of this Scheme, the Transferor Company shall stand dissolved without being wound up, without any further act or deed.

### **PART III**

#### **DEMERGER OF THE DEMERGED UNDERTAKING**

## **12. TRANSFER OF ASSETS AND LIABILITIES**

- 12.1. Subject to implementation of Part II of this Scheme and with effect from the Effective Date 2, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Demerged Undertaking, the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been transferred to and vested in the Resulting Company on a going concern basis, so as to become on and from the Effective Date 2, the estate, assets, rights, title, interest and authorities of the Resulting Company,

pursuant to sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act and in accordance with the provisions of section 2(19AA) of the Income-tax Act, 1961.

12.2. Without prejudice to the generality of Clause 12.1 above, on and from the Effective Date 2:

12.2.1. the Demerged Undertaking including all its assets, properties, investments, shareholding interests in other companies, claims, title, interest, assets of whatsoever nature such as licenses and all other rights, title, interest, contracts or powers of every kind, nature and description of whatsoever nature and wheresoever situated shall, pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any, of the Act, and pursuant to the order of the Tribunal sanctioning this Scheme and without further act or deed or instrument, but subject to the charges affecting the same as on the Effective Date 2, be and stand transferred to and vested in the Resulting Company as a going concern.

12.2.2. without prejudice to the generality of Clause 12.2.1 above, with respect to the assets forming part of the Demerged Undertaking that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Demerged Company without any further act or execution of an instrument with the intent of vesting such assets with the Resulting Company.

12.2.3. without prejudice to the aforesaid, the Demerged Undertaking, including all immoveable property, if any, whether or not included in the books of the Demerged Company, whether freehold or leasehold (including but not limited to land, buildings, sites and immovable properties and any other document of title, rights, interest and easements in relation thereto) of the Demerged Undertaking shall stand transferred to and be vested in the Resulting Company, without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company. For the purpose of giving effect to the vesting order passed under section 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of Part III of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Demerged Company and/or the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution.

Notwithstanding any provision to the contrary, from the Effective Date 2 and until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded effected and or perfected, in the record of the Appropriate Authority, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to carry on business in the name and style of the Demerged Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

12.2.4. with respect to the assets of the Demerged Undertaking other than those referred to in Clause 12.2.2 above, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Effective Date 2 pursuant to the provisions of sections 230 to 232 of the Act. All the rights, title and interests of the Demerged Company in any leasehold properties in relation to the Demerged Undertaking shall, pursuant to sections 230 to 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company.

12.2.5. the consents, permissions, licenses, certificates, authorisations (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking, and the rights and benefits under the same shall, and all



intellectual property and all other interests relating to the goods or services being dealt with by the Demerged Company in relation to the Demerged Undertaking, be transferred to, and vest in, the Resulting Company.

- 12.2.6. subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, in relation to the Demerged Undertaking, to which the Demerged Company is a party subsisting or having effect on or immediately before the Effective Date 2 shall remain in full force and effect against or in favour of the Resulting Company and shall be binding on and be enforceable by and against the Resulting Company as fully and effectually as if the Resulting Company had at all material times been a party thereto. The Resulting Company will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements and other instruments as stated above.
- 12.2.7. without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, the Resulting Company may, at any time on or after the Effective Date 2, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company.
- 12.2.8. in so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by the Demerged Company, in relation to or in connection with the Demerged Undertaking, are concerned as on the Effective Date 2, including income tax deductions, recognitions and exemptions under applicable provisions of the Income-tax Act, 1961, the same shall, without any further act or deed, vest with and be available to the Resulting Company on the same terms and conditions on and from the Effective Date 2.
- 12.2.9. all debts, liabilities, loans raised and used, obligations incurred, duties of any kind, nature or description (including contingent liabilities which arise out of the activities or operations of the Demerged Undertaking) of the Demerged Company as on the Effective Date 2 and relating to the Demerged Undertaking ("Transferred Liabilities") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date 2 and shall become the debts, liabilities, loans, obligations and duties of the Resulting Company which shall meet, discharge and satisfy the same. The term "Transferred Liabilities" shall include:
  - 12.2.9.1. the debts, liabilities, duties and obligations of the Demerged Undertaking which arises out of the activities or operations of the Demerged Undertaking;
  - 12.2.9.2. the specific loans and borrowings raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking; and
  - 12.2.9.3. in cases other than those referred to in Clauses 12.2.9.1 or 12.2.9.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger bear to the total value of the assets of the Demerged Company immediately prior to the Effective Date 2.
- 12.2.10. in so far as any encumbrance in respect of Transferred Liabilities is concerned, such encumbrance shall, without any further act, instrument or deed being required be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which may have been encumbered in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Undertaking are concerned, the encumbrance, if any, over such assets relating to the Transferred Liabilities, without any further act, instrument or deed being required, be released and discharged from the obligations and encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts which are not

transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities;

- 12.2.11. any tax liabilities under Customs Act, 1962, Central Excise Act, 1944, goods and service tax laws, value added tax laws, as applicable to any State in which the Demerged Company operates, Central Sales Tax Act, 1956, any other State sales tax value added tax laws, or service tax, or corporation tax, or other Applicable Law and regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause 12.2 referred to as "Tax Laws") to the extent not provided for or covered by tax provision in the Demerged Company's accounts, in relation to or in connection with the Demerged Undertaking, made as on the date immediately preceding the Effective Date 2 shall be transferred to the Resulting Company. Any surplus in the provision for taxation/ duties/ levies account as on the date immediately preceding the Effective Date 2 in relation to the Demerged Undertaking will also be transferred to the account of and belong to the Resulting Company.
- 12.2.12. any claims due to the Demerged Company from its customers or otherwise and which have not been received by the Demerged Company as on the date immediately preceding the Effective Date 2 as the case may be, in relation to or in connection with the Demerged Undertaking, shall also belong to and be received by the Resulting Company.
- 12.2.13. without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Demerged Company, in relation to or in connection with the Demerged Undertaking, is entitled to in terms of the applicable Tax Laws, including, but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/entity, shall be available to, and vest in, the Resulting Company.
- 12.2.14. with respect to the investments made by the Demerged Company in shares, stocks, bonds, warrants, units of mutual fund or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, forming part of the Demerged Undertaking, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Effective Date 2 pursuant to the provisions of sections 230 to 232 of the Act.

It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 12.2.15. on and from the Effective Date 2, and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.
- 12.2.16. for avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date 2 and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date 2 shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the

Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Demerged Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case maybe, continued by or against the Resulting Company after Part III of this Scheme coming into effect.

12.2.17. without prejudice to the provisions of the foregoing Clauses of this Clause 12.2, and upon the effectiveness of Part III of this Scheme, the Demerged Company and the Resulting Company shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat to give formal effect to the above provisions.

12.2.18. the Resulting Company shall be entitled to get credit/claim refund regarding any tax paid and/or tax deduction at source certificates, pertaining to the Demerged Undertaking.

### **13. PERMITS, CONSENTS AND LICENSES**

13.1. All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Demerged Company, in relation to or in connection with the Demerged Undertaking, pursuant to the provisions of sections 230 to 232 of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Resulting Company so as to become as and from the Effective Date 2, the estates, assets, rights, title, interests and authorities of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law.

13.2. Upon the Effective Date 2 and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, special status are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Resulting Company, the Resulting Company is authorized to carry on business in the name and style of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and under the relevant license and or permit and / or approval, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

### **14. EMPLOYEES**

14.1. Upon the effectiveness of Part III of this Scheme and with effect from the Effective Date 2, the Resulting Company undertakes to engage all the employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by the Demerged Company without any interruption of service as a result of transfer of the Demerged Undertaking to the Resulting Company. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company, or to the government provident fund in relation to the employees of the Demerged Company who are not eligible to become members of the provident fund maintained by the Resulting Company. In relation to those employees who are not covered under the provident fund trust of the Resulting Company, and for whom the Demerged Company is making contributions to the government provident fund, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees.

- 14.2. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.

## **15. PROCEEDINGS**

- 15.1. If any Proceedings by or against the Demerged Company be pending, in relation to or in connection with the Demerged Undertaking, on the Effective Date 2, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking or of anything contained in the Scheme, but such Proceedings may be continued, prosecuted, defended and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made. On and from the Effective Date 2, the Resulting Company may initiate any Proceedings for and on behalf of the Demerged Company for matters relating to or in connection with the Demerged Undertaking. The Resulting Company shall have all Proceedings initiated by or against the Demerged Company with respect to the Demerged Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

## **16. SUB-DIVISION OF EQUITY SHARE CAPITAL OF THE RESULTING COMPANY**

- 16.1. As an integral part of the Scheme, and, upon the effectiveness of Part III of this Scheme, the face value per equity share of the Resulting Company shall be sub-divided from Rs. 10/- to Re. 1/-, without any further act, instrument or deed on the part of the Resulting Company, such that upon the effectiveness of Part III of this Scheme, the authorised share capital of the Resulting Company shall be Rs. 510,00,00,000/- (Rupees Five Hundred and Ten Crores only) comprising of 509,95,00,000 (Five Hundred and Nine Crores and Ninety Five Lacs) equity shares of Re. 1/- (Rupee One only) each and 50,000 (Fifty Thousand) preference shares of Rs. 10/- (Rupees Ten only) each. Clause V of the Memorandum of Association of the Resulting Company shall, upon the effectiveness of Part III of this Scheme and without any further act or deed, be replaced by the following clause:

*"V. The Authorised Share Capital of the Company is Rs. 510,00,00,000/- (Rupees Five Hundred and Ten Crores only) divided into 509,95,00,000 (Five Hundred and Nine Crore and Ninety Five Lacs) equity shares of Re. 1/- (Rupee One only) each and 50,000 (Fifty Thousand) preference shares of Rs. 10/- (Rupees Ten only) each."*

- 16.2. It is hereby clarified that for the purposes of Clause 16, the consent of the shareholders of the Resulting Company to the Scheme shall be deemed to be sufficient for sub-division of the equity share capital of the Resulting Company and no further resolutions under the applicable provisions of the Act would be required to be separately passed.
- 16.3. The Resulting Company, upon the effectiveness of Part III of this Scheme, shall file the requisite form with the Registrar of Companies, Gujarat, and pay necessary fees in respect thereof, if required, for sub-division of its equity share capital.

## **17. CONSIDERATION**

- 17.1. Upon the effectiveness of Part III of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company pursuant to provisions of this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each shareholder of the Demerged Company, whose name is recorded in the register of members and records of the depository as members of the Demerged Company, on the Record Date 2, 1(One) equity share of Re. 1/- (Rupee One only) each of the Resulting Company credited as fully paid up for every 1 (One) equity share of Re. 1/- (Rupee One only) each held by such shareholder in the Demerged Company ("Resulting Company New Equity Shares").
- 17.2. The Resulting Company New Equity Shares to be issued and allotted as provided in Clause 17.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank pari passu in all respects with the then existing equity shares, if any, of Resulting Company after the Record Date 2 including with respect to dividend, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.
- 17.3. In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificates to such shareholder but shall consolidate such fractions



and issue and allot the consolidated shares directly to a trustee nominated by the Board of the Resulting Company in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements.

- 17.4. The Resulting Company New Equity Shares to be issued pursuant to Clause 17.1 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of the Demerged Company. In the event that such notice has not been received by the Resulting Company in respect of any of the shareholders of the Demerged Company, the Resulting Company New Equity Shares shall be issued to such shareholders in dematerialized form provided that the shareholders of the Resulting Company shall be required to have an account with a depository participant and shall be required to provide details thereon and such other confirmations as may be required. In the event that the Resulting Company has received notice from any shareholder that the Resulting Company New Equity Shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/hers/its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue Resulting Company New Equity Shares in physical form to such shareholder or shareholders.
- 17.5. The Resulting Company New Equity Shares issued and/or allotted pursuant to Clause 17.1, in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Resulting Company.
- 17.6. The Resulting Company New Equity Shares issued pursuant to Clause 17.1, which the Resulting Company is unable to allot due to Applicable Law (including, without limitation, the non receipt of approvals of Appropriate Authority as required under Applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by the Resulting Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of the Resulting Company including to enable allotment and sale of such Resulting Company New Equity Shares to a trustee as mentioned in Clause 17.3 above and thereafter make distributions of the net sales proceeds in lieu thereof (after deduction of taxes and expenses incurred) to the eligible shareholders of the Demerged Company, in proportion to their entitlements as per the process specified in Clause 17.3 above. If the above cannot be effected for any reason, the Resulting Company shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under Applicable Law. The Resulting Company and/or the depository shall enter into such further documents and take such further actions as may be necessary or appropriate in this regard and to enable actions contemplated therein.
- 17.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of the Demerged Company shall be empowered prior to or even subsequent to the Record Date 2, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date 2, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company. The Board of the Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the transition period.
- 17.8. The issue and allotment of the Resulting Company New Equity Shares in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under section 62 of the Act and any other applicable provisions of the Act have been complied with.
- 17.9. The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the Appropriate Authorities including Reserve Bank of India, for the issue and allotment of Resulting Company New Equity Shares by the Resulting Company to the non-resident equity shareholders of the Demerged Company.



- 17.10. The equity shares issued by the Resulting Company shall be listed and admitted to trading on the Stock Exchanges pursuant to this Scheme and in compliance with the applicable regulations and the SEBI Circular. The Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular and Applicable Law and take all steps to procure the listing of the equity shares issued by it.
- 17.11. The Resulting Company New Equity Shares issued by the Resulting Company shall remain frozen in the depository system till listing/trading permission is given by the Stock Exchanges.
- 17.12. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date 2 and the listing of the equity shares on the Stock Exchanges.

## **18. REDUCTION OF SHARE CAPITAL OF THE RESULTING COMPANY**

- 18.1. Simultaneously, with the issue and allotment of the Resulting Company New Equity Shares by the Resulting Company to the shareholders of the Demerged Company in terms of Clause 17 of the Scheme, the equity shares issued by the Resulting Company to the Demerged Company upon effectiveness of Part II of this Scheme shall stand cancelled, without any further act, instrument or deed. Such cancellation of the share capital of the Resulting Company shall be effected as a part of the Scheme itself and not in accordance with section 66 of the Act. The order of the Tribunal sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act shall be necessary.

## **19. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY**

- 19.1. Upon the effectiveness of Part III of this Scheme, the investment held by the Demerged Company in the Resulting Company shall stand cancelled.
- 19.2. The Demerged Company shall account for the transfer and vesting of the Demerged Undertaking in its books of account as per the applicable accounting standards notified under section 133 of the Act read with relevant rules issued thereunder after considering the adjustment provided under Clause 19.1 of the Scheme.
- 19.3. The difference being the excess of the book value of the assets over the book value of liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to Part III of this Scheme shall be first adjusted against the Capital Reserve of the Demerged Company and balance if any shall be adjusted against the other reserves of the Demerged Company.

## **20. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY**

- 20.1. Upon the effectiveness of Part III of this Scheme, the shareholding of the Demerged Company in the Resulting Company shall stand cancelled. Upon cancellation, the Resulting Company shall debit to its equity share capital account, the aggregate face value of the equity shares held by the Demerged Company in the Resulting Company which stands cancelled hereof.
- 20.2. The Resulting Company shall account for the transfer and vesting of the Demerged Undertaking in its books of account as per the "Pooling of Interest Method" prescribed under Indian Accounting Standard 103 – "Business Combinations" notified under section 133 of the Act read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act after considering the adjustment provided under Clause 20.1 of the Scheme.

## **21. CONDUCT OF BUSINESS BY THE DEMERGED COMPANY PERTAINING TO THE DEMERGED UNDERTAKING UNTIL THE EFFECTIVE DATE 2**

- 21.1. With effect from the date of approval of this Scheme by the respective Boards of the Demerged Company and the Resulting Company, the Demerged Company undertakes to carry on the business and activities pertaining to the Demerged Undertaking with reasonable diligence, business prudence and shall not except in the ordinary course of business or without prior written consent of the Resulting Company or as provided in this Scheme, alienate, charge, mortgage, encumber or otherwise deal with or dispose any business or part thereof, provided that the Board of the Demerged Company shall be permitted to enter into transactions for disposal of assets and/or undertaking pertaining to the Demerged Undertaking, with third parties on arms-length basis.
- 21.2. With effect from the date of approval of this Scheme by the respective Boards of the Demerged Company and the Resulting Company, the Demerged Company shall notify the Resulting Company in writing as soon as reasonably practicable of any matter, circumstance, act or omission

which is or may be a breach of this Clause 21.

**22. REMAINING UNDERTAKING**

- 22.1. The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and remain vested in and be managed by the Demerged Company.
- 22.2. All proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date 2 or which may be instituted at any time thereafter, and relating to the Remaining Undertaking of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Undertaking) shall be continued and enforced against the Demerged Company.
- 22.3. If proceedings are taken against the Resulting Company in respect of matters referred to in Clause 22.2 above relating to the Remaining Undertaking, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations incurred by the Resulting Company in respect thereof.
- 22.4. If proceedings are taken against the Demerged Company in respect of matters referred to in Clause 22.2 above relating to the Demerged Undertaking, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company, against all liabilities and obligations incurred by the Demerged Company in respect thereof.

**PART IV**

**GENERAL TERMS AND CONDITIONS**

**23. APPLICATIONS/ PETITIONS TO THE TRIBUNAL AND APPROVALS**

- 23.1. The Parties shall dispatch, make and file all applications and petitions under sections 230 to 232 of the Act and other applicable provisions of the Act before the Tribunal, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law and for dissolution of the Transferor Company without being wound up.
- 23.2. The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Transferee Company/Resulting Company may require to own the assets and/ or liabilities of the Transferor Company/ Demerged Company pertaining to the Demerged Undertaking and to carry on the business of the Transferor Company/ Demerged Undertaking.

**24. MODIFICATIONS/AMENDMENTS TO THE SCHEME**

- 24.1. The Parties (by their respective Boards), may jointly and as mutually agreed in writing:
- (i) in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme which the Tribunal may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including, without limitation, any modifications to the accounting treatment set out in the Scheme due to any change in regulatory or compliance requirements being made applicable to the Parties or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
  - (ii) to give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under Applicable Law);
  - (iii) in their full and absolute discretion, modify, vary or withdraw this Scheme prior to the Effective Date 1 in any manner at any time; and
  - (iv) to determine whether any asset, liability, employee, proceedings pertains to the Transferor Company and/or the Demerged Undertaking, or not, on the basis of any evidence that they may deem relevant for this purpose.
- 24.2. Any modification to the Scheme by any of the Parties, after receipt of sanction by the Tribunal, shall be made only with the prior approval of the Tribunal.

## **25. CONDITIONS PRECEDENT**

- 25.1. Part II of this Scheme is conditional on and subject to certified copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the Registrar of Companies, Gujarat, having jurisdiction for the Transferor Company and the Transferee Company in relation to Part II of this Scheme.
- 25.2. Part III of this Scheme is conditional on and subject to certified copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the Registrar of Companies, Gujarat, having jurisdiction for the Demerged Company and the Resulting Company in relation to Part III of this Scheme.
- 25.3. Other conditions precedent for this Scheme:
  - 25.3.1. The Demerged Company having received observation letter/ noobjection letter from the Stock Exchanges in respect of the Scheme pursuant to Regulations 11, 37 and 94 of the SEBI Listing Regulations read with the SEBI Circular.
  - 25.3.2. The Scheme being approved by the respective requisite majority of each classes of the shareholders and creditors (where applicable) of the Parties in accordance with the Act.
  - 25.3.3. The Scheme being approved by the majority of the public shareholders of the Demerged Company (by way of e-voting) as required under the SEBI Circular. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders, against it as required under the SEBI Circular. The term 'public shareholder' shall carry the same meaning as defined under Rule 2 of the Securities Contracts (Regulation) Rules, 1957.
  - 25.3.4. The Tribunal having accorded its sanction to the Scheme.

## **26. EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION / WITHDRAWAL OF THE SCHEME**

- 26.1. In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before 31st day of December 2018 or within such further period or periods as may be agreed upon between the Transferor Company, the Transferee Company/Resulting Company and the Demerged Company through their respective Boards, the Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.
- 26.2. The Transferor Company, the Transferee Company/Resulting Company and/or the Demerged Company acting through their respective Board shall each be at liberty to withdraw from this Scheme, (i) in case any condition or alteration imposed by any Appropriate Authority / person is unacceptable to any of them or (ii) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the respective Parties.
- 26.3. In the event of revocation/withdrawal under Clauses 26.1 and 26.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company, the Transferee Company/Resulting Company and/or the Demerged Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.
- 26.4. Each part in the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme.
- 26.5. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company, the Transferee Company/Resulting Company and the Demerged Company through their respective Boards, affect the validity or implementation of the other parts and/or provisions of this Scheme.

## **27. COST, CHARGES AND EXPENSES**

- 27.1. All costs, charges and expenses (including, but not limited to, any taxes and duties, etc.) of the Parties, respectively, in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme shall be borne by the Transferee Company/ Resulting Company.

\*\*\*\*\*

## VALUATION REPORT

## B S R &amp; Associates LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
Fax +91 (22) 4345 5399

The Board of Directors  
Adani Enterprises Limited  
Adani House, Near Mithakhali Circle,  
Navarangpura  
Ahmedabad – 380 009 (Gujarat)

18 January 2018

**Sub: Recommendation of equity share entitlement ratio for the Proposed Demerger of the Gas Business Undertaking of Adani Enterprises Limited and transfer to Adani Gas Limited ("Transaction")**

Dear Sirs,

We refer to the engagement letter dated 11 January 2018 whereby Adani Enterprises Limited ("AEL") has requested B S R & Associates LLP ("BSR" or "Valuer" or "us" or "we") to recommend an equity share entitlement ratio in connection with the proposed demerger of Gas Sourcing & Distribution Business ("Gas Business Undertaking", or as defined herein) of Adani Enterprises Limited ("AEL", the "Client", "Company", or "You") and transfer to Adani Gas Limited ("AGL") ("Proposed Demerger" or "Transaction") (together referred to as "Companies").

**SCOPE AND PURPOSE OF THE VALUATION REPORT**

We understand that the Board of Directors of AEL propose to demerge Gas Business Undertaking and transfer to AGL. This is proposed to be achieved by way of a composite scheme of arrangement under Section 230 to 232 of the Companies Act 2013 and other applicable provisions of the Companies Act 2013 ("Proposed Scheme"). Under the Proposed Scheme, as consideration for the transfer of Gas Business Undertaking from AEL, the shareholders of AEL will be issued equity shares of AGL.

BSR has been requested by the Board of Directors of AEL to submit a letter recommending an equity share entitlement ratio, as at date of this report, in connection with the Transaction. We understand that this Valuation Report will be used by the Client for the above mentioned purpose only and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Transaction.

BSR & Associates is partnership firm with  
Registration No. BA882201 converted into  
BSR & Associates LLP (a Limited Liability  
Partnership with LLP Registration No. AAB-8182)  
with effect from October 14, 2013

Registered Office  
5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011









assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report.

The recommendation(s) rendered in this Valuation Report only represent our recommendation(s) based upon information received by the Companies till 17 January 2018 and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the determination of equity share entitlement ratio is not a precise science and the conclusions arrived at, in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single equity share entitlement ratio. While we have provided our recommendation of the equity share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the equity share entitlement ratio of the equity shares of AGL and Gas Business Undertaking. You acknowledge and agree that you have the final responsibility for the determination of the equity share entitlement ratio at which the Proposed Demerger shall take place and factors other than our Valuation Report will need to be taken into account in determining the equity share entitlement ratio; these will include your own assessment of the Transaction and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification the accuracy and completeness of information made available to us by the Companies. We have not carried out a due diligence or audit of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory advisors with respect to legal and regulatory matters for the Transaction. We do not express any form of assurance that the financial information or other information as prepared and provided by the Companies is accurate.

Our conclusions are based on these assumptions and information given by/ on behalf of the Companies. The Management of the Companies have indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors, incompleteness or inaccuracies in the information furnished by the Companies and its impact on the Valuation Report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. Nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Valuation Report. We do not imply and it should not be construed that we have verified any of the information





recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

## BACKGROUND OF THE COMPANIES

### Adani Enterprises Limited

Adani Enterprises Limited, together with its subsidiaries, primarily engages in the coal mining and trading; oil and gas exploration; gas sourcing and distribution; and edible oil and agro commodities businesses in India and internationally. The company was founded in 1988 and is based in Ahmedabad, India.

AEL also carries on business of sourcing and trading of natural gas and sourcing various spare parts required for city gas distribution related infrastructure through its division which is termed as Adani Gas Undertaking for the purpose of the Transaction.

The equity shareholding pattern of AEL as on 31 December 2017 is given below:

AEL equity shareholding as on 31 December 2017	No of Shares <sup>^</sup>	% Holding
Promoter and Promoter Group	823,963,481	74.92%
Public	275,846,602	25.08%
<b>Total</b>	<b>1,099,810,083</b>	<b>100.00%</b>

<sup>^</sup>Face value INR 1 each

Source: BSE and Management Information

The equity shares of the AEL are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The secured redeemable non-convertible debentures issued by AEL are listed on the wholesale debt market segment of BSE.

### Adani Gas Holdings Limited

Adani Gas Holding Limited ("AGHL") is holding company of AGL and holds 100 per cent of the AGL along with its nominees. AGHL, in turn, is an indirect wholly owned subsidiary company of Adani Enterprises Limited.

The equity shareholding pattern of AGHL as on 31 December 2017 is given below:

AGHL shareholding as on 31 December 2017	No of Shares <sup>^</sup>	% shareholding
Mahaguj Power LLP along with its nominees	25,500	51.00%
Adani Tradewing LLP	24,500	49.00%
<b>Total</b>	<b>50,000</b>	<b>100.00%</b>

<sup>^</sup>Face value INR 10 each

Source: Management

In addition to the above, AGHL has issued and allotted compulsorily convertible preference shares ("CCPS") to AEL. Details provided below:





AGHL CCPS holders as on 31 December 2017	No of Shares <sup>^</sup>	% shareholding
Adani Enterprises Limited	233,600,000	100.00%
<b>Total</b>	<b>233,600,000</b>	<b>100.00%</b>

<sup>^</sup>Face value INR 10 each

Source: Management

#### AGL

Adani Gas Limited is engaged in the distribution of natural gas to domestic consumers, industries and commercial establishments. The company also distributes compressed natural gas for transportation purposes. It has gas distribution networks in Ahmedabad and Vadodara in Gujarat; Faridabad in Haryana; and Khurja in Uttar Pradesh. The company was founded in 2004 and is based in Ahmedabad, India. AGL operates as an indirect wholly owned subsidiary of AEL.

The equity shareholding pattern of AGL as at 31 December 2017 is as follows:

AGL equity shareholding as on 31 December 2017	No of Shares <sup>^</sup>	% shareholding
Adani Gas Holdings Limited along with its nominees	256,742,040	100.00%
<b>Total</b>	<b>256,742,040</b>	<b>100.00%</b>

<sup>^</sup>Face value INR 10 each

Source: Management

#### Gas Business Undertaking

The aforesaid businesses of trading, sourcing and distribution of gas and sourcing of spares required for city gas distribution related infrastructure carried out by AEL, either itself or through its wholly owned subsidiary are together referred to as "Gas Sourcing and Distribution Business" or "Gas Business Undertaking". In other words, it includes Gas Trading Undertaking as defined above, and 100 per cent stake of AEL in AGL (on completion of Step 1 mentioned below).

#### BASIS OF TRANSACTION – PROPOSED SCHEME

The Transaction contemplates the demerger of Gas Business Undertaking from AEL and transfer to AGL pursuant to the Proposed Scheme. The Proposed Scheme will include the following steps:

##### Step 1: Amalgamation of AGHL with AGL

Under Step 1, AGHL which is parent company of AGL will be amalgamated with AGL. As consideration for the amalgamation of AGHL into AGL, AGL shall issue shares to shareholders of AGHL. As a result of this, the resultant shareholding of AGL will be as follows:



Resultant shareholding of AGL	No of Shares <sup>^</sup>	% shareholding
<b>Equity share capital</b>		
Adani Enterprises Limited along with its nominees	233,600,000	100.00%
<b>Total</b>	<b>233,600,000</b>	<b>100.00%</b>
<b>Preference share capital</b>		
Mahaguj Power LLP along with its nominees	25,500	51.00%
Adani Tradewing LLP	24,500	49.00%
<b>Total</b>	<b>50,000</b>	<b>100.00%</b>

<sup>^</sup>Face value INR 10 each

Source: Management

**Step 2: Transfer and vesting of Gas Business Undertaking from AEL into AGL.**

Under Step 2, Gas Business Undertaking, as defined above, will be demerged from AEL and will be transferred to AGL. As a part of the Proposed Scheme, the face value per equity share of AGL shall be sub-divided from INR 10 to INR 1.

As a consideration, equity shares of AGL will be issued and allotted to the equity shareholders of AEL.

**BASIS OF EQUITY SHARE ENTITLEMENT RATIO**

As set out above,

- As on 31 December 2017, the issued, subscribed and paid up capital of AEL consists of 1,099,810,083 fully paid up equity shares of face value INR 1 each.
- AGL is indirectly a wholly owned subsidiary of AEL.

We understand that in consideration of the demerger of the Gas Business Undertaking, AGL proposes to issue 1 equity share of face value INR 1 each of AGL for every 1 equity share of face value INR 1 each held in AEL, being the consideration of the transfer and vesting of the Gas Business Undertaking.

In case any shareholder's equity holding in AEL is such that such shareholder becomes entitled to a fraction of an equity share of AGL, the same will be treated as per relevant provisions of the Proposed Scheme.

Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion being proposed for AGL is identical to that of AEL, the beneficial economic interest of the equity shareholders of AEL in AGL will remain same at the time of the Proposed Transaction.

We believe that the above share entitlement ratio is fair and reasonable considering that all the shareholders of AEL are and will, upon demerger, be the ultimate economic beneficial owners of AGL and in the same ratio (inter se) as they hold shares in AEL, as on the record date to be decided by Management of AEL in the Proposed Scheme.





B S R & Associates LLP


Our Report and share entitlement ratio is based on the envisaged equity share capital structure of AEL, AGHL and AGL as mentioned earlier in this Report. Any variation in the equity capital structures of AEL, AGHL and AGL apart from the above mentioned Proposed Scheme may have material impact on the share entitlement ratio.

