

# **DHARMESH PARIKH & CO.**

## **CHARTERED ACCOUNTANTS**

303/304, "Milestone", Nr. Drive-in-Cinema, Opp. T.V. Tower, Thaltej,  
Ahmedabad-380 054. Phone: 91-79-27474466 Fax: 91-79-27479955

### **Independent Auditor's Report**

#### **To the Members of Adani Gas Limited**

#### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS Financial Statements of Adani Gas Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

#### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

#### **Auditor's Responsibility**

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

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

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

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

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.



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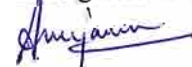
### Independent Auditor's Report To the Members of Adani Gas Limited (Continue)

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 & 47 (e) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The company has provided requisite disclosures in its financial statements (vide Note no. 13 to Ind AS Financial Statements) as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. We have relied on the management representation for disclosure of denomination wise details.

Place : Ahmedabad  
Date : 11<sup>th</sup> May 2017



For, **DHARMESH PARIKH & CO.**  
Chartered Accountants  
Firm Reg. No. 112054W  
  
**Anuj Jain**  
Partner  
Membership No. 119140

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### Annexure – A to the Independent Auditor's Report

#### RE: Adani Gas Limited

(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business.
- (c) The title deeds of immovable properties, as disclosed in Note 4 on property, plant and Equipment, to the financial statements, are held in the name of the company, except for leasehold land.
- (ii) The inventory, other than stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The Company has granted unsecured loans to 1 (One) Company covered in the register maintained under section 189 of the Act. According to the information and explanation given to us and the records produced to us, the terms and conditions of the grant of such loan are not prejudicial to the interest of the Company.
- (b) The schedule of repayment of principal and payment of interest is stipulated and the receipt of the same is regular.
- (c) There are no amounts of loan granted to such companies which are overdue for more than ninety days.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has complied with the provisions of section 185 and 186 of the Act in respect of the loans and investments made, and guarantees provided by it.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the company's products/ services to which the said rules are made applicable and are of the opinion that prima facie the prescribed cost records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, sales tax, service tax, duty of customs, entry tax, value added tax, cess and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of applicable statutory dues as referred to above were in arrears as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.





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## Annexure to the Independent Auditor's Report (Continue)

**RE: Adani Gas Limited**

(Referred to in Paragraph 1 of our Report of even date)

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

Name of Statute	Nature of the dues	Forum where dispute is pending	Amount (*) (` in Lacs)	Amount paid under protest (` in Lacs)	Period to which the amount relates
Central Excise Act, 1944	Excise Duty	Assessing Authority	199.01	Nil	2010-11 to 2015-16
		Appellate Tribunal	2099.20	396.99	2006-07 to 2014-15
Finance Act, 1994	Service Tax	Assessing Authority	120.92	Nil	2008-09 to 2013-14
		Appellate Authority upto Commissioner's Level	4.85	Nil	2008-09 to 2012-13
		Appellate Tribunal	2424.18	300.65	2005-06, 2008-09 to 2011-12
Income Tax Act	Income Tax	Assessing Authority	0.07	0.07	2009-10 & 2010-11
		Appellate Authority upto Commissioner's Level	240.52	1.97	2012-13 & 2013-14
		Appellate Tribunal	185.79	114.72	2005-06, 2006-07 to 2010-11
		High Court	94.44	70.85	2008-09
Municipal Corporation	Property Tax	Supreme Court	2016.10	2016.10	2010-11 to 2015-16

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

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it has not defaulted in repayment of loans or borrowings from Banks and Financial Institutions. The Company has not taken any loan from government and has not issued any debentures.
- (ix) Based upon the audit procedures performed, the company has not raised moneys by way of initial public offer or further public offer. In our opinion and as per the information and explanations given by the management, the Funds raised through debt instruments and term loans have been applied for the purpose they were raised.



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### Annexure to the Independent Auditor's Report (Continue)

**RE: Adani Gas Limited**


(Referred to in Paragraph 1 of our Report of even date)

- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in Ind AS Financial Statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

Place : Ahmedabad  
Date : 11<sup>th</sup> May 2017



For, **DHARMESH PARIKH & CO.**  
Chartered Accountants  
Firm Reg. No. 112054W

  
**Anuj Jain**  
Partner  
Membership No. 119140

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### **Annexure – B to the Independent Auditor's Report**

**RE: Adani Gas Limited**

(Referred to in paragraph 2 (f) of our Report of even date)

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

We have audited the internal financial controls over financial reporting of the Company as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the Ind AS Financial Statements of the company for the year ended on that date.

#### **Management's Responsibilities for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

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





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### **Annexure – B to the Independent Auditor's Report (Continue)**

**RE: Adani Gas Limited**

(Referred to in paragraph 2 (f) of our Report of even date)

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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


#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Ahmedabad  
Date : 11<sup>th</sup> May 2017



For, **DHARMESH PARIKH & CO.**  
Chartered Accountants  
Firm Reg. No. 112054W

  
**Anuj Jain**  
Partner  
Membership No. 119140

**ADANI GAS LIMITED**  
**BALANCE SHEET AS AT 31-Mar-2017**

(₹ in Lacs)

Particulars	Notes	As at		
		31-Mar-2017	31-Mar-2016	01-Apr-2015
<b>ASSETS</b>				
<b>I NON-CURRENT ASSETS</b>				
(a) Property, Plant & Equipment	4	80,189.81	72,837.06	70,112.66
(b) Capital Work-In-Progress	5	8,665.03	15,702.13	20,582.21
(c) Goodwill		2,549.18	2,549.18	2,549.18
(d) Other Intangible Assets	4	441.44	357.85	378.71
(e) Investment in Joint Venture	6	8,500.00	4,500.00	1,230.00
(f) Financial Assets				
(ii) Loans		-	-	-
(ii) Other Financial Assets	7	905.92	1,746.27	1,119.89
(f) Income Tax Assets (net)	8	241.32	197.65	1,066.68
(g) Other Non-current Assets	9	894.41	675.76	704.37
<b>Total Non-Current Assets</b>		<b>1,02,387.11</b>	<b>98,565.90</b>	<b>97,743.69</b>
<b>II CURRENT ASSETS</b>				
(a) Inventories	10	3,868.50	3,869.82	3,549.03
(b) Financial Assets				
(i) Investments	11	552.67	375.37	-
(ii) Trade Receivables	12	5,621.12	3,928.05	6,333.33
(iii) Cash & cash equivalents	13	1,564.49	1,212.31	13,419.42
(iv) Bank Balances other than (iii)	14	2.55	1.70	1.61
(v) Loans	15	48,529.22	30,631.65	11.47
(vi) Other Financial Assets	16	56.65	303.38	801.91
(c) Other Current Assets	17	3,398.31	4,516.07	3,717.55
<b>Total Current Assets</b>		<b>63,593.51</b>	<b>44,838.35</b>	<b>27,834.32</b>
<b>TOTAL</b>		<b>1,65,980.62</b>	<b>1,43,404.25</b>	<b>1,25,578.01</b>
<b>EQUITY AND LIABILITIES :</b>				
<b>I SHAREHOLDERS' FUNDS</b>				
(a) Equity Share Capital	18	25,674.20	25,674.20	25,674.20
(b) Other Equity	19	45,810.36	35,724.51	32,845.38
<b>Total Equity</b>		<b>71,484.56</b>	<b>61,398.71</b>	<b>58,519.58</b>
<b>LIABILITIES</b>				
<b>II NON-CURRENT LIABILITIES</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	20	32,067.27	9,419.51	25,412.82
(ii) Other Financial Liabilities	21	20,214.25	18,337.41	16,589.29
(b) Provisions	22	218.17	163.34	233.27
(c) Deferred Tax Liabilities (net)		8,842.63	8,039.22	7,056.84
(d) Other Long Term Liabilities		-	-	-
<b>Total Non-Current Liabilities</b>		<b>61,342.32</b>	<b>35,959.48</b>	<b>49,292.22</b>





**ADANI GAS LIMITED**  
**BALANCE SHEET AS AT 31-Mar-2017**

(₹ in Lacs)

Particulars	Notes	As at		
		31-Mar-2017	31-Mar-2016	01-Apr-2015
<b>III CURRENT LIABILITIES</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	23	17,000.00	36,600.00	2,000.00
(ii) Trade Payables	24	5,267.45	4,476.90	5,616.18
(iii) Other Financial Liabilities	25	9,859.65	3,440.33	9,089.02
(b) Provisions	26	365.74	267.36	148.84
(c) Other Current Liabilities	27	660.90	1,261.47	912.18
(d) Income Tax Liabilities (net)		-	-	-
<b>Total Current Liabilities</b>		<b>33,153.74</b>	<b>46,046.06</b>	<b>17,766.22</b>
<b>TOTAL</b>		<b>1,65,980.62</b>	<b>1,43,404.25</b>	<b>1,25,578.02</b>

Summary of significant accounting policies 2

See accompanying notes to financial statements

As per our attached report of even date

For **DHARMESH PARIKH & CO.**

Chartered Accountants

Firm Registration Number : 112054W



**ANUJ JAIN**

Partner

Membership No. 119140



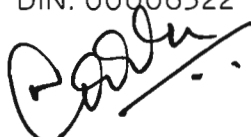
For and on behalf of the Board of  
Adani Gas Ltd



**RAJESH S. ADANI**

Director

DIN: 00006322



**NARESH PODDAR**

CFO



**SHRIDHAR TAMBAPARNI**

Whole-time Director

DIN: 07131658



**HARDIK SANGHVI**

Company Secretary

Place : Ahmedabad

Date : **11 MAY 2017**

Place : Ahmedabad

Date : **11 MAY 2017**

# ADANI GAS LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31-Mar-2017

(₹ in Lacs)