Respectfully submitted.

**For B S R & Associates LLP**

**Chartered Accountants**

Firm Registration No: 116231W

  
**Mahek Vikamsey**  
**Partner**  
Membership No: 108235



Dated: 18 January 2018

## FAIRNESS OPINION

STRICTLY CONFIDENTIAL

January 18, 2018

The Board of Directors,  
**Adani Enterprises Limited**  
 Adani House,  
 Near Mithakhali Circle, Navrangpura  
 Ahmedabad - 380 009, Gujarat, India

Ladies / Gentlemen:

We refer to the engagement letter dated January 9, 2018 ("**Engagement Letter**") whereby Adani Enterprises Limited ("**Demerged Company**" or "**AEL**" or "**Company**") has engaged JM Financial Institutional Securities Limited ("**JM Financial**"), *inter alia*, to provide a fairness opinion to the Company on the valuation report dated January 18, 2018 ("**Valuation Report**") issued by B S R Associates & LLP (the "**Valuer**") for the proposed demerger of the Demerged Undertaking (as defined below) of AEL and transfer of the same to Adani Gas Limited ("**Transferee Company**" or "**AGL**" or "**Resulting Company**"), vide a scheme of arrangement under the provisions of Sections 230 to Section 232 and other applicable provisions of the Companies Act, 2013 ("**Proposed Scheme**").

**Company Background and Purpose**

Adani Gas Holdings Limited ("**Transferor Company**" or "**AGHL**") was incorporated on August 28, 2010 as Mundra LNG Limited, a public company under the Companies Act 1956. Its name was changed to Adani Gas Holdings Limited as of March 15, 2017. AGHL is the holding company of AGL and holds 100% of the paid-up share capital of AGL along with its nominees. The entire share capital of AGHL is indirectly held by the Demerged Company.

AGL is a wholly owned subsidiary of AGHL incorporated under the provisions of the Companies Act, 2013 and is engaged in the business of supplying Piped Natural Gas to household, commercial and industrial consumers and Compressed Natural Gas ('CNG') for use in automobiles.

AEL is a public limited company incorporated under the Companies Act 1956. The Company is, *inter alia*, engaged in the business of sourcing and trading in natural gas and sourcing various spares required for city gas distribution related infrastructure. The equity shares of the Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and together with the BSE, the "Stock Exchanges").

Without any prejudice to the definition stated in the Proposed Scheme, the Demerged Undertaking is proposed to include the business, assets, liabilities, etc. pertaining to Gas Sourcing and Distribution

**JM Financial Institutional Securities Limited**  
 Corporate Identity Number : U65192MH1995PLC092522  
**Regd. Office:** 7th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.  
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Business in AEL and shall include the Demerged Company's strategic investment in the Transferee Company as on the effectiveness of Part II of the Scheme ("**Demerged Undertaking**").

The Company has appointed the Valuer to determine the Share Entitlement Ratio (as defined below) and has in terms of the Engagement Letter requested us to examine the Valuation Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the Share Entitlement Ratio ("**Fairness Opinion**") as per the requirements of the SEBI circular no. CFD/DII.3/CIR/2017/21 dated March 10, 2017 and subsequent amendments thereto ("**SEBI Circular**").

All terms not specifically defined in this Fairness Opinion shall carry the same meaning as in the Proposed Scheme.

#### **Brief Background of the Proposed Scheme**

Part II of the Proposed Scheme provides for 'Amalgamation of AGHL with AGL' and Part III of the Proposed Scheme provides for 'Demerger of the Demerged Undertaking'.

##### Amalgamation of AGHL with AGL

As per the Proposed Scheme, upon the effectiveness of Part II of the Scheme and in consideration of the amalgamation of AGHL with AGL,

- a. all the equity shares issued by AGL and held by AGHL shall stand cancelled;
- b. AGL shall, issue and allot to each compulsorily convertible preference shareholder, 1 (One) equity share of Rs. 10/- (Rupees Ten only) each of AGL for every 1 (One) compulsorily convertible preference share of Rs. 10/- (Rupees Ten only) each held by such compulsorily convertible preference shareholder ("**New Equity Shares**");
- c. AGL shall, issue and allot to each equity shareholder, 1 (One) Redeemable Preference Share of Rs. 10/- (Rupees Ten only) each of AGL for every 1 (One) equity share of Rs. 10/- (Rupees Ten only) each held by such equity shareholder
- d. Upon the New Equity Shares and Preference Shares in AGL issued and allotted by it, the equity shares and the compulsorily convertible preference shares of AGHL shall be deemed to have been automatically cancelled and be of no effect

##### Demerger of the Demerged Undertaking

As per the Proposed Scheme, upon the effectiveness of Part III of the Scheme, the face value per equity share of AGL shall be subdivided from Rs 10 to Re 1. In consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company, the Resulting Company shall, issue and allot to each shareholder of the Demerged Company, 1 (One) equity share of Re. 1/-



(Rupee One only) each held by such shareholder in the Demerged Company (“**Share Entitlement Ratio**”).

As per the Proposed Scheme, the proposed transaction is expected to result in reduction of managerial overlaps and reduction in multiplicity of legal and regulatory compliances.

Further, the proposed transaction is also expected to result in greater focus to the operation of the Gas Sourcing and Distribution Business and would create enhanced value for shareholders.

#### **Source of Information**

For the said examination and for arriving at the opinion set forth below, we have received:

1. Valuation Report issued by the Valuer;
2. Draft of the Proposed Scheme;
3. Necessary confirmations from the representatives of AEL and its subsidiaries / affiliates.

#### **Scope Limitations**

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Company for the purposes of this Fairness Opinion. We express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Company and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Company, nor have we been furnished with any such appraisals. We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by the Company for the purposes of this Fairness Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims and accordingly we have not evaluated any litigation or other actual or threatened claims. In addition, we have assumed that the Proposed Scheme will be approved by regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the Proposed Scheme. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of the Company, other than those disclosed in the information provided or considered in the Proposed Scheme.

We understand that the management of the Company, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme, no restrictions will be imposed or there will be no delays that will





have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving the Company or any of its assets, nor did we negotiate with any other party in this regard.

In the ordinary course of business, the JM Financial group is engaged in securities trading, securities brokerage and investment activities, as well as, providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the JM Financial group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Proposed Scheme.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Company will trade following the announcement of the Proposed Scheme or as to the financial performance of the Company following the consummation of the Proposed Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in the Company or any of its related parties (holding company / subsidiary / associates etc).

#### **Conclusion**

We understand that the economic interest of the shareholders of AEL in AGI, pre demerger continues to remain the same post the demerger. Based on our examination of the Valuation Report, such other information / undertakings / representations provided to us by the Company and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the Share Entitlement Ratio of issuance of 1 (One) equity share of face value of Re 1 by AGI for every 1 (One) equity share of AEL of face value of Re 1 is fair.

#### **Distribution of the Fairness**

The Fairness Opinion is addressed to the Board of Directors of the Company solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the

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Valuer and for the purpose of submission to the Stock Exchanges, National Company Law Tribunal along with the petition for the Proposed Scheme and such other applicable regulatory authorities under SEBI Circular and/ or the Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any other third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof. In no circumstances however, will JM Financial or its directors, officers, employees and controlling persons of JM Financial accept any responsibility or liability including any pecuniary or financial liability to any third party. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Yours truly,

For **JM Financial Institutional Securities Limited**

A handwritten signature in dark ink, appearing to read "J. Kethari", written over the printed name.

Authorized Signatory

## OBSERVATION LETTER FROM BSE



DCS/AMAL/AC/R37/1068/2017-18

March 20, 2018

The Company Secretary  
**ADANI ENTERPRISES LTD**  
 Adani House, Shrimali Society,  
 Near Mithakhali Circle Six Roads,  
 Navrangpura, Ahmedabad, Gujarat, 380009.

Dear Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement among Adani Gas Holdings Limited and Adani Gas Limited and Adani Enterprises Limited.**

We are in receipt of Draft Scheme of Arrangement among Adani Gas Holdings Limited and Adani Gas Limited and Adani Enterprises Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. SEBI vide its letter dated March 20, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement.

- "Company shall ensure that information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Adani Gas Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular, No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Adani Gas Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.



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 T: +91 22 2772 1234/933 | E: corp.com@bseindia.com | www.bseindia.com  
 Corporate Identity Number: L67120M-12005PLC135-88

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Adani Gas Limited is at the discretion of the Exchange. In addition to the above, the listing of Adani Gas Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Adani Gas Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information of Adani Gas Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Adani Gas Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
  - i. "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
  - ii. "There shall be no change in the shareholding pattern of Adani Gas Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be Six Months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



**Nitin Pujari**  
Sr. Manager

## OBSERVATION LETTER FROM NSE



Ref: NSE/LIST/14942

March 20, 2018

The Company Secretary & Sr. Vice President (Legal)  
 Adani Enterprises Limited  
 "Adani House" Shrimali Society  
 Near Mithakhali Six Roads, Navrangpura,  
 Ahmedabad - 380009

**Kind Attn: Mr. Jatin Jalundhwala**

Dear Sir,

**Sub: Observation letter for Composite Scheme of Arrangement among Adani Gas Holdings Limited and Adani Gas limited and Adani Enterprises Limited and their respective shareholders and creditors.**

This has reference to Composite Scheme of Arrangement among Adani Gas Holdings Limited and Adani Gas limited and Adani Enterprises Limited and their respective shareholders and creditors submitted to NSE on January 19, 2018.

Based on our letter reference no Ref: NSE/LIST/36516 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI has vide letter dated March 20, 2018, has given following comments on the draft Composite Scheme of Arrangement:

- 1. Company to ensure that additional information, if any, submitted after filing the scheme with the Stock Exchanges, shall be displayed from the date of receipt of this letter on the website of the listed company.*
- 2. Company shall duly comply with various provisions of the circulars.*
- 3. Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- 4. It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments /observations /representations.*

1.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the National Company Law Tribunal.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any



Continuation Sheet

contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from March 20, 2018, within which the Scheme shall be submitted to the NCLT.

Yours faithfully,  
For National Stock Exchange of India Limited

Kautuk Upadhyay  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL [http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)



## COMPLAINT REPORTS SENT TO BSE AND NSE



13<sup>th</sup> February, 2018

To,  
The General Manager,  
Department of Corporate Services,  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai - 400 001,

**Scrip Code: 512599**

**Sub: Application for grant of approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Ref: Complaints Report as per SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017**

Dear Sir,

This is in reference to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Composite Scheme of Arrangement among Adani Gas Holdings Limited ('AGHL') and Adani Gas Limited ('AGL') and Adani Enterprises Limited ('AEL') and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme").

Please find enclosed herewith details of Complaints received by the Company on the draft Scheme during the 21 days period from the date of filing of draft Scheme with BSE Limited (19<sup>th</sup> January, 2018) and National Stock Exchange of India Limited (19<sup>th</sup> January, 2018) and hosting of draft Scheme along with other documents on the website of the Company (19<sup>th</sup> January, 2018) and BSE Limited (22<sup>nd</sup> January, 2018) i.e. upto 12<sup>th</sup> February, 2018.

Kindly take the same on your record and provide us necessary "No Objection" at the earliest to enable us to file the Composite Scheme of Arrangement with National Company Law Tribunal, Bench at Ahmedabad.

Thanking you,

Yours faithfully,  
For **Adani Enterprises Limited**

*J. R. Sallundhwala*  
**Jatin Jalundhwala**  
Company Secretary &  
Sr. Vice President (Legal)  
Encl: a/a



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Adani House,  
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Gujarat, India

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Fax + 91 79 2555 5500  
info@adani.com  
www.adani.com

CIN: L51100GJ1993PLC019067

Registered Office : Adani House, Nr. Mithakhali Circle, Navrangpura, Ahmedabad 380 009, Gujarat, India

## Complaints Report

### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by stock exchanges	Nil
3.	Total Number of complaints / comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

### Part B

Sr. No.	Name of complainant	Date of Complaint	Status(Resolved/Pending)
1.	Not Applicable		

For Adani Enterprises Limited

*J. R. Jalundhwala*  
**Jatin Jalundhwala**  
 Company Secretary &  
 Sr. Vice President (Legal)



Date: 13<sup>th</sup> February, 2018  
 Place: Ahmedabad

Adani Enterprises Ltd  
 Adani House,  
 Nr Mithakhali Circle, Navrangpura  
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 Gujarat, India

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# adani

14<sup>th</sup> February, 2018

To,  
**Manager - Listing Compliance**  
National Stock Exchange of India Limited  
'Exchange Plaza', C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai- 400 051

**Scrip Code: ADANIENT**

**Sub: Application for grant of approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Ref: Complaints Report as per SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017**

Dear Sir,


This is in reference to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Composite Scheme of Arrangement among Adani Gas Holdings Limited ('AGHL') and Adani Gas Limited ('AGL') and Adani Enterprises Limited ('AEL') and their respective Shareholders and Creditors (the 'scheme') under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme").

Please find enclosed herewith details of Complaints received by the Company on the draft Scheme during the 21 days period from the date of filing of draft Scheme with BSE Limited (19<sup>th</sup> January, 2018) and National Stock Exchange of India Limited (19<sup>th</sup> January, 2018) and hosting of draft Scheme along with other documents on the website of the Company (19<sup>th</sup> January, 2018) and National Stock Exchange of India Limited (23<sup>rd</sup> January, 2018) i.e. upto 13<sup>th</sup> February, 2018.

Kindly take the same on your record and provide us necessary "No Objection" at the earliest to enable us to file the Composite Scheme of Arrangement with National Company Law Tribunal, Bench at Ahmedabad.

Thanking you,

Yours faithfully,  
For Adani Enterprises Limited

  
**Jatin Jalundhwala**  
Company Secretary &  
Sr. Vice President (Legal)  
Encl: a/a



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## Complaints Report

### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by stock exchanges	Nil
3.	Total Number of complaints / comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

### Part B

Sr. No.	Name of complainant	Date of Complaint	Status(Resolved/Pending)
1.		Not Applicable	

For Adani Enterprises Limited

*J. R. Jalundhwala*  
**Jatin Jalundhwala**  
 Company Secretary &  
 Sr. Vice President (Legal)  
 Date: 14<sup>th</sup> February, 2018  
 Place: Ahmedabad



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**SUMMARY OF VALUATION REPORT INCLUDING THE BASIS OF VALUATION**

B S R &amp; Associates LLP

**Annexure to Report on the equity share entitlement ratio for the Proposed Demerger of the Gas Business Undertaking of Adani Enterprises Limited and transfer to Adani Gas Limited ("Transaction")**

With reference to Report section "Basis of Equity Share Entitlement Ratio"

Computation of equity share entitlement ratio

Consequent to the proposed demerger, the economic beneficial interest of the equity shareholder of AEL in AGL shall remain the same. In light of the above, a fair valuation of the equity shares of AGL and AEL has not been carried out.

Valuation Approach	Adani Enterprises Limited		Adani Gas Limited	
	Value per share	Weight	Value per share	Weight
Asset approach	N.A.	N.A.	N.A.	N.A.
Income approach	N.A.	N.A.	N.A.	N.A.
Market approach	N.A.	N.A.	N.A.	N.A.
Relative value per share	N.A.		N.A.	
Exchange ratio (rounded off)			N.A.	

Based on the particular reading of section Basis of Transaction – Proposed Scheme and the scope and limitations section of the Report and considering that all equity shareholders of AEL are and will, upon demerger, become equity shareholders of AGL, holding beneficial economic interest in the same proportion as they hold in AEL, the following proposed share entitlement ratio is and reasonable to the equity shareholders of AEL in relation to the demerger:

"1 equity share of face value INR 1 each of AGL shall be issued and allotted for every 1 equity share of face value INR 1 each held in AEL."

Respectfully submitted.

**For B S R & Associates LLP**  
**Chartered Accountants**

Firm Registration No: 116231W

**Mahek Vikamsey**  
**Partner**

Membership No: 108235

Dated: 18 January 2018





## REPORT ADOPTED BY THE BOARD OF DIRECTORS OF AEL



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADANI ENTERPRISES LIMITED ('THE COMPANY') AT ITS MEETING HELD ON 18<sup>TH</sup> JANUARY, 2018 EXPLAINING THE EFFECT OF COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, SECURED (INCLUDING DEBENTURE HOLDERS) / UNSECURED CREDITORS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTERS SHAREHOLDERS**

**1. Background**

1.1. The proposed Composite Scheme of Arrangement among Adani Gas Holdings Limited and Adani Gas Limited and Adani Enterprises Limited and their respective shareholders and creditors ("the Composite Scheme of Arrangement" or "the Scheme") *inter alia*, provides for –

(a) amalgamation of Adani Gas Holdings Limited ('AGHL' or 'Transferor Company') with Adani Gas Limited ('AGL' or 'Transferee Company' or 'Resulting Company') pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013; and

(b) subject to satisfactory fulfilment of (a) above i.e., upon amalgamation of the Transferor Company with the Transferee Company becoming effective, demerger of the Demerged Undertaking (as defined in the scheme) of Adani Enterprises Limited ('AEL' or 'Demerged Company') and transfer of the same to the Resulting Company pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

which includes issuance of equity shares by AGL to the preference shareholders of AGHL and issuance of preference shares by AGL to the equity shareholders of AGHL for amalgamation of AGHL with AGL; issuance of equity shares by AGL to the equity shareholders of AEL after demerger of the Demerged Undertaking of AEL into AGL; reduction of paid-up equity share capital of AGL, pursuant to cancellation of equity shares held by AEL in AGL; re-organization of authorised share capital of AGL; and for matters consequential, supplemental and/or otherwise integrally connected therewith, was



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approved by the Board of Directors of the AEL at its meeting held on 18<sup>th</sup> January, 2018. Section 232(2)(c) of the Companies Act, 2013 requires that the Directors to adopt a report explaining the effect of arrangement on equity shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders of the Company laying out in particular the share entitlement ratio and the same is required to be circulated to the equity shareholders.

- 1.2. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.3. The Board of Directors took note of the following:

- 1.3.1. Draft Composite Scheme of Arrangement duly initialed by the Company Secretary for the purpose of identification;
- 1.3.2. Valuation Report dated 18<sup>th</sup> January, 2018, issued by B S R & Associates LLP (the "Valuer"), Independent Chartered Accountants describing Share Entitlement Ratio for issuance of equity shares by AGL to the preference shareholder of AGHL and issuance of preference shares by AGL to the equity shareholders of AGHL for amalgamation of AGHL with AGL; and for issuance of equity shares by AGL to the equity shareholders of AEL for Demerger of Demerged Undertaking of AEL into AGL ("Valuation Report");
- 1.3.3. Fairness Opinion dated 18<sup>th</sup> January, 2018 issued by JM Financial Institutional Securities Limited, a Category I Merchant Banker, providing the Fairness Opinion on Share Entitlement Ratio for amalgamation of AGHL with AGL and Demerger of the Demerged Undertaking ("Fairness Opinion") as recommended by the Valuer;

## 2. Effect of the Scheme on shareholders, key managerial personnel, promoters and non-promoter shareholders

- 2.1. Under the Scheme, an arrangement is sought to be entered into between AEL and its equity shareholders (promoter shareholders and



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non-promoter shareholders). Upon the coming into effect of Part III of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking into AGL and as enumerated in Clause 17 of Part III of the Scheme, AGL shall issue and allot to each equity shareholder of AEL, 1 (One) equity share of Re. 1/- (Rupee One only) each of AGL credited as fully paid up for every 1 (One) equity share of Re. 1/- (Rupee One only) each held by such shareholder of AEL.

- 2.2. In respect of the Scheme, an arrangement is sought to be entered into between AEL and its creditors though no liabilities of the creditors of AEL is being reduced or being extinguished under the Scheme. The creditors of AEL would not be prejudicially affected by the Scheme.
- 2.3. As on date, AEL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustees does not arise.
- 2.4. Under the Scheme, no arrangement is sought to be entered into between AEL and its debenture holder. No rights of the debenture holder of AEL is being affected pursuant to the transfer and vesting of the Demerged Undertaking into AGL. The debenture trustee appointed for debentures shall continue to remain the debenture trustee.
- 2.5. Under clause 14 of Part III of the Scheme, and with effect from the Effective Date 2, AGL undertakes to engage the employees of AEL, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by AEL without any interruption of service and in the same manner as provided under clause 14 of Part III of the Scheme. In the circumstances, the rights of the employees of AEL, engaged in or in relation to the Demerged Undertaking, would in no way be affected by the Scheme. The employees engaged by AEL for its Remaining Undertaking shall continue to be employed by AEL.
- 2.6. The directors, key managerial personnel of AEL and their respective relatives may have an interest in the Scheme to the extent of the



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equity shares held by them in AEL and/or to the extent they are holding shares in AGHL and AGL as nominees and/or to the extent that two of the directors of AEL, namely, Mr. Rajesh S. Adani and Mr. Pranav V. Adani are the directors of AGL and/or to the extent that the key managerial personnel of AEL, namely, Mr. Jatin Jalundhwala is a director of AGHL and/or to the extent that the said director(s), key managerial personnel and their respective relatives are the director(s), members of the companies/trust that hold shares in AEL. Save as aforesaid, none of the said directors or key managerial personnel has any material interest in the Scheme.

### 3. Valuation of Share Entitlement Ratio

3.1 B S R & Associates LLP (the "Valuer"), Independent Chartered Accountants has provided valuation report in respect of issuance of equity shares by AGL to the preference shareholders of AGHL and issuance of preference shares by AGL to the equity shareholders of AGHL for amalgamation of AGHL with AGL; and for issuance of equity shares by AGL to the equity shareholders of AEL for Demerger of Demerged Undertaking as mentioned stating that share entitlement ratio is fair and reasonable considering that all the shareholders of AEL are and will, upon demerger, be the ultimate economic beneficial owners of AGL and in the same ratio (inter se) as they hold shares in AEL, as on record date to be decided by AEL in the proposed Scheme.

3.2 Based on the valuation report, the Board of Directors approved share entitlement ratio i.e.

- i. Upon the effectiveness of Part II of the Composite Scheme of Arrangement and in consideration of the amalgamation of the Transferor Company with the Transferee Company -
  - a. 1 (One) equity share of Rs. 10/- (Rupees Ten only) each of the AGL credited as fully paid-up for every 1 (One) compulsorily convertible preference share of Rs. 10/- (Rupees Ten only) each to the compulsorily convertible preference shareholder of AGHL.



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# adani

b. 1 (One) Preference Share of Rs. 10/- (Rupees Ten only) each of the AGL credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten only) to the equity shareholder of AGHL.

ii. Upon the effectiveness of Part III of the Composite Scheme of Arrangement and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company -

1 (One) equity share of Re. 1/- (Rupee One only) each of the AGL credited as fully paid up for every 1 (One) equity share of Re. 1/- (Rupee One only) each to the equity shareholders of AEL.

2.3. No special valuation difficulties were reported.

By order of the Board  
For **Adani Enterprises Limited**

  
**Gautam S. Adani**  
Chairman  
Date: 18.01.2018



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## REPORT ADOPTED BY THE BOARD OF DIRECTORS OF AGHL



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADANI GAS HOLDINGS LIMITED ('THE COMPANY') AT ITS MEETING HELD ON 18<sup>TH</sup> JANUARY, 2018 EXPLAINING THE EFFECT OF COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, SECURED / UNSECURED CREDITORS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTERS SHAREHOLDERS**

**1. Background**

- 1.1. The proposed Composite Scheme of Arrangement among Adani Gas Holdings Limited and Adani Gas Limited and Adani Enterprises Limited and their respective shareholders and creditors ("the Composite Scheme of Arrangement") *inter alia*, provides for –

- (a) amalgamation of Adani Gas Holdings Limited ('AGHL' or 'Transferor Company') with Adani Gas Limited ('AGL' or 'Transferee Company' or 'Resulting Company') pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013; and
- (b) subject to satisfactory fulfilment of (a) above i.e., upon amalgamation of the Transferor Company with the Transferee Company becoming effective, demerger of the Demerged Undertaking (as defined in the Composite Scheme of Arrangement) of Adani Enterprises Limited ('AEL' or 'Demerged Company') and transfer of the same to the Resulting Company pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

which includes issuance of equity shares by AGL to the preference shareholders of AGHL and issuance of preference shares by AGL to the equity shareholders of AGHL for amalgamation of AGHL with AGL; issuance of equity shares by AGL to the equity shareholders of AEL after demerger of the Demerged Undertaking into AGL; reduction of paid-up equity share capital of AGL, pursuant to cancellation of equity shares held by AEL in AGL; reorganisation of authorised share capital of AGL; and for matters consequential, supplemental and/or otherwise integrally connected therewith, was approved by the Board of Directors of the AGL at its meeting held on 18<sup>th</sup> January, 2018. Section 232(2)(c) of the Companies Act, 2013 requires that the Directors to adopt a report explaining the effect of arrangement on equity shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders.

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(Formerly known as Mundra LNG Ltd)  
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1.2. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.

1.3. The Board of Directors took note of the following:

1.3.1. Draft Composite Scheme of Arrangement duly initialed by the Chairman for the purpose of identification;

1.3.2. Valuation Report dated 18<sup>th</sup> January, 2018, issued by B S R & Associates LLP (the "Valuer"), Independent Chartered Accountants describing Share Entitlement Ratio for issuance of equity shares by AGL to the preference shareholder of AGHL and issuance of preference shares by AGL to the equity shareholders of AGHL for amalgamation of AGHL with AGL; and for issuance of equity shares by AGL to the equity shareholders of AEL for Demerger of Demerged Undertaking of AEL into AGL ("Valuation Report");

1.3.3. Fairness Opinion dated 18<sup>th</sup> January, 2018 issued by JM Financial Institutional Securities Limited, a Category I Merchant Banker, providing the Fairness Opinion on the Share Entitlement Ratio for amalgamation of AGHL with AGL and Demerger of the Demerged Undertaking of AEL into AGL ("Fairness Opinion") as recommended by the Valuer;

1.3.4. Summary of the Valuation Report along with the basis of such valuation.

## 2. Effect of the Composite Scheme of Arrangement on shareholders, key managerial personnel, promoters and non-promoter shareholders

2.1. Under the Composite Scheme of Arrangement, an arrangement is sought to be entered into between AGHL and its preference shareholders. Upon the coming into effect of Part II of this Composite Scheme of Arrangement and in consideration of the amalgamation of AGHL with AGL and as enumerated in Clause 6 of Part II of the Composite Scheme of Arrangement, AGL shall issue and allot to each compulsorily convertible preference shareholder of AGHL, 1 (One) equity share of Rs. 10/- (Rupees Ten only) each of AGL credited as fully paid-up for every 1 (One) compulsorily convertible preference share of Rs. 10/- (Rupees Ten only) each held by such compulsorily convertible preference shareholder of AGHL.

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- 2.2. Under the Composite Scheme of Arrangement, an arrangement is sought to be entered into between AGHL and its equity shareholders. Upon the coming into effect of Part II of the Composite Scheme of Arrangement and in consideration of the amalgamation of AGHL with AGL and as enumerated in Clause 6 of Part II of the Composite Scheme of Arrangement, AGL shall issue and allot to each equity shareholder of AGHL, 1 (One) Preference Share of Rs. 10/- (Rupees Ten only) each of AGL credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten only) each held by such equity shareholder of AGHL.
- 2.3. Under the Composite Scheme of Arrangement, there is no arrangement with the creditors of AGHL. No compromise is offered under the Composite Scheme of Arrangement to any of the creditors of AGHL. The liability of the creditors of AGHL, under the Composite Scheme of Arrangement is neither being reduced nor being extinguished.
- 2.4. Under the Composite Scheme of Arrangement, no arrangement is sought to be entered into between AGHL and its debenture holders (secured). No rights of the debenture holders of AGHL are being affected pursuant to the Composite Scheme of Arrangement. The debenture trustee appointed for the different series of debentures shall continue to remain the debenture trustee.
- 2.5. As on date, the AGHL has no outstanding towards any public deposits and therefore, the effect of the Composite Scheme of Arrangement on any such public deposit holders or deposit trustees does not arise.
- 2.6. Under clause 4 of Part II of the Composite Scheme of Arrangement, and with effect from the Effective Date 1, AGL undertakes to engage the employees of AGHL on the same terms and conditions on which they are engaged by AGHL without any interruption of service and in the same manner as provided under clause 4 of Part II of the Composite Scheme of Arrangement. In the circumstances, the rights of the employees of AGHL would in no way be affected by the Composite Scheme of Arrangement.
- 2.7. The directors, key managerial personnel of AGHL and their respective relatives may have an interest in the Composite Scheme of Arrangement to the extent of the equity shares held by them in AEL

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and/or to the extent they are holding shares in AGL as nominee and/or to the extent that the said director(s), key managerial personnel and their respective relatives are the director(s), members of the companies that hold shares in AEL. Save as aforesaid, none of the said directors or key managerial personnel has any material interest in the Composite Scheme of Arrangement.

### 3. Valuation of Share Entitlement Ratio

3.1 B S R & Associates LLP (the "Valuer"), Independent Chartered Accountants has provided valuation report in respect of issuance of equity shares by AGL to the preference shareholders of AGHL and issuance of preference shares by AGL to the equity shareholders of AGHL for amalgamation of AGHL with AGL; and for issuance of equity shares by AGL to the equity shareholders of AEL for Demerger of Demerged Undertaking of AEL into AGL stating that share entitlement ratio is fair and reasonable considering that all the shareholders of AEL are and will, upon demerger, be the ultimate economic beneficial owners of AGL and in the same ratio (inter se) as they hold shares in AEL, as on record date to be decided by AEL in the proposed Composite Scheme of Arrangement.

3.2 Based on the valuation report, the Board of Directors approved share entitlement ratio based on the Valuation Report i.e.

i. Upon the effectiveness of Part II of the Composite Scheme of Arrangement and in consideration of the amalgamation of the Transferor Company with the Transferee Company -

a. 1 (One) equity share of Rs. 10/- (Rupees Ten only) each of the AGL credited as fully paid-up for every 1 (One) compulsorily convertible preference share of Rs. 10/- (Rupees Ten only) each to the compulsorily convertible preference shareholder of AGHL.

b. 1 (One) Preference Share of Rs. 10/- (Rupees Ten only) each of the AGL credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten only) to the equity shareholder of AGHL.

ii. Upon the effectiveness of Part III of the Composite Scheme of Arrangement and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company -

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1 (One) equity share of Re. 1/- (Rupee One only) each of the AGL credited as fully paid up for every 1 (One) equity share of Re. 1/- (Rupee One only) each to the equity shareholders of AEL.

3.3 No special valuation difficulties were reported.

By order of the Board  
For **Adani Gas Holdings Limited**

*Dr. Malay R. Mahadevia*

**Dr. Malay R. Mahadevia**  
Chairman

Date: 18.01.2018



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## REPORT ADOPTED BY THE BOARD OF DIRECTORS OF AGL



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADANI GAS LIMITED ('THE COMPANY') AT ITS MEETING HELD ON 18<sup>TH</sup> JANUARY, 2018 EXPLAINING THE EFFECT OF COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, SECURED / UNSECURED CREDITORS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTERS SHAREHOLDERS**

**1. Background**

- 1.1. The proposed Composite Scheme of Arrangement among Adani Gas Holdings Limited and Adani Gas Limited and Adani Enterprises Limited and their respective shareholders and creditors ("the Composite Scheme of Arrangement" or "the scheme") *inter alia*, provides for –

- (a) amalgamation of Adani Gas Holdings Limited ('AGHL' or 'Transferor Company') with Adani Gas Limited ('AGL' or 'Transferee Company' or 'Resulting Company') pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013; and
- (b) subject to satisfactory fulfilment of (a) above i.e., upon amalgamation of the Transferor Company with the Transferee Company becoming effective, demerger of the Demerged Undertaking (as defined in the scheme) of Adani Enterprises Limited ('AEL' or 'Demerged Company') and transfer of the same to the Resulting Company pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013,

which includes issuance of equity shares by AGL to the preference shareholders of AGHL and issuance of preference shares by AGL to the equity shareholders of AGHL for amalgamation of AGHL with AGL; issuance of equity shares by AGL to the equity shareholders of AEL after demerger of the Demerged Undertaking of AEL into AGL; reduction of paid-up equity share capital of AGL pursuant to cancellation of equity shares held by AEL in AGL; re-organization of authorised share capital of AGL; and for matters consequential, supplemental and/or otherwise integrally connected therewith, was approved by the Board of Directors of the AGL at its meeting held on



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18<sup>th</sup> January, 2018. Section 232(2)(c) of the Companies Act, 2013 requires that the Directors to adopt a report explaining the effect of arrangement on equity shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders of the Company laying out in particular the share entitlement ratio and the same is required to be circulated to the equity shareholders.

1.2. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.

1.3. The Board of Directors took note of the following:

1.3.1. Draft Composite Scheme of Arrangement duly initialed by the Company Secretary for the purpose of identification;

1.3.2. Valuation Report dated 18<sup>th</sup> January, 2018, issued by B S R & Associates LLP (the "Valuer"), Independent Chartered Accountants describing the Share Entitlement Ratio for issuance of equity shares by AGL to the preference shareholder of AGHL and issuance of preference shares by AGL to the equity shareholders of AGHL for amalgamation of AGHL with AGL; and for issuance of equity shares by AGL to the equity shareholders of AEL for Demerger of Demerged Undertaking of AEL into AGL("Valuation Report");

1.3.3. Fairness Opinion dated 18<sup>th</sup> January, 2018 issued by JM Financial Institutional Securities Limited, a Category I Merchant Banker, providing the Fairness Opinion on the Share Entitlement Ratio for amalgamation of AGHL with AGL and Demerger of the Demerged Undertaking of AEL into AGL ("Fairness Opinion") as recommended by the Valuer;



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**2. Effect of the Scheme on shareholders, key managerial personnel, promoters and non-promoter shareholders**

- 2.1. Under the Scheme, an arrangement is sought to be entered into between AGL and its equity shareholders. Upon the coming into effect of Part II of this Scheme and in consideration of the amalgamation of AGHL with AGL: (a) all the equity shares issued by AGL and held by AGHL shall stand cancelled; (b) AGL shall allot equity shares to the compulsorily convertible preference shareholders of AGHL in the ratio stipulated in clause 6.1(b) of the Scheme; and (c) AGL shall allot Preference Shares to the equity shareholders of AGHL in the ratio stipulated in clause 6.1(c) of the Scheme. Further, upon the coming into effect of Part III of this Scheme: (i) AGL shall allot equity shares to the shareholders of AEL equity shares in the manner stipulated in clause 17.1 of the Scheme; and (ii) the equity shares issued by AGL to AEL upon the effectiveness of Part II of this Scheme shall stand cancelled in the manner as stipulated in clause 18.1 of the Scheme.
- 2.2. In respect of the Scheme, an arrangement is sought to be entered into between the AGL and its creditors though no liabilities of the creditors of the AGL is being reduced or being extinguished under the Scheme. The creditors of AGL would not be prejudicially affected by the Scheme.
- 2.3. As on date, the AGL has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit holders or debenture holders or deposit trustees or debenture trustees does not arise.
- 2.4. Under clause 4 of Part II of the Scheme, on with effect from the Effective Date 1, AGL undertakes to engage the employees of AGHL on the same terms and conditions on which they are engaged by AGHL without any interruption of service and in the same manner as provided under clause 4 of Part II of the Scheme. In the circumstances, the rights of the employees of AGHL would in no way be affected by the Scheme.



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- 2.5. Under clause 14 of Part III of the Scheme, and with effect from the Effective Date 2, AGL undertakes to engage the employees of AEL, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by AEL without any interruption of service and in the same manner as provided under clause 14 of Part III of the Scheme. In the circumstances, the rights of the employees of AEL, engaged in or in relation to the Demerged Undertaking, would in no way be affected by the Scheme. The employees engaged by AGL shall continue to be employed by AGL.
- 2.6. The directors, key managerial personnel of AGL and their respective relatives may have an interest in the Scheme to the extent of the equity shares held by them in AEL and/or to the extent they are holding shares in AGHL as nominees and/or to the extent that two of the directors of AGL, namely, Mr. Rajesh S. Adani and Mr. Pranav V. Adani are the directors of AEL and/or to the extent that the said director(s), key managerial personnel and their respective relatives are the director(s), members of the companies/trust that hold shares in AEL. Save as aforesaid, none of the said directors or key managerial personnel has any material interest in the Scheme.

### 3. Valuation of Share Entitlement Ratio

- 3.1 B S R & Associates LLP (the "Valuer"), Independent Chartered Accountants has provided valuation report in respect of Issuance of equity shares by AGL to the preference shareholders of AGHL and issuance of preference shares by AGL to the equity shareholders of AGHL for amalgamation of AGHL with AGL; and for issuance of equity shares by AGL to the equity shareholders of AEL for Demerger of Demerged Undertaking of AEL into AGL stating that share entitlement ratio is fair and reasonable considering that all the shareholders of AEL are and will, upon demerger, be the ultimate economic beneficial owners of AGL and in the same ratio (inter se) as they hold shares in AEL, as on record date to be decided by AEL in the proposed Scheme.



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3.2 Based on the valuation report, the Board of Directors approved share entitlement ratio i.e.

i. Upon the effectiveness of Part II of the Composite Scheme of Arrangement and in consideration of the amalgamation of the Transferor Company with the Transferee Company -

a. 1 (One) equity share of Rs. 10/- (Rupees Ten only) each of the AGL credited as fully paid-up for every 1 (One) compulsorily convertible preference share of Rs. 10/- (Rupees Ten only) each to the compulsorily convertible preference shareholder of AGHL.

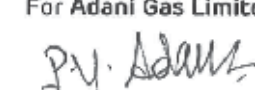
b. 1 (One) Preference Share of Rs. 10/- (Rupees Ten only) each of the AGL credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten only) to the equity shareholder of AGHL.

ii. Upon the effectiveness of Part III of the Composite Scheme of Arrangement and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company -

1 (One) equity share of Re. 1/- (Rupee One only) each of the AGL credited as fully paid up for every 1 (One) equity share of Re. 1/- (Rupee One only) each to the equity shareholders of AEL.

3.3 No special valuation difficulties were reported.

By order of the Board  
For Adani Gas Limited

  
Pranav Adani  
Chairman

Date: 18.01.2018



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# **COPY OF THE AUDITED FINANCIAL RESULTS OF ADANI ENTERPRISES LIMITED FOR THE QUARTER AND YEAR ENDED 31<sup>ST</sup> DAY OF MARCH 2018**



**Adani Enterprises Limited**  
(CIN No : L51100GJ1993PLC019067)  
Registered Office: "Adani House", Near Mithakhali Circle,  
Navrangpura, Ahmedabad 380 009  
Phone : 079-26565555 ; Fax : 079-26565500 ; Email : info@adani.com ; Website : www.adani.com

## **STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018**

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2018	31-12-2017	31-03-2017	31-03-2018	31-03-2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Income</b>					
	Revenue from Operations	10,234.05	9,728.11	11,836.53	37,381.55	36,608.30
	Other Income	343.18	90.10	161.38	502.82	734.32
	<b>Total Income</b>	<b>10,577.21</b>	<b>9,818.21</b>	<b>11,997.91</b>	<b>37,984.37</b>	<b>37,342.62</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of materials consumed	363.01	103.60	108.56	676.76	501.35
	(b) Purchases of stock-in-trade	7,524.37	8,247.69	9,423.42	30,971.75	30,443.81
	(c) Changes in inventories of finished goods, work-in-progress & stock-in-trade	188.71	(368.97)	609.58	(771.98)	36.38
	(d) Employee benefits expense	160.70	138.40	135.38	607.21	510.67
	(e) Finance costs	354.18	323.29	298.36	1,306.02	1,257.51
	(f) Depreciation and amortisation expense	162.91	207.54	86.46	724.93	315.46
	(g) Impairment of non-current assets	89.64	-	-	89.64	-
	(h) Other expenses	1,139.39	888.09	927.64	3,410.69	3,099.28
	(i) Foreign exchange loss / (gain)	11.86	(4.97)	(23.42)	87.64	87.64
	<b>Total Expenses</b>	<b>10,094.77</b>	<b>9,535.67</b>	<b>11,565.98</b>	<b>37,102.66</b>	<b>36,251.90</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>482.44</b>	<b>282.54</b>	<b>431.93</b>	<b>881.71</b>	<b>1,090.72</b>
<b>4</b>	<b>Add/(Less) : Exceptional items (net) (Refer Note 2)</b>	<b>(183.49)</b>	<b>-</b>	<b>(204.63)</b>	<b>(183.49)</b>	<b>26.95</b>
<b>5</b>	<b>Profit before tax (3+4)</b>	<b>298.95</b>	<b>282.54</b>	<b>227.30</b>	<b>698.22</b>	<b>1,117.67</b>
<b>6</b>	<b>Tax expenses</b>					
	(a) Current Tax	77.00	53.19	36.53	200.01	183.07
	(b) Deferred Tax	18.65	(1.58)	39.02	6.95	88.08
	<b>Total Tax Expense</b>	<b>95.65</b>	<b>51.61</b>	<b>75.55</b>	<b>206.96</b>	<b>271.15</b>
<b>7</b>	<b>Profit / (Loss) for the period before share of profit from joint ventures and associates (5-6)</b>	<b>203.30</b>	<b>230.93</b>	<b>151.75</b>	<b>491.26</b>	<b>846.52</b>
<b>8</b>	<b>Add / (Less): Share of profit / (loss) of joint ventures and associates</b>	<b>19.80</b>	<b>55.37</b>	<b>8.41</b>	<b>216.87</b>	<b>117.53</b>
<b>9</b>	<b>Profit / (Loss) for the period from Continuing Operations (7+8)</b>	<b>223.10</b>	<b>300.30</b>	<b>160.16</b>	<b>708.13</b>	<b>964.05</b>
<b>10</b>	<b>Profit / (Loss) from Discontinuing Operations</b>	<b>(77.46)</b>	<b>(24.10)</b>	<b>(118.02)</b>	<b>(190.28)</b>	<b>(213.07)</b>
	Less : Tax expense of Discontinuing Operations	(35.53)	(10.77)	(176.66)	(76.35)	(174.27)
	<b>Profit / (Loss) after tax from Discontinuing Operations</b>	<b>(41.93)</b>	<b>(13.33)</b>	<b>58.64</b>	<b>(113.93)</b>	<b>(38.80)</b>
<b>11</b>	<b>Profit / (Loss) for the period (9+10)</b>	<b>181.17</b>	<b>286.97</b>	<b>218.80</b>	<b>594.20</b>	<b>925.25</b>
<b>12</b>	<b>Other Comprehensive Income</b>					
	(a) Items that will not be reclassified to profit or loss	2.65	11.21	(0.57)	188.56	(2.22)
	(b) Income tax relating to items that will not be reclassified to profit or loss	(2.40)	3.61	0.23	2.18	0.39
	(c) Items that will be reclassified to profit or loss	274.01	(283.41)	(448.66)	57.62	(230.52)
	(d) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Other Comprehensive Income</b>	<b>274.26</b>	<b>(268.59)</b>	<b>(449.00)</b>	<b>248.36</b>	<b>(232.35)</b>
<b>13</b>	<b>Total Comprehensive Income for the period (11+12)</b>	<b>455.43</b>	<b>18.38</b>	<b>(230.20)</b>	<b>842.56</b>	<b>692.90</b>
<b>14</b>	<b>Net Profit attributable to :</b>					
	Owners of the Company	188.29	350.55	220.97	757.25	987.74
	Non-controlling interests	(7.12)	(63.58)	(2.17)	(163.05)	(62.49)
<b>15</b>	<b>Other Comprehensive Income attributable to :</b>					
	Owners of the Company	274.50	(268.60)	(449.13)	248.48	(232.47)
	Non-controlling interests	(0.24)	0.01	0.13	(0.12)	0.12
<b>16</b>	<b>Total Comprehensive Income attributable to :</b>					
	Owners of the Company	462.79	81.95	(228.16)	1,005.73	755.27
	Non-controlling interests	(7.36)	(63.57)	(2.04)	(163.17)	(62.57)
<b>17</b>	<b>Paid-up Equity Share Capital (Face Value of ₹ 1 each)</b>	<b>109.98</b>	<b>109.98</b>	<b>109.98</b>	<b>109.98</b>	<b>109.98</b>
<b>18</b>	<b>Other Equity</b>				<b>14,979.19</b>	<b>14,025.99</b>
<b>19</b>	<b>Earning per share (Face Value of ₹ 1 each) (not annualised):</b>					
	<b>From Continuing Operations</b>					
	Basic & Diluted	2.22	3.09	1.77	7.65	9.15
	<b>From Discontinuing Operations</b>					
	Basic & Diluted	(0.51)	0.10	0.24	(0.76)	(0.17)
	<b>From Continuing &amp; Discontinuing Operations</b>					
	Basic & Diluted	1.71	3.19	2.01	6.89	8.98



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**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018**

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2018	31-12-2017	31-03-2017	31-03-2018	31-03-2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Income</b>					
	Revenue from Operations	2,798.87	2,472.45	2,435.08	9,550.21	7,779.37
	Other Income	259.17	118.24	100.09	615.21	587.12
	<b>Total Income</b>	<b>3,058.04</b>	<b>2,590.69</b>	<b>2,535.17</b>	<b>10,165.42</b>	<b>8,466.49</b>
<b>2</b>	<b>Expenses</b>					
	(a) Purchases of stock-in-trade	2,651.55	2,046.17	1,920.08	8,508.36	5,962.23
	(b) Changes in inventories of stock-in-trade	(502.86)	(29.58)	70.45	(730.06)	(30.34)
	(c) Employee benefits expense	52.03	50.49	54.66	235.34	247.07
	(d) Finance costs	204.29	132.20	191.52	566.35	781.80
	(e) Depreciation and amortisation expense	24.35	22.65	20.91	67.41	78.86
	(f) Other expenses	245.25	210.21	233.13	833.07	947.66
	(g) Foreign exchange loss / (gain)	20.92	21.46	14.98	77.01	81.76
	<b>Total Expenses</b>	<b>2,734.54</b>	<b>2,453.60</b>	<b>2,505.63</b>	<b>9,677.48</b>	<b>8,069.04</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>323.50</b>	<b>137.09</b>	<b>30.54</b>	<b>488.94</b>	<b>397.45</b>
<b>4</b>	<b>Add/(Less) : Exceptional items (net) (Refer Note 7)</b>	<b>(181.05)</b>	<b>-</b>	<b>-</b>	<b>(181.05)</b>	<b>-</b>
<b>5</b>	<b>Profit before tax (3+4)</b>	<b>142.45</b>	<b>137.09</b>	<b>30.54</b>	<b>307.89</b>	<b>397.45</b>
<b>6</b>	<b>Tax expenses</b>					
	(a) Current Tax	34.16	20.22	12.84	63.83	88.98
	(b) Deferred Tax	17.30	13.98	31.36	33.08	77.90
	<b>Total Tax Expense</b>	<b>51.46</b>	<b>34.20</b>	<b>44.20</b>	<b>96.91</b>	<b>166.88</b>
<b>7</b>	<b>Profit / (Loss) for the period from Continuing Operations (5-6)</b>	<b>90.99</b>	<b>102.89</b>	<b>(13.66)</b>	<b>210.98</b>	<b>230.57</b>
<b>8</b>	<b>Profit / (Loss) from Discontinuing Operations</b>	<b>(37.65)</b>	<b>33.33</b>	<b>(22.11)</b>	<b>(17.60)</b>	<b>(11.50)</b>
	Less : Tax expense of Discontinuing Operations	(7.80)	6.91	(4.95)	(3.65)	(2.57)
	<b>Profit after tax from Discontinuing Operations</b>	<b>(29.83)</b>	<b>26.42</b>	<b>(17.16)</b>	<b>(13.95)</b>	<b>(8.93)</b>
<b>9</b>	<b>Profit / (Loss) for the period (7+8)</b>	<b>61.16</b>	<b>129.31</b>	<b>(30.82)</b>	<b>197.03</b>	<b>221.64</b>
<b>10</b>	<b>Other Comprehensive Income</b>					
	(a) Items that will not be reclassified to profit or loss	4.39	(3.16)	1.15	(4.39)	0.70
	(b) Income tax relating to items that will not be reclassified to profit or loss	(1.52)	3.10	(0.40)	1.52	(0.24)
	(c) Items that will be reclassified to profit or loss	-	-	-	-	-
	(d) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Other Comprehensive Income</b>	<b>2.87</b>	<b>(0.06)</b>	<b>0.75</b>	<b>(2.87)</b>	<b>0.46</b>
<b>11</b>	<b>Total Comprehensive Income for the period (9+10)</b>	<b>64.03</b>	<b>129.25</b>	<b>(30.07)</b>	<b>194.16</b>	<b>222.10</b>
<b>12</b>	<b>Paid-up Equity Share Capital (Face Value of ₹ 1 each)</b>	<b>109.98</b>	<b>109.98</b>	<b>109.98</b>	<b>109.98</b>	<b>109.98</b>
<b>13</b>	<b>Other Equity</b>				<b>3,748.42</b>	<b>3,657.20</b>
<b>14</b>	<b>Earning per share (Face Value of ₹ 1 each) (not annualised):</b>					
	<b>From Continuing Operations</b>					
	Basic & Diluted	0.83	0.94	(0.12)	1.92	2.10
	<b>From Discontinuing Operations</b>					
	Basic & Diluted	(0.27)	0.24	(0.16)	(0.13)	(0.08)
	<b>From Continuing &amp; Discontinuing Operations</b>					
	Basic & Diluted	0.56	1.18	(0.28)	1.79	2.02
<b>15</b>	<b>Debt Equity Ratio (Refer Note 10)</b>				<b>1.77</b>	<b>1.91</b>
<b>16</b>	<b>Debt Service Coverage Ratio (Refer Note 10)</b>				<b>1.08</b>	<b>1.16</b>
<b>17</b>	<b>Interest Service Coverage Ratio (Refer Note 10)</b>				<b>2.25</b>	<b>1.42</b>





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**STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2018**

(₹ in Crores)

Sr. No.	Particulars	Standalone		Consolidated	
		31-03-2018	31-03-2017	31-03-2018	31-03-2017
		(Audited)	(Audited)	(Audited)	(Audited)
	<b>ASSETS</b>				
I	<b>Non-Current Assets</b>				
(a)	Property, Plant & Equipment	623.61	511.96	7,149.38	10,263.86
(b)	Capital Work-In-Progress	413.90	621.60	5,525.87	7,731.49
(c)	Investment Properties	9.37	9.37	35.70	36.62
(d)	Goodwill	-	-	79.66	79.66
(e)	Other Intangible Assets	629.79	650.05	3,290.45	3,287.84
(f)	Financial Assets				
	(i) Investments	3,007.97	3,090.20	1,389.03	944.99
	(ii) Loans	18.69	87.75	1,420.87	975.94
	(iii) Other Financial Assets	252.78	83.11	1,085.55	822.22
(g)	Income Tax Assets (net)	177.25	144.38	255.31	202.13
(h)	Deferred Tax Assets (net)	214.01	246.57	317.05	487.63
(i)	Other Non-Current Assets	266.24	271.94	469.97	698.35
		5,613.61	5,716.93	21,118.84	25,530.73
II	<b>Current Assets</b>				
(a)	Inventories	1,294.42	594.55	2,342.56	1,651.90
(b)	Financial Assets				
	(i) Investments	1.00	1.00	71.69	96.26
	(ii) Trade Receivables	2,635.37	2,923.44	12,098.77	12,741.75
	(iii) Cash & Cash Equivalents	272.95	259.93	1,159.03	996.35
	(iv) Other Balances with Banks	251.71	104.28	725.22	718.74
	(v) Loans	3,168.19	3,782.93	4,143.77	3,935.07
	(vi) Other Financial Assets	79.39	179.06	573.80	480.50
(c)	Other Current Assets	481.72	1,096.15	1,378.73	1,537.60
(d)	Assets held for distribution to Owners	1,612.30	-	13,374.25	-
		9,797.05	8,941.35	35,869.82	22,158.67
	<b>Total Assets</b>	<b>15,410.66</b>	<b>14,658.28</b>	<b>56,988.66</b>	<b>47,689.40</b>
	<b>EQUITY AND LIABILITIES</b>				
	<b>EQUITY</b>				
(a)	Equity Share Capital	109.98	109.98	109.98	109.98
(b)	Other Equity	3,798.42	3,657.20	14,979.19	14,025.99
	<b>Equity attributable to owners of the Company</b>	<b>3,908.40</b>	<b>3,767.18</b>	<b>15,089.17</b>	<b>14,135.97</b>
(c)	Non-Controlling Interests	-	-	499.25	562.25
	<b>Total Equity</b>	<b>3,908.40</b>	<b>3,767.18</b>	<b>15,588.42</b>	<b>14,698.22</b>
	<b>LIABILITIES</b>				
I	<b>Non-Current Liabilities</b>				
(a)	Financial Liabilities				
	(i) Borrowings	1,596.99	1,857.82	4,551.59	9,173.33
	(ii) Other Financial Liabilities	105.54	78.16	1,494.74	1,591.60
(b)	Provisions	17.99	16.36	46.13	43.90
(c)	Deferred Tax Liabilities (net)	-	-	89.37	77.93
(d)	Other Non-Current Liabilities	-	-	819.17	117.47
		1,720.52	1,952.34	7,001.00	10,764.23
II	<b>Current Liabilities</b>				
(a)	Financial Liabilities				
	(i) Borrowings	4,971.34	4,905.40	12,599.38	10,679.68
	(ii) Trade Payables	3,693.18	3,217.95	9,785.87	8,555.01
	(iii) Other Financial Liabilities	238.38	624.93	961.44	1,799.14
(b)	Other Current Liabilities	160.36	163.21	1,121.10	1,122.34
(c)	Provisions	27.45	27.27	38.47	37.99
(d)	Current Tax Liabilities (net)	-	-	40.24	32.59
(e)	Liabilities associated with assets held for distribution to Owners	691.03	-	10,451.74	-
		9,781.74	8,938.76	34,399.24	22,226.95
	<b>Total Equity and Liabilities</b>	<b>15,410.66</b>	<b>14,658.28</b>	<b>56,988.66</b>	<b>47,689.40</b>





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#### Notes:

- The above financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meetings held on 10th May, 2018.
- The financial results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder.
- The Scheme of Arrangement among Adani Enterprises Limited (the Company) and Adani Green Energy Limited (AGEL) and their respective shareholders and creditors (Scheme) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for demerger of the Renewable Power Undertaking (as defined in the Scheme) of the Company and transfer of the same to AGEL was sanctioned by the Hon'ble National Company Law Tribunal (NCLT) on 16th February 2018.

Since the Scheme has been approved and has become effective from the appointed date i.e. 1st April, 2018, the Renewable Power Undertaking (as defined in the Scheme) of the Company has been classified as Discontinuing Operations. The results of the same are presented below.

Particulars	Standalone		Consolidated	
	Year Ended		Year Ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Total Income	1,633.66	815.69	1,078.76	713.82
(Less) : Total Expenses	(1,711.26)	(827.19)	(1,269.24)	(926.89)
<b>Profit before exceptional items and tax</b>	<b>(17.60)</b>	<b>(11.50)</b>	<b>(190.48)</b>	<b>(213.07)</b>
Add / (Less) : Exceptional item (not)	-	-	0.20	-
<b>Profit before tax</b>	<b>(17.60)</b>	<b>(11.50)</b>	<b>(190.28)</b>	<b>(213.07)</b>
Less : Tax expense	(3.65)	(2.57)	(76.35)	(174.27)
<b>Profit after Tax</b>	<b>(13.95)</b>	<b>(8.93)</b>	<b>(113.93)</b>	<b>(38.80)</b>

- The Board of Directors of the Company at its meeting held on 18th January, 2018, has considered and approved the Composite Scheme of Arrangement among Adani Enterprises Limited (the Company), Adani Gas Limited (AGL) and Adani Gas Holdings Limited (AGHL) and their respective shareholders and creditors (Scheme) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Scheme, inter alia, provides for amalgamation of AGL and AGHL, demerger of the Gas Sourcing and Distribution Business (as defined in the Scheme) of the Company and transfer of the same to AGL and issue of equity shares by AGL to the equity shareholders of the Company and cancellation of equity shares held by the Company in AGL.

The Scheme is subject to requisite statutory and regulatory approvals and sanction by the respective shareholders and creditors of each the companies involved in the Scheme.

- During the quarter and year ended 31st March, 2018, the Company's step-down subsidiary Adani Mining Pty Ltd, Australia has recognised ₹ 89.64 crores as impairment of its mining project.
- During the previous year ended 31st March, 2017, the Company had raised a reimbursement claim on customer for non-lifting of contractual coal quantity and price escalation in mining business pursuant to favourable arbitration award. Annual results of the previous year includes impact of ₹ 181.18 crores and of ₹ 185.51 crores in standalone and consolidated results respectively. During the current quarter and year ended 31st March, 2018, the arbitration award has been reversed by the Hon'ble High Court of Rajasthan. Pursuant to this order, the Company has written-off the claim.

- The exceptional items in the above results include:

Particulars	Quarter Ended			Year Ended	
	31-03-2018	31-12-2017	31-03-2017	31-03-2018	31-03-2017
<b>Standalone Results</b>					
(i) Gain on sale of investment in subsidiary (note 6)	0.13	-	-	0.13	-
(ii) Write off due to reversal of reimbursement claim (Note 6)	(181.18)	-	-	(181.18)	-
	<b>(181.05)</b>	<b>-</b>	<b>-</b>	<b>(181.05)</b>	<b>-</b>
<b>Consolidated Results</b>					
(i) Gain on sale of investment in subsidiaries and associates	2.02	-	87.92	2.02	87.92
(ii) Deferment of gain over assignment of contract by subsidiary Adani Mining Pty Ltd	-	-	(231.58)	-	-
(iii) Costs written off on account of abandoned project by subsidiary Adani Gas Ltd	-	-	(60.97)	-	(60.97)
(iv) Write off due to reversal of reimbursement claim (Note 6)	(185.51)	-	-	(185.51)	-
	<b>(183.49)</b>	<b>-</b>	<b>(204.63)</b>	<b>(183.49)</b>	<b>26.95</b>



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**8 Consolidated Segment wise Revenue, Results, Assets and Liabilities :**

(₹ in Crores)

Sr. No.	Particulars	Consolidated				
		Quarter Ended			Year Ended	
		31-03-2018 (Audited)	31-12-2017 (Unaudited)	31-03-2017 (Audited)	31-03-2018 (Audited)	31-03-2017 (Audited)
i)	<b>Segment Revenue</b>					
	Trading	9,098.88	8,952.19	11,360.24	35,428.63	33,970.69
	Mining	412.34	334.92	381.39	1,323.87	1,408.83
	City Gas Distribution	469.00	348.64	318.06	1,459.29	1,162.44
	Others	1,365.64	1,047.93	596.36	4,047.70	2,034.77
	<b>Gross Turnover</b>	<b>11,346.16</b>	<b>10,683.68</b>	<b>12,656.05</b>	<b>42,259.49</b>	<b>38,576.73</b>
	Less : Inter Segment Transfer	1,112.13	955.57	819.52	4,877.94	1,958.43
	<b>Net Turnover</b>	<b>10,234.03</b>	<b>9,728.11</b>	<b>11,836.53</b>	<b>37,381.55</b>	<b>36,608.30</b>
ii)	<b>Segment Results</b>					
	<b>Profit / (Loss) Before Interest and Tax</b>					
	Trading	455.97	356.77	380.87	1,091.94	849.74
	Mining	(35.77)	114.21	155.29	257.11	544.13
	City Gas Distribution	75.14	68.09	84.14	303.36	252.84
	Others	(1.90)	(23.33)	(51.39)	(67.51)	(33.00)
	<b>Unallocable Income</b>	<b>343.18</b>	<b>90.10</b>	<b>161.38</b>	<b>602.83</b>	<b>734.32</b>
	<b>Total Profit Before Interest and Tax</b>	<b>836.62</b>	<b>605.84</b>	<b>730.29</b>	<b>2,187.73</b>	<b>2,348.03</b>
	Less : Finance Expenses	354.18	323.29	298.36	1,305.02	1,257.31
	<b>Total Profit Before Tax</b>	<b>482.44</b>	<b>282.55</b>	<b>431.93</b>	<b>881.71</b>	<b>1,090.72</b>
iii)	<b>Segment Assets</b>					
	Trading	13,845.02	15,962.07	13,818.95	13,845.02	13,818.95
	Mining	9,899.20	9,772.70	10,311.89	9,899.20	10,311.89
	City Gas Distribution	1,228.43	1,116.23	1,064.34	1,228.43	1,064.34
	Renewable Energy	-	11,045.56	5,987.57	-	5,987.57
	Others	9,239.84	8,727.43	8,261.80	9,239.84	8,261.80
	<b>Unallocable</b>	<b>34,212.49</b>	<b>48,625.99</b>	<b>39,444.55</b>	<b>34,212.49</b>	<b>39,444.55</b>
	Discontinuing Operations	9,411.92	9,512.80	8,244.85	9,411.92	8,244.85
	<b>Total Segment Assets</b>	<b>56,998.66</b>	<b>56,136.79</b>	<b>47,689.40</b>	<b>56,998.66</b>	<b>47,689.40</b>
iv)	<b>Segment Liabilities</b>					
	Trading	8,127.21	11,626.61	9,325.82	8,127.21	9,325.82
	Mining	1,458.86	1,078.77	229.14	1,458.86	229.14
	City Gas Distribution	486.59	385.05	307.70	486.59	307.70
	Renewable Energy	-	323.55	234.74	-	234.74
	Others	2,810.97	2,582.93	1,964.88	2,810.97	1,964.88
	<b>Unallocable</b>	<b>12,883.63</b>	<b>15,976.92</b>	<b>12,062.28</b>	<b>12,883.63</b>	<b>12,062.28</b>
	Discontinuing Operations	18,064.87	24,965.85	20,928.90	18,064.87	20,928.90
	<b>Total Segment Liabilities</b>	<b>41,400.24</b>	<b>40,942.77</b>	<b>32,991.18</b>	<b>41,400.24</b>	<b>32,991.18</b>

- 9 The Company had issued Rated, Listed, Secured, Redeemable Non-Convertible Debentures (NCDs) of ₹ 150 crores and has maintained 100% security cover on NCDs as on 31st March, 2018 by way of subordinated charge on entire current assets and movable fixed assets of the Company except assets pertaining to mining business.