	NOTES	For the Year Ended 31-Mar-2017	For the Year Ended 31-Mar-2016
Revenue from Operations	28	1,16,244.20	1,20,522.25
Other Income	29	4,053.64	2,784.48
<b>Total Income</b>		<b>1,20,297.84</b>	<b>1,23,306.73</b>
<b>EXPENSES</b>			
Cost of Materials consumed	30	26,977.83	30,969.02
Purchase Of Stock In Trade	31	40,888.02	44,329.97
Changes In Inventory of Finished Goods, Work In Progress & Stock In Trade	32	40.88	(34.81)
Excise duty on Sale of Compressed Natural Gas (CNG)		7,543.95	7,654.54
Employee benefits expense	33	3,936.43	3,378.53
Finance costs	34	4,426.54	4,267.05
Depreciation and amortization expense	4	5,616.91	5,247.30
Other expenses	35	9,161.50	8,224.95
<b>Total Expenses</b>		<b>98,592.06</b>	<b>1,04,036.55</b>
<b>Profit / (Loss) for the year before Exceptional, Extraordinary Items &amp; Taxation</b>		<b>21,705.78</b>	<b>19,270.18</b>
Exceptional items	36	(6,096.69)	(5,423.71)
<b>Profit / (Loss) for the year before Taxation</b>		<b>15,609.09</b>	<b>13,846.47</b>
<b>Tax Expense:</b>			
(1) Current Tax		4,654.46	4,708.44
(2) Adjustment of earlier years		14.42	-
(3) Deferred Tax		821.05	990.46
		<b>5,489.93</b>	<b>5,698.90</b>
<b>Profit / (Loss) for the year</b>		<b>10,119.16</b>	<b>8,147.57</b>
<b>Other Comprehensive Income (after tax)</b>			
- Item that will not be reclassified to Profit & Loss			
(a) Remeasurement of employee benefit obligations		(50.94)	(23.37)
(b) Income tax relating to these items		17.63	8.09
<b>Total Other Comprehensive Income</b>		<b>(33.31)</b>	<b>(15.28)</b>
<b>Total Comprehensive Income for the Year</b>		<b>10,085.85</b>	<b>8,132.28</b>
<b>Earning per Equity Share of ₹ 10/- each :</b>			
- Basic		3.94	3.17
- Diluted		3.94	3.17
<b>Significant Accounting Policies</b>	2		

See accompanying notes to financial statements  
As per our attached report of even date

For DHARMESH PARIKH & CO.  
Chartered Accountants  
Firm Registration No. 112054W



ANUJ JAIN  
Partner  
Mem No. 119140

Place: Ahmedabad  
Date :

11 MAY 2017

For and on behalf of the Board of  
Adani Gas Ltd

R. S. Adani  
RAJESH S. ADANI  
Director  
DIN: 00006322

NARESH PODDAR  
CFO

Place: Ahmedabad

Date : 11 MAY 2017

SHRIDHAR TAMBAPARNI  
Whole-time Director  
DIN: 07131608

HARDIK SANGHVI  
Company Secretary

**ADANI GAS LIMITED**  
Notes to financial statements for the Year ended 31-Mar-2017

(₹ in Lacs)

S.NO.	PARTICULARS	For the Period Ended on 31-Mar-2017		For the Year Ended on 31-Mar-2016	
<b>A</b>	<b>CASHFLOW FROM OPERATIONS</b>				
	Net Profit Before Tax		15,609.09		13,846.47
	Adjustment for:				
	Depreciation/Amortization	5,616.91		5,247.30	
	Finance Cost	4,426.54		4,267.05	
	Interest Income	(3,248.55)		(1,983.04)	
	(Income)/Loss from Sale of Current Investments	(45.02)		(65.48)	
	(Gain)/Loss on Sale of Fixed Assets	142.09		196.21	
	Actuarial Gain / Loss transferred to OCI	(50.94)		(23.37)	
	Bad Debts/ Provision for Doubtful Debts	33.35		(9.51)	
	Liabilities No Longer Required	(29.88)		(79.15)	
	Bad Debts/ Provision for Doubtful Loans & Advances	-		-	
	Exceptional Item	6,096.69		5,423.71	
	<b>Total Adjustments to Net Profit</b>		<b>12,941.19</b>		<b>12,973.72</b>
	<b>Operating Profit Before Working Capital Changes</b>		<b>28,550.28</b>		<b>26,820.19</b>
	Adjustment for:				
	Trade and Other Receivables	(1,479.86)		2,911.19	
	Inventories	1.32		(320.79)	
	Other Financial Assets	(65.17)		142.06	
	Other Non Financial Assets	1,118.11		(799.23)	
	Trade Payables	820.79		(1,059.78)	
	Provisions	153.21		48.59	
	Other Non Financial Liabilities	(600.57)		349.29	
	Other Financial & Other Non Financial Liabilities	2,052.06		1,249.14	
	<b>Total Working Capital Changes</b>		<b>1,999.89</b>		<b>2,520.47</b>
	<b>Cash Generated From Operations</b>		<b>30,550.17</b>		<b>29,340.67</b>
	Direct Tax (Paid)/ Refund		(4,712.55)		(3,839.41)
	<b>Net Cash From Operating Activities</b>		<b>25,837.62</b>		<b>25,501.26</b>
<b>B</b>	<b>CASHFLOW FROM INVESTING ACTIVITIES</b>				
	Purchase/Additions to Fixed Assets & Capital Work in Progress	(12,367.83)		(8,700.25)	
	Capital Advances	(219.00)		29.32	
	Sale of Fixed Assets	112.91		9.58	
	Redemption/(Investment) in Deposits	(0.85)		(0.09)	
	Interest Received	3,234.49		1,968.64	
	Investment in Joint Venture	(3,250.00)		(4,020.00)	
	Consideration from sale of Mutual Fund	45.02		65.11	
	Income from Dividend	-		-	
	Loans, Advances and Deposits given to/ received from Related Party	(17,879.91)		(30,626.18)	
	<b>Net Cash Used in Investing Activities</b>		<b>(30,325.17)</b>		<b>(41,273.87)</b>
<b>C</b>	<b>CASHFLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds/Repayment of Long Term Borrowings	27,031.84		(22,544.55)	
	Proceeds from Commercial paper	(15,000.00)		30,000.00	
	Proceeds / Repayment of Short Term Borrowings	(4,600.00)		4,600.00	
	Repayment of Loans and Advances	-		-	
	Interest Paid	(4,452.65)		(4,316.42)	
	Security Deposit from Customer	2,038.22		1,454.99	
	Dividend Paid (including dividend distribution tax)	-		(5,253.15)	
	<b>Net Cash Used for Financing Activities</b>		<b>5,017.41</b>		<b>3,940.87</b>





# ADANI GAS LIMITED

Notes to financial statements for the Year ended 31-Mar-2017

(₹ in Lacs)

S.NO.	PARTICULARS	For the Period Ended on 31-Mar-2017		For the Year Ended on 31-Mar-2016	
D	Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)		529.85		(11,831.73)
	Cash and Cash Equivalents at the beginning of the Period		1,587.31		13,419.41
	Cash and Cash Equivalents at the End of the Period		2,117.16		1,587.68
	<b>Components of cash and cash equivalents</b>				
	Cash on hand		10.58		-
	Cheque on hand		-		-
	Balances with Local banks				
	- In Current Account		1,353.91		687.31
	- In Fixed Deposit Account		200.00		525.00
	- In Margin Deposit Account		-		-
	Highly Liquid mutual Fund		552.67		375.37
	<b>Total cash and cash equivalents ( Refer note 11 &amp; 13 )</b>		<b>2,117.16</b>		<b>1,587.68</b>

## Significant Accounting Policies (Note 2)

See accompanying notes to financial statements

As per our attached report of even date

For DHARMESH PARIKH & CO.

Chartered Accountants

Firm Registration No. 112054W



ANUJ JAIN

Partner

Mem No. 119140



Place: Ahmedabad

Date : 11 MAY 2017

For and on behalf of the Board of  
Adani Gas Ltd



RAJESH S. ADANI

Director

DIN: 00006322



NARESH PODDAR

CFO



SHRIDHAR TAMBAPARNI

Whole-time Director

DIN: 07131658



HARDIK SANGHVI

Company Secretary

Place: Ahmedabad

Date : 11 MAY 2017

# ADANI GAS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31-Mar-2017

### A. Equity Share Capital

(₹ in Lacs)

Particulars	No. of Shares	Amount
As at 1 <sup>st</sup> April 2015	25,67,42,040	25,674.20
Changes in the Equity Share Capital	-	-
As at 1 <sup>st</sup> April 2016	25,67,42,040	25,674.20
Changes in the Equity Share Capital	-	-
As at 31st March 2017	25,67,42,040	25,674.20

(₹ in Lacs)

Particulars	Retained Earnings
Balance as at 1 <sup>st</sup> April 2015 (Includes opening retained earning adjustments)	32,845.38
<b>Adjustments</b>	
Add : Profit for the year	8,147.57
Less : Interim Dividend on Equity Shares	(4,364.62)
Less : Tax on Interim Dividend	(888.53)
<b>Other Comprehensive Income</b>	
Remeasurement of employee benefit obligations	(15.28)
As at 31 <sup>st</sup> March 2016	35,724.51
Balance as at 1 <sup>st</sup> April 2016 (Includes opening retained earning adjustments)	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

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

As per our attached report of even date

For and on behalf of the Board  
Adani Gas Ltd

For DHARMESH PARIKH & CO.  
Chartered Accountants  
Firm Registration Number : 112054W



ANUJ JAIN

Partner

Mem No. 119140

Place : Ahmedabad

Date : 11 MAY 2017





RAJESH S. ADANI

Director

DIN: 00006322



NARESH PODDAR

CFO

Place : Ahmedabad

Date : 11 MAY 2017



SHRIDHAR TAMBAPARNI

Whole-time Director

DIN: 07131658



HARDIK SANGHVI

Company Secretary

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

**NOTE : 2 SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION & PRESENTATION OF THE ACCOUNTS :****a) STATEMENT OF COMPLIANCE**

Adani Gas Limited ('the Company') has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2016, in accordance with the notification issued by the Ministry of Corporate Affairs.