Details of payment in respect of Secured Non Convertible Debentures are as follows :

Particulars (ISIN)	Previous Due Dates from 1st April 2017 to 31st March 2018	
	Principal	Interest
INE423A07195	-	27/05/2017
INE423A07195	-	25/09/2017
INE423A07195	-	26/12/2017
INE423A07195	-	26/03/2018

Interest has been paid on due dates.

- 10 The Ratios have been computed as follows :

Debt Equity Ratio = Total Borrowings / Total Equity

Debt Service Coverage Ratio = Earnings before Interest, Depreciation, Tax and Non-cash Items/ (Interest + Net Long-term Principal Repayment)

Interest Service Coverage Ratio = Earnings before Interest, Depreciation and Tax / Interest Expense

- 11 The Board has recommended a dividend of ₹ 0.40 (40%) per equity share of the face value of ₹ 1 each for the financial year 2017-18 subject to approval of the shareholders.

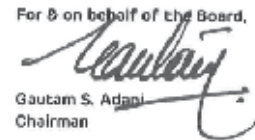


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- 12 The figures for the quarter ended 31st March, 2018 represent the difference between the audited figures in respect of full financial year and the unaudited published year-to-date figures upto the third quarter of the financial year, which were subjected to limited review.
- 13 Figures of the previous period have been regrouped, wherever considered necessary to make them comparable to current period's figures.

Date : 10.05.2018  
Place : Ahmedabad

For & on behalf of the Board,

  
Gautam S. Adani  
Chairman





**Independent Auditor's Report**

**To The Board of Directors of  
Adani Enterprises Limited**

1. We have audited the accompanying Statement of Consolidated Financial Results of **Adani Enterprises Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its share of profit or loss from its associates and joint ventures, for the year ended 31<sup>st</sup> March, 2018 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been compiled on the basis of the related financial statements which are in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder (Ind AS) and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated Ind AS Financial Statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statement. The procedure selected depends on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and fair presentation of the Statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and other financial information of subsidiaries, joint ventures and associates referred to in paragraph 5 below, the Statement:
  - a. includes the results of the Holding Company, subsidiaries, joint ventures and associates as given in Annexure to this Report;







- b. is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016; and
- c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and total comprehensive income and other financial information of the Group for the year ended 31<sup>st</sup> March, 2018.
5. (a) The Statement and other financial information include the Group's proportionate share in jointly controlled net assets of Rs. 187.89 Crores in respect of 3 Unincorporated Joint Ventures not operated by the company, which is based on unaudited statements which have been certified by the management and relied upon by us.
- (b) The accompanying consolidated financial results include Financial statements of 100 subsidiaries which reflect total assets of Rs. 45,331.71 Crores as at 31<sup>st</sup> March, 2018 and total revenues of Rs. 28,565.32 Crores and Net Profit after tax (after adjusting minority interest and other comprehensive income) of Rs. 488.09 Crores for the year then ended, which have been audited by other auditors whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such other auditors.
- (c) The accompanying consolidated financial results include the Group's share of Net Loss after tax of Rs. 2.81 Crores for the year ended on that date, in respect of 4 Joint Ventures and 3 Associates, which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and associates is based solely on the reports of such other auditors.
- (d) The accompanying consolidated financial results include financial statements of 15 subsidiaries which reflect total assets of Rs. 8.18 Crores as at 31<sup>st</sup> March, 2018 and total revenues of Rs. 0.39 Crores and Net Loss after tax (after adjusting minority interest and other comprehensive income) of Rs. 29.69 Crores for the year then ended whose financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries is based solely on such unaudited financial statements.
- (e) The accompanying consolidated financial results include the Group's share of Net Profit after tax of Rs. 15.60 Crores for the year ended on that date, in respect of 6 Joint Venture and 3 associates whose financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these joint ventures and associates is based solely on such unaudited financial statements.





Our opinion on the Statement is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and the financial statements/ consolidated financial statements certified by the Management.

6. Attention is drawn to:

- (a) the fact that some of the subsidiary companies are incurring continuous losses and have a negative net current assets position.
- (b) Inclusion of capital advance by one of the subsidiary company, Adani Power Dahej Limited, to a collaborator company for purchase of land. Due to cancellation of the deal, recovery of an amount of Rs. 8.70 Crore is due for which the matter is under litigation against which the company is in receipt of favourable order dated 7<sup>th</sup> November 2014 from Ahmedabad City Civil Court. However the collaborator company has filed a restoration application against the said order. We have relied upon the Company's Representation that the dues are fully recoverable and hence no provision is considered necessary.

**Our opinion is not qualified / modified in respect of these matters.**

7. The Statement includes the results for the Quarter ended 31st March 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Place : Ahmedabad  
Date : 10/05/2018



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

**Pravin Dhandharia**  
Partner  
Membership No. 115490





**Annexure to Independent Auditor's Report**

**List of Subsidiaries**

Adani Global Ltd	Galilee Transmission Holding Pty Ltd
Adani Global Pte Ltd	Galilee Transmission Pty Ltd
Adani Global Fze	Galilee Transmission Holdings Trust
PT Adani Global - Consolidated	Adani Infrastructure Pty Ltd
PT Adani Global Coal Trading	Adani Bunkering Pvt Ltd
Adani Agri Fresh Ltd	Adani Global DMCC
Adani Agri Logistics Ltd	Adani Synenergy Ltd
Adani Agri Logistics (MP) Ltd	Adani Green Energy Ltd
Adani Agri Logistics (Harda) Ltd	Adani Green Energy (MP) Ltd
Adani Agri Logistics (Hoshangabad) Ltd	Zemira Renewable Energy Ltd (ceased w.e.f 20-12-17)
Adani Agri Logistics (Satna) Ltd	Adani Green Energy (Tamilnadu) Ltd
Adani Agri Logistics (Ujjain) Ltd	Adani Green Energy (UP) Ltd
Adani Agri Logistics (Dewas) Ltd	Kamuthi Solar Power Ltd
Adani Agri Logistics (Katihar) Ltd	Ramnad Solar Power Ltd
Adani Agri Logistics (Kotakapura) Ltd	Kamuthi Renewable Energy Ltd
Adani Gas Ltd	Ramnad Renewable Energy Ltd
Adani Energy Ltd (ceased w.e.f 29-03-18)	Mundra Solar Ltd
Adani Gas Holdings Ltd	Mundra Solar PV Ltd
Adani Power Dahej Ltd	Adani Renewable Energy Park Ltd
Kutchh Power Generation Ltd	Adani Renewable Energy Park (Gujarat) Ltd
Adani Pench Power Ltd	Prayatna Developers Private Ltd
Natural Growers Private Ltd	Parampujya Solar Energy Private Ltd
Adani Welspun Exploration Ltd	Rosepetal Solar Energy Private Ltd
Adani Chendipada Mining Pvt Ltd	Adani Wind Energy (Gujarat) Pvt Ltd
Adani Resources Pvt Ltd	Kilaj Solar (Maharashtra) Private Ltd
Parsa Kente Collieries Ltd	Adani Green Technology Ltd
Rajasthan Collieries Ltd	Wardha Solar (Maharashtra) Private Ltd
Chendipada Collieries Pvt Ltd	Gaya Solar (Bihar) Private Ltd
Mahaguj Power LLP	Mahoba Solar (UP) Private Ltd
Surguja Power Pvt Ltd	Mundra Solar Technopark Pvt Ltd
Jhar Mining Infra Pvt Ltd	Adani Defence Systems And Technologies Ltd
Adani Shipping (India) Pvt Ltd	Adani Land Defence Systems And Technologies Ltd
Adani Shipping Pte Ltd	Adani Aerospace and Defence Ltd
Rahi Shipping Pte Ltd	Adani Naval Defence Systems And Technologies Ltd
Vanshi Shipping Pte Ltd	Adani Infrastructure Pvt Ltd
Aanya Maritime Inc	Adani Cementation Ltd
Aashna Maritime Inc	AWEL Global Ltd
Urja Maritime Inc	Adani North America Inc.
Adani Mining Pty Ltd	Talabira (Odisha) Mining Pvt Ltd
Adani Minerals Pty Ltd	Adani Agri Logistics (Nakodar) Ltd





**SHAH DHANDHARIA & CO.**  
CHARTERED ACCOUNTANTS

Adani Agri Logistics (Panipat) Ltd	Adani Agri Logistics (Raman) Ltd
Adani Agri Logistics (Kannauj) Ltd	Adani Tradecom LLP
Adani Agri Logistics (Mansa) Ltd	Adani Tradewing LLP
Adani Agri Logistics (Bathinda) Ltd	Adani Tradex LLP
Adani Agri Logistics (Moga) Ltd	Adani Commodities LLP
Adani Agri Logistics (Barnala) Ltd	Adani Renewable Power LLP
Adani Solar USA LLC	Gare Pelma III Collieries Ltd
Queensland RIPA Finance Pty Ltd	Adani Renewable Asset Holdings Pty Ltd
Adani Renewable Assets Pty Ltd	Adani Renewable Assets Trust
Adani Rugby Run Trust	Adani Rugby Run Pty Ltd
Adani Renewable Asset Holding Trust	Adani Global Royal Holding Pte Ltd
Queensland RIPA Holdings Trust	Queensland RIPA Holdings Pty Ltd
Queensland RIPA Pty Ltd	Queensland RIPA Trust

**List of Joint Venture and Associates**

Adani Wilmar Ltd – Consolidated	Adani Renewable Energy Park Rajasthan Ltd
Adani Wilmar Pte Ltd – Consolidated	Adani Green Energy Pte Ltd
Indian Oil-Adani Gas Pvt Ltd	Vishakha Industries Pvt Ltd
CSPGCL AEL Parsa Collieries Ltd	Adani-Elbit Advanced Systems India Ltd
GSPC LNG Ltd	Carmichael Rail Network Pty Ltd
Carmichael Rail Network Holdings Pty Ltd	Carmichael Rail Assets Holdings Trust
Carmichael Rail Network Trust	Autotec Systems Pvt Ltd
Adani Global Resources Pte Ltd	Comprotech Engineering Private Limited







**Independent Auditor's Report**

**To The Board of Directors of  
Adani Enterprises Limited**

1. We have audited the accompanying Statement of audited Standalone Financial Results of Adani Enterprises Limited ("the company") for the year ended 31<sup>st</sup> March 2018 ("the Statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Ind AS Financial Statements which has been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other recognized accounting practices and policies. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016, and
  - ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year ended 31<sup>st</sup> March 2018.





**SHAH DHANDHARIA & CO.**  
CHARTERED ACCOUNTANTS

5. The Statement and other financial information include Company's share of net assets of Rs. 2.58 Crores in one unincorporated Joint Venture not operated by the company, the unaudited accounts of which have been certified by the management and relied upon by us.
6. The Statement includes the results for the Quarter ended 31<sup>st</sup> March 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

**Pravin Dhandharia**  
Partner  
Membership No. 115490



Place : Ahmedabad  
Date : 10/05/2018

**COPY OF AUDITED FINANCIAL STATEMENT OF ADANI GAS HOLDINGS LIMITED  
FOR THE YEAR ENDED 31<sup>ST</sup> DAY OF MARCH 2018**

**ADANI GAS HOLDINGS LIMITED  
(Formerly known as MUNDRA LNG LIMITED)**

Balance Sheet as at 31st March, 2018

(Amount in ₹)

Particulars	Notes	As at	
		31st March, 2018	31st March, 2017
<b>ASSETS</b>			
<b>I NON-CURRENT ASSETS</b>			
(a) Financial Assets			
(i) Investments	3	2,32,45,97,544	2,32,45,97,544
(ii) Loans	4	10,00,85,90,564	-
(b) Income Tax Assets		6,97,91,638	-
		<b>12,40,29,79,746</b>	<b>2,32,45,97,544</b>
<b>II CURRENT ASSETS</b>			
(a) Financial Assets			
(i) Investments	5	52,73,67,945	-
(ii) Trade Receivables	6	75,73,81,169	24,01,800
(iii) Cash & Cash Equivalents	7	19,13,381	6,33,602
(b) Other Current Assets	8	5,480	23,000
		<b>1,29,66,67,995</b>	<b>30,58,402</b>
<b>TOTAL</b>		<b>13,69,96,47,741</b>	<b>2,32,76,55,946</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUND</b>			
(a) Equity Share Capital	9	5,00,000	5,00,000
(b) Instrument Entirely in the Nature of Equity		2,33,60,00,000	-
(c) Other Equity		(10,59,20,782)	(9,49,892)
<b>Total Equity</b>		<b>2,23,05,79,218</b>	<b>(4,49,892)</b>
<b>LIABILITIES</b>			
<b>I NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	10	9,24,28,64,388	-
		<b>9,24,28,64,388</b>	<b>-</b>
<b>II CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	11	-	2,32,56,07,684
(ii) Trade Payables	12	76,70,80,306	24,30,633
(iii) Other Financial Liabilities	13	1,45,90,80,821	-
(b) Other Current Liabilities	14	43,008	67,521
		<b>2,22,62,04,135</b>	<b>2,32,81,05,838</b>
<b>TOTAL</b>		<b>13,69,96,47,741</b>	<b>2,32,76,55,946</b>
Summary of Significant Accounting Policies	2		

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

As per our attached report of even date  
For **DHARMESH PARIKH & CO.**  
Chartered Accountants  
Firm Registration Number : 112054W

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



For and on behalf of the Board of  
**ADANI GAS HOLDINGS LIMITED**

*DR. MALAY R. MAHADEVIA*  
**DR. MALAY R. MAHADEVIA**  
Director  
DIN : 00064110

*J. R. Jalundhwala*  
**JATINKUMAR JALUNDHWALA**  
Director  
DIN : 00137888

Place : Ahmedabad  
Date : **10 MAY 2018**

Place : Ahmedabad  
Date : **10 MAY 2018**

**ADANI GAS HOLDINGS LIMITED**  
(Formerly known as MUNDRA LNG LIMITED)

Statement of Profit and Loss for the year ended on 31st March, 2018

(Amount in ₹)

Particulars	Notes	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
I Revenue from Operations	15	72,20,50,634	24,01,800
II Other Income	16	71,77,87,416	-
III Total Revenue (I+II)		1,43,98,38,050	24,01,800
IV EXPENSES			
Purchase of Traded Goods	17	72,17,50,336	24,04,800
Finance Costs	18	80,11,04,424	6,75,205
Other Expenses	19	2,19,54,180	77,551
Total Expenses		1,54,48,08,940	31,57,556
V Loss before Taxation (III - IV)		(10,49,70,890)	(7,55,756)
VI Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
VII Loss for the year (V - VI)		(10,49,70,890)	(7,55,756)
VIII Other Comprehensive Income			
(a) Item that will be reclassified to Profit & Loss		-	-
(b) Item that will not be reclassified to Profit & Loss		-	-
Total Other Comprehensive Income		-	-
IX Total Comprehensive Income / (Loss) for the year (VII + VIII)		(10,49,70,890)	(7,55,756)
X Earning per Equity Share of ₹ 10/- each :	22		
- Basic		(2,099.42)	(15.12)
- Diluted		(2,099.42)	(15.12)
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For DHARMESH PARIKH & CO.

Chartered Accountants

Firm Registration Number : 112054W

D. A. PARIKH

Partner

Membership No. 045501



For and on behalf of the Board of  
ADANI GAS HOLDINGS LIMITED

*DR. MALAY R. MAHADEVIA*  
DR. MALAY R. MAHADEVIA  
Director  
DIN : 00054110

*J. R. Jalundhwale*  
JATINKUMAR JALUNDHWALA  
Director  
DIN : 00137888

Place : Ahmedabad

Date : 10 MAY 2018

Place : Ahmedabad

Date : 10 MAY 2018



**ADANI GAS HOLDINGS LIMITED**  
(Formerly known as MUNDRA LNG LIMITED)

Statement of Changes in Equity for the year ended on 31st March, 2018

**A. Share Capital**

(Amount in ₹)

Particulars	No. of Shares	Amount
As at 1 <sup>st</sup> April 2016	50,000	5,00,000
Changes during the year	-	-
As at 31 <sup>st</sup> March 2017	50,000	5,00,000
Changes during the year	-	-
As at 31 <sup>st</sup> March 2018	50,000	5,00,000

**B. Instrument Entirely in the Nature of Equity - Compulsorily Convertible Preference Shares**

(Amount in ₹)

Particulars	No. of Shares	Amount
As at 1 <sup>st</sup> April 2016	-	-
Changes during the year	-	-
As at 31 <sup>st</sup> March 2017	-	-
Issue of Shares during the year	23,36,00,000	2,33,60,00,000
As at 31 <sup>st</sup> March 2018	23,36,00,000	2,33,60,00,000

**C. Other Equity**

(Amount in ₹)

Particulars	Retained Earnings
Balance at 1 <sup>st</sup> April 2016	(1,94,136)
Add : Total Comprehensive Income for the year	(7,55,756)
As at 31 <sup>st</sup> March 2017	(9,49,892)
Add : Total Comprehensive Income for the year	(10,49,70,890)
As at 31 <sup>st</sup> March 2018	(10,59,20,782)

As per our attached report of even date  
For DHARMESH PARIKH & CO.  
Chartered Accountants  
Firm Registration Number : 112054W

D. A. PARIKH  
Partner  
Membership No. 045501



For and on behalf of the Board of  
ADANI GAS HOLDINGS LIMITED

*DR. MALAY R. MAHADEVIA*

DR. MALAY R. MAHADEVIA  
Director  
DIN : 00064110

*J. N. JALUNDHWALA*

JATINKUMAR JALUNDHWALA  
Director  
DIN : 00137888

Place : Ahmedabad  
Date : 10 MAY 2018

Place : Ahmedabad  
Date : 10 MAY 2018

**ADANI GAS HOLDINGS LIMITED**  
(Formerly known as MUNDRA LNG LIMITED)

Cash Flow Statement for the year ended as at 31st March, 2018

(Amount in ₹)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(10,49,70,890)	(7,55,756)
Adjustments for:		
Interest Income	(69,79,16,380)	-
Gain on Sale of Mutual Fund Investments	(1,98,71,036)	-
Finance Costs	80,11,04,424	-
Operating Profit / (Loss) before working capital changes	(2,16,53,882)	(7,55,756)
Movements in working capital:		
Decrease / (Increase) in trade receivables and other current assets	(76,49,61,859)	(24,24,800)
Increase / (Decrease) in trade payables and other current liabilities	76,46,25,160	24,78,402
Cash generated from operations	(2,19,90,591)	(7,02,154)
Less: Direct taxes paid	(6,97,91,638)	-
Net cash flow from operating activities	(9,17,82,229)	(7,02,154)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Equity in Subsidiary	-	(2,32,45,97,544)
Investment in Mutual Funds	(1,04,00,00,000)	-
Proceeds from Redemption of Mutual Funds	53,25,03,091	-
Interest Income received	69,79,16,380	-
Loan given to Parent Company	(10,03,03,48,065)	-
Loan received back from Parent Company	2,17,57,500	-
Net cash used in investing activities	(9,81,81,71,094)	(2,32,45,97,544)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Compulsorily Convertible Preference Shares	2,33,60,00,000	-
Proceeds from / (Repayment of) Short Term Borrowing (net)	(2,32,56,07,684)	2,32,56,07,684
Proceeds from Issue of Debentures	9,97,01,64,388	-
Finance costs paid	(6,93,23,603)	-
Net cash flow from financing activities	9,91,12,33,101	2,32,56,07,684
Net Increase / (decrease) in cash & cash equivalents (A+B+C)	12,79,779	3,07,986
Cash & Cash Equivalents at the beginning of the year	6,33,602	3,25,616
Cash & Cash Equivalents at the end of the year	19,13,381	6,33,602

The accompanying notes are an integral part of the financial statements

As per our attached report of even date  
For DHARMESH PARIKH & CO.  
Chartered Accountants  
Firm Registration Number : 112054W

D. A. PARIKH  
Partner  
Membership No. 045501



For and on behalf of the Board of  
ADANI GAS HOLDINGS LIMITED

*DR. MALAY R. MAHADEVIA*

DR. MALAY R. MAHADEVIA  
Director  
DIN : 00064110

*J. R. Jalundhwale*

JATINKUMAR JALUNDHWALE  
Director  
DIN : 00137888

Place : Ahmedabad  
Date : 10 MAY 2018

Place : Ahmedabad  
Date : 10 MAY 2018

**ADANI GAS HOLDINGS LIMITED**  
(Formerly known as MUNDRA LNG LIMITED)

Notes to financial statements for the year ended 31st March, 2018

**NOTE : 1 Corporate Information**

Adani Gas Holdings Limited was originally incorporated as Mundra LNG Limited on 28th August, 2010 under The Companies Act, 1956 for the development, operation & maintenance of infrastructure facilities i.e. LNG Terminal, Storage & Regasification facilities. Accordingly, the financial accounts are prepared on going concern basis. The name of the company has been changed from Mundra LNG Ltd to Adani Gas Holdings Ltd vide fresh certificate of incorporation dated 15th March 2017 issued by Registrar of Companies, Ahmedabad. The registered office of the Company is situated at "Adani House", Nr Mithakhali Six Roads, Navrangpura, Ahmedabad, Gujarat.

Vide Certificate of Registration issued by Registrar of Companies, Ahmedabad on 7th April, 2017, the Object Clause in Memorandum of Association was modified to include purchase, sale, import, distribution, export and transfer of various commodities, products, goods, electricity and any other form of energy. The Special Resolution confirming this alteration was passed under section 13(1) of the Companies Act by the members of the Company on 25th March, 2017.

**NOTE : 2 Summary of Significant Accounting Policies**

**a) Basis of Preparation and Presentation of Financial Statements**

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

These Financial statements have been prepared and presented under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

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

**b) Use of Estimates and Judgements**

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

**c) Current & Non-Current Classification**

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i) The asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- ii) The asset is intended for sale or consumption;
- iii) The asset/liability is held primarily for the purpose of trading;
- iv) The asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v) The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi) In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

**d) Cash And Cash Equivalents**

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

**e) Investment in Subsidiary**

Investment in Subsidiary is measured at cost less impairment in accordance with Ind AS 27 "Separate Financial Statements".





**ADANI GAS HOLDINGS LIMITED**  
**(Formerly known as MUNDRA LNG LIMITED)**

Notes to financial statements for the year ended 31st March, 2018

**f) Cash Flow Statement**

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

**g) Revenue Recognition**

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

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

**Sale of Goods**

Revenue from sale of goods is recognised when ownership in the goods is transferred to the buyer for a price, when significant risks and rewards of ownership have been transferred to the buyer and no effective control, to a degree usually associated with ownership, is retained by the Company.

**Interest Income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**h) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

For purposes of subsequent measurement, financial assets and liabilities are classified in various categories as under.

- > at amortised cost
- > fair value through other comprehensive income
- > fair value through profit and loss account

Financial instruments are subsequently measured and accounted based on their category. All financial instruments of the Company are covered under Amortised Cost. After initial measurement, such financial assets and liabilities are subsequently measured using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

**Derecognition of Financial Assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

**Impairment of Financial Assets**

The Company applies simplified approach model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

**Derecognition of Financial Liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.





**ADANI GAS HOLDINGS LIMITED**  
**(Formerly known as MUNDRA LNG LIMITED)**

Notes to financial statements for the year ended 31st March, 2019

**i) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**j) Earnings Per Share**

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

**k) Taxes on Income**

Tax expense comprises of current income tax and deferred tax.

i) Current Taxation

In the absence of any taxable income, provision for taxation has not been made in accordance with the income tax laws prevailing for the relevant assessment year.

ii) Deferred Taxation

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent it is probable that these assets can be realised in future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset where a legally enforceable right exists to offset current tax assets and liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax includes MAT tax credit. The Company reviews such tax credit asset at each reporting date to assess its recoverability.

**l) Provisions, Contingent Liabilities and Contingent Assets**

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



**ADANI GAS HOLDINGS LIMITED**  
(Formerly known as MUNDRA LNG LIMITED)

Notes to financial statements for the year ended 31st March, 2018

**NOTE : 3 NON-CURRENT INVESTMENTS**

(Amount in ₹)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Trade Investment - Unquoted		
Investment in Equity Shares of Subsidiary 25,67,42,040 shares (P.Y. 25,67,42,040) of Rs. 10 each of Adani Gas Limited (pledged against debentures)	2,32,45,97,544	2,32,45,97,544
	<b>2,32,45,97,544</b>	<b>2,32,45,97,544</b>

**NOTE : 4 Non Current Loans**

(Amount in ₹)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Loan to Ultimate Holding Company	10,00,85,90,564	-
	<b>10,00,85,90,564</b>	<b>-</b>

**NOTE : 5 Current Investments**

(Amount in ₹)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Investment in Mutual Funds - Unquoted		
3,255,297 (P.Y: NIL) Units in LIC MF Liquid Fund - Direct Plan - Growth of Rs. 1000 each	1,02,62,356	-
189,005,715 (P.Y: NIL) Units in SBI Premier Liquid Fund - Direct Plan - Growth of Rs. 1000 each	51,71,05,509	-
	<b>52,73,67,945</b>	<b>-</b>

**NOTE : 6 TRADE RECEIVABLES**

(Amount in ₹)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Unsecured, considered good	76,73,81,189	24,01,800
	<b>76,73,81,189</b>	<b>24,01,800</b>

**NOTE : 7 CASH AND CASH EQUIVALENTS**

(Amount in ₹)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Balances with banks		
- In Current Accounts	19,13,381	6,33,602
	<b>19,13,381</b>	<b>6,33,602</b>

**NOTE : 8 OTHER CURRENT ASSETS**

(Amount in ₹)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Advances for Expenses	5,480	23,000
	<b>5,480</b>	<b>23,000</b>



**ADANI GAS HOLDINGS LIMITED**  
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Notes to financial statements for the year ended 31st March, 2018

**NOTE : 9 SHARE CAPITAL**

(Amount in ₹)

Particulars	As at 31st March, 2018		As at 31-03-2017	
	No. of Share	(Amount in ₹)	No. of Share	(Amount in ₹)
<b>AUTHORISED</b>				
Equity Shares of ₹ 10/- each	50,000	5,00,000	50,000	5,00,000
0% Compulsary Convertible Preference Shares (CCPS) of ₹ 10/- each	24,99,50,000	2,49,95,00,000	-	-
	25,00,00,000	2,50,00,00,000	50,000	5,00,000
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>				
Equity Shares of ₹ 10/- each fully paid up	50,000	5,00,000	50,000	5,00,000
0% Compulsary Convertible Preference Shares (CCPS) of ₹ 10/- each fully paid up	23,36,00,000	2,33,60,00,000	-	-
	23,36,50,000	2,33,65,00,000	50,000	5,00,000
<b>(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>				
<b>Equity Shares</b>				
Particulars	As at 31st March, 2018		As at 31-03-2017	
	No. of Share	(Amount in ₹)	No. of Share	(Amount in ₹)
At the beginning of the year	50,000	5,00,000	50,000	5,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000
<b>0% Compulsary Convertible Preference Shares</b>				
Particulars	As at 31st March, 2018		As at 31-03-2017	
	No. of Share	(Amount in ₹)	No. of Share	(Amount in ₹)
At the beginning of the year	-	-	-	-
Issued during the year	23,36,00,000	2,33,60,00,000	-	-
Outstanding at the end of the year	23,36,00,000	2,33,60,00,000	-	-
<b>(b) Terms/ rights attached to equity shares</b>				
Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the of the ensuing Annual General Meeting. In the event of liquidation, the liquidator may divide amongst the members, in piece or kind, the whole or any part of the assets of the company.				
<b>(c) Terms/ rights attached to CCPS</b>				
The CCPS shall not be redeemed but compulsorily converted into equivalent number of equity shares of the Company at the option of CCPS holders within a period of 20 years from the date of allotment of CCPS.				
<b>(d) Shares held by holding/ultimate holding company and/or their subsidiaries/associates</b>				
Out of equity shares issued by the company, shares held by its holding company together with its nominees are as below:				
<b>Equity shares of ₹ 10/- Each Fully paid</b>				
Name of Share Holders	As at 31st March, 2018		As at 31-03-2017	
	No. of Share	(Amount in ₹)	No. of Share	(Amount in ₹)
Mahaguj Power LLP	25,500	2,55,000	25,500	2,55,000
Adani Trading LLP	24,500	2,45,000	24,500	2,45,000
<b>0% Compulsary Convertible Preference Share of ₹ 10/- Each Fully Paid</b>				
Name of Share Holders	As at 31st March, 2018		As at 31-03-2017	
	No. of Share	(Amount in ₹)	No. of Share	(Amount in ₹)
Adani Enterprises Limited, (Along with its nominees)	23,36,00,000	2,33,60,00,000	-	-
<b>(e) Details of shareholders holding more than 5% shares in the company</b>				
<b>Equity shares of ₹ 10/- Each Fully paid</b>				
Name of Shareholders	As at 31st March, 2018		As at 31-03-2017	
	No. of Share	% holding in the Class	No. of Share	% holding in the Class
Mahaguj Power LLP	25,500	51%	25,500	0.51
Adani Trading LLP	24,500	49%	24,500	0.49
<b>0% Compulsary Convertible Preference Share of ₹ 10/- Each Fully Paid</b>				
Name of Shareholders	As at 31st March, 2018		As at 31-03-2017	
	No. of Share	% holding in the Class	No. of Share	% holding in the Class
Adani Enterprises Limited, (Along with its nominees)	23,36,00,000	100%	-	-



**ADANI GAS HOLDINGS LIMITED**  
(Formerly known as MUNDRA LNG LIMITED)  
Notes to financial statements for the year ended 31st March, 2018

**NOTE : 10 LONG TERM BORROWINGS**

(Amount in ₹)		
PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Secured Non Convertible Redeemable Debentures	9,24,28,64,388	-
	9,24,28,64,388	-

**Note :**

These debentures are secured by pledge over investment in Adani Gas Ltd and other assets. These debentures carry interest rate in the range of 10%-11%. These are repayable in five structured annual instalments of Rs.72.73 Crs, Rs.69.11 Crs, Rs.65.81 Crs, Rs.65.81 Crs and Rs.726.53 Crs over a period of five years starting from year 2018-19. Interest is payable on principal outstanding on annual basis along with above principal instalments.

**NOTE : 11 SHORT TERM BORROWINGS**

(Amount in ₹)		
PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Unsecured Loan from Related Party	-	2,32,56,07,684
	-	2,32,56,07,684

**Note :**

Unsecured Corporate Loan is repaid during the year and it carried an interest rate of 10.60% p.a.

**NOTE : 12 TRADE PAYABLES**

(Amount in ₹)		
PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Trade payables		
- Micro, small and medium enterprise (Refer note 23)	-	-
- Others	76,70,80,306	24,30,633
	76,70,80,306	24,30,633

**NOTE : 13 OTHER FINANCIAL LIABILITIES**

(Amount in ₹)		
PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Current maturities of Non Convertible Redeemable Debentures	72,75,00,000	-
Interest accrued but not due on borrowings	73,17,80,821	-
	1,45,90,80,821	-

**NOTE : 14 OTHER CURRENT LIABILITIES**

(Amount in ₹)		
PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Statutory Dues Payable (GST & TDS)	43,008	67,521
	43,008	67,521





**ADANI GAS HOLDINGS LIMITED**  
(Formerly known as MUNDRA LNG LIMITED)

Notes to financial statements for the year ended 31st March, 2018

**NOTE : 15 REVENUE FROM OPERATIONS**

(Amount in ₹)

PARTICULARS	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Sale of Goods	72,20,50,634	24,01,800
	<b>72,20,50,634</b>	<b>24,01,800</b>

**NOTE : 16 OTHER INCOME**

(Amount in ₹)

PARTICULARS	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Interest Income		
- from Banks	30,85,197	-
- from Inter Corporate Loans	69,48,31,183	-
Net Gain from Current Investments	1,98,71,036	-
	<b>71,77,87,416</b>	<b>-</b>

**NOTE : 17 PURCHASE OF TRADED GOODS**

(Amount in ₹)

PARTICULARS	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Purchase of Traded Goods	72,17,50,336	24,04,800
	<b>72,17,50,336</b>	<b>24,04,800</b>

**NOTE : 18 FINANCE COSTS**

(Amount in ₹)

PARTICULARS	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Interest on Debentures	78,97,06,303	-
Interest on Inter Corporate Deposits	1,08,06,112	6,75,205
Other Financial Cost	5,90,561	-
Bank Charges	1,446	-
	<b>80,11,04,424</b>	<b>6,75,205</b>

**NOTE : 19 OTHER EXPENSES**

(Amount in ₹)

PARTICULARS	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Legal and Professional Fees	2,00,660	47,667
Filing Fees	2,17,01,600	-
Printing and Stationery Expenses	15,340	600
Payment to Auditors		
(i) Statutory Audit Fees	23,600	14,439
(ii) Other Attestation Services	12,980	14,845
	<b>2,19,54,180</b>	<b>77,551</b>



**ADANI GAS HOLDINGS LIMITED**  
(Formerly known as MUNDRA LNG LIMITED)

Notes to financial statements for the year ended 31<sup>st</sup> March 2018

**Note : 20 Financial Instruments and Risk Review**

**(a) Accounting Classification and Fair Value Hierarchy**

**Financial Assets and Liabilities :**

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

**Fair Value Hierarchy :**

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

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

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

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

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

**As at 31st March, 2018**

(Amount in ₹)

Particulars	Fair Value through Profit or Loss			FVTOCI	Amortised Cost	Total
	Level-1	Level-2	Level-3			
<b>Financial Assets</b>						
Loans	-	-	-	-	10,00,85,90,564	10,00,85,90,564
Current Investments	-	52,73,67,945	-	-	-	52,73,67,945
Trade Receivables	-	-	-	-	76,73,81,189	76,73,81,189
Cash and Cash Equivalents	-	-	-	-	19,13,381	19,13,381
<b>Total</b>	-	52,73,67,945	-	-	10,77,78,89,134	11,30,52,53,079
<b>Financial Liabilities</b>						
Borrowings	-	-	-	-	9,97,01,64,388	9,97,01,64,388
Trade Payables	-	-	-	-	76,70,80,306	76,70,80,306
Other Financial Liabilities	-	-	-	-	73,17,80,821	73,17,80,821
<b>Total</b>	-	-	-	-	11,46,90,25,515	11,46,90,25,515

**As at 31st March, 2017**

(Amount in ₹)

Particulars	Fair Value through Profit or Loss			FVTOCI	Amortised Cost	Total
	Level-1	Level-2	Level-3			
<b>Financial Assets</b>						
Loans	-	-	-	-	-	-
Current Investments	-	-	-	-	-	-
Trade Receivables	-	-	-	-	24,01,800	24,01,800
Cash and Cash Equivalents	-	-	-	-	6,33,602	6,33,602
<b>Total</b>	-	-	-	-	30,35,402	30,35,402
<b>Financial Liabilities</b>						
Borrowings	-	-	-	-	2,32,56,07,684	2,32,56,07,684
Trade Payables	-	-	-	-	24,30,633	24,30,633
Other Financial Liabilities	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	2,32,80,38,317	2,32,80,38,317

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

**(b) Financial Risk Management Objective and Policies :**

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

The Company is primarily exposed to risks resulting from fluctuation in market risk, credit risk and liquidity risk, which may adversely impact the fair value of its financial instruments.



**ADANI GAS HOLDINGS LIMITED**  
(Formerly known as MUNDRA LNG LIMITED)

Notes to financial statements for the year ended 31<sup>st</sup> March 2018

**(i) Interest Risk :**

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

**(ii) Credit Risk**

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

**(iii) Liquidity Risk**

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

The tables below provide details regarding contractual maturities of significant liabilities as at the end of each year end presented.

As at 31st March, 2018 :

(Amount in ₹)

Particulars	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings	72,73,00,000	9,24,28,64,388	-	9,97,01,64,388
Trade Payables	76,70,80,306	-	-	76,70,80,306
Other Financial Liabilities	73,17,80,821	-	-	73,17,80,821
<b>Total</b>	<b>2,22,61,61,127</b>	<b>9,24,28,64,388</b>	<b>-</b>	<b>11,46,90,25,515</b>

As at 31st March, 2017 :

(Amount in ₹)

Particulars	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings	2,32,56,07,684	-	-	2,32,56,07,684
Trade Payables	24,30,633	-	-	24,30,633
Other Financial Liabilities	-	-	-	-
<b>Total</b>	<b>2,32,80,38,317</b>	<b>-</b>	<b>-</b>	<b>2,32,80,38,317</b>

**(vii) Capital Management**

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

The company monitors capital using gearing ratio, which is net debt (borrowings as detailed in note 10, 11 and 13 less cash and bank balances and current investments) divided by total capital plus debt.

Particulars	As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
Total Borrowings (Refer notes 10, 11 and 13)	10,70,19,45,209	2,32,56,07,684
Less: Current Investments (Refer note 5)	52,73,67,945	-
Less: Cash and Bank Balances (Refer note 7)	19,13,381	6,33,602
<b>Net Debt (A)</b>	<b>10,17,26,63,883</b>	<b>2,32,49,74,082</b>
Total Equity (B)	2,23,05,79,218	(4,49,892)
<b>Total Equity and Net Debt (C = A + B)</b>	<b>12,40,32,43,101</b>	<b>2,32,45,24,190</b>
Gearing ratio	82%	100%

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

**Note : 21 Contingent Liabilities & Commitments (to the extent not provided for)**

a) **Contingent Liabilities** : Contingent Liabilities not provided for : NIL (P.Y. : NIL)

b) **Commitments** : Estimated amounts of contracts remaining to be executed and not provided for : NIL (P.Y. : NIL)



**ADANI GAS HOLDINGS LIMITED**  
(Formerly known as MUNDRA LNG LIMITED)

Notes to financial statements for the year ended 31<sup>st</sup> March 2018

**Note : 22 Earning Per Share**

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Net Profit/(Loss) after tax available for equity shareholders	(10,49,70,890)	(7,55,756)
Weighted average number of Equity Shares	50,000	50,000
Face Value of Equity Share	10	10
Basic & Diluted Earning Per Share	(2,099.42)	(15.12)

**Note : 23 Disclosure under MSMED Act**

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**Note : 24 Related Party Disclosure**

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

Ultimate Holding Company :	Adani Enterprises Limited
Holding Entity :	Mahaguj Power LLP
Subsidiary Company :	Adani Gas Limited
Fellow Subsidiary :	Adani Agri Fresh Limited
(with whom transactions done during the year)	
Associate :	Adani Wilmar Limited
(with whom transactions done during the year)	
Key Management Personnel :	Shri Jabinkumar Jalundhwale Shri Rajeev Sharma Dr. Malay K. Mahadevia

**Nature and Volume of Transactions with Related Parties**

(Amount in ₹)

Particulars	Name of Related Party	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
<b>Transactions during the year:</b>			
Purchase of Goods	Adani Wilmar Limited	65,09,35,000	-
Sale of Goods	Adani Wilmar Limited	-	24,01,800
Reimbursement of Expenses paid	Adani Enterprises Limited	1,93,57,500	-
Interest Expense	Adani Agri Fresh Limited	1,08,06,112	6,75,205
Interest Income	Adani Enterprises Limited	69,48,31,183	-
Borrowings taken during the year	Adani Agri Fresh Limited	-	2,32,56,07,684
Borrowings repaid during the year	Adani Agri Fresh Limited	2,32,56,07,684	-
Loan given during the year	Adani Enterprises Limited	10,03,03,48,065	-
Loan received back during the year	Adani Enterprises Limited	2,17,57,500	-
Issue of Preference Shares	Adani Enterprises Limited	2,33,60,00,000	-
Purchase of Investments	Adani Enterprises Limited	-	2,32,45,97,544
<b>Closing Balance:</b>			
Due From	Adani Wilmar Limited	-	24,01,800
	Adani Enterprises Limited	10,00,85,90,564	-
Due To	Adani Agri Fresh Limited	-	2,32,56,07,684
	Adani Wilmar Limited	68,34,81,750	-





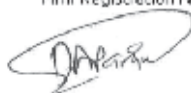
**ADANI GAS HOLDINGS LIMITED**  
**(Formerly known as MUNDRA LNG LIMITED)**

Notes to financial statements for the year ended 31<sup>st</sup> March 2018

**Note : 25 Other Disclosures**

- (a) Previous year's figures have been recast, regrouped and rearranged, wherever necessary to conform to this year's classification. Further, the figures have been rounded off to the nearest rupee.
- (b) The financial statements were approved for issue by the board of directors on 10th May, 2018.

As per our attached report of even date  
For **DHARMESH PARIKH & CO.**  
Chartered Accountants  
Firm Registration Number : 112054W



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



Place : Ahmedabad

Date : 10 MAY 2018

For and on behalf of the board  
**ADANI GAS HOLDINGS LIMITED**



**DR. MALAY R. MAHADEVIA**  
Director  
DIN : 00064110



**JATINKUMAR JALUNDHWALA**  
Director  
DIN : 00137800

Place : Ahmedabad

Date : 10 MAY 2018

## COPY OF AUDITED FINANCIAL STATEMENT OF ADANI GAS LIMITED FOR

**ADANI GAS LIMITED**  
**BALANCE SHEET AS AT 31-Mar-2018**

(₹ in Lakhs)

Particulars	Notes	As at	
		31 Mar 2018	31 Mar 2017
<b>ASSETS</b>			
<b>I NON-CURRENT ASSETS</b>			
(a) Property, Plant & Equipment	3	86,816.42	80,189.81
(b) Capital Work-In-Progress	4	10,182.81	8,665.03
(c) Goodwill		2,549.18	2,549.18
(d) Other Intangible Assets	3	307.37	441.44
(f) Financial Assets			
(i) Investment	5	12,400.00	8,500.00
(ii) Other Financial Assets	6	1,901.78	905.92
(g) Income Tax Assets (Net)	7	316.75	241.32
(h) Other Non-current Assets	8	717.48	894.41
		<b>115,191.79</b>	<b>102,387.11</b>
<b>II CURRENT ASSETS</b>			
(a) Inventories	9	4,215.74	3,868.50
(b) Financial Assets			
(i) Investments	10	1,251.22	552.67
(ii) Trade Receivables	11	6,426.03	5,621.12
(iii) Cash & cash equivalents	12	2,383.30	1,564.49
(iv) Bank Balances other than (iii)	13	45.09	2.55
(v) Loans	14	35,916.31	48,529.22
(vi) Other Financial Assets	15	386.04	56.65
(c) Other Current Assets	16	1,671.66	3,398.31
		<b>52,295.39</b>	<b>63,593.51</b>
<b>TOTAL</b>		<b>167,487.18</b>	<b>165,980.62</b>
<b>EQUITY AND LIABILITIES :</b>			
<b>I SHAREHOLDERS' FUNDS</b>			
(a) Equity Share Capital	17	25,674.20	25,674.20
(b) Other Equity		63,114.95	45,810.36
<b>Total Equity</b>		<b>88,789.15</b>	<b>71,484.56</b>
<b>LIABILITIES</b>			
<b>II NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	18	30,991.90	32,067.27
(ii) Other Financial Liabilities	19	23,251.78	20,214.25
(b) Provisions	20	230.52	218.17
(c) Deferred Tax Liabilities (net)		9,959.01	8,842.63
(d) Other Non Current Liabilities		-	-
		<b>64,433.21</b>	<b>61,342.32</b>



**ADANI GAS LIMITED**  
**BALANCE SHEET AS AT 31-Mar-2018**

(₹ in Lakhs)

Particulars	Notes	As at	
		31 Mar 2018	31 Mar 2017
<b>III CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	21	-	17,000.00
(ii) Trade Payables	22	6,068.61	5,267.45
(iii) Other Financial Liabilities	23	7,029.55	9,859.65
(b) Provisions	24	335.84	365.74
(c) Other Current Liabilities	25	604.77	660.90
(d) Income Tax Liabilities (Net)	26	226.05	-
		<b>14,264.82</b>	<b>33,153.74</b>
<b>TOTAL</b>		<b>167,487.18</b>	<b>165,980.62</b>

**Significant Accounting Policies (Note 2)**

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

As per our attached report of even date

For and on behalf of the Board  
Adani Gas Ltd

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

**PRAVIN DHANDHARIA**  
Partner  
Membership No. 115490



Place : Ahmedabad

Date : 10 MAY 2018

**P. V. Adani**  
**PRANAV ADANI**  
Director  
DIN 00008457

**NARESH PODDAR**  
CFO

Place : Ahmedabad

Date : 10 MAY 2018

**Rajeev**  
**RAJEEV SHARMA**  
Whole-time Director  
DIN 00084188

**HARDIK SANGHVI**  
Company Secretary

**ADANI GAS LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-Mar-2018**

(₹ in Lakhs)

S.No.	Particulars	NOTES	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
I	Revenue from Operations	27	138,529.68	116,244.20
II	Other Income	28	828.12	4,053.64
III	<b>Total Income (I+II)</b>		<b>139,357.80</b>	<b>120,297.84</b>
IV	<b>EXPENSES</b>			
	Cost of Materials consumed	29	28,736.02	26,977.83
	Purchase Of Stock In Trade	30	51,293.43	40,888.02
	Changes In Inventory of Finished Goods, Work In Progress & Stock In Trade	31	64.08	40.88
	Excise duty on Sale of Compressed Natural Gas (CNG)		8,398.54	7,543.95
	Employee benefits expense	32	3,828.22	3,936.43
	Finance costs	33	4,522.24	4,426.54
	Depreciation and amortization expense	3	6,101.17	5,616.91
	Other expenses	34	9,684.65	9,161.50
	<b>Total Expenses</b>		<b>112,628.35</b>	<b>98,592.06</b>
V	<b>Profit / (Loss) for the year before Exceptional Items &amp; Taxation (III - IV)</b>		<b>26,729.45</b>	<b>21,705.78</b>
VI	Exceptional Items	35	-	(6,096.69)
VII	<b>Profit / (Loss) before Taxation (V - VI)</b>		<b>26,729.45</b>	<b>15,609.09</b>
VIII	<b>Tax Expense:</b>			
	(1) Current Tax		8,292.00	4,654.46
	(2) Adjustment of earlier years		45.08	14.42
	(3) Deferred Tax		1,111.97	821.05
	<b>Total Tax Expenses</b>		<b>9,439.05</b>	<b>5,489.93</b>
IX	<b>Profit / (Loss) for the year (VII - VIII)</b>		<b>17,290.40</b>	<b>10,119.16</b>
X	<b>Other Comprehensive Income</b>			
	- Item that will be reclassified to Profit & Loss			
	- Item that will not be reclassified to Profit & Loss			
	(a) Remeasurement of employee benefit obligations		18.60	(50.94)
	(b) Income tax relating to these items		(4.41)	17.63
	<b>Total Other Comprehensive Income</b>		<b>14.19</b>	<b>(33.31)</b>
XI	<b>Total Comprehensive Income for the Year (IX + X)</b>		<b>17,304.59</b>	<b>10,085.85</b>
XII	<b>Earning per Equity Share of ₹ 10/- each :</b>	40		
	- Basic		6.73	3.94
	- Diluted		6.73	3.94

**Significant Accounting Policies (Note 2)**

The accompanying notes are an integral part of the financial statements.  
As per our attached report of even date

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

PRAVIN DHANDHARIA  
Partner  
Membership No. 115490

Place: Ahmedabad

Date : 10 MAY 2018



For and on behalf of the Board  
Adani Gas Ltd

*P. P. Adani*  
PRANAV ADANI  
Director  
DIN 00088137

*P. Poddar*  
NARESH PODDAR  
CFO

*Rajeev Sharma*  
RAJEEV SHARMA  
Whole-time Director  
DIN 00064188

*Hardik Sanghvi*  
HARDIK SANGHVI  
Company Secretary

Place: Ahmedabad

Date : 10 MAY 2018



**ADANI GAS LIMITED**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31-Mar-2018**

(₹ in Lakhs)

S.No.	Particulars	For the Year Ended on 31-Mar-2018	For the Year Ended on 31-Mar-2017
<b>A</b>	<b>CASHFLOW FROM OPERATIONS</b>		
	Net Profit Before Tax	26,729.45	15,609.09
	Adjustment for:		
	Depreciation/Amortization	6,101.17	5,615.91
	Finance Cost	4,522.24	4,426.54
	Interest Income	(127.32)	(3,248.55)
	(Income)/Loss from Sale of Current Investments	(568.55)	(45.02)
	(Gain)/Loss on Sale of Fixed Assets	28.69	142.09
	Actuarial Gain/(Loss) Transferred to OCI	18.60	(50.94)
	Provision for Doubtful Debt, Loans & Advances (Net)	(39.14)	33.35
	Liabilities No Longer Required	(9.93)	(29.88)
	Write-off for Doubtful Debt, Loans & Advances	189.92	-
	Exceptional Item	-	6,096.69
	<b>Total Adjustments to Net Profit</b>	<b>10,315.68</b>	<b>12,941.19</b>
	<b>Operating Profit Before Working Capital Changes</b>	<b>37,045.13</b>	<b>28,550.28</b>
	Adjustment for:		
	Trade and Other Receivables	(1,091.73)	(1,479.86)
	Inventories	(347.24)	1.32
	Other Financial Assets	(174.18)	(65.17)
	Other Non Financial Assets	1,754.15	1,118.11
	Trade Payables	811.09	820.79
	Provisions	(17.55)	153.21
	Other Financial Liabilities	(767.33)	2,052.06
	Other Non Financial Liabilities	(56.13)	(500.57)
	<b>Total Working Capital Changes</b>	<b>121.08</b>	<b>1,999.89</b>
	<b>Cash Generated From Operations</b>	<b>37,166.21</b>	<b>30,550.17</b>
	Direct Tax (Paid)/ Refund	(8,176.46)	(4,712.55)
	<b>Net Cash From Operating Activities</b>	<b>28,989.75</b>	<b>25,837.62</b>
<b>B</b>	<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
	Purchase/Additions to Fixed Assets & Capital Work in Progress	(14,140.54)	(12,367.83)
	Capital Advances	139.43	(219.00)
	Sale of Fixed Assets	0.35	112.91
	Redemption/(Investment) in Deposits	(42.54)	(0.85)
	Interest Received	110.13	3,234.49
	Investment in Joint Venture	(4,900.00)	(3,250.00)
	Gain on sale of Mutual Fund	368.55	45.02
	Loans, Advances and Deposits given to/ received back from Related Party	12,615.07	(17,879.91)
	<b>Net Cash Used in Investing Activities</b>	<b>(5,849.54)</b>	<b>(30,325.17)</b>
<b>C</b>	<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds of Long Term Borrowings	147,734.77	28,490.66
	Repayment of Long Term Borrowings	(150,881.86)	(1,458.82)
	Proceeds/ Repayment from Commercial paper	(15,000.00)	(15,000.00)
	Proceeds / Repayment of Short Term Borrowings	(2,000.00)	(4,600.00)
	Interest Paid	(4,502.73)	(4,492.65)
	Security Deposit from Customer & contractors	3,026.97	2,038.22
	<b>Net Cash Used for Financing Activities</b>	<b>(21,622.85)</b>	<b>5,017.41</b>



**ADANI GAS LIMITED**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31-Mar-2018**

(₹ in Lakhs)

S.No.	Particulars	For the Year Ended on 31-Mar-2018		For the Year Ended on 31-Mar-2017	
D	Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)		1,517.36		529.85
	Cash and Cash Equivalents at the beginning of the year		2,117.16		1,587.31
	Cash and Cash Equivalents at the end of the year		3,634.52		2,117.16
	Components of cash and cash equivalents				
	Cash on hand		7.68		10.58
	Cheque on hand		-		-
	Balances with Local banks				
	- In Current Account		810.62		1,353.91
	- In Fixed Deposit Account		1,565.00		200.00
	Highly Liquid mutual Fund		1,251.22		552.67
	Total cash and cash equivalents (Refer note 10 & 12)		3,634.52		2,117.16

**Significant Accounting Policies (Note 2)**

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

As per our attached report of even date

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

PRAVIN DHANDHARIA  
Partner  
Membership No: 115490

Place: Ahmedabad

Date: 10 MAY 2018



For and on behalf of the Board  
Adani Gas Ltd

*P. V. Adani*  
PRANAV ADANI  
Director  
DIN 00008457

*N. Poddar*  
NARESH PODDAR  
CFO

Place: Ahmedabad

Date: 10 MAY 2018

*R. Rajen*  
RAJEEV SHARMA  
Whole-time Director  
DIN 00004188

*H. Sanghvi*  
HARDIK SANGHVI  
Company Secretary

# ADANI GAS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31-Mar-2018

### A. Equity Share Capital

(₹ in Lakhs)

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

(₹ in Lakhs)

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

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on behalf of the Board  
Adani Gas Ltd

For SHAH DHANDHARIA & CO.

Chartered Accountants

Firm Registration Number : 118707W

PRANAV ADANI

Director

DIN 00008457

RAJEEV SHARMA

Whole-time Director

DIN 00004188

PRAVIN DHANDHARIA

Partner

Membership No. 115490

Place : Ahmedabad

Date : 10 MAY 2018



NARESH PODDAR

CFO

Place : Ahmedabad

Date : 10 MAY 2018

HARDIK SANGHVI

Company Secretary

## ADANI GAS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

#### NOTE : 1 CORPORATE INFORMATION

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

#### NOTE : 2 SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION & PRESENTATION OF THE ACCOUNTS :

##### a) STATEMENT OF COMPLIANCE

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

##### b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

##### c) USE OF ESTIMATES

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

Estimates and assumptions are required in particular for:

##### i) Useful life of tangible assets:

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

##### ii) Recognition of deferred tax

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

##### iii) Fair value measurement of financial instruments

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 3B

##### iv) Recognition and measurement of other provisions:

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

##### v) Defined benefit plans

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





## ADANI GAS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

#### d) CURRENT & NON-CURRENT CLASSIFICATION

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

#### e) INVENTORIES

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

#### f) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASHFLOW STATEMENTS)

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

#### g) CASH FLOW STATEMENT

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

#### h) REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

- Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

- However, sales tax/ value added tax (VAT) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

- i) Revenue on sale of natural gas is recognized on transfer of title to customers at delivery point. Sales are billed bi-monthly for domestic customers, fortnightly for commercial, Non commercial & Industrial Customer.
- ii) Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to customers from CNG stations.
- iii) Gas Transportation Income is recognized in the same period in which the related volumes of gas are delivered to the customers.
- iv) Interest revenues are recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- v) Gas supplied to domestic customers for which billing have not been done as per the billing cycle is treated as stock and revenue for the same is accounted in the year in which Sales are billed.
- vi) Dividend income from investments is recognised when the Company's right to receive payment is established.

#### i) PROPERTY, PLANT & EQUIPMENTS

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



## ADANI GAS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

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

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

#### ii) INTANGIBLE ASSETS

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

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

#### k) FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

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

##### A) Financial Assets

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

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



## ADANI GAS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

#### 1) At amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

A financial asset is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI) and on derecognition, cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss. For equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

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

FVTPL is a residual category for debt instruments and default category for equity instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

#### Derecognition

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

#### Impairment of financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company assesses on a forward looking basis the expected credit losses associated with its receivables based on historical trends and past experience.

The Company follows 'Simplified Approach' for recognition of impairment loss allowance on all trade receivables or contractual receivables. Under the simplified approach the Company does not track changes in credit risk, but it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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

#### B) Financial Liabilities

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

##### At amortised cost

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





## ADANI GAS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

#### At fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as such. Subsequently, any changes in fair value are recognised in the Statement of Profit and Loss.

#### Derecognition of Financial Liability

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

#### C) Derivative financial instruments

##### Initial recognition and subsequent measurement

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

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

#### i) FOREIGN CURRENCY TRANSACTIONS

##### i) Functional and presentation

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

##### ii) Transactions and Balances

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

All foreign currency denominated monetary assets and liabilities are translated at the exchange rates on the reporting date.

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

#### m) EMPLOYEE BENEFITS

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

##### A) Short term Employee Benefits

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

##### B) Post Employment Benefits

##### i) Defined Benefit Plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary, using the projected unit credit method. The liability for gratuity is funded annually to a gratuity fund maintained with the Life Insurance Corporation of India.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net balance of defined benefit liability or asset.

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

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

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

##### ii) Defined Contribution Plans

Retirement benefits in the form of provident fund and superannuation fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.





## ADANI GAS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

**iii) Other Long-term employee benefits**

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

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

**n) BORROWING COSTS**

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

**o) SEGMENT REPORTING**

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

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

**p) RELATED PARTY TRANSACTIONS**

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

**q) LEASES**

- i) The determination of whether an arrangement is / or contains a lease is based on the substance of the arrangement at the inception of the lease. A lease is classified at the inception date as a finance lease or an operating lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- ii) Lease arrangement where risk and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as Operating Leases. The company's leasing arrangements are in respect of operating lease for office premises. The aggregate lease rent payable is charged as rent including lease rentals.