Upto the year ended March 31, 2016, the Company has presented its financial statements in accordance with the requirements of previous GAAP, which includes the Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is 1st April, 2015. All the previous period numbers in the financial statements for 31st March, 2016 have been restated as per notified Ind AS. These are Company's first Ind AS financial statements.

**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.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation of shareholders' equity as at 31st March, 2016 and 1st April, 2015 and of the comprehensive net income for the year ended 31st March, 2016 as reported under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS financial statements.

Refer to note 3 for information on how the Company has adopted Ind AS. 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:**

The estimates at 1st April, 2015 and at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April, 2015, the date of transition to Ind AS and as of 31st March, 2016.

**Key Sources of estimation uncertainty:**

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

**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. (refer note 37)





**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 38

**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.

**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.



## ADANI GAS LIMITED

### Notes to financial statements for the Period ended 31-Mar-2017

#### 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.
- 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.

#### j) INTANGIBLE ASSETS

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

For transition to Ind AS, company has elected to continue with the carrying value of all of its Intangible Assets recognised as at 1st April, 2015 measured as per previous GAAP and use that carrying value as the deemed cost of Intangible Assets

#### k) DEPRECIATION

- i) Depreciation of fixed assets is

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
Leased Hold Land	Over the period of lease
Right of Use of Land	Over the period of Rights
Mobile Devices	100% in the year of incurrence

- ii) Depreciation on Assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.



**I) 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.

**Financial Assets****Subsequent Measurement**

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

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

- > at amortised cost
- > fair value through profit and loss account
- > debt instruments at amortized cost

**Debt Instruments at amortized cost**

A 'debt instrument' is measured at the amortized 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 profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**Derecognition**

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.

The Company follows 'Simplified Approach' for recognition of impairment loss allowance on:

- > Trade receivables or contract revenue receivables

Under this approach, the Company tracks the trade receivables which are over due. For the receivables which are undisputed provision for impairment is taken considering the credit worthiness of the customer. For the disputed cases the impairment provision is made considering the current status & level of litigation.

All the impairment provision on the trade receivables & other financial assets are considered after deducting the security deposits & the Bank Guarantees & Corporate Guarantees received from the end customers.

**Equity instruments**

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

**Financial Liabilities**

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





## Notes to financial statements for the Period ended 31-Mar-2017

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent Measurement**

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

**Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

**Derecognition of Financial Liability**

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

**m) FAIR VALUE MEASUREMENT**

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

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

The principal or the most advantageous market must be accessible by the Company. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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

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

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

**n) FOREIGN CURRENCY TRANSACTIONS****i) Initial Recognition**

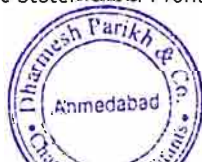
Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

**ii) Measurement of foreign currency monetary items at the Balance Sheet date**

- Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.
- Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

**iii) Treatment of exchange differences**

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.



**o) 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.

**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.

**p) 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.

**q) 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.

Operating results of the business units are monitored separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements.

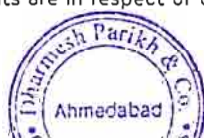
The Company generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

**r) 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.

**s) 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.



**t) 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.

**u) 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.

**v) IMPAIRMENT OF ASSETS****i. Impairment of tangible and intangible assets**

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

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

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.

**w) PROVISIONS, CONTINGENT LAIBILITIES & CONTINGENT ASSETS**

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

**x) 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.





**3 First-time adoption of Ind-AS**

These are Company's first financial statements prepared in accordance with Ind AS. For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company has prepared these financial statements for the year ending on 31st March 2017, together with the comparative period data, by applying Ind AS compliant policies described in the "Summary of Significant Accounting Policies". In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2015, which is Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

**A) Options availed on the first time adoption of Ind AS 101**

- i) Ind AS 103 Business Combinations has not been applied to acquisitions of Companies which are considered businesses for Ind AS, or of interests in associates and joint ventures that occurred before 1 April 2015. Use of this exemption means that the previous GAAP carrying amounts of assets and liabilities, which are required to be recognised under Ind AS, is their deemed cost at the date of the transition. After the date of the transition, measurement is in accordance with Ind AS. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS statement of financial position. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

Ind AS 101 also requires that the previous GAAP carrying amount of goodwill must be used in the opening Ind AS statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, the Company has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at 1 April 2015.

- ii) The Company has not applied Ind AS 21 retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to Ind AS. Such fair value adjustments and goodwill are treated as assets and liabilities of the Company rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the Company.
- iii) The Company has elected to avail exemption under Ind AS 101 to use India GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment & other tangible assets as per the statement of financial position prepared in accordance with previous GAAP.
- iv) The Company has evaluated that it is impracticable to apply Appendix A to Ind AS 11 retrospectively, and accordingly elected to apply exemption under Ind AS 101, use previous carrying amounts of intangible assets, after testing for impairment, as their carrying amounts at the date of transition to Ind AS.
- v) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

**vii) Estimates :**

The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> Impairment of financial assets based on the risk exposure and application of ECL model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015, the date of transition to Ind AS and as of March 31, 2016.

**viii) Classification and measurement of financial assets :**

The Company has assessed classification and measurement of financial assets on the basis of facts and circumstances that exist as on transition date.

**ix) Impairment of non-financial assets :**

The Company has applied impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

**x) Derecognition of financial assets and financial liabilities :**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after transition date.



ADANI GAS LIMITED

Notes to financial statements for the Period ended 31-Mar-2017

B) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income. The following tables represent the reconciliations from previous GAAP to Ind AS

Reconciliation of Equity as at 1st April 2015 and 31st March 2016:

(₹ in Lacs)

Particulars	As At	
	31 March 2016	01 April 2015
<b>Equity as per Previous GAAP</b>	35,473.86	32,818.91
<b>Adjustments</b>		
- Opening Retained Earning Adjustments	26.47	40.48
- Ancillary Cost of Borrowings	(18.81)	-
- MTM Gain on Mutual Fund	0.37	-
- Reversal of Amortisation of Goodwill	169.95	-
- Income towards the Corporate Guarantee given to Banks on behalf of IOAGPL	191.33	-
- Actuarial Gain / Loss transferred to Other Comprehensive Income	23.37	-
- Deferred Tax adjustment on IND AS adjustments	(126.74)	(14.01)
<b>Total Adjustment to the Equity</b>	<b>265.93</b>	<b>26.47</b>
<b>Other Comprehensive Income</b>	(23.37)	-
<b>Deferred Tax on above OCI Item</b>	8.09	-
<b>Equity as reported under IND AS</b>	<b>35,724.51</b>	<b>32,845.38</b>

Reconciliation of Balancesheet

(₹ in Lacs)

Particulars	As at 31-March-2016			As at 01-April-2015		
	IGAAP	INDAS Adjustments	INDAS	IGAAP	INDAS Adjustments	INDAS
<b>ASSETS</b>						
<b>Non Current Assets</b>						
Property, Plant & Equipment	72,837.06		72,837.06	70,112.66		70,112.66
Capital Work-In-Progress	15,702.13		15,702.13	20,582.21		20,582.21
Goodwill on consolidation	2,379.23	169.95	2,549.18	2,549.18		2,549.18
Intangible Assets	357.85		357.85	378.71		378.71
<b>Financial Assets</b>						
(i) Non Current Investments	4,500.00		4,500.00	1,230.00		1,230.00
(ii) Non Current Loans	-		-	-		-
(iii) Other Non Current Financial Assets	1,746.27		1,746.27	1,119.89		1,119.89
Income Tax Assets (net)	197.65		197.65	1,066.68		1,066.68
Other Non-current Assets	675.76		675.76	704.37		704.37
	<b>98,395.95</b>	<b>169.95</b>	<b>98,565.90</b>	<b>97,743.69</b>	<b>-</b>	<b>97,743.69</b>
<b>Current Assets</b>						
Inventories	3,869.82		3,869.82	3,549.03		3,549.03
<b>Financial Assets</b>						
(i) Current Investments	375.00	0.37	375.37	-		-
(ii) Trade Receivables	3,928.05		3,928.05	6,333.33		6,333.33
(iii) Cash & cash equivalents	1,212.31		1,212.31	13,419.42		13,419.42
(iii) Bank Balances other than above	1.70		1.70	1.61		1.61
(iv) Current Loans	30,631.65		30,631.65	11.47		11.47
(iv) Other Financial Asset	112.05	191.33	303.38	801.91		801.91
Other Current Assets	4,516.07		4,516.07	3,717.55		3,717.55
	<b>44,646.65</b>	<b>191.70</b>	<b>44,838.35</b>	<b>27,834.32</b>	<b>-</b>	<b>27,834.32</b>
<b>TOTAL</b>	<b>1,43,042.60</b>	<b>361.65</b>	<b>1,43,404.25</b>	<b>1,25,578.01</b>	<b>-</b>	<b>1,25,578.01</b>
<b>EQUITY AND LIABILITIES :</b>						
<b>SHAREHOLDERS' FUNDS</b>						
Equity Share Capital	25,674.20		25,674.20	25,674.20		25,674.20
Other Equity	35,473.86	250.65	35,724.51	32,818.91	26.47	32,845.38
<b>Total Equity</b>	<b>61,148.06</b>	<b>250.65</b>	<b>61,398.71</b>	<b>58,493.11</b>	<b>26.47</b>	<b>58,519.58</b>
<b>LIABILITIES</b>						
<b>Non Current Liabilities</b>						
<b>Financial Liabilities</b>						
(i) Borrowings	9,441.18	(21.67)	9,419.51	25,453.30	(40.48)	25,412.82
(ii) Other Financial Liability	18,337.41	-	18,337.41	16,589.29		16,589.29
Provisions	163.34	-	163.34	233.27		233.27
Deferred Tax Liabilities (net)	7,906.55	132.67	8,039.22	7,042.82	14.01	7,056.83
Other Long Term Non Financial Liabilities	-	-	-	-		-
	<b>35,848.48</b>	<b>111.00</b>	<b>35,959.48</b>	<b>49,318.68</b>	<b>-26.47</b>	<b>49,292.21</b>
<b>Current Liabilities</b>						
<b>Financial Liabilities</b>						
(i) Borrowings	36,600.00	-	36,600.00	2,000.00		2,000.00
(ii) Trade Payables	4,476.90	-	4,476.90	5,616.18		5,616.18
(iii) Other Financial Liability	3,440.33	-	3,440.33	9,089.02		9,089.02
Provisions	267.36	-	267.36	148.84		148.84
Other Current Non Financial Liabilities	1,261.47	-	1,261.47	912.18		912.18
Income Tax Liabilities (net)	-	-	-	-		-
	<b>46,046.06</b>	<b>-</b>	<b>46,046.06</b>	<b>17,766.22</b>	<b>-</b>	<b>17,766.22</b>
<b>TOTAL</b>	<b>1,43,042.60</b>	<b>361.65</b>	<b>1,43,404.25</b>	<b>1,25,578.01</b>	<b>-</b>	<b>1,25,578.01</b>