**r) EARNING PER SHARE**

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

**s) TAXES ON INCOME**

**i) DEFERRED TAXATION**

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

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

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

**ii) CURRENT TAXATION**

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

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

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



## ADANI GAS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

#### t) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

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

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

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

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

#### u) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

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

#### v) EXCEPTIONAL ITEMS

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



# ADANI GAS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

### NOTE : 3 PROPERTY, PLANT & EQUIPMENTS & INTANGIBLE ASSETS

PARTICULARS	Property, Plant & Equipments										Intangible Assets		
	Freehold Land	Leasehold Land	Building	Office Equipments	Computer	Vehicles	Furniture	Stores Equipment	Plant & Machinery	Total	Computer Software	Right of Use of Land	Total
Year Ended 31st March 2017													
Gross Carrying Value													
Opening Gross Carrying Amount	1,652.96	4,402.82	4,937.37	244.17	129.11	29.73	866.01	30.08	55,600.83	77,905.11	507.93	11.71	519.64
Addition during the Year	-	28.55	455.31	150.58	195.83	-	35.87	-	12,104.12	13,050.26	257.99	-	257.99
Deduction during the Year	-	75.45	147.03	0.11	0.45	-	34.92	-	28.20	290.16	-	-	-
Transfer	-	-	-	8.90	(13.73)	-	5.13	(36.08)	35.79	-	-	-	-
Closing Gross Carrying Value	1,652.96	4,351.92	5,245.64	403.55	310.74	25.75	872.09	-	77,792.55	90,665.21	765.92	11.71	777.63
Accumulated Depreciation													
Opening Accumulated Depreciation	-	53.41	83.87	75.06	29.31	6.97	202.83	4.26	4,602.34	5,069.05	156.41	5.38	161.79
Depreciation during the year	-	52.32	104.96	79.10	55.60	5.88	158.01	-	4,985.64	5,442.51	169.60	4.80	174.40
Disposals	-	7.78	3.71	0.05	0.45	-	12.27	-	10.09	35.16	-	-	-
Transfer	-	-	-	0.30	(1.01)	-	0.71	(4.26)	4.26	-	-	-	-
Closing Accumulated Depreciation	-	97.95	185.12	154.40	93.45	13.85	349.28	-	9,591.35	10,475.39	326.01	10.18	336.19
Net Carrying Amount	1,652.96	4,253.97	5,060.53	249.15	217.29	21.90	522.81	-	68,211.20	80,189.81	439.91	1.53	441.44
Year Ended 31st March 2018													
Gross Carrying Value													
Opening Gross Carrying Amount	1,652.96	4,351.92	5,245.64	403.55	310.74	25.75	872.09	-	77,792.55	90,665.21	765.92	11.71	777.63
Addition during the Year	-	-	103.91	46.52	270.20	-	36.50	-	12,150.42	12,609.95	12.81	-	12.81
Deduction during the Year	-	-	-	0.42	0.45	10.04	-	-	111.11	122.03	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Value	1,652.96	4,351.92	5,351.15	450.05	580.48	25.71	908.99	-	89,831.86	103,153.13	778.73	11.71	790.44
Accumulated Depreciation													
Opening Accumulated Depreciation	-	97.95	185.12	154.40	93.45	13.85	349.28	-	9,591.35	10,475.39	326.01	10.18	336.19
Depreciation during the year	-	49.17	119.85	76.83	93.48	6.51	134.77	-	5,473.98	5,954.29	145.46	1.42	146.88
Disposals	-	-	-	0.42	0.27	6.86	-	-	85.42	92.57	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	147.12	304.97	230.81	186.66	13.60	484.05	-	14,969.51	16,336.71	471.47	11.60	483.07
Net Carrying Amount	1,652.96	4,204.80	5,046.19	219.24	393.81	12.11	424.94	-	74,862.36	86,816.42	307.26	0.11	307.37

#### Notes:

a) Lease hold land is amortised over a period of lease. Amount of amortisation for the current year is shown in depreciation column.

b) Impairment of Fixed Assets

Management has carried out a review of the carrying value of assets as March 31, 2018 in accordance with the provisions of Ind AS - 36 Impairment of Assets. Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of the assets. The same has been relied by the auditor.

c) For Securities refer note no 18





# ADANI GAS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

### NOTE : 4 CAPITAL WORK IN PROGRESS

PARTICULARS	(₹ in Lakhs)	
	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Capital Work in Progress including Capital Inventory	10,182.81	8,665.03
	<b>10,182.81</b>	<b>8,665.03</b>

### NOTE : 5 NON CURRENT INVESTMENT

PARTICULAR	(₹ in Lakhs)	
	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Investment in Equity Instruments		
Unquoted-Trade Investment		
In Joint Venture		
12,40,00,000 (P.Y. 8,50,00,000) shares of Indian Oil -Adani Gas Pvt. Ltd. of ₹ 10/- each	12,400.00	8,500.00
	<b>12,400.00</b>	<b>8,500.00</b>
Aggregate value of unquoted investments	12,400.00	8,500.00

### NOTE : 6 OTHER NON CURRENT FINANCIAL ASSETS

PARTICULARS	(₹ in Lakhs)	
	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Other Receivable from Related Parties	-	189.89
Security Deposits		
Unsecured, considered good		
- With Government	211.83	197.54
- With Others	507.76	350.06
Interest Accrued and due on deposit	179.37	165.40
Interest Accrued and not due on deposit	2.82	3.03
Share application money pending allotment		
JV-Indian Oil-Adani Gas Pvt. Ltd.	1,000.00	-
	<b>1,901.78</b>	<b>905.92</b>

Note: Refer note no.43 for Related Party Balances

### NOTE : 7 INCOME TAX ASSETS (NET)

PARTICULAR	(₹ in Lakhs)	
	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Advance Payment of Income Tax (net of current tax provision)	316.75	241.32
	<b>316.75</b>	<b>241.32</b>





# ADANI GAS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

### NOTE : 8 OTHER NON CURRENT ASSETS

(Unsecured, Considered Good)

(₹ in Lakhs)

PARTICULAR	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Balance with Government Authorities	613.24	650.74
Advance against Expenses		
Unsecured, considered good		
- Capital Advances	104.24	243.67
	<b>717.48</b>	<b>894.41</b>

Note: Refer note no:43 for Related Party Balances

### NOTE : 9 INVENTORIES

(At cost or net realisable value whichever is lower)

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Stock in trade / Finished Goods	674.55	738.63
Stores and spares	3,541.19	3,129.87
	<b>4,215.74</b>	<b>3,868.50</b>

### NOTE : 10 CURRENT INVESTMENTS

(₹ in Lakhs)

PARTICULAR	AS AT 31-Mar-2018	AS AT 31-Mar-2017
<b>Unquoted Mutual Funds</b>		
28885.899 (P.Y: NIL) Units in Indiabulls Liquid Fund - Direct Plan Growth (LFG1) of Rs. 1000 each	490.55	-
7944.246 (P.Y: NIL) Units in LIC NCMURA MF Liquid Fund - DIRECT - Growth Plan - Growth of Rs. 1000 each	250.37	-
26668.891 (P.Y: NIL) Units in Peerless Liquid Fund - Direct Plan - Growth of Rs. 1000 each	510.30	-
NIL (P.Y: 261,485,006) Units in DHFL Pramerica Insta Cash Plus Fund - Direct Plan - Growth of Rs 100 each	-	552.67
	<b>1,251.22</b>	<b>552.67</b>
Aggregate value of unquoted investments	1,251.22	552.67

### NOTE : 11 TRADE RECEIVABLES

(Unsecured, considered good unless stated otherwise)

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2018	AS AT 31-Mar-2017
(i) Unsecured, considered good	6,426.03	5,621.12
(ii) Doubtful	34.13	73.27
	<b>6,460.16</b>	<b>5,694.39</b>
(iii) Provision for doubtful receivable	(34.13)	(73.27)
	<b>6,426.03</b>	<b>5,621.12</b>

Note: Refer note no:43 for Related Party Balances



**ADANI GAS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018**

**NOTE : 12 CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2018	AS AT 31-Mar-2017
i) Balances with banks		
- In Current Account	810.62	1,353.91
- In Fixed Deposit Account	1,565.00	200.00
ii) Cash on hand	7.68	10.58
	<b>2,383.30</b>	<b>1,564.49</b>

**NOTE : 13 OTHER BANK BALANCES**

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Deposits with original maturity over 3 months but less than 12 months	45.09	2.55
	<b>45.09</b>	<b>2.55</b>

**NOTE : 14 CURRENT LOANS**

(Unsecured, considered good)

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Loans to related parties	35,891.02	48,306.09
Loan to employees	25.29	23.13
	<b>35,916.31</b>	<b>48,529.22</b>

Note: Refer note no:43 for Related Party Balances

**NOTE : 15 OTHER CURRENT FINANCIAL ASSETS**

(Unsecured, considered good)

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Interest Accrued and Not Due on deposit	8.21	4.78
Other Receivables from Related Parties	377.83	51.87
	<b>386.04</b>	<b>56.65</b>

Note: Refer note no:43 for Related Party Balances

**NOTE : 16 OTHER CURRENT ASSETS**

(Unsecured, considered good)

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Advance against expenses	303.34	120.34
Balance with Government Authorities	1,356.33	2,889.96
Prepaid Expenses	11.99	388.01
	<b>1,671.66</b>	<b>3,398.31</b>

Note: Refer note no:43 for Related Party Balances



# ADANI GAS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

### NOTE : 17 SHARE CAPITAL

Particulars	AS AT 31-Mar-2018		AS AT 31-Mar-2017	
	No. of Share	(₹ in Lakhs)	No. of Share	(₹ in Lakhs)
<b>AUTHORISED</b>				
Equity Shares of ₹ 10/- each	260000000	26,000.00	260000000	26,000.00
	<b>260000000</b>	<b>26,000.00</b>	<b>260000000</b>	<b>26,000.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>				
Equity shares of ₹ 10/- Each Fully Paid up	256742040	25,674.20	256742040	25,674.20
	<b>256742040</b>	<b>25,674.20</b>	<b>256,742,040</b>	<b>25,674.20</b>
<b>(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year</b>				
<b>Equity shares</b>				
Particulars	AS AT 31-Mar-2018		AS AT 31-Mar-2017	
	No. of Share	(₹ in Lakhs)	No. of Share	(₹ in Lakhs)
At the beginning of the year	256742040	25,674.20	256742040	25,674.20
Issued during the period	-	-	-	-
Outstanding at the end of the year	<b>256742040</b>	<b>25,674.20</b>	<b>256742040</b>	<b>25,674.20</b>
<b>(b) Terms/ rights attached to equity shares</b>				
The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the no. of equity shares held by the shareholders. The company declares and pays dividends in Indian rupees. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend.				
<b>(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates</b>				
Out of equity shares issued by the company, shares held by its holding company are as below:				
<b>Equity shares of ₹ 10/- Each Fully paid</b>				
Name of Share Holders	AS AT 31-Mar-2018		AS AT 31-Mar-2017	
	No. of Share	(₹ in Lakhs)	No. of Share	(₹ in Lakhs)
Adani Gas Holdings Ltd (along with its nominees)	256742040	25,674.20	256742040	25,674.20
<b>(d) Details of shareholders holding more than 5% shares in the company</b>				
<b>Equity shares of ₹ 10/- Each Fully paid</b>				
Name of Share Holders	AS AT 31-Mar-2018		AS AT 31-Mar-2017	
	No. of Share	% holding in the Class	No. of Share	% holding in the Class
Adani Gas Holdings Ltd (Along with its nominees)	256742040	25,674.20	256742040	25,674.20



**ADANI GAS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018**

**NOTE : 18 LONG TERM BORROWINGS**

PARTICULARS	(₹ in Lakhs)	
	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Term loans - Secured		
From Bank	30,991.90	32,067.27
	<b>30,991.90</b>	<b>32,067.27</b>

**Note:**

**Repayment terms and Security Details:**

- a) Long Term Rupee Term Loan of ₹ 13,995 Lakhs is repayable in 16 Quarterly Installment of ₹ 388.75 Lakhs each from F.Y 18 to F.Y 21, 11 Quarterly Installments of ₹ 622 Lakhs each from F.Y 22 to Q3 F.Y. 24 and final installment of ₹ 933 Lakhs in Q4 F.Y 24 and said loan carries Interest Rate equal to the benchmark rate, presently @ 8.35% and is payable on monthly basis and secured by:
- A First Pari passu charge by way of Hypo. on all the Company's movables including Movable P&M and all other movable assets, present and future located: Vadodara, Faridabad & Khurja.
  - A Second Pari Passu charge on the Company's Current Assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future.
- b) Long Term Rupee Term Loan of ₹ 13,209.19 Lakhs is repayable at 17 Quarterly Installment of Rs. 357 Lakhs each from F.Y 18 to Q1 F.Y 22, 10 Quarterly Installments of ₹ 571.20 Lakhs each from Q2 F.Y 22 to Q3 F.Y. 24 and installment of ₹ 785.41 Lakhs in Q4 F.Y 24 and final installment of ₹ 642.61 Lakhs in Q1 F.Y 25 and said loan carries Interest Rate equal to the benchmark rate, presently @ 8.20% and is payable on monthly basis and secured by:
- A First Pari passu charge by way of Hypo. on Movable Properties at Ahmedabad, Vadodara, Faridabad & Khurja.
  - A Second Pari Passu charge on the Borrower's Current Assets.
- c) Long Term Rupee Term Loan of ₹ 7,790 Lakhs is repayable in 18 Quarterly Installment of ₹ 205 Lakhs each from F.Y 18 to Q2 F.Y 22, 8 Quarterly Installments of ₹ 328 Lakhs each from Q3 F.Y 22 to Q2 F.Y. 24 and 4 Quarterly Installments of ₹ 368 Lakhs each from Q3 F.Y. 24 to Q2 F.Y 25 and said loan carries Interest Rate equal to the benchmark rate, presently @ 8.50% and is payable on monthly basis and secured by:
- A First Pari passu charge by way of Hypo. on Movable Assets at Ahmedabad, Vadodara, Faridabad & Khurja.
  - A Second Pari Passu charge on the Company's Current Assets, Account Assets and Receivables
- d) For Current maturities of Long term borrowing refer Note No-25 "Other Current Financial Liabilities"

**NOTE : 19 OTHER LONG TERM FINANCIAL LIABILITIES**

PARTICULARS	(₹ in Lakhs)	
	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Retention Money	84.22	131.75
Security Deposit From Customers	23,167.56	20,082.50
	<b>23,251.78</b>	<b>20,214.25</b>

**Note:**

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





**ADANI GAS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018**

**NOTE : 20 LONG TERM PROVISIONS**

(₹ in Lakhs)		
PARTICULARS	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Provision for Gratuity (refer note 42)	-	-
Provision for Leave Encashment (refer note 42)	230.52	218.17
	<b>230.52</b>	<b>218.17</b>

**NOTE : 21 SHORT TERM BORROWINGS**

(₹ in Lakhs)		
PARTICULARS	AS AT 31-Mar-2018	AS AT 31-Mar-2017
<b>Unsecured Borrowings</b>		
Commercial Paper	-	15,000.00
<b>Term Loan - Unsecured</b>		
From Bank	-	2,000.00
	<b>-</b>	<b>17,000.00</b>

**Note:**

Company has availed CC & Non Fund Based facilities and same is secured by:  
- A First Pari passu charge on immovable properties of the Ahmedabad for ₹ 158 crores.  
- Pari-passu first charge on Current Assets of the Company pertaining to Ahmedabad project for ₹ 233 crore.  
- First pari passu charge on Stock, Book-debts and receivables (excluding plant and machinery and movable assets of the Company) both present & future

**NOTE : 22 TRADE PAYABLE**

(₹ in Lakhs)		
PARTICULARS	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Trade payables		
- Micro, small and medium enterprise	-	3.08
- Others	6,068.61	5,264.37
	<b>6,068.61</b>	<b>5,267.45</b>

**Note:**

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



**ADANI GAS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018**

**NOTE : 23 OTHER CURRENT FINANCIAL LIABILITIES**

(₹ in Lakhs)		
PARTICULARS	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Current maturities of long term debt (refer sub note of note 18 for security offered)		
- Loan from Bank	3,771.18	5,842.90
<b>Total</b>	<b>3,771.18</b>	<b>5,842.90</b>
Interest accrued but not due on borrowings	101.84	82.33
Security Deposit from Contractor	102.02	160.11
Other payables		
- Creditors for Capital Goods	2,163.55	3,070.61
- Retention Money	890.96	703.66
- Others	-	0.04
	<b>7,029.55</b>	<b>9,859.65</b>

**NOTE : 24 SHORT TERM PROVISIONS**

(₹ in Lakhs)		
PARTICULARS	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Provision for Gratuity (refer note 42)	254.03	256.18
Provision for Leave Encashment (refer note 42)	81.81	109.56
	<b>335.84</b>	<b>365.74</b>

**NOTE : 25 OTHER CURRENT LIABILITIES**

(₹ in Lakhs)		
PARTICULARS	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Statutory Dues Payable (includes TDS, GST, VAT, PF etc.)	426.26	521.14
Customer Advances	178.51	139.76
	<b>604.77</b>	<b>660.90</b>

**NOTE : 26 INCOME TAX LIABILITIES (NET)**

(₹ in Lakhs)		
PARTICULAR	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Provision for Tax (net of advance tax and tax deducted at source)	226.05	-
	<b>226.05</b>	<b>-</b>



# ADANI GAS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

### NOTE : 27 REVENUE FROM OPERATIONS

PARTICULARS	(₹ in Lakhs)	
	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
<b>Sale of Goods</b>		
(i) CNG Sales	68,341.22	61,387.01
(ii) PNG Sales	68,585.54	53,480.45
<b>Sale of Services</b>		
(i) Connection Income	750.35	604.19
(ii) Transportation Income	236.36	242.56
<b>Other Operating revenues</b>	616.21	529.99
	<b>138,529.68</b>	<b>116,244.20</b>

### NOTE : 28 OTHER INCOME

PARTICULARS	(₹ in Lakhs)	
	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
Interest Income	127.32	3,248.55
Foreign Exchange Gain	-	2.43
Net Gain on sale of Current Investments	368.55	45.02
Liabilities no longer required written back	9.93	29.88
Sale of Stores and Spares	18.61	426.67
Other non-operating Income	56.57	53.95
Corporate Guarantee Income	247.14	247.14
	<b>828.12</b>	<b>4,053.64</b>

### NOTE : 29 COST OF RAW MATERIALS CONSUMED

PARTICULARS	(₹ in Lakhs)	
	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
Opening Stock	-	-
Add : Transfer from Purchase of Stock in trade	28,736.02	26,977.83
	<b>28,736.02</b>	<b>26,977.83</b>
Less : Closing Stock	-	-
	<b>28,736.02</b>	<b>26,977.83</b>



**ADANI GAS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018**

**NOTE : 30 PURCHASE OF STOCK IN TRADE**

(₹ in Lakhs)

PARTICULARS	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
Purchase of Stock in Trade	80,029.45	67,865.85
Less: Transfer for CNG Conversion	28,736.02	26,977.83
	<b>51,293.43</b>	<b>40,888.02</b>

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

(₹ in Lakhs)

PARTICULARS	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
Opening stock of Finished Goods / Stock in Trade	738.63	779.51
Less: Closing Stock of Finished Goods / Stock in Trade	674.55	738.63
	<b>64.08</b>	<b>40.88</b>

**NOTE : 32 EMPLOYEE BENEFIT EXPENSE**

(₹ in Lakhs)

PARTICULARS	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
Salaries and wages	2,514.20	2,469.03
Contractual Manpower Expenses	842.23	1,001.64
Contribution to provident and other funds	216.46	189.68
Staff Welfare Expenses	255.33	276.08
	<b>3,828.22</b>	<b>3,936.43</b>

**NOTE : 33 FINANCE COSTS**

(₹ in Lakhs)

PARTICULARS	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
<b>I. Interest</b>		
Interest on Term Loan	3,184.74	1,624.75
Interest on Security Deposit	283.26	292.87
Interest on Commercial Paper	843.09	2,359.70
Interest on Income Tax	4.41	27.16
Interest Others	1.73	34.62
<b>II. Other Borrowing Cost</b>		
Bank & Other Finance Charges	205.01	87.44
	<b>4,522.24</b>	<b>4,426.54</b>





**ADANI GAS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018**

**NOTE : 34 OTHER EXPENSES**

(₹ in Lakhs)		
PARTICULARS	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
Consumption of stores and spare parts	960.92	1,064.10
Power and fuel	2,679.78	2,268.71
Transportation Charges	332.85	308.07
Foreign Exchange Loss	8.56	-
Security Expenses	203.58	123.81
Commission & Brokerage	122.09	567.77
Rent	240.49	218.92
Repairs to buildings	162.67	146.55
Repairs to machinery	1,661.23	1,233.83
Repairs to Others	160.56	151.71
Insurance	36.06	47.35
Rates and taxes	354.70	366.04
Legal and Professional Fees	918.36	787.49
Travelling and Conveyance Expenses	396.55	345.26
Advertisement and Business Promotion Expenses	164.52	340.74
Office Expenses	81.14	84.22
Communication & IT Expenses	464.46	374.68
Printing and Stationery Expenses	103.93	94.43
Donation	26.00	161.50
Corporate Social Responsibility Expenses (refer note 41)	283.20	228.52
Director Sitting Fees	1.12	2.28
Payment to Auditors		
(i) Statutory Audit Fees	9.30	6.50
(ii) Tax Audit Fees	-	2.00
(iii) Other Attestation Services	0.27	1.08
Miscellaneous expenses	132.84	60.50
Provision for Doubtful Debt, Loans & Advances (Net)	(39.14)	33.35
Write-off for Doubtful Debt, Loans & Advances	189.92	-
Loss on Sale on Property, Plant & Equipment	28.69	142.09
	<b>9,684.65</b>	<b>9,161.50</b>

**NOTE : 35 EXCEPTIONAL ITEMS**

(₹ in Lakhs)		
PARTICULARS	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
Abandoned Project Write Off	-	6,096.69
	<b>-</b>	<b>6,096.69</b>



# ADANI GAS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

### Note : 36 INCOME TAX EXPENSE

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

PARTICULARS	(₹ in Lakhs)	
	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Deferred Tax Liabilities on account of Timing difference between books and Tax depreciation	10,205.53	9,097.84
Ind As Adjustment on following: Ancillary Borrowing cost	-	5.83
<b>Total</b>	<b>10,205.53</b>	<b>9,103.67</b>
Deferred Tax Assets on account of Leave Encashment & Gratuity	197.91	202.08
Provision for Doubtful debts	11.93	25.36
Bonus	36.69	33.60
<b>Total</b>	<b>246.52</b>	<b>261.04</b>
	<b>9,959.01</b>	<b>8,842.63</b>

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

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

Particulars	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
Profit Before Tax	26,729.45	15,609.09
Tax Rate for Corporate Entity as per Income Tax Act, 1961	34.61%	34.61%
<b>Tax Expense as per Income Tax Act, 1961</b>	<b>9,250.53</b>	<b>5,402.07</b>
Tax Effect of Non-Deductible Items under Income Tax Act:		
CSR Expenses	49.00	38.54
Donation	4.50	28.03
Interest on Income Tax	1.66	9.40
Changes in Tax Rate	95.76	-
Tax Adjustments of earlier years	45.08	14.42
Others	(7.49)	(1.54)
	<b>9,439.05</b>	<b>5,489.93</b>

### Note : 37 FINANCIAL INSTRUMENTS AND RISK REVIEW

#### a) Accounting Classification and Fair Value Hierarchy

##### Financial Assets and Liabilities

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

##### Fair Value Hierarchy

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

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

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

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

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



**ADANI GAS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018**

As at 31st March, 2018 :

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

As at 31st March, 2017 :

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

Notes :

(a) Investments exclude Investment in Joint Ventures.

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

**b) Financial Risk Management Objective and Policies :**

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

**Interest risk**

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

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

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

(₹ in Lakhs)		
Particulars	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
Impact on profit for the year	174.97	271.90



**ADANI GAS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018**

**Credit Risk**

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

**Liquidity risk**

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

**Maturity profile of financial liabilities :**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments

As at 31st March, 2018 :

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

As at 31st March, 2017 :

(₹ in Lakhs)				
Particular	Less than 1 year	1 to 5 years	More than 5	Total
Borrowings	22,850.98	31,090.20	1,000.00	54,941.18
Other Non Current Financial Liability	-	-	20,214.25	20,214.25
Other Current Financial Liability	4,016.75	-	-	4,016.75
Trade Payables	5,267.45	-	-	5,267.45
<b>Total</b>	<b>32,135.18</b>	<b>31,090.20</b>	<b>21,214.25</b>	<b>84,439.62</b>

**Capital Management**

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

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

(₹ in Lakhs)		
Particulars	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Total Borrowings (Refer note 18, 21 and 23)	34,753.07	54,510.17
Less: Cash and bank balance (Refer note 12 and 13)	2,428.39	1,567.04
<b>Net Debt (A)</b>	<b>32,324.68</b>	<b>52,943.13</b>
<b>Total Equity (B)</b>	<b>88,789.15</b>	<b>71,484.56</b>
<b>Total Equity and Net Debt (C=A+B)</b>	<b>121,123.84</b>	<b>124,827.69</b>
<b>Gearing Ratio</b>	<b>27%</b>	<b>43%</b>

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





# ADANI GAS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

### NOTE : 38 Contingent Liabilities and Commitments:

Particulars	(₹ in Lakhs)	
	AS AT 31-Mar-2018	AS AT 31-Mar-2017
<b>A) Contingent Liabilities</b>		
a) Pending labour matters contested in various courts	65.67	79.63
b) Cases pending in Consumer Forums	2.04	2.34
c) Cases pending in MACT	10.00	10.00
d) In respect of Service tax, Excise Duty and VAT	5,295.35	4,150.52
e) In respect of Income tax	352.72	733.31
f) Special Civil Suits	25.00	25.00
h) Corporate Guarantee on behalf of JV company	247,138.00	247,138.00
i) Case pending in CCI	2,567.00	2,567.00
<b>Total A</b>	<b>255,455.79</b>	<b>254,705.81</b>
<b>B) Commitments</b>		
i) Capital		
Estimated amount of contracts on capital account to be executed and not provided for (Net of advances)	1,146.82	2,349.52
<b>Total B</b>	<b>1,146.82</b>	<b>2,349.52</b>
<b>Total (A+B)</b>	<b>256,602.61</b>	<b>257,055.33</b>

### NOTE : 39 OPERATING LEASES

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

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

Particulars	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Total of Future minimum lease payment under non-cancellable operating lease for each of the following periods :		
Not later than one year	249.92	152.11
Later than one year and not later than five years	809.51	325.64
later than five years	1168.24	229.41
Lease payment recognised in Statement of Profit & Loss	240.49	218.92

### NOTE : 40 EARNING PER SHARE

Particulars	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
Profit for the year (₹ in Lakhs)	17290.40	10119.16
Weighted Avg. Number of shares used in computing Earning per Share		
Basic & Diluted	256742040	256742040
Earning per Share (Equity Shares, face value ₹ 10/-)		
Basic & Diluted (in ₹)	6.73	3.94

### NOTE : 41 CORPORATE SOCIAL RESPONSIBILITY

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

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



# ADANI GAS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

### NOTE : 42 DISCLOSURES IN RESPECT OF EMPLOYEE BENEFIT OBLIGATIONS

#### (a) Defined Benefit Obligations:

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

(₹ in Lakhs)

Particulars	AS AT 31-Mar-2018	AS AT 31-Mar-2017
<b>i) Change in Present Value of the defined benefit obligation</b>		
Defined benefit obligation as at the beginning of period	559.91	418.37
Current Service Cost	62.01	55.60
Interest cost	42.52	33.03
Actuarial loss/(gain) - Due to change in Demographic Assumptions	1.55	-
Actuarial loss/(gain) - Due to change in Financial Assumptions	(13.98)	18.34
Actuarial loss/(gain) - Due to experience	(6.10)	36.75
Acquisition Adjustment	(0.34)	1.14
Benefit paid	(10.42)	(3.28)
<b>Defined benefit obligation as at end of the period</b>	<b>635.16</b>	<b>559.91</b>
<b>ii) Change in Fair Value of Plan Assets</b>		
Fair value of plan assets as at the beginning of period	303.73	250.58
Expected return on plan assets	23.07	19.78
Employer's Contributions	64.67	29.70
Actuarial (loss)/gain	0.07	4.13
Benefit paid	(10.42)	(0.45)
<b>Fair value of plan assets as at end of the period</b>	<b>381.13</b>	<b>303.73</b>
<b>iii) Net Asset / (Liability) recognised in the Balance Sheet</b>		
Present value of defined obligation	635.16	559.91
Fair Value of Plan Assets	381.13	303.73
<b>Net Asset / (Liability)</b>	<b>(254.03)</b>	<b>(256.18)</b>
<b>iv) The major categories of plan assets as a percentage of fair value of total plan assets are as follows:</b>		
Policy of Insurance	100%	100%
<b>v) Expense recognised in the Statement of Profit and Loss</b>		
Current Service Cost	62.01	55.60
Interest cost	42.52	33.03
Expected return on the plan assets	(23.07)	(19.78)
	<b>81.46</b>	<b>68.84</b>
<b>vi) Expense recognised in Other Comprehensive Income</b>		
Actuarial (Gains) / Losses	(5.17)	32.60
Return on plan assets, excluding amount recognised in net interest expense	-	-
	<b>(6.17)</b>	<b>32.60</b>

#### vii) Actuarial Assumptions & Sensitivity Analysis

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

Particulars	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Discount Rate	7.80%	7.60%
Mortality	IAWM(2006-08)	IAWM(2006-08)
Turnover Rate	1.00%	2.00%
Rate of Escalation in Salary (p.a.)	8.00%	8.00%



# ADANI GAS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

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

Particulars	Increase in assumptions		Decrease in assumptions	
	AS AT 31-Mar-2018	AS AT 31-Mar-2017	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Discount Rate (- / + 1%)	566.47	502.38	717.53	628.71
Salary Growth Rate (- / + 1%)	716.54	627.74	566.00	502.08
Attrition Rate (- / + 1%)	634.36	557.63	636.00	562.48
Mortality Rate (- / + 1%)	635.12	559.85	635.20	559.98

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

#### a) Funding arrangements and Funding Policy

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

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

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

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

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

Particulars	AS AT 31-Mar-2018	AS AT 31-Mar-2017
Less than a year	105.36	100.48
Between 2 to 5 years	92.17	61.99
Between 5 to 10 years	204.65	218.28
Beyond 10 years	1,634.49	1,276.65
	2,036.67	1,557.41

### ix) Risk Exposure and Asset Liability Matching

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

#### (b) Defined Benefit Contributions :

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

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

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



# ADANI GAS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

### NOTE : 43 RELATED PARTY TRANSACTIONS

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

#### i) Name of related parties & description of relationship

##### A. Ultimate Holding Company

Adani Enterprises Ltd.

##### B. Holding Company

Adani Gas Holding Ltd.

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

Adani Energy Ltd.

##### D. Joint Venture

Indian Oil-Adani Gas Pvt Ltd.

##### E. Common Control Entity

Adani Power Limited

Adani Power Mundra Limited

Adani Foundation

Adani Port SEZ Ltd.

##### F. Key Management Personnel

Mr. Shridhar Tambraopani, Whole-time Director (upto 26.02.2018)

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

Mr. Nareesh Poddar, CFO

Mr. Hemik Sanghvi, Company Secretary

#### ii) Transaction with Related parties

(₹ in Lakhs)

Related Party	Relation	Nature of Transaction	For the Quarter ended 31-03-2018	For the year ended 31-03-2017
Adani Enterprises Ltd.	Ultimate Holding Company	Loan Given	-	45,379.91
		Loan Received back	12,615.06	27,500.00
		Loan taken	-	-
		Transfer of employee Liabilities from related party	0.24	-
		Loan Repaid	-	-
		Payment of Int on Loan	-	-
		Receipt of Int on Loan	-	3,199.92
		Purchase	921.86	-
		Services availed	277.68	335.53
		Sale of PNG	-	-
Adani Energy Ltd.	Fellow Subsidiary	Advances Written Off	189.52	-
Adani Power (Mundra) Ltd.	Common Control Entity	Transfer of Employee Liabilities from related party	0.53	-
Adani Foundation	Common Control Entity	Donation	228.20	228.52
Adani Power Ltd.	Common Control Entity	Transfer of Employee Liabilities from related party	-	4.50
Adani Port SEZ Ltd.	Common Control Entity	Transfer of Employee Liabilities to related party	1.11	-
Indian Oil-Adani Gas Pvt. Ltd.	Joint Venture	Sale of Inventory	13.10	145.83
		Services Rendered	517.27	640.27
		Security Deposit	-	-
		Investment in equity	3,900.00	3,250.00
Rajeev Sharma	Whole Time Director	Remuneration	17.84	-
Shridhar Tambraopani	Whole Time Director	Remuneration	124.64	136.10

- The company is dealing in the CNG Sales & PNG sales to the domestic, industrial & commercial consumers. The above related party transaction does not include the transactions of PNG & CNG Gas sales to the related parties in ordinary course of business, as all such transactions are done at Arm's Length Price only.

- As per Para 11(c)(iii) of IND AS-24 "Related Party Disclosures", normal dealings of company with related parties by virtue of public utilities are excluded from the purview of Related Party disclosures.





iii) Balances with Related Parties

Related Party	Relation	Nature of Transaction	₹ in Lakhs	
			Balance as at 31-03-2018	Balance as at 31-03-2017
Adani Enterprises Ltd.	Ultimate Holding Company	Accounts Payable (incl provisions)	362.74	103.35
		Other Current Financial Asset	0.24	-
		Other Non Current Financial Assets	0.35	-
		Other Non Current Assets	65.49	-
		Other Current Assets	200.00	-
		Loans	35,091.02	48,506.09
Adani Power Limited	Common Control Entity	Accounts Payable (incl provisions)	-	4.71
Adani Power (Mundra) Ltd	Common Control Entity	Other Current Financial Asset	0.53	-
Adani Energy Ltd	Fellow Subsidiary	Other Non Current Financial Assets	-	189.89
Indian Oil Adani Gas Pvt. Ltd	Joint Venture	Other Non Current Financial Assets	1,000.00	-
		Other Current Financial Asset	577.06	51.87

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

All above figures are net of taxes wherever applicable



# ADANI GAS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-Mar-2018

### NOTE : 44 OTHER DISCLOSURE

- The information on Mera, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
- In the opinion of the Management and to the best of their knowledge and belief, the value under the head of Current and Non-Current Assets (other than fixed assets and non-current investments), are approximately of the value stated, if realized in the ordinary course of business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
- Item of expenditure in Statement of Profit & Loss includes reimbursement to and by the company, as agreed upon between group companies.
- The Company has constructed building and facilities for processing and distribution of natural gas on plots allotted on long term lease by Ahmedabad Municipal Corporation and has paid rent accordingly.
- An amount of ₹ 686.88 Lakhs (P.Y. 1029.31 Lakhs) is standing as CENVAT credit receivable being the difference between the amount of CENVAT credit availed in the books of account on Input, Capital Goods and Input Services and the credit claimed under statutory returns. Out of this, the company has made application to the excise & service tax dept. for availing this credit of ₹ 686.88 Lakhs in statutory returns.  
The Fixed Assets/ Expenses of the company is understated to the extent of the CENVAT credit taken by the company and the same will be charged to respective assets / revenue if, the claim of the company for CENVAT credit is not accepted by the department.
- Company has given certain refundable deposits as security for the performance of work for ongoing projects to various government authorities. As interest rates are not specified in the contracts, the same will accounted for in the year in which it is received.
- The company is in the process to review and reconcile its liabilities in connection with Retention Deposits, some of which are long outstanding. Effect of the same will be given in the year when the balances will be reconciled.
- Security Deposit include amount of Rs. 209.14 Lakhs and interest due thereon of Rs. 179.37 Lakhs are outstanding for a substantial period of time. The company has been actively negotiating for recovery and the management is reasonably confident of recovery against the same.
- During the previous year, the company had suspended/ abandoned certain projects on account of denial of permission from the regulatory authority. Accordingly, expenses incurred on those projects had been written off and were reflected under Exceptional item.
- Value of Stores and Spares consumed:

Particulars	(₹ in Lakhs)	
	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
a) Imported	-	-
b) Indigenous	980.92	1,064.10
Total	980.92	1,064.10

### NOTE : 45 APPROVAL OF FINANCIAL STATEMENTS

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

### NOTE : 46 PREVIOUS YEAR COMPARATIVES

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

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For SHAH DHANDHARIA & CO.  
Chartered Accountants  
Firm Registration No. 118703

PRAVIN DHANDHARIA  
Partner  
Mem No. 115490

Place: Ahmedabad  
Date:

10 MAY 2018

For and on behalf of the Board of  
Adani Gas Ltd

PRANAV ADANI  
Director  
DIN 00088437

NABESH PODDAR  
CFO

Place: Ahmedabad

Date:

10 MAY 2018

RAJEEV SHARMA  
Whole-time Director  
DIN 00088488  
HARDIK SANGHVI  
Company Secretary

## ABRIDGED PROSPECTUS OF ADANI GAS HOLDINGS LIMITED

Private and Confidential

## KEYNOTE

Date: 29<sup>th</sup> May 2018

The Board of Directors  
**Adani Enterprises Limited**  
 Adani House,  
 Near Mithakali Circle, Navrangpura  
 Ahmedabad – 380 009, Gujarat, India.

Dear Sir/Madam,

Ref: Abridged Prospectus of Adani Gas Holdings Limited

**Subject : Composite Scheme of Arrangement under Sections 230-232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder among Adani Enterprises Limited (“AEL”), Adani Gas Holdings Limited (“AGHL”) and Adani Gas Holdings Limited (“AGHL”) and their respective shareholders and creditors (the “Scheme”).**

This is with reference to our engagement with Adani Enterprises Limited for *inter-alia* certifying the accuracy and adequacy of disclosures pertaining to AGHL made in the abridged prospectus dated 25<sup>th</sup> May 2018, prepared by the Company to be sent to the shareholders and creditors (both secured as well as unsecured) of the company and AGHL, pursuant to the Scheme.

The Scheme pertains to amalgamation of AGHL with Adani Gas Limited (“AGL”), which includes issuance of equity shares by AGL to the preference shareholders of AGHL and issuance of preference shares by AGL to the equity shareholders of AGHL for amalgamation of AGHL with AGL. Further, the scheme involves the demerger of the Gas Sourcing and Distribution Business (as defined in the scheme) of AEL and transfer of the same to AGL on a going concern basis. AGHL is also a subsidiary of Adani Enterprises Limited (“AEL”) and also owns 100% stake in AGL. Accordingly, we have been provided the abridged prospectus pertaining to AGHL (“Abridged Prospectus”, as enclosed) as prepared by AEL. The Abridged Prospectus will be circulated to the members and creditors of AEL and creditors of AGHL and AGL at the time of seeking their approval to the Scheme as part of the explanatory statement to the notice.

We, as SEBI registered Merchant Banker(s) state and confirm as follows in respect of above proposed Scheme:

- (1) We have examined various documents including those relating to outstanding litigation, claims and regulatory actions and other material in connection with the finalization of the Abridged Prospectus as mentioned above;
- (2) On the basis of such examination and the discussions with the AGHL, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Scheme and the contents of the documents and other papers furnished by the AGHL, WE CONFIRM that:
  - (a) the Abridged Prospectus filed with the Board is in conformity with the documents, materials and papers relevant to the Scheme;

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**Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
 Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
 CIN-L67120MH1993PLC072407



Private and Confidential

## KEYNOTE

- (b) all the legal requirements relating to the Scheme as also the regulations guidelines, instructions, etc. framed/issued by the Board, the Central Government and any other competent authority in this behalf have been duly complied with; and
- (c) the disclosures made in the Abridged Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the proposed Scheme and such disclosures are in accordance with the requirements of the Companies Act, 2013, Securities and Exchange Board of India (the "SEBI") Circular Number CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable provisions / legal requirements.

The above confirmation is based on the information furnished and explanations provided to us by the management of AEL and AGHL assuming the same is complete and accurate in all material aspects on an as is basis. We have not relied upon financials, information and representations furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus. This certificate is based on the information as at May 25<sup>th</sup>, 2018. This certificate is a specific purpose certificate issued in terms of the SEBI Circular and hence, it should not be used for any other purpose or transaction. The certificate is not, nor should it be construed to be, a certification of compliance of the Scheme with the provisions of the applicable Law including company, taxation and securities markets related laws or as regards to any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Scheme or as to how the holders of equity shares are secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Company will trade following the Scheme or as to the financial performance of the Company or AGHL following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/ investors should buy, sell or hold any stake in the Company or any of its related parties (holding company/ subsidiaries/ associates etc.)

For Keynote Corporate Services Limited



Name: Mr. Uday Patil  
Designation: Director – Investment Banking  
SEBI Registration Number: INM000003606  
Encl: as above

Page 2 of 2

### Keynote Corporate Services Limited

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CIN-L67120MH1993PLC072407



**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS  
(AS PROVIDED IN PART D OF SCHEDULE VIII OF THE ICDR REGULATIONS)**

This Document contains information pertaining to unlisted entity involved in the proposed Composite Scheme of Arrangement among Adani Gas Holdings Limited ('AGHL') and Adani Gas Limited ('AGL') and Adani Enterprises Limited ('AEL') and their respective shareholders and creditors in terms of requirement specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular").

<b>Adani Gas Holdings Limited</b>		
<b>Registered Office:</b> Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009		
<b>Corporate Office:</b> Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009		
<b>Tel:</b> 91-79-2656 5555; <b>Fax:</b> +91-79-2555 5500; <b>Email:</b> gunjan.taunk@adani.com,		
<b>CIN:</b> U11200GJ2010PLC062148		
<b>Contact Person:</b> Mr. Gunjan Taunk		
<b>PROMOTERS</b>		
<b>Mahaguj Power LLP, Adani Tradewing LLP and Adani Enterprises Limited</b>		
<b>DETAILS OF THE COMPOSITE SCHEME</b>		
<p>The Composite Scheme of Arrangement provides for (a) amalgamation of AGHL with AGL, which includes issuance of equity shares by AGL to the preference shareholders of AGHL and issuance of preference shares by AGL to the equity shareholders of AGHL for amalgamation of AGHL with AGL; and (b) subject to satisfactory fulfilment of (a) above i.e. upon amalgamation of AGHL with AGL becoming effective, demerger of the Demerged Undertaking of AEL (as defined in the scheme) and transfer of the same to AGL; reduction of paid-up equity share capital of AGL pursuant to cancellation of equity shares held by AEL in AGL; re-organization and sub-division of authorised share capital of AGL; issuance of equity shares by AGL to the equity shareholders of AEL after demerger of the Demerged Undertaking of AEL into AGL; and for matters consequential, supplemental and/or otherwise integrally connected therewith under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.</p>		
<b>STATUTORY AUDITORS</b>		
<b>M/s Dharmesh Parikh &amp; Co.</b>		
Chartered Accountants		
303/304, "Milestone", Nr. Drive-in-Cinema, Opp. T.V. Tower, Thaltej, Ahmedabad-380 054		
<b>Phone:</b> +91-79-2747 4466 <b>Fax:</b> +91-79-2747 9955; <b>E-mail:</b> anuj@dharmeshparikh.net		
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## PROMOTERS OF AGHL

### MAHAGUJ POWER LLP (the "MPLLP")

Mahaguj Power LLP is a Limited Liability Partnership converted from Mahaguj Power Limited vide Certificate of Registration of Conversion dated 19<sup>th</sup> April, 2017 with Registrar of Companies, Gujarat, pursuant to provisions of the 58(1) of the Limited Liability Partnership Act, 2008 and the LLP Identity Number is AAJ-1976. The MPLLP is a limited liability partnership having its registered office address at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. The capital contribution in MPLLP is ₹ 5,00,000.

The MPLLP is engaged in the business of trading of various types of articles, goods, merchandise and commodities.

#### Profit Sharing ratio in MPLLP:

Sr. No.	Name of the Partners	Capital Contribution
1	Adani Enterprises Limited	4,99,500
2	Adani Infrastructure Private Limited	500
<b>Total Capital Contribution</b>		<b>5,00,000</b>

#### Designated Partners of MPLLP:

Sr. No.	Name of Designated Partners	Designation	DPIN/PAN
1	Mr. Bhavik Bharatbhai Shah	Designated Partner	00005781
2	Mr. Jatinkumar Jalundhwala	Designated Partner	00137888

MPLLP is holding 25,500 Equity Shares (including 6 Shares held through nominees) constituting 51.00% of the total paid up share capital of Adani Gas Holding Limited.

### ADANI TRADEWING LLP (the "ATLLP")

Adani Tradewing LLP is a Limited Liability Partnership incorporated on 22<sup>nd</sup> March, 2017 with the Registrar of Companies, Gujarat, under the provisions of the Limited Liability Partnership Act, 2008 with LLP Identity Number is AAI-9116. The ATLLP is a limited liability partnership having its registered office at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. The capital contribution in ATLLP is ₹ 6,00,000.

The ATLLP is engaged in the business of trading of various types of articles good, merchandise and commodities.

#### Profit Sharing ratio in ATLLP:

Sr. No.	Name of the Partners	Capital Contribution
1	Adani Enterprises Limited	5,99,900
2	Adani Infrastructure Private Limited	100
<b>Total Capital Contribution</b>		<b>6,00,000</b>

#### Designated Partners of ATLLP:

Sr. No.	Name of Designated Partners	Designation	DPIN/PAN
1	Mr. Bhavik Bharatbhai Shah	Designated Partner	00005781
2	Mr. Ameet H Desai	Designated Partner	00007116

ATLLP is holding 24,500 Equity Shares constituting 49.00% of the total paid up share capital of Adani Gas Holding Limited.





## ADANI ENTERPRISES LIMITED (the "AEL")

Adani Enterprises Limited is a company incorporated on 2<sup>nd</sup> day of March 1993 with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956 in the name of Adani Exports Limited. The Corporate Identity Number of the Company is L51100GJ1993PLC019067. Its name was changed to Adani Enterprises Limited with effect from 10<sup>th</sup> day of August, 2006. AEL is a listed public limited company having its registered office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad - 380 009, Gujarat. The equity shares of AEL are listed on the National Stock Exchange of India Limited - Security Symbol: ADANIENT and BSE Limited - Security ID: 512599. The issued, subscribed and paid up capital of the AEL is Rs. 109,98,10,083 divided into 109,98,10,083 Equity Shares of Rs. 1/- each.

AEL is engaged in the business of resources (coal mining and trading), logistics, city gas distribution, energy (power generation) and agri business through its subsidiaries, joint venture and associates companies.

### Promoters of AEL:

Sr. No.	Name of Promoters	No. of Shares Held	% of Holding
1	Shri Gautam S. Adani/Shri Rajesh S. Adani (on behalf of S. B. Adani Family Trust)	62,11,97,910	56.48
2	Shri Gautam S. Adani/Smt. Priti G. Adani (on behalf of Gautam S. Adani Family Trust)	88,36,750	0.80
3	Adani Tradeline LLP*	9,94,91,719	9.05
4	Universal Trade And Investments Limited	3,02,49,700	2.75
5	Worldwide Emerging Market Holding Limited	3,02,49,700	2.75
6	Pan Asia Trade & Investment Pvt. Ltd.	36,88,000	0.34
7	Afro Asia Trade And Investments Limited	3,02,49,700	2.75
8.	Shri Gautam S. Adani	1	0.00
9.	Shri Rajesh S. Adani	1	0.00
<b>Total Shareholding</b>		<b>82,39,63,481</b>	<b>74.92</b>

\*Earlier known as Parsa Kente Rail Infra LLP

### Board of Directors & KMPs of AEL:

Sr. No.	Name of Directors & KMPs	Designation	DIN/PAN
1	Mr. Gautam S. Adani	Executive Chairman	00006273
2	Mr. Rajesh S. Adani	Managing Director	00006322
3	Mr. Pranav V. Adani	Director	00008457
4	Mr. Vinay Prakash	Additional Director	03634648
5	Mr. Berjis Desai	Independent Director	00153675
6	Mr. Hemant Nerurkar	Independent Director	00265887
7	Mr. V. Subramanian	Independent Director	00357727
8	Mrs. Vijaylaxmi Joshi	Independent Director	00032055
9	Mr. Narendra Mairpady	Independent Director	00536905
10	Mr. Jatinkumar Jalundhwala	Company Secretary	ADIPJ3773C
11.	Mr. Rakesh Shah	Chief Financial Officer	ALWPS7380Q

AEL is holding 23,36,00,000 Compulsory Convertible Preference Shares of Rs.10/- each constituting 100% of the total preference share capital of Adani Gas Holding Limited.



**List of top 5 largest listed / unlisted group companies as per Part A, Schedule VIII, Regulation 2, Item (IX) (C) (2) SEBI (ICDR) Regulations, 2009**

**Listed:**

1. Adani Enterprises Limited
2. Adani Power Limited
3. Adani Ports and Special Economic Zone Limited
4. Adani Transmission Limited

**Unlisted:**

1. Adani Global Pte. Limited

**BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY**

Adani Gas Holdings Limited is a company incorporated on 28th day of August 2010 with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956 in the name of Mundra LNG Limited. The Corporate Identity Number of the Company is U11200GJ2010PLC062148. Its name has been changed to Adani Gas Holdings Limited on 15<sup>th</sup> day of March 2017. AGHL is an unlisted public limited company having its registered office at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat.

The Company is authorized by its Memorandum of Association to carry on the business of trading of commodities, goods, etc. and distribution of Natural Gas.

**BOARD OF DIRECTORS OF AGHL**

Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
1	Dr. Malay R. Mahadevia	Director	Dr. Malay Mahadevia holds a master's degree in dental surgery from Nair Hospital Dental College. He was conferred with a doctorate of philosophy in coastal ecology around Mundra area, Kutch District, Gujarat by the Gujarat University in 2008. He has been working with the Company since 1992 and has worked on the development of the Mundra Port since its conceptualisation. Currently, he handles the marine and ports, special economic zones, health care, water supply, education, railway logistics and social infrastructure divisions of the group. He has been awarded the outstanding manager of the year award of Gujarat by the Ahmedabad Management Association for the year 2002. He was also one of the finalists for 'Lead India' campaign organized by Times of India group in Gujarat. He is member of Gujarat Chamber of Commerce and Industry.
2	Mr. Rajeev Sharma	Director	Mr. Rajeev Sharma, aged 63 years, is an Engineer with over four decades of focused experience in Oil and Gas industry especially natural gas pipelines and city gas distribution networks. Mr. Rajeev Sharma has been





Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
			<p>associated with Adani Group since 2003 and has been responsible for Group's initiatives in gas business and development of city gas distribution projects across the country. Under his stewardship, the Company is today operational in 4 cities and marching forward to become a major downstream gas player in the country. Under his guidance, IndianOil-Adani Gas Pvt Ltd., a joint venture between Indian Oil Corporation Limited and the Company, has already secured authorization for 9 cities, namely, Allahabad, Chandigarh, Ernakulam, Panipat, Daman, Dharwad, Udham Singh Nagar, South Goa and Bulandshahr.</p> <p>Prior to joining Adani Group, Mr. Rajeev Sharma was associated with GAIL (India) Limited for 19 years in various capacities. As the founding Managing Director of Indraprastha Gas Limited, Mr. Rajeev Sharma has the distinction of implementing successfully the prestigious CNG Program in Delhi. Mr. Rajeev Sharma prior to joining GAIL, had experience of working in Middle East countries on various Oil &amp; Gas projects. In a career spanning over almost four decades, Mr. Rajeev Sharma has presented several papers related to City Gas Distribution Projects, Use of CNG as transport fuel and CNG program implementation in various prestigious national &amp; international forums. He is also associated with several professional bodies.</p>
3	Mr. Jatinkumar Jalundhwala	Director	<p>Mr. Jatin R. Jalundhwala is a Commerce and Law Graduate and Fellow Member of the Institute of Company Secretaries of India. He started his career as Assistant Secretary in Lalbhai Group in the year 1983. His career chart has grown to the position of Vice President-Finance, Company Secretary and Member on Board at Claris Life Sciences in July, 2003.</p> <p>At present, Mr. Jatin Jalundhwala is Chief Legal Officer and Company Secretary of Adani Group of companies, heading the functions of Legal and Secretarial at Group level.</p> <p>He has vast experience of more than 30 years</p>



Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
			<p>in the fields of (i) Finance, Secretarial and Legal, (ii) Taxation, Import &amp; Insurance and (iii) Operations – Commercial, Strategic Planning and Restructuring.</p> <p>Apart, he is actively involved in social activities through Lions Club. He was the President of Lions Club of Ahmedabad City in the year 2008-09. He was also the President of Youth Club and Sports Club. He is President of Vaishnav Samaj.</p> <p>He is present invitee member of Governing Council of Ahmedabad Management Association.</p> <p>He was also nominated in 2015-16 for rendering services as a Member in Management Committee for CCGRT (Centre for Corporate Governance Research &amp; Training) at the Institute of Company Secretaries of India (ICSI).</p> <p>He was a Vice Chairman of the Finance &amp; Banking Committee of Gujarat Chamber of Commerce and Industry for the Year 2017-18 and a Member of Finance Committee and Indirect Tax Committee of Gujarat Chamber of Commerce &amp; Industry in the year 2014-15. He is presently also Member of Legal Committee of FICCI, Ahmedabad.</p>

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the company in the preceding 10 years: Not Applicable.

#### SHAREHOLDING PATTERN AS ON MARCH 31, 2018

Sr. No.	Name of Promoters	Number of Equity Shares Held	% of Holding
1.	Promoter & Promoter Group		
	Mahaguj Power LLP (including 6 Shares held through its nominees)	25,500	51.00
2.	Adani Tradewing LLP	24,500	49.00
3.	Public	--	--
	<b>Total</b>	<b>50,000</b>	<b>100.00</b>

Sr. No.	Name of Promoters	No. of Preference Shares Held	% of Holding
1	Adani Enterprises Limited	23,36,00,000	100.00
	<b>Total Shareholding</b>	<b>23,36,00,000</b>	<b>100.00</b>





# **AUDITED FINANCIALS**

## **Standalone financial information in relation to AGHL:**

*(₹ in Lakhs)*

Item	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
1	Total revenue from operations (net)	7,220.51	24.02	-
2	Net Profit / (Loss) before tax and extraordinary items	-1,049.71	-7.56	-0.39
3	Net Profit / (Loss) after tax and extraordinary items	-1,049.71	-7.56	-0.39
4	Equity Share Capital (Face value of ₹ 10/- each)	5	5	5
5	Reserves and Surplus / Other Equity	-1,059.21	-9.50	-1.94
6	Net worth	22,305.79	-4.50	3.06
7	Basic earnings per share (₹)	-2,099.42	-15.12	-0.78
8	Diluted earnings per share (₹)	-0.45	-15.12	-0.78
9	Return on net worth (%)	-5%	168%	-13%
10	Net asset value per share (₹)	9.55	-9.00	6.12

### **Notes:**

- The information provided under items (1) to (5), (7) and (8) have been taken from Audited Statutory Financial Statements of AGHL for the year ended March 31, 2018 prepared in accordance with applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015] (as amended) and other relevant provisions of the Act.
- Audited Statutory Financial Statements for the year ended March 31, 2016 was prepared in accordance with the accounting principles generally accepted in India, including Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of Companies Act, 2013. However information presented above is based on comparative financial information as presented in Audited Statutory Financial Statement for the year ended March 31, 2017.
- Net worth (item 6) has been calculated by adding the balance of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5).
- Return on net worth (%) (item 9) has been calculated by applying the following formula: (Loss)/ Profit after tax (item 3) divided by Net Worth (item 6) and multiplied by 100.
- Net asset value per share (item 10) has been calculated by adding the balances of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5) and dividing the same by the number of shares outstanding (March 2018: 23365000, March 2017: 50000 and March 2016: 50000) as appearing in financial statements (as explained in note (a) above).

## **Consolidated financial information in relation to AGHL:**

*(₹ in Lakhs)*

Item	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
1	Total revenue from operations (net)	1,45,750.19	1,16,268.22	-
2	Net Profit / (Loss) before tax and extraordinary items	25,679.74	15,601.53	-0.39
3	Net Profit / (Loss) after tax and extraordinary items	15,979.95	9,804.32	-0.39
4	Equity Share Capital (Face value of ₹ 10/- each)	5.00	5.00	5.00
5	Reserves and Surplus / Other Equity	84,464.53	45,109.03	-1.94
6	Net worth	84,469.53	45,114.03	3.06
7	Basic earnings per share (₹)	31,959.89	19,608.64	-0.78
8	Diluted earnings per share (₹)	6.84	19,608.64	-0.78
9	Return on net worth (%)	18.92%	21.73%	-12.70%
10	Net asset value per share (₹)	36.15	90,228.06	6.12





Notes:

- (a) The information provided under items (1) to (5), (7) and (8) have been taken from Audited Statutory Financial Statements of AGHL for the year ended March 31, 2018 prepared in accordance with applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015] (as amended) and other relevant provisions of the Act.
- (b) Audited Statutory Financial Statements for the year ended March 31, 2016 was prepared in accordance with the accounting principles generally accepted in India, including Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of Companies Act, 2013. However information presented above is based on comparative financial information as presented in Audited Statutory Financial Statement for the year ended March 31, 2017.
- (c) Net worth (item 6) has been calculated by adding the balance of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5).
- (d) Return on net worth (%) (item 9) has been calculated by applying the following formula: (Loss)/ Profit after tax (item 3) divided by Net Worth (item 6) and multiplied by 100.
- (e) Net asset value per share (item 10) has been calculated by adding the balances of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5) and dividing the same by the number of shares outstanding (March 2018: 233650000, March 2017: 50000 and March 2016: 50000) as appearing in financial statements (as explained in note (a) above).

#### INTERNAL RISK FACTORS

1. AGHL has substantial related party transactions with parent company and this exposes company to the risk associated with parent.
2. AGHL is exposed to all the risk which its material subsidiary Adani Gas Limited is exposed to.

#### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against and by our Company and amount involved – Nil
- B. Brief details of top 5 material outstanding litigations against the Company and amount involved – Nil
- C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any: Nil
- D. Brief details of outstanding criminal proceedings against Promoters: Nil

#### RATIONALE AND BENEFITS OF THE COMPOSITE SCHEME OF ARRANGEMENT

- (i) The amalgamation of AGHL with AGL is proposed for simplification of the holding structure resulting in reduction of managerial overlaps and reduction in multiplicity of legal and regulatory compliances.
- (ii) Further, considering the following factors, it is desired to segregate Gas Sourcing and Distribution Business from other businesses of AEL.
  - (a) Each of the varied businesses being carried on by AEL either by itself or through its subsidiaries or through associate companies including Gas Sourcing and Distribution Business have significant potential for growth and profitability. The nature of risk, competition, challenges, opportunities and business methods for Gas Sourcing and Distribution Business is separate and distinct from other businesses being carried out by AEL. The Gas Sourcing and Distribution Business and the other businesses of AEL are capable of attracting a different set of investors, strategic partners, lenders and





other stakeholders. There are also differences in the manner in which the Gas Sourcing and Distribution Business and other businesses of AEL are required to be handled and managed. In order to lend greater/enhanced focus to the operation of the said businesses, it is proposed to re-organize and segregate the Gas Sourcing and Distribution Business by way of demerger and transfer the same to AGL.

- (b) The segregation would enable greater/enhanced focus of the management in the Gas Sourcing and Distribution Business and other businesses whereby facilitating the management to efficiently exploit opportunities for each of the said businesses.
- (c) The proposed re-organisation will create enhanced value for shareholders and allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies.
- (d) The demerger will also provide scope for independent collaboration and expansion pertaining to Gas Sourcing and Distribution Business.

**ANY OTHER IMPORTANT INFORMATION OF THE COMPANY - NIL**

**DECLARATION**

We hereby declare that all relevant provisions of SEBI Circular and Part D of Schedule VIII of SEBI (ICDR) Regulations, 2009 have been complied with and no statement made in this Document is contrary to the provisions of SEBI Circular or SEBI (ICDR) Regulations, 2009. We further certify that all statements in this Document are true and correct.

**For, Adani Enterprises Limited**

*J. R. Jalundhwala*

**Jatin Jalundhwala**  
Company Secretary &  
Sr. Vice President (Legal)



*[Signature]*  
**Place:** Ahmedabad  
**Date:** 25.05.2018

## ABRIDGED PROSPECTUS OF ADANI GAS LIMITED

*Private and Confidential*

## KEYNOTE

Date: 29<sup>th</sup> May 2018

The Board of Directors  
**Adani Enterprises Limited**  
 Adani House,  
 Near Mithakali Circle, Navrangpura  
 Ahmedabad – 380 009, Gujarat, India.

Dear Sir/Madam,

Ref: Abridged Prospectus of Adani Gas Limited

**Subject : Composite Scheme of Arrangement under Sections 230-232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder among Adani Enterprises Limited (“AEL”), Adani Gas Holdings Limited (“AGHL”) and Adani Gas Limited (“AGL”) and their respective shareholders and creditors (the “Scheme”).**

This is with reference to our engagement with Adani Enterprises Limited for *inter-alia* certifying the accuracy and adequacy of disclosures pertaining to AGL made in the abridged prospectus dated 25<sup>th</sup> May 2018, prepared by the Company to be sent to the shareholders and creditors (both secured as well as unsecured) of the company and AGL, pursuant to the Scheme.