**ADANI GAS LIMITED**  
**Notes to financial statements for the Period ended 31-Mar-2017**

**Reconciliation of Profit & Loss for the year ended 31st March 2016:** (₹ in Lacs)

Particulars	As at 31-March-2016		
	IGAAP	INDAS Adjustments	INDAS
<b>Revenue</b>			
Revenue from Operations	1,12,867.71	7,654.54	1,20,522.25
Other Income	2,592.78	191.70	2,784.48
<b>Total Revenue</b>	<b>1,15,460.49</b>	<b>7,846.24</b>	<b>1,23,306.73</b>
<b>Expenses</b>			
Cost of Materials Consumed	30,969.02		30,969.02
Purchase of Stock-in-Trade	44,329.97		44,329.97
Changes in Inventories of finished goods, Stock-in-Trade & work-in-progress	(34.81)		(34.81)
Excise duty on Sale of Compressed Natural Gas (CNG)	-	7,654.54	7,654.54
Employee benefits Expense	3,401.90	(23.37)	3,378.53
Finance Costs	4,248.24	18.81	4,267.05
Depreciation & Amortization Expense	5,417.25	(169.95)	5,247.30
Operating and Other Expenses	8,224.95		8,224.95
<b>Total Expenses</b>	<b>96,556.52</b>	<b>7,480.04</b>	<b>1,04,036.55</b>
<b>Profit before Exceptional items and tax</b>	<b>18,903.97</b>	<b>366.20</b>	<b>19,270.18</b>
<b>Add/(Less) : Exceptional items</b>	<b>(5,423.71)</b>	<b>-</b>	<b>(5,423.71)</b>
<b>Profit for the year before tax</b>	<b>13,480.26</b>	<b>366.20</b>	<b>13,846.47</b>
<b>Tax Expense:</b>			
Current Tax (including MAT payable)	4,708.44		4,708.44
Adjustment for earlier year	-		-
Deferred Tax	863.72	126.74	990.46
MAT Credit Entitlement	-		-
<b>Total Tax Expense</b>	<b>5,572.16</b>	<b>126.74</b>	<b>5,698.90</b>
<b>Profit (Loss) for the year</b>	<b>7,908.10</b>	<b>239.46</b>	<b>8,147.56</b>
<b>Other Comprehensive Income</b>			
<b>Item that may not be reclassified to Profit &amp; Loss</b>			
(a) Remeasurement of Post employee benefit obligation	-	(23.37)	(23.37)
(b) Income tax relating to these items		8.09	8.09
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>(15.28)</b>	<b>(15.28)</b>
<b>Total Comprehensive Income for the Year</b>	<b>7,908.10</b>	<b>224.18</b>	<b>8,132.28</b>

**Reconciliation of Total comprehensive income for the year ended 31st March 2016:**  
(₹ in Lacs)

Particulars	For the year 31 March 2016
<b>Previous GAAP</b>	7,908.10
<b>Ind AS: Adjustments increase (decrease):</b>	
- Finance charges on secured Loan are amortised & charged to P&L over the tenure of loan	(18.81)
- Employee future benefits – actuarial gains and losses (Net of Tax)	23.37
- Income for the Corporate Guarantee given to Bankers on behalf of Indian Oil Adani Gas Pvt. Ltd.	191.33
- MTM gain on Mutual Fund	0.37
- Goodwill no longer amortised as from the date of transition	169.95
- Deferred Tax on above Adjustment	(126.74)
<b>Total adjustment to profit or loss</b>	<b>239.46</b>
<b>Profit or loss under Ind AS</b>	<b>8,147.56</b>
<b>Other comprehensive income</b>	<b>(23.37)</b>
<b>Income Tax on above adjustment</b>	<b>8.09</b>
<b>Total comprehensive Income under Ind AS</b>	<b>8,132.28</b>



ADANI GAS LIMITED

Notes to financial statements for the Period ended 31-Mar-2017

**Footnotes to the reconciliation of Equity, Profit & loss, Balancesheet for the year ended 31st March, 2016 :**

**a) Remeasurement cost of net defined liability :** Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

**b) Fair valuation for Financial Assets and Financial Liabilities :**

**i) Fair valuation for Financial Assets and Financial Liabilities :** The Company has valued financial assets and Financial Liabilities, at fair value. Impact of fair value changes as on date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss Account.

**ii) Borrowings (part of Financial Liabilities) :** Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised over the tenure of borrowings and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

**c) Goodwill amortised till date in IGAAP shall be reviewed for impairment**

**d) Income recognised towards the Corporate Guarantee given to various Bankers by Adani Gas Ltd. on behalf of Indian Oil Adani Gas Pvt. Ltd. for the issuance of Bank Guarantee to PNGRB.**

**e) The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.**





**NOTE : 4    PROPERTY, PLANT & EQUIPMENTS & INTANGIBLE ASSETS**

(₹ in Lacs)

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 31 March 2016													
Gross Carrying Value													
Deemed Cost as at 01-Apr-15	1,652.96	4,402.30	4,386.62	156.11	88.61	38.61	788.52	36.08	58,562.85	70,112.66	367.00	11.71	378.72
Addition during the Year	-	0.52	606.08	89.37	40.49	-	78.02	-	7,201.23	8,015.71	140.93	-	140.93
Deduction during the Year	-	-	55.34	1.30	0.00	2.86	0.52	-	163.24	223.26	-	-	-
Closing Gross Carrying Value	1,652.96	4,402.82	4,937.37	244.17	129.11	35.75	866.01	36.08	65,600.83	77,905.11	507.93	11.71	519.64
Accumulated Depreciation													
Opening Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation during the year	-	53.41	84.65	75.41	39.31	8.06	202.99	4.26	4,617.42	5,085.52	156.41	5.38	161.79
Disposals	-	-	0.78	0.35	-	1.09	0.16	-	15.09	17.47	-	-	-
Closing Accumulated Depreciation	-	53.41	83.87	75.06	39.31	6.97	202.83	4.26	4,602.34	5,088.05	156.41	5.38	161.79
Net Carrying Amount	1,652.96	4,349.41	4,853.50	169.11	89.80	28.78	663.18	31.82	60,998.50	72,837.06	351.52	6.33	357.85
Year Ended 31 March 2017													
Gross Carrying Value													
Opening Gross Carrying Amount	1,652.96	4,402.82	4,937.37	244.17	129.11	35.75	866.01	36.08	65,600.83	77,905.11	507.93	11.71	519.64
Addition during the Year	-	28.55	455.31	150.58	195.83	-	35.87	-	12,184.12	13,050.26	257.99	-	257.99
Deduction during the Year	-	79.45	147.03	0.11	0.45	-	34.92	-	28.20	290.16	-	-	-
Transfer	-	-	-	8.90	(13.75)	-	5.13	(36.08)	35.79	-	-	-	-
Closing Gross Carrying Value	1,652.96	4,351.92	5,245.64	403.55	310.74	35.75	872.09	-	77,792.55	90,665.21	765.92	11.71	777.63
Accumulated Depreciation													
Opening Accumulated Depreciation	-	53.41	83.87	75.06	39.31	6.97	202.83	4.26	4,602.34	5,088.05	156.41	5.38	161.79
Depreciation during the year	-	52.32	104.96	79.10	55.60	6.88	158.01	-	4,985.64	5,442.51	169.60	4.80	174.40
Disposals	-	7.78	3.71	0.06	0.45	-	12.27	-	10.89	35.16	-	-	-
Transfer	-	-	-	0.30	(1.01)	-	0.71	(4.26)	4.26	-	-	-	-
Closing Accumulated Depreciation	-	97.95	185.12	154.40	93.45	13.85	349.28	-	9,581.35	10,475.39	326.01	10.18	336.19
Net Carrying Amount	1,652.96	4,253.97	5,060.53	249.15	217.29	21.90	522.81	-	68,211.20	80,189.81	439.91	1.53	441.44

**Gross block and accumulated depreciation details as on 1st April, 2015 under previous GAAP**

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	Goodwill	Total
Gross block	1,652.96	4,773.55	4,876.38	370.12	246.65	86.45	1,572.58	57.31	86,953.25	1,00,589.26	1,269.27	55.70	3,398.91	4,723.88
Accumulated depreciation	-	371.25	439.76	214.02	158.04	47.84	784.06	21.23	28,390.41	30,476.60	902.27	43.99	849.73	1,795.99
Net Carrying Amount	1,652.96	4,402.30	4,386.62	156.11	88.61	38.61	788.52	36.08	58,562.85	70,112.66	367.00	11.71	2,549.18	2,927.90

\* Lease hold land is amortised over a period of lease. Amount of amortisation for the current year is shown in depreciation column.