The Scheme pertains to amalgamation of Adani Gas Holdings Limited (“AGHL”) with AGL, which includes issuance of equity shares by AGL to the preference shareholders of AGHL and issuance of preference shares by AGL to the equity shareholders of AGHL for amalgamation of AGHL with AGL. Further, the scheme involves the demerger of the Gas Sourcing and Distribution Business (as defined in the scheme) of AEL and transfer of the same to AGL on a going concern basis. AGHL is also a subsidiary of Adani Enterprises Limited (“AEL”) and also owns 100% stake in AGL. Accordingly, we have been provided the abridged prospectus pertaining to AGL (“Abridged Prospectus”, as enclosed) as prepared by AEL. The Abridged Prospectus will be circulated to the members and creditors of AEL and creditors of AGHL and AGL at the time of seeking their approval to the Scheme as part of the explanatory statement to the notice.

We, as SEBI registered Merchant Banker(s) state and confirm as follows in respect of above proposed Scheme:

- (1) We have examined various documents including those relating to outstanding litigation, claims and regulatory actions and other material in connection with the finalization of the Abridged Prospectus as mentioned above;
- (2) On the basis of such examination and the discussions with the AGL, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Scheme and the contents of the documents and other papers furnished by the AGL, WE CONFIRM that:
  - (a) the Abridged Prospectus filed with the Board is in conformity with the documents, materials and papers relevant to the Scheme;

Page 1 of 2


**Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
 Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
 CIN-L67120MH1993PLC072407



## KEYNOTE

- (b) all the legal requirements relating to the Scheme as also the regulations guidelines, instructions, etc. framed/issued by the Board, the Central Government and any other competent authority in this behalf have been duly complied with; and
- (c) the disclosures made in the Abridged Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the proposed Scheme and such disclosures are in accordance with the requirements of the Companies Act, 2013, Securities and Exchange Board of India (the "SEBI") Circular Number CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable provisions / legal requirements.

The above confirmation is based on the information furnished and explanations provided to us by the management of AEL and AGL assuming the same is complete and accurate in all material aspects on an as is basis. We have not relied upon financials, information and representations furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus. This certificate is based on the information as at May 25<sup>th</sup>, 2018. This certificate is a specific purpose certificate issued in terms of the SEBI Circular and hence, it should not be used for any other purpose or transaction. The certificate is not, nor should it be construed to be, a certification of compliance of the Scheme with the provisions of the applicable Law including company, taxation and securities markets related laws or as regards to any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Scheme or as to how the holders of equity shares are secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Company will trade following the Scheme or as to the financial performance of the Company or AGL following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/ investors should buy, sell or hold any stake in the Company or any of its related parties (holding company/ subsidiaries/ associates etc.)

For Keynote Corporate Services Limited



Name: Mr. Uday Patil  
Designation: Director – Investment Banking  
SEBI Registration Number: INM000003606  
Encl: as above

Page 2 of 2

### Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
CIN-L67120MH1993PLC072407

**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS  
(AS PROVIDED IN PART D OF SCHEDULE VIII OF THE ICDR REGULATIONS)**

This Document contains information pertaining to unlisted entity involved in the proposed Composite Scheme of Arrangement among Adani Gas Holdings Limited ('AGHL') and Adani Gas Limited ('AGL') and Adani Enterprises Limited ('AEL') and their respective shareholders and creditors in terms of requirement specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('SEBI Circular').

<b>Adani Gas Limited</b>		
<b>Registered Office:</b> Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009		
<b>Corporate Office:</b> Heritage Building, 8 <sup>th</sup> Floor, Ashram Road, Usmanpura, Ahmedabad – 380 014		
<b>Tel:</b> 91-79-2754 1988; <b>Fax:</b> +91-79-2754 2988; <b>Email:</b> hardik.sanghvi@adani.com;		
<b>Website:</b> www.adanigas.com; <b>CIN:</b> U40100GJ2005PLC046553		
<b>Contact Person:</b> Mr. Hardik Sanghvi, Company Secretary		
<b>PROMOTERS</b>		
<b>Adani Gas Holdings Limited</b>		
<b>DETAILS OF THE COMPOSITE SCHEME</b>		
<p>The Composite Scheme of Arrangement provides for (a) amalgamation of AGHL with AGL, which includes issuance of equity shares by AGL to the preference shareholders of AGHL and issuance of preference shares by AGL to the equity shareholders of AGHL for amalgamation of AGHL with AGL; and (b) subject to satisfactory fulfilment of (a) above i.e. upon amalgamation of AGHL with AGL becoming effective, demerger of the Demerged Undertaking of AEL (as defined in the scheme) and transfer of the same to AGL; reduction of paid-up equity share capital of AGL, pursuant to cancellation of equity shares held by AEL in AGL; re-organization and sub-division of authorised share capital of AGL; issuance of equity shares by AGL to the equity shareholders of AEL after demerger of the Demerged Undertaking of AEL into AGL; and for matters consequential, supplemental and/or otherwise integrally connected therewith under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.</p>		
<b>STATUTORY AUDITORS</b>		
<b>M/s Shah Dhandharia &amp; Co.,</b>		
Chartered Accountants		
807, Abhijeet-1, Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009		
<b>Tel:</b> 91-79-489 01710; <b>E-mail:</b> pravin@sdco.in; <b>Website:</b> www.sdco.in		
<b>INDEX CONTENT</b>		
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## PROMOTERS OF AGL

### ADANI GAS HOLDINGS LIMITED (the "AGHL")

Adani Gas Holdings Limited is a company incorporated on 28th day of August 2010 with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956 in the name of Mundra LNG Limited. The Corporate Identity Number of the Company is U11200GJ2010PLC062148. Its name has been changed to Adani Gas Holdings Limited on 15<sup>th</sup> day of March 2017. AGHL is an unlisted public limited company having its registered office at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad - 380 009, Gujarat. As of March 31, 2018, the issued, subscribed and paid up capital of the AGHL is ₹ 233,65,00,000 divided into 50,000 equity shares of ₹ 10/- each and 23,36,00,000 compulsorily convertible preference shares of ₹ 10/- each.

AGHL is engaged in the business of trading of commodities, goods, etc. and distribution of Natural Gas.

#### Promoters of AGHL:

Sr. No.	Name of Promoters	No. of Equity Shares Held	% of Holding
1	Mahaguj Power LLP (including 6 Shares held through its nominees)	25,500	51.00
2	Adani Tradewing LLP	24,500	49.00
<b>Total Shareholding</b>		<b>50,000</b>	<b>100.00</b>

Sr. No.	Name of Promoters	No. of Preference Shares Held	% of Holding
1	Adani Enterprises Limited	23,36,00,000	100.00
<b>Total Shareholding</b>		<b>23,36,00,000</b>	<b>100.00</b>

#### Board of Directors & KMPs of AGHL:

Sr. No.	Name of Directors & KMPs	Designation	DIN/PAN
1	Dr. Malay R. Mahadevia	Director	00064110
2	Mr. Rajeev Sharma	Director	00084188
3	Mr. Jatinkumar Jalundhwala	Director	00137888

AGHL is holding 25,67,42,040 Equity Shares (including 1320 Shares held through nominees) constituting 100.00% of the total paid up share capital of Adani Gas Limited.

#### List of top 5 largest listed / unlisted group companies as per Part A, Schedule VIII, Regulation 2, Item (IX) (C) (2) SEBI (ICDR) Regulations, 2009

##### Listed:

1. Adani Enterprises Limited
2. Adani Power Limited
3. Adani Ports and Special Economic Zone Limited
4. Adani Transmission Limited

##### Unlisted:

1. Adani Global Pte. Limited



## BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

Adani Gas Limited (the "AGL") is a company incorporated on 5<sup>th</sup> day of August 2005 with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956 in the name of Adani Energy (U.P.) Limited. The Corporate Identity Number of the Company is U40100GJ2005PLC046553. Adani Energy (U.P) Limited was thereafter converted into a private limited company and fresh certificate of incorporation was issued to it on 26<sup>th</sup> day of March 2009. Its name was then changed to Adani Gas Private Limited on 31<sup>st</sup> day of December 2009. Adani Gas Private Limited was thereafter converted into a public company as Adani Gas Limited on 8<sup>th</sup> day of January 2010. AGL is an unlisted public limited company having its registered office at 'Adani House', Near Mithakhali Six Roads, Navrangpura, Ahmedabad - 380 009, Gujarat.

The Company is authorized by its Memorandum of Association to carry on the business of City Gas Distribution. AGL supplies Piped Natural Gas to household, commercial and industrial consumers and Compressed Natural Gas ('CNG') for use in automobiles. As on 31<sup>st</sup> March 2018, AGL has set up a gas distribution network of approximately 378 kms of steel pipeline and approximately 5,578 kms of polyethylene pipeline including 73 CNG stations spread across Ahmedabad and Vadodara in the State of Gujarat; Faridabad in the State of Haryana; and Khurja in the State of Uttar Pradesh.

## BOARD OF DIRECTORS OF AGL

Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
1.	Mr. Pranav V. Adani	Director	Mr. Pranav V. Adani has been active in the Adani Group since 1999. He has been instrumental in initiating & building numerous new business opportunities across multiple sectors. He has spearheaded the Joint Venture with the Wilmar Group of Singapore and transformed it from a single refinery edible oil business into a pan India Food Company. He also leads the Oil & Gas, City Gas Distribution & Agri Infrastructure businesses of the Group. His astute understanding of the economic environment has helped the group in scaling up the businesses multi fold. Mr. Pranav Adani is a Bachelor of Science in Business Administration from the Boston University, USA. He is also an alumnus of the Owners/President Management Program of the Harvard Business School, USA. Mr. Pranav Adani has been conferred with several awards, Globoil Man of the Year Award 2009 being one of them.
2.	Mr. Rajesh S. Adani	Director	Mr Rajesh S. Adani has been associated with Adani Group since its inception. He is in charge of the operations of the Group and has been responsible for developing its business relationships. His proactive, personalized approach to the business and competitive spirit has helped towards the growth of the Group and its various businesses.





3.	Mr. Rajeev Sharma	Whole-time Director	<p>Mr. Rajeev Sharma, aged 63 years, is an Engineer with over four decades of focused experience in Oil and Gas industry especially natural gas pipelines and city gas distribution networks. Mr. Rajeev Sharma has been associated with Adani Group since 2003 and has been responsible for Group's initiatives in gas business and development of city gas distribution projects across the country. Under his stewardship, the Company is today operational in 4 cities and marching forward to become a major downstream gas player in the country. Under his guidance, IndianOil-Adani Gas Pvt Ltd., a joint venture between Indian Oil Corporation Limited and the Company, has already secured authorization for 9 cities, namely, Allahabad, Chandigarh, Ernakulum, Panipat, Daman, Dharwad, Udham Singh Nagar, South Goa and Bulandshahr.</p> <p>Prior to joining Adani Group, Mr. Rajeev Sharma was associated with GAIL (India) Limited for 19 years in various capacities. As the founding Managing Director of Indraprastha Gas Limited, Mr. Rajeev Sharma has the distinction of implementing successfully the prestigious CNG Program in Delhi. Mr. Rajeev Sharma prior to joining GAIL, had experience of working in Middle East countries on various Oil &amp; Gas projects. In a career spanning over almost four decades, Mr. Rajeev Sharma has presented several papers related to City Gas Distribution Projects, Use of CNG as transport fuel and CNG program implementation in various prestigious national &amp; international forums. He is also associated with several professional bodies.</p>
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**DETAILS AND REASONS FOR NON-DEPLOYMENT OR DELAY IN DEPLOYMENT OF PROCEEDS OR CHANGES IN UTILIZATION OF ISSUE PROCEEDS OF PAST PUBLIC ISSUES / RIGHTS ISSUES, IF ANY, OF THE COMPANY IN THE PRECEDING 10 YEARS:** Not Applicable

**SHAREHOLDING PATTERN AS ON MARCH 31, 2018**

Sr. No.	Name of Promoters	Number of shares	% Holding of share capital
1.	Promoter & Promoter Group		
	Adani Gas Holdings Limited (alongwith its nominees)	25,67,42,040	100.00
2.	Public	--	--
	<b>Total</b>	<b>25,67,42,040</b>	<b>100.00</b>



**AUDITED FINANCIALS**

**Standalone financial information in relation to AGL:**

		(₹ in Lakhs)		
Item	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
1.	Total revenue from operations (net)	130,131	108,700	112,867
2.	Net Profit / (Loss) before tax and extraordinary items	26,729	21,706	19,270
3.	Net Profit / (Loss) after tax and extraordinary items	17,290	10,119	8,147
4.	Equity Share Capital (Face value of ₹ 10/- each)	25,674	25,674	25,674
5.	Reserves and Surplus / Other Equity	63,115	45,810	35,725
6.	Net worth	88,789	71,485	61,399
7.	Basic earnings per share (₹)	6.73	3.94	3.17
8.	Diluted earnings per share (₹)	6.73	3.94	3.17
9.	Return on net worth (%)	19.47%	14.16%	13.27%
10.	Net asset value per share (₹)	34.58	27.84	23.91

**Notes:**

- The information provided under items (1) to (5), (7) and (8) have been taken from Audited Statutory Financial Statements of AGL for the year ended March 31, 2018 prepared in accordance with applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015] (as amended) and other relevant provisions of the Act.
- Audited Statutory Financial Statements for the year ended March 31, 2016 was prepared in accordance with the accounting principles generally accepted in India, including Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of Companies Act, 2013. However information presented above is based on comparative financial information as presented in Audited Statutory Financial Statement for the year ended March 31, 2017.
- Net worth (item 6) has been calculated by adding the balance of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5).
- Return on net worth (%) (item 9) has been calculated by applying the following formula: (Loss)/ Profit after tax (item 3) divided by Net Worth (item 6) and multiplied by 100.
- Net asset value per share (item 10) has been calculated by adding the balances of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5) and dividing the same by the number of shares outstanding (March 2018: 25,67,42,040, March 2017: 25,67,42,040 and March 2016: 25,67,42,040) as appearing in financial statements (as explained in note (a) above).

**Consolidated financial information in relation to AGL:**

		(₹ in Lakhs)		
Item	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
1.	Total revenue from operations (net)	130,131	108,700	112,867
2.	Net Profit / (Loss) before tax and extraordinary items	26,729	21,706	19,270
3.	Net Profit / (Loss) after tax and extraordinary items	17,029	9,812	7,906
4.	Equity Share Capital (Face value of ₹ 10/- each)	25,674	25,674	25,674





Item	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
5.	Reserves and Surplus / Other Equity	63,115	45,810	35,725
6.	Net worth	87,838	70,792	61,015
7.	Basic earnings per share (₹)	6.63	3.82	3.08
8.	Diluted earnings per share (₹)	6.63	3.82	3.08
9.	Return on net worth (%)	19.39%	13.86%	12.96%
10.	Net asset value per share (₹)	34.21	27.57	23.77

**Notes:**

- The information provided under items (1) to (5), (7) and (8) have been taken from Audited Statutory Financial Statements of AGL for the year ended March 31, 2018 prepared in accordance with applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015] (as amended) and other relevant provisions of the Act.
- Audited Statutory Financial Statements for the year ended March 31, 2016 was prepared in accordance with the accounting principles generally accepted in India, including Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of Companies Act, 2013. However information presented above is based on comparative financial information as presented in Audited Statutory Financial Statement for the year ended March 31, 2017.
- Net worth (item 6) has been calculated by adding the balance of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5).
- Return on net worth (%) (item 9) has been calculated by applying the following formula: (Loss)/ Profit after tax (item 3) divided by Net Worth (item 6) and multiplied by 100.
- Net asset value per share (item 10) has been calculated by adding the balances of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5) and dividing the same by the number of shares outstanding (March 2018: 25,67,42,040, March 2017: 25,67,42,040 and March 2016: 25,67,42,040) as appearing in financial statements (as explained in note (a) above).

#### INTERNAL RISK FACTORS

- AGL's future growth of revenue & operations are dependent upon successful bid for new projects under the competitive bidding route.
- Risks to favorable Gas supply at competitive price
  - Domestic gas:** Currently, city gas is allotted inexpensive domestic gas for domestic and transport segment at administered price. Domestic APM gas production may decline. Going ahead, increase in domestic production is likely to be led by output from difficult fields and from blocks awarded in subsequent auctions, which will command market pricing. A cut back in domestic city gas allocation or allocation of the more expensive domestic gas can impact profitability.
  - Change in domestic gas allocation:** Domestic city gas is currently accorded top priority for domestic gas allocation which is at discount to imported LNG. Subsequent change in the allocation with city gas moving down the priority will increase reliance on expensive imports impacting profits.
- Risks due to competitiveness of alternatives
  - Low oil prices:** Low oil price improves economics of oil-based alternate fuels which compete with gas. However, cost of imported LNG (contracted and spot volumes), move



with a lag to oil offsetting some of the disadvantages. In the long run, we expect FO supply to tighten as Indian refineries upgrade their facilities limiting FO output which will establish a floor to FO price.

- b) **Sharp uptick in LNG prices:** A drastic rationalizing of upcoming LNG capacities and future capex, a sudden uptick in gas demand may trigger a rally in LNG price impacting Industrial and Commercial segment demand. In addition, the new RasGas formula will immediately reflect on oil price recovery which will increase costs.
4. **Risk to quasi-monopoly:** Entry of new players post the end of marketing exclusivity of 5 years could pave the way for new entrants.
5. **Regulatory risks:** The Supreme Court had ruled that marketing margins cannot be regulated by the PNGRB. While this has removed a significant overhang, similar regulatory interferences will adversely impact the sector.
7. **Other risks:**
  - a) Industrial slowdown: Slowdown will impact volumes off take.
  - b) Project risks: Time and cost overruns during project implementation.

#### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against and by our Company and amount involved –

**82 Cases** against the Company involving total amount of ₹ 88.92 Crores;

**149 Cases** by the Company involving total amount of ₹ 0.30 Crore.

B. Brief details of top 5 material outstanding litigations against the Company and amount involved –

Sr. No.	Particulars	Litigation filed by	Current Status	Amount involved (₹ in Crores)
1.	Faridabad Industries Association had filed a complaint against the Company to the Competition Commission of India (CCI) alleging abuse of dominant position by way of unilateral terms and conditions in Gas Sales Agreement. CCI passed its orders against the Company and levied a penalty of ₹ 25.67 Crores.  The Company filed an appeal against the order of CCI before Hon'ble Competition Appellate Tribunal (COMPAT) which is now transferred to Hon'ble National Company Law Appellate Tribunal (NCLAT)	Faridabad Industries Association	Pending before Hon'ble NCLAT	25.67
2.	Petition filed by CL Educate Ltd. against HUDA and others including the Company relating to irregular Allotments of Plots in Faridabad challenging the Judgment of Punjab & Haryana High Court.	CL Educate Ltd.	Pending before Hon'ble Supreme Court	12.33





Sr. No.	Particulars	Litigation filed by	Current Status	Amount involved (₹ in Crores)
3.	Demand of Service Tax on Gas Connection Income & Connection deposit (Refundable) for FY 10-11	-	Pending before Hon'ble CESTAT	6.57
4.	Demand of Service Tax on Gas Connection Income & Connection deposit (Refundable) for FY 11-12	-	Pending before Hon'ble CESTAT	5.59
5.	Excise Payable on trade margin offered to Oil Marketing Companies, Trade Margin considered as additional consideration.	-	Pending before Hon'ble CESTAT	5.44

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any: Nil

D. Brief details of outstanding criminal proceedings against Promoters: Nil

#### **RATIONALE AND BENEFITS OF THE COMPOSITE SCHEME OF ARRANGEMENT**

- (i) The amalgamation of AGHL with AGL is proposed for simplification of the holding structure resulting in reduction of managerial overlaps and reduction in multiplicity of legal and regulatory compliances.
- (ii) Further, considering the following factors, it is desired to segregate Gas Sourcing and Distribution Business from other businesses of AEL.
  - (a) Each of the varied businesses being carried on by AEL either by itself or through its subsidiaries or through associate companies including Gas Sourcing and Distribution Business have significant potential for growth and profitability. The nature of risk, competition, challenges, opportunities and business methods for Gas Sourcing and Distribution Business is separate and distinct from other businesses being carried out by AEL. The Gas Sourcing and Distribution Business and the other businesses of AEL are capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which the Gas Sourcing and Distribution Business and other businesses of AEL are required to be handled and managed. In order to lend greater/enhanced focus to the operation of the said businesses, it is proposed to re-organize and segregate the Gas Sourcing and Distribution Business by way of demerger and transfer the same to AGL.
  - (b) The segregation would enable greater/enhanced focus of the management in the Gas Sourcing and Distribution Business and other businesses whereby facilitating the management to efficiently exploit opportunities for each of the said businesses.
  - (c) The proposed re-organisation will create enhanced value for shareholders and allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies.
  - (d) The demerger will also provide scope for independent collaboration and expansion pertaining to Gas Sourcing and Distribution Business.

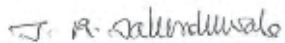


ANY OTHER IMPORTANT INFORMATION OF THE COMPANY - NIL

DECLARATION

We hereby declare that all relevant provisions of SEBI Circular and Part D of Schedule VIII of SEBI (ICDR) Regulations, 2009 have been complied with and no statement made in this Document is contrary to the provisions of SEBI Circular or SEBI (ICDR) Regulations, 2009. We further certify that all statements in this Document are true and correct.

For, Adani Enterprises Limited



**Jatin Jalundhwala**  
**Company Secretary &**  
**Sr. Vice President (Legal)**



**Place:** Ahmedabad  
**Date:** 25<sup>th</sup> May, 2018



**PRE SCHEME SHAREHOLDING PATTERN OF ADANI GAS LIMITED AS ON 31<sup>ST</sup> DAY OF MARCH 2018 AND POST SCHEME SHAREHOLDING PATTERN OF ADANI GAS LIMITED (ASSUMING THE CONTINUING SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> DAY OF MARCH 2018)**

Sr. No.	Category of Shareholder	Pre Scheme shareholding pattern		Post shareholding pattern upon the effectiveness of Part II of the Scheme And Pre shareholding pattern upon the effectiveness of Part III of the Scheme				Post shareholding pattern upon the effectiveness of Part III of the Scheme			
		No. of equity shares of Rs. 10 each	%	No. of equity shares of Rs. 10 each	%	No. of preference shares of Rs. 10 each	%	No. of equity shares of Re. 1 each	%	No. of preference shares of Rs. 10 each	%
<b>(A)</b>	<b>Promoter and Promoter Group</b>										
<b>1</b>	<b>Indian</b>										
(a)	Individuals/ Hindu Undivided Family	-	-	-	-	-	-	2	0.00	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)										
	Nominees of Adani Gas Holdings Limited	1320	0.00	-	-	-	-	-	-	-	-
	Nominees of Adani Enterprises Limited	-	-	6	0.00	-	-	-	-	-	-
	Bodies Corporate	25,67,40,720	100.00	23,35,99,994	100.00	-	-	-	-	-	-
	Held by respective trustees (Beneficiary holders Family Trusts)	-	-	-	-	-	-	63,00,34,660	57.29	-	-
	Held by respective LLP	-	-	-	-	-	-	9,94,91,719	9.05	50,000	100.00
	<b>Sub-Total (A)(1)</b>	<b>25,67,42,040</b>	<b>100.00</b>	<b>23,36,00,000</b>	<b>100.00</b>	<b>50,000</b>	<b>100.00</b>	<b>72,95,26,381</b>	<b>66.33</b>	<b>50,000</b>	<b>100.00</b>
<b>2</b>	<b>Foreign</b>										
(a)	Individuals (Non- Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category of Shareholder	Pre Scheme shareholding pattern		Post shareholding pattern upon the effectiveness of Part II of the Scheme And Pre shareholding pattern upon the effectiveness of Part III of the Scheme				Post shareholding pattern upon the effectiveness of Part III of the Scheme			
		No. of equity shares of Rs. 10 each	%	No. of equity shares of Rs. 10 each	%	No. of preference shares of Rs. 10 each	%	No. of equity shares of Re. 1 each	%	No. of preference shares of Rs. 10 each	%
(b)	Government	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)										
	Bodies Corporate	-	-	-	-	-	-	9,44,37,100	8.59	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	<b>9,44,37,100</b>	<b>8.59</b>	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>25,67,42,040</b>	<b>100.00</b>	<b>23,36,00,000</b>	<b>100.00</b>	<b>50,000</b>	<b>100.00</b>	<b>82,39,63,481</b>	<b>74.92</b>	<b>50,000</b>	<b>100.00</b>
<b>(B)</b>	<b>Public Shareholding</b>										
<b>1</b>	<b>Institutions</b>										
(a)	Mutual Funds	-	-	-	-	-	-	58,94,581	0.54	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	22,77,69,434	20.71	-	-
(f)	Financial Institutions / Banks	-	-	-	-	-	-	59,13,900	0.54	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-
(l)	Any Other (Specify)										
	Foreign Institutional Investors	-	-	-	-	-	-	163,478	0.01	-	-
	<b>Sub-Total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,97,41,393</b>	<b>21.80</b>	<b>-</b>	<b>-</b>

Sr. No.	Category of Shareholder	Pre Scheme shareholding pattern		Post shareholding pattern upon the effectiveness of Part II of the Scheme And Pre shareholding pattern upon the effectiveness of Part III of the Scheme				Post shareholding pattern upon the effectiveness of Part III of the Scheme			
		No. of equity shares of Rs. 10 each	%	No. of equity shares of Rs. 10 each	%	No. of preference shares of Rs. 10 each	%	No. of equity shares of Re. 1 each	%	No. of preference shares of Rs. 10 each	%
2	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-	-
<b>3</b>	<b>Non-Institutions</b>										
(a)	Individuals										
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs	-	-	-	-	-	-	2,19,57,868	2.00	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	-	-	-	-	-	25,10,762	0.23	-	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)										
	Hindu Undivided Family	-	-	-	-	-	-	12,96,342	0.12	-	-
	Trusts	-	-	-	-	-	-	3,100	0.00	-	-
	Bodies Corporate	-	-	-	-	-	-	55,49,460	0.50	-	-
	NRIs	-	-	-	-	-	-	9,70,095	0.09	-	-
	Clearing Members (Shares in Transit)	-	-	-	-	-	-	37,63,058	0.34	-	-
	Foreign National	-	-	-	-	-	-	10,000	0.00	-	-

Sr. No.	Category of Shareholder	Pre Scheme shareholding pattern		Post shareholding pattern upon the effectiveness of Part II of the Scheme And Pre shareholding pattern upon the effectiveness of Part III of the Scheme				Post shareholding pattern upon the effectiveness of Part III of the Scheme			
		No. of equity shares of Rs. 10 each	%	No. of equity shares of Rs. 10 each	%	No. of preference shares of Rs. 10 each	%	No. of equity shares of Re. 1 each	%	No. of preference shares of Rs. 10 each	%
	IEPF Authority	-	-	-	-	-	0.00	44,524			
	Sub-Total (B)(3)	-	-	-	-	-	3.28	3,61,05,209		-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	-	-	-	-	-	25.08	27,58,46,602		-	-
	TOTAL Shareholding (A)+(B)	25,67,42,040	100.00	23,36,00,000	100.00	50,000	100.00	109,98,10,083	100.00	50,000	100.00



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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
BENCH, AT AHMEDABAD  
CA (CAA) NO. 37/NCLT/AHM/2018**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Adani Gas Limited;

And

In the matter of Composite Scheme of Arrangement among Adani Gas Holdings Limited and Adani Gas Limited and Adani Enterprises Limited and their respective shareholders and creditors;

**Adani Gas Limited**, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat, India

..... **Applicant Company**

**UNSECURED CREDITORS  
FORM OF PROXY**

I/We, \_\_\_\_\_, the undersigned unsecured creditor/s of Adani Gas Limited, being the Applicant Company abovenamed, do hereby appoint Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ and failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy, to act for me/us at the meeting of the unsecured creditors of the Applicant Company to be held at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Tuesday, the 3<sup>rd</sup> day of July 2018 at 4.00 p.m. (1600 hours) for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Composite Scheme of Arrangement among Adani Gas Holdings Limited and Adani Gas Limited and Adani Enterprises Limited and their respective shareholders and creditors ( the "Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) \_\_\_\_\_ (here, if 'for', insert '**FOR**', if 'against', insert '**AGAINST**', and in the latter case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)\*, as my/our proxy may approve. (\*Strike out whatever is not applicable)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Signature of Unsecured Creditor \_\_\_\_\_

Signature of Proxy \_\_\_\_\_

Affix  
Re. 1  
revenue  
stamp

(Signature across the stamp)

**Notes:**

1. The proxy must be deposited at the registered office of Adani Gas Limited at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat, India, at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialled.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be an unsecured creditor of Adani Gas Limited.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of an unsecured creditor blind or incapable of writing would be accepted if such unsecured creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the unsecured creditor before he attached his signature or mark.
8. The proxy of an unsecured creditor who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the unsecured creditor in the language known to him, and gives the unsecured creditor's name in English below the signature.

# ADANI GAS LIMITED

Registered office:

"Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat, India

Phone No: +91 79 2555 6129

CIN: U40100GJ2005PLC046553

Website : www.adanigas.com

## UNSECURED CREDITORS

### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

### MEETING OF

### THE UNSECURED CREDITORS

**ON TUESDAY, THE 3<sup>RD</sup> DAY OF JULY 2018 AT 4.00 P.M.**

I/We hereby record my/our presence at the meeting of the unsecured creditors of Adani Gas Limited, the Applicant Company, convened pursuant to the order dated 10<sup>th</sup> day of May 2018 of the NCLT at J.B. Auditorium, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, ATIRA, Ahmedabad-380 015, Gujarat, India, on Tuesday, the 3<sup>rd</sup> day of July 2018 at 4.00 p.m. (1600 hours).

#### Name and address of Unsecured Creditor

(IN BLOCK LETTERS) : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Signature : \_\_\_\_\_

Name of the Proxy\* : \_\_\_\_\_  
 (IN BLOCK LETTERS)

Signature : \_\_\_\_\_

\*(To be filled in by the Proxy in case he/she attends instead of the Unsecured Creditors)

#### Notes:

1. Unsecured creditors attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Unsecured creditors who come to attend the meeting are requested to bring their copy of the Scheme with them.



## Route Map for the venue of the meeting