**Notes:**

a) For Securities refer note no 20

## b) IMPAIRMENT OF FIXED ASSETS

Management has carried out a review, of the carrying value of assets as March 31, 2017 in accordance with the provisions of Ind AS - 36 Impairment of Assets. Based on this review, the management is of the opinion, that there are no impairment indicators that necessitate any adjustments to the carrying value of the assets. The same has been relied by the auditor.



**ADANI GAS LIMITED**

Notes to financial statements for the year ended 31-Mar-2017

**NOTE : 5 CAPITAL WORK IN PROGRESS**

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Capital Work in Progress	8,665.03	14,150.83	17,504.38
Finance Charges	-	1,551.30	3,077.83
	<b>8,665.03</b>	<b>15,702.13</b>	<b>20,582.21</b>

**NOTE : 6 INVESTMENT IN JOINT VENTURE**

(₹ in Lacs)

PARTICULAR	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Unquoted-Trade Investment In Joint Venture 8,50,00,000 (P.Y 4,50,00,000) shares of Indian Oil -Adani Gas Pvt. Ltd. of ₹ 10/- each	8,500.00	4,500.00	1,230.00
	<b>8,500.00</b>	<b>4,500.00</b>	<b>1,230.00</b>

**NOTE : 7 OTHER NON CURRENT FINANCIAL ASSETS**

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Other Receivable from Related Parties	189.89	189.89	176.86
<b>Security Deposits</b>			
Unsecured, considered good			
- With Government	197.54	237.01	471.41
- With Others	350.06	415.17	333.95
Interest Accrued and due on deposit	165.40	150.81	133.77
Interest Accrued and not due on deposit	3.03	3.39	3.90
<b>Share application money pending allotment</b>			
JV-Indian Oil-Adani Gas Pvt. Ltd	-	750.00	-
	<b>905.92</b>	<b>1,746.27</b>	<b>1,119.89</b>

**NOTE : 8 INCOME TAX ASSETS (NET)**

(Unsecured, Considered Good)

(₹ in Lacs)

PARTICULAR	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Advance Payment of Income Tax (Net)	241.32	197.65	1,066.68
	<b>241.32</b>	<b>197.65</b>	<b>1,066.68</b>

**NOTE : 9 OTHER NON CURRENT ASSETS**

(Unsecured, Considered Good)

(₹ in Lacs)

PARTICULAR	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Balance with Government Authorities	650.74	651.09	650.38
<b>Advance against Expenses</b>			
Unsecured, considered good			
- Capital	243.67	24.67	53.99
	<b>894.41</b>	<b>675.76</b>	<b>704.37</b>



ADANI GAS LIMITED

Notes to financial statements for the year ended 31-Mar-2017

NOTE : 10 INVENTORIES

(At cost or net realisable value whichever is lower)

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Stock in trade / Finished Goods	738.63	779.51	744.70
Stores and spares	3,129.87	3,090.31	2,804.33
	<b>3,868.50</b>	<b>3,869.82</b>	<b>3,549.03</b>

NOTE : 11 CURRENT INVESTMENTS

(₹ in Lacs)

PARTICULAR	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
<b>Unquoted Mutual Funds</b>			
261,485,006 units of Rs. 10 each DHFL Pramerica Insta Cash Plus Fund (Direct) - Growth Option	552.67	-	-
9,05,939,338 units of Rs. 10 each in JM High Liquidity Fund (Direct) - Growth Option	-	375.37	-
	<b>552.67</b>	<b>375.37</b>	<b>-</b>

NOTE : 12 TRADE RECEIVABLES

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
(i) Unsecured, considered good	5,621.12	3,928.05	6,333.33
(ii) Doubtful	73.27	39.92	49.44
	<b>5,694.39</b>	<b>3,967.97</b>	<b>6,382.77</b>
(iii) Provision for doubtful receivable	(73.27)	(39.92)	(49.44)
	<b>5,621.12</b>	<b>3,928.05</b>	<b>6,333.33</b>

NOTE : 13 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
<b>Cash &amp; Cash Equivalents</b>			
i) Balances with banks			
- In Current Account	1,353.91	687.31	6,121.16
- In Fixed Deposit Account (Due within 3 Months)	200.00	525.00	6,518.59
- In Margin Deposit Account (Due within 3 Months)	-	-	-
ii) Cash on hand	10.58	-	0.42
iii) Cheque on hand	-	-	779.25
	<b>1,564.49</b>	<b>1,212.31</b>	<b>13,419.42</b>

As per the amendment to Schedule III of the Companies Act, 2013 by MCA notification G.S.R 308(E) dated 30th March 2017, every company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016. Said details are as under

Particulars	SBN's	Other Denomination Notes	Total
Closing cash in hand as at 08-Nov-16	14,42,500	18,252	14,60,752
+ Permitted Receipts	40,85,500	6,87,88,893	7,28,74,393
- Permitted Payments	-	-	-
- Amount deposited in Banks	55,28,000	6,73,10,789	7,28,38,789
Closing cash in hand as on 30-Dec-16	-	<b>14,96,356</b>	<b>14,96,356</b>



## ADANI GAS LIMITED

Notes to financial statements for the year ended 31-Mar-2017

## NOTE : 14 OTHER BANK BALANCES

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Deposits with original maturity over 3 months but less than 12 months	2.55	1.70	1.61
	<b>2.55</b>	<b>1.70</b>	<b>1.61</b>

## NOTE : 15 CURRENT LOANS

(Unsecured, considered good)

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Loans to related parties	48,506.09	30,626.18	-
Loan to employees	23.13	5.47	11.47
	<b>48,529.22</b>	<b>30,631.65</b>	<b>11.47</b>

## NOTE : 16 OTHER FINANCIAL ASSETS

(Unsecured, considered good)

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Interest Accrued and Not Due on deposit	4.78	4.95	7.08
Other Receivables from Related Parties	51.87	298.43	794.83
	<b>56.65</b>	<b>303.38</b>	<b>801.91</b>

## NOTE : 17 OTHER CURRENT ASSETS

(Unsecured, considered good)

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Advance against expenses	120.34	217.65	79.86
<b>Balance with Government Authorities</b>			
Excise & Service Tax	994.84	1,128.58	972.31
VAT & CST	1,895.12	2,551.09	2,635.84
Prepaid Expenses	388.01	618.75	29.54
	<b>3,398.31</b>	<b>4,516.07</b>	<b>3,717.55</b>





**ADANI GAS LIMITED**

**Notes to financial statements for the year ended 31-Mar-2017**

**NOTE : 18 SHARE CAPITAL**

(₹ in Lacs)

Particulars	AS AT 31-Mar-2017		AS AT 31-Mar-2016	
	No. of Share	(₹ in Lacs)	No. of Share	(₹ in Lacs)
<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>25,67,42,040</b>	<b>25,674.20</b>

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

**Equity shares**

Particulars	AS AT 31-Mar-2017		AS AT 31-Mar-2016	
	No. of Share	(₹ in Lacs)	No. of Share	(₹ in Lacs)
At the beginning of the period	256742040	25,674.20	256742040	25,674.20
Issued during the period	-	-	-	-
Outstanding at the end of the period	<b>256742040</b>	<b>25,674.20</b>	<b>256742040</b>	<b>25,674.20</b>

**(b) Terms/ rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the no. of equity shares held by the shareholders. The company declares and pays dividends in Indian rupees. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend.

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

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

**Equity shares of ₹ 10/- Each Fully paid**

Name of Share Holders	AS AT 31-Mar-2017		AS AT 31-Mar-2016	
	No. of Share	(₹ in Lacs)	No. of Share	(₹ in Lacs)
Adani Enterprises Ltd (along with its nominees)	-	-	256742040	25,674.20
Adani Gas Holdings Ltd (along with its nominees)	256742040	25,674.20	-	-

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

**Equity shares of ₹ 10/- Each Fully paid**

Name of Share Holders	AS AT 31-Mar-2017		AS AT 31-Mar-2016	
	No. of Share	% holding in the Class	No. of Share	% holding in the Class
Adani Enterprises Ltd (along with its nominees)	-	-	256742040	25,674.20
Adani Gas Holdings Ltd (Along with its nominees)	256742040	25,674.20	-	-



ADANI GAS LIMITED

Notes to financial statements for the year ended 31-Mar-2017

NOTE : 23 SHORT TERM BORROWINGS

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Loan repayable on demand			
From Banks - Secured			
Cash Credit	-	-	-
Unsecured Borrowings			
Commercial Paper	15,000.00	30,000.00	-
Demand Loan - Secured			
From Bank	-	3,600.00	-
Term Loan - Unsecured			
From Bank	2,000.00	3,000.00	2,000.00
	<b>17,000.00</b>	<b>36,600.00</b>	<b>2,000.00</b>

NOTE : 24 TRADE PAYABLE

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Trade payables			
- Micro, small and medium enterprise (Refer Note 39(a))	3.08	2.28	0.08
- Others	5,264.37	4,474.62	5,616.10
	<b>5,267.45</b>	<b>4,476.90</b>	<b>5,616.18</b>

Note: 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	-	-	-

NOTE : 25 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Current maturities of long term debt (refer sub note of note 5 for security offered)			
- Loan from Financial Institution	-	-	3,276.65
- Loan from Bank	5,842.90	1,458.82	4,733.41
<b>Total</b>	<b>5,842.90</b>	<b>1,458.82</b>	<b>8,010.06</b>
Interest accrued and due on borrowings	-	-	2.39
Interest accrued but not due on borrowings	82.33	108.44	155.42
Security Deposit from Contractor	160.11	312.20	316.29
Other payables			
- Creditors for Capital Goods	3,070.61	1,403.84	442.67
- Retention Money	703.66	156.62	162.21
- Others	0.04	0.41	(0.02)
	<b>9,859.65</b>	<b>3,440.33</b>	<b>9,089.02</b>

NOTE : 26 PROVISIONS

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Provision for Gratuity (Refer Note 31)	256.18	167.79	66.50
Provision for Leave Encashment	109.56	99.57	82.34
	<b>365.74</b>	<b>267.36</b>	<b>148.84</b>

NOTE : 27 OTHER CURRENT LIABILITIES

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Statutory Dues Payable (includes TDS, VAT, PF etc.)	521.14	684.47	670.98
Customer Advances	139.76	577.00	241.20
	<b>660.90</b>	<b>1,261.47</b>	<b>912.18</b>



ADANI GAS LIMITED

Notes to financial statements for the year ended 31-Mar-2017

NOTE : 19 OTHER EQUITY

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
<b>SURPLUS/ (DEFICIT) IN STATEMENT OF PROFIT AND LOSS</b>			
Balance as per last financial statements	35,724.51	32,845.38	32,818.91
Add : Ind AS adjustments to Retained Earnings	-	-	26.47
Add : Profit for the year	10,119.16	8,147.57	-
Less : Interim Dividend on Equity Shares	-	4,364.62	-
Less : Tax on Interim Dividend	-	888.53	-
Less : Depreciation Adjustments in Retained Earnings	-	-	-
Less : Other Comprehensive Income	(33.31)	(15.28)	-
	<b>45,810.36</b>	<b>35,724.51</b>	<b>32,845.38</b>

NOTE : 20 LONG TERM BORROWINGS

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
<b>Term loans - Secured</b>			
From Financial Institution	-	-	6,553.30
From Bank	32,067.27	9,419.51	14,059.52
<b>Other Loans - Unsecured</b>			
From related parties (Holding Company)	-	-	4,800.00
	<b>32,067.27</b>	<b>9,419.51</b>	<b>25,412.82</b>

Sub Notes:

i) Security Details:

**Rupee Term Loans from bank is secured by**

- First exclusive charge of Immovable Property of Ahmedabad and hypothecation charge over Plant and Machinery and other assets of the company at Ahmedabad, Vadodara, Khurja & Faridabad plants.
- Second pari passu charge over all present & future current assets of AGL, uncalled capital present & future, goodwill, cash flows, receivables, book debt & revenue of Adani Gas Ltd.

ii) Repayment terms:

- Long Term Rupee Term Loan of ₹ 9,441.18 Lacs is repayable in 15 quarterly installments of ₹ 629.41 lacs each beginning from 14th April 2017 and said loan carries Interest Rate equal to the benchmark rate, presently @ 9.35% and is payable on monthly basis.
- Long Term Rupee Term Loan of ₹ 13500 Lacs is repayable at 10% every year from FY 17-18 to FY 21- 22 and then remain 50% in rest 3 years i.e. till FY 24- 25 and said loan carries Interest Rate equal to the benchmark rate, presently @ 8.45% and is payable on monthly basis.
- Long Term Rupee Term Loan of ₹ 15000 Lacs is repayable in 18 Quarterly Installment of ₹ 833.33 Lacs each and said loan carries Interest Rate equal to the benchmark rate, presently @ 9.10% and is payable on monthly basis.
- For Current maturities of Long term borrowing refer Note No-25 "Other Current Financial Liabilities"

NOTE : 21 OTHER LONG TERM FINANCIAL LIABILITIES

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Retention Money	131.75	293.13	-
Security Deposit From Customers	20,082.50	18,044.28	16,589.29
	<b>20,214.25</b>	<b>18,337.41</b>	<b>16,589.29</b>

Note:

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

NOTE : 22 LONG TERM PROVISIONS

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Provision for Gratuity	-	-	99.36
Provision for Leave Encashment	218.17	163.34	133.91
	<b>218.17</b>	<b>163.34</b>	<b>233.27</b>



**ADANI GAS LIMITED**

**Notes to financial statements for the Year ended 31-Mar-2017**

**NOTE : 28 REVENUE FROM OPERATIONS**

(₹ in Lacs)

PARTICULARS	For the Year Ended 31-Mar-2017	For the Year Ended 31-Mar-2016
<b>Sale of Goods</b>		
(i) CNG Sales	61,387.01	61,913.51
(ii) PNG Sales	53,480.45	57,420.35
<b>Sale of Services</b>		
(i) Connection Income	604.19	525.46
(ii) Transportation Income	242.56	243.55
<b>Other Operating revenues</b>	529.99	419.38
	<b>1,16,244.20</b>	<b>1,20,522.25</b>

**NOTE : 29 OTHER INCOME**

(₹ in Lacs)

PARTICULARS	For the Year Ended 31-Mar-2017	For the Year Ended 31-Mar-2016
Interest Income	3,248.55	1,983.04
Foreign Exchange Gain	2.43	3.18
Net Gain on sale of Current Investments	45.02	65.48
Liabilities no longer required	29.88	79.15
Sale of Stores and Spares	426.67	407.57
Other non-operating income	53.95	54.73
Corporate Guarantee Income	247.14	191.33
	<b>4,053.64</b>	<b>2,784.48</b>

**NOTE : 30 COST OF RAW MATERIALS CONSUMED**

(₹ in Lacs)

PARTICULARS	For the Year Ended 31-Mar-2017	For the Year Ended 31-Mar-2016
Opening Stock	-	-
Add : Transfer from Purchase of Stock in trade	26,977.83	30,969.02
	<b>26,977.83</b>	<b>30,969.02</b>
Less : Closing Stock	-	-
	<b>26,977.83</b>	<b>30,969.02</b>





**ADANI GAS LIMITED**

**Notes to financial statements for the Year ended 31-Mar-2017**

**NOTE : 31 PURCHASE OF STOCK IN TRADE**

(₹ in Lacs)

PARTICULARS	For the Year Ended 31-Mar-2017	For the Year Ended 31-Mar-2016
Purchase of Stock in Trade	67,865.85	75,298.99
Less: Transfer for CNG Conversion	26,977.83	30,969.02
	<b>40,888.02</b>	<b>44,329.97</b>

**NOTE : 32 CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE**

(₹ in Lacs)

PARTICULARS	For the Year Ended 31-Mar-2017	For the Year Ended 31-Mar-2016
Opening stock of Finished Goods / Stock in Trade	779.51	744.70
Less: Closing Stock of Finished Goods / Stock in Trade	738.63	779.51
	<b>40.88</b>	<b>(34.81)</b>

**NOTE : 33 EMPLOYEE BENEFIT EXPENSE**

(₹ in Lacs)

PARTICULARS	For the Year Ended 31-Mar-2017	For the Year Ended 31-Mar-2016
Salaries and wages	2,469.03	1,958.66
Contractual Manpower Expenses	1,001.64	1,076.54
Contribution to provident and other funds	189.68	155.08
Staff Welfare Expenses	276.08	188.25
	<b>3,936.43</b>	<b>3,378.53</b>

**NOTE : 34 FINANCE COSTS**

(₹ in Lacs)

PARTICULARS	For the Year Ended 31-Mar-2017	For the Year Ended 31-Mar-2016
<b>I. Interest</b>		
Interest on Term Loan	1,624.75	2,053.94
Interest on Security Deposit	292.87	285.00
Interest on Commercial Paper	2,359.70	1,585.55
Interest on Income Tax	27.16	-
Interest to Municipal Corporation	-	0.02
Interest on Inter Corporate Deposit	-	78.18
Interest Others	34.62	40.24
<b>II. Other Borrowing Cost</b>		
Bank Charges	87.44	224.12
	<b>4,426.54</b>	<b>4,267.05</b>



**ADANI GAS LIMITED**

**Notes to financial statements for the Year ended 31-Mar-2017**

**NOTE : 35 OTHER EXPENSES**

(₹ in Lacs)

PARTICULARS	For the Year Ended 31-Mar-2017	For the Year Ended 31-Mar-2016
Consumption of stores and spare parts ( Note - 39 (I) )	1,064.10	1,271.27
Power and fuel	2,268.71	2,537.78
Transportation Charges	308.07	290.12
Security Expenses	123.81	107.47
Commission & Brokerage	567.77	524.81
Rent	218.92	253.41
Repairs to buildings	146.55	80.85
Repairs to machinery	1,233.83	833.08
Repairs to Others	151.71	117.47
Insurance	47.35	45.15
Rates and taxes	366.04	402.18
Legal and Professional Fees	787.49	539.21
Travelling and Conveyance Expenses	345.26	251.67
Advertisement and Business Promotion Expenses	340.74	132.03
Office Expenses	84.22	84.11
Communication & IT Expenses	374.68	273.40
Printing and Stationery Expenses	94.43	62.56
Domestic Connection Expenses	2.07	-
Donation	161.50	0.50
Corporate Social Responsibility Expenses	228.52	197.00
Director Sitting Fees	2.28	-
Payment to Auditors		
(i) Statutory Audit Fees	6.50	7.44
(ii) Tax Audit Fees	2.00	2.33
(iii) Other Attestation Services	1.08	1.49
Miscellaneous expenses	58.43	22.92
Provision / Write-off for Doubtful Receivables (Net)	33.35	(9.51)
Loss on Sale on Asset	142.09	196.21
	<b>9,161.50</b>	<b>8,224.95</b>

**NOTE : 36 EXCEPTIONAL ITEMS**

(₹ in Lacs)

PARTICULARS	For the Year Ended 31-Mar-2017	For the Year Ended 31-Mar-2016
Abandoned Project Write Off	6,096.69	5,423.71
	<b>6,096.69</b>	<b>5,423.71</b>



# ADANI GAS LIMITED

Notes to financial statements for the year ended 31 March 2017

## Note : 37 INCOME TAX EXPENSE

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

(₹ in Lacs)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
<b>Deferred Tax Liabilities on account of</b>			
Timing difference between books and tax depreciation	9,097.84	8,096.39	7,212.31
<b>Ind As Adjustment on following:</b>			
Ancillary Borrowing cost	5.83	7.50	14.01
Corporate Gurrantee Income	-	66.22	-
MTM gain on Mutual Fund	-	0.13	-
Reversal of Goodwill Amortisation	-	58.82	-
<b>Total</b>	<b>9,103.67</b>	<b>8,229.06</b>	<b>7,226.32</b>
<b>Deferred Tax Assets on account of</b>			
Leave Encashment & Gratuity	202.08	149.05	129.88
Provision for Doubtful debts	25.36	13.82	16.81
Bonus	33.60	26.97	22.79
<b>Total</b>	<b>261.04</b>	<b>189.84</b>	<b>169.48</b>
	<b>8,842.63</b>	<b>8,039.22</b>	<b>7,056.84</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 2017 & 31st March 2016 with breakup of differences in Profit as per the Financial Statements & as per Income Tax Act, 1961.

Particulars	For the Year Ended 31-Mar-2017	For the Year Ended 31-Mar-2016
Profit Before Tax	15,609.09	13,846.47
Tax Rate for Corporate Entity as per I. Tax Act, 1961	34.61%	34.61%
<b>Tax Expense as per Income Tax Act, 1961</b>	<b>5,402.07</b>	<b>4,791.99</b>
<b>Non Deductible Items under Income Tax Act :</b>		
Donation	28.03	34.34
CSR Expenses	39.54	-
Interest on Income Tax	9.40	28.79
Tax Adjustments of earlier years	14.42	708.44
Ind As Impact for the year	-	126.74
Others	(3.54)	8.60
	<b>5,489.93</b>	<b>5,698.90</b>

## Note : 38 FAIR VALUE MEASUREMENT AND HIERARCHY

### a) Financial Assets and Liabilities

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

(₹ in Lacs)

Particulars	Fair Value through profit or loss	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>

The carrying value of financial instruments by categories as of March 31, 2016 is as follows :

(₹ in Lacs)

Particulars	Fair Value through profit or loss	Amortised cost	Total
<b>Financial Assets</b>			
Cash and cash equivalents	-	1,212.31	1,212.31
Other Bank balances	-	1.70	1.70
Investments	375.37	-	375.37
Trade Receivables (including bill discounted)	-	3,928.05	3,928.05
Loans	-	30,631.65	30,631.65
Other Financial assets	-	2,049.65	2,049.65
<b>Total</b>	<b>375.37</b>	<b>37,823.36</b>	<b>38,198.73</b>
<b>Financial Liabilities</b>			
Borrowings (including the bills discounted)	-	46,019.51	46,019.51
Trade Payables	-	4,476.90	4,476.90
Other Financial Liabilities	-	21,777.74	21,777.74
<b>Total</b>	<b>-</b>	<b>72,274.15</b>	<b>72,274.15</b>



# ADANI GAS LIMITED

Notes to financial statements for the year ended 31 March 2017

The carrying value of financial instruments by categories as of March 31, 2015 is as follows :

(₹ in Lacs)

Particulars	Fair Value through profit or loss	Amortised cost	Total
<b>Financial Assets</b>			
Cash and cash equivalents	-	13,419.42	<b>13,419.42</b>
Other Bank balances	-	1.61	<b>1.61</b>
Investments	-	-	-
Trade Receivables (including bill discounted)	-	6,333.33	<b>6,333.33</b>
Loans	-	11.47	<b>11.47</b>
Other Financial assets	-	1,921.80	<b>1,921.80</b>
<b>Total</b>	-	<b>21,687.63</b>	<b>21,687.63</b>
<b>Financial Assets</b>			
Borrowings (including the bills discounted )	-	27,412.82	<b>27,412.82</b>
Trade Payables	-	5,616.18	<b>5,616.18</b>
Other Financial Liabilities	-	25,678.31	<b>25,678.31</b>
<b>Total</b>	-	<b>58,707.31</b>	<b>58,707.31</b>

## b) Fair Value Hierarchy :

(₹ in Lacs)

Particulars	As at March 31, 2017		
	Level 1	Level 2	Total
<b>Assets :</b>			
Investment (other than investment in joint venture and associates)	-	552.67	<b>552.67</b>
Derivative instrument	-	-	-
Financial Guarantees, given	-	-	-
<b>Total</b>	-	<b>552.67</b>	<b>552.67</b>
<b>Liabilities :</b>			
Derivative instruments	-	-	-
Financial Guarantees, received	-	-	-
<b>Total</b>	-	-	-

(₹ in Lacs)

Particulars	As at March 31, 2016		
	Level 1	Level 2	Total
<b>Assets :</b>			
Investment (other than investment in joint venture and associates)	-	375.37	<b>375.37</b>
Derivative instrument	-	-	-
Financial Guarantees, given	-	-	-
<b>Total</b>	-	<b>375.37</b>	<b>375.37</b>
<b>Liabilities :</b>			
Derivative instruments	-	-	-
Financial Guarantees, received	-	-	-
<b>Total</b>	-	-	-

## Note : 39 FINANCIAL INSTRUMENTS AND RISK REVIEW

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations/projects and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate risk, credit risk and liquidity risk.

### Interest risk

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

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

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

(₹ in Lacs)

Particulars	For the year ended 31-Mar-2017	For the year ended 31-Mar-2016
Impact on profit for the year	271.90	227.94





# ADANI GAS LIMITED

Notes to financial statements for the year ended 31 March 2017

## 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.

Particular	Less than 1 year	1 to 5 years	More than 5	Total
Borrowings	22,842.90	31,067.27	1,000.00	54,910.17
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>32,127.10</b>	<b>31,067.27</b>	<b>21,214.25</b>	<b>84,408.61</b>

## NOTE : 40 Contingent Liabilities and Commitments:

(₹ in Lacs)

Particulars	As at 31-Mar-2017	As at 31-Mar-2016
<b>A) Contingent Liabilities</b>		
a) Pending labour matters contested in various courts	79.63	204.40
b) Cases pending in Consumer Forums	2.34	2.59
c) Cases pending in MACT	10.00	10.00
d) In respect of Service tax & Excise Duty	4,150.52	4,368.34
f) In respect of Income tax	733.31	280.23
g) Special Civil Suits	25.00	25.00
h) Bank Guarantee on behalf of JV company	2,47,138.00	2,47,138.00
i) Claims received but not acknowledged as Debt	-	-
-Take or pay liability towards gas procurement of Ahmedabad and Vadodara	-	-
j) Case pending in CCI	2,567.00	2,567.00
<b>Total A</b>	<b>2,54,705.81</b>	<b>2,54,595.56</b>
<b>B) Commitments</b>		
<b>i) Capital</b>		
Estimated amount of contracts on capital account to be executed and not provided for (Net of advances)	2,349.52	1,958.22
<b>ii) Others (Net of advances)</b>	-	-
<b>Total B</b>	<b>2,349.52</b>	<b>1,958.22</b>
<b>Total (A+B)</b>	<b>2,57,055.33</b>	<b>2,56,553.78</b>

## NOTE : 41 OPERATING LEASES

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

- The aggregate lease rentals payable are charged to the Statement of Profit and Loss as Rent in Note 39.
- The leasing arrangements which are cancellable at any time on month to month basis and in some cases between 11 months to 5 years are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally interest free refundable deposits have been given.
- Disclosure in respect of leasing arrangements which are non cancellable for a period exceeding 5 years is as under :

Particulars	As at 31-Mar-2017	As at 31-Mar-2016
Total of Future minimum lease payment under non-cancellable operating lease for each of the following periods :		
Not later than one year	152.81	244.23
Later than one year and not later than five years	325.64	416.87
later than five years	229.41	295.71
Lease payment recognised in Statement of Profit & Loss	218.92	253.41



# ADANI GAS LIMITED

## Notes to financial statements for the year ended 31 March 2017

### 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.

(Rupees in Lacs)

Particulars	As at 31/Mar/2017	As at 31/Mar/2016
<b>i. Change in Obligations during the year</b>		
Present Value of Obligations at the beginning of the year	418.37	320.74
Current Service Cost	55.60	45.31
Interest cost	33.03	25.55
Actuarial loss/(gain)	55.07	27.83
Acquisition Adjustment	1.14	-
Benefit paid	(3.28)	(1.06)
<b>Present Value at the end of the year</b>	<b>559.91</b>	<b>418.37</b>
<b>ii. Change in Plan Assets during the year</b>		
Present Value of Plan Assets at the beginning of the year	250.58	154.88
Expected return on plan assets	19.78	12.34
Employer's Contributions	29.70	80.09
Actuarial (loss)/gain	4.13	4.46
Benefit paid	(0.45)	(1.18)
<b>Present Value at the end of the year</b>	<b>303.73</b>	<b>250.58</b>
<b>iii. Net Asset / (Liability) recognised in the Balance Sheet</b>		
Present Value of Obligations	559.91	418.37
Fair Value of Plan Assets	303.73	250.58
<b>Net Asset / (Liability)</b>	<b>(256.18)</b>	<b>(167.79)</b>
<b>iv. Composition of Plan Assets</b>		
Insurance Funds		
<b>v. Expense recognised in the Statement of Profit and Loss</b>		
Current Service Cost	55.60	45.31
Interest cost	33.03	25.55
Expected return on the plan assets	(19.78)	(12.34)
	<b>68.84</b>	<b>58.52</b>
<b>vi. Expense recognised in Other Comprehensive Income</b>		
Actuarial (Gains) / Losses	50.94	23.37
Return on plan assets, excluding amount recognised in net interest expense	-	-
	<b>50.94</b>	<b>23.37</b>
<b>vii. Past four years data for defined benefit obligation and fair value of plan</b>		

	2016-17	2015-16	2014-15	2013-14
Obligations at the end of the year	559.91	418.37	320.74	181.68
Plan assets at the end of the year	303.73	250.58	154.88	141.74
<b>Net Assets / (Liability) at the end of year</b>	<b>256.18</b>	<b>167.79</b>	<b>165.86</b>	<b>39.94</b>
<u>Experience Adjustment on :</u>				
(Gain) / Loss for Plan Liabilities	55.07	25.47	16.69	16.36
Gain / (Loss) for Plan Assets	(4.13)	4.46	3.96	0.52

#### viii. **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 :

	As at 31/Mar/2017	As at 31/Mar/2016
Discount Rate	7.60%	7.90%
Expected Rate of Return on Plan Assets	7.95%	7.95%
Mortality / Pre-retirement	100.00%	100.00%
Turnover Rate	2.00%	2.00%
Rate of Escalation in Salary (p.a.)	8.00%	8.00%



## Notes to financial statements for the year ended 31 March 2017

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/2017	As at 31/Mar/2016	As at 31/Mar/2017	As at 31/Mar/2016
Discount Rate (- / + 1%)	502.38	375.11	628.71	470.29
Salary Growth Rate (- / + 1%)	627.74	469.72	502.08	374.77
Attrition Rate (- / + 1%)	557.63	417.81	562.48	418.98
Mortality Rate (- / + 1%)	559.85	418.36	559.98	418.38

## ix. 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. 30,973,260.

## 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 2016: 12 years). The expected maturity analysis of gratuity benefits is as follows :

	As at 31/Mar/2017	As at 31/Mar/2016
Less than a year	100.48	82.75
Between 2 to 5 years	61.99	47.44
Between 5 to 10 years	218.28	137.53
Beyond 10 years	1,276.65	1,064.11
	<u>1,657.41</u>	<u>1,331.84</u>

## x. Risk Exposure and Asset Liability Matching

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

## (b) Defined Benefit Contributions :

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

## (c) Other Long Term Employee Benefits :

Other long term employee benefits comprise of compensated absences/leaves, which are recognised based on actuarial valuation. The actuarial liability for compensated absences as at the year ended 31st March, 2017 is ₹ 327.73 Lacs (31st March 2016: ₹ 298.81 Lacs).



# ADANI GAS LIMITED

## Notes to financial statements for the year ended 31 March 2017

### 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. (w.e.f 29-03-17)

##### B Holding Company

Adani Enterprises Ltd. (up to 28-03-17)

(Controlled by S. B. Adani Family Trust, a private discretionary trust)

Adani Gas Holding Ltd (w.e.f. 29-03-17)

##### 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

##### F Key Management Personnel

Mr. Shridhar Tambraparni, Whole time Director

Mr. Naresh Poddar, CFO

Mr. Hardik Sanghvi, Company Secretary

#### ii) Transaction with Related parties

(₹ in Lacs)

Related Party	Relation	Nature of Transaction	For the year ended 31-03-2017	For the year ended 31-03-2016
Adani Enterprises Ltd.	Ultimate Holding Company	Loan Given	45,379.91	41,800.86
		Loan Received back	27,500.00	11,800.86
		Loan taken	-	-
		Loan Repaid	-	4,800.00
		Payment of Int on Loan	-	78.18
		Receipt of Int on Loan	3,199.90	1,726.68
		Services availed	335.53	113.24
Adani Power Ltd	Common Control Entity	Transfer of Employee Liabilities	4.50	-
Adani Energy Ltd	Fellow Subsidiary	Advance given for Exp	-	13.03
Indian Oil-Adani Gas Pvt Ltd	Joint Venture	Reimbursement of Exp	-	230.84
		Sale of Inventory	145.89	11.48
		Services Rendered	640.27	-
		Security Deposit	-	6.68
		Investment in equity	3,250.00	4,020.00
		Guarantees given on behalf of Company	-	2,50,000.00
Shridhar Tambraparni	Whole Time Director	Remuneration	136.10	123.63

#### Key Management Personnel Compensation

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
Short Term Employee Benefits	120.14	110.03
Post Employment Benefits	11.66	10.87
Long Term Employee Benefits	4.29	2.73
<b>Total</b>	<b>136.10</b>	<b>123.63</b>

- 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, 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

(₹ in Lacs)

Related Party	Relation	Balance as at 31-03-2017	Balance as at 31-03-2016
Adani Enterprises Ltd.	Controlling Company	48,402.74	30,597.52
Adani Power Limited	Entities where one or more KMP has significant influence	(4.71)	(0.19)
Adani Energy Ltd	Fellow Subsidiary	189.89	189.89
Indian Oil-Adani Gas Pvt Ltd	Joint Venture	51.87	107.10

- 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 March 2017

### NOTE : 44 EARNING PER SHARE

Pursuant to the Accounting Standard - 20 – Earning per share, as prescribed under Companies (Accounting Standard) Rules, 2006 (as amended) the disclosure is as under:

Particulars	For the Year Ended 31-Mar-2017	For the year ended 31-Mar-2016
Net Profit available for equity share holder (₹ in Lacs)	10119.16	8147.57
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 ₹)	3.94	3.17

### NOTE : 45 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Company. The Company is required to incur any CSR expense of ₹ 228.52 Lacs (P.Y ₹ 196 Lacs) as per requirement of Section 135 of Companies Act, 2013 and had incurred expense of ₹ 228.52 Lacs (P.Y ₹ 197 Lacs) for the year.

Particulars	Amount Contributed	Amount Contributed	Amount yet to contribute
a) Construction/acquisition of any assets	-	-	-
b) On purpose other than (a) above	228.52	-	228.52
Total	228.52	-	228.52

**NOTE : 46** The company evaluates its working capital position for ensuing financial year based on the projected cash flow statement. The Company plans to meet the financial obligations based on continued support from lenders, trade creditors as well as fellow subsidiaries as may be required to sustain its operation on going concern basis. Having regard to the above, the financial statements have been prepared by the Management of the Company on a going concern basis.

### NOTE : 47 OTHER DISCLOSURE

- The information on Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
- In the opinion of the Management and to the best of their knowledge and belief, the value under the head of Current and Non-Current Assets (other than fixed assets and non-current investments), are approximately of the value stated, if realized in the ordinary course of business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
- Item of expenditure in Statement of Profit & Loss includes reimbursement to and by the company, as agreed upon between group companies.
- The Company has constructed building and facilities for processing and distribution of natural gas on plots allotted on long term lease by Ahmedabad Municipal Corporation and has paid rent accordingly.
- An amount of ₹ 1029.31 Lacs (P.Y. 998.62 Lacs) 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 Lacs in statutory returns. Out of balance credit of ₹ 342.01 Lacs, credit of ₹ 80.04 Lacs will be availed in 2017-18 and balance will be availed in statutory returns on consumption of Inputs & capital goods.

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
- 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 Lacs and interest due thereon of Rs. 150.81 Lacs 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 year, the company has suspended/ abandoned certain projects on account of denial of permission from the regulatory authority. Accordingly, expenses incurred on those projects have been written off and are reflected under Exceptional item.
- Fair Value is not materially different from carrying amount.



# ADANI GAS LIMITED

Notes to financial statements for the year ended 31 March 2017

## k) Information regarding purchases, sales and stock:

### Piped Natural Gas

Particulars	For the year ended		For the year ended	
	31-Mar-17		31-Mar-16	
	Quantity (MMSCM)	₹ In Lacs	Quantity (MMSCM)	₹ In Lacs
Opening Stock	3.51	762.71	3.49	728.45
Purchase during the year	423.66	65259.60	394.77	72958.72
Conversion to CNG	230.27	26977.83	218.54	30969.02
Sales during the year	187.69	53480.45	171.47	57420.35
LUAG	5.36	1425.31	4.73	1055.01
Closing stock	3.85	729.45	3.51	762.71

### Compressed Natural Gas

Particulars	For the year ended		For the year ended	
	31-Mar-17		31-Mar-16	
	Quantity (MMSCM)	₹ In Lacs	Quantity (MMSCM)	₹ In Lacs
Opening Stock	0.08	16.25	0.08	16.25
Conversion from PNG	230.27	26977.83	218.54	30969.02
Sales during the year	220.77	53843.06	209.43	54258.97
Captive Consumption of Natural Gas for manufacturing of CNG	3.17	439.34	2.91	602.17
LUAG	6.34	1221.83	6.20	1250.45
Closing stock	0.07	9.18	0.08	16.80

### Notes:

1) Difference in reconciliation of opening stock, purchase, sales and closing stock of gas quantities is on account of measurement tolerance

2) CNG is purchased in SCM but is sold in Kgs. 1 kg of CNG is equivalent to 1.3524 SCM.

## k) Value of Stores and Spares consumed:

Particulars	(₹ in Lacs)	
	For the year ended 31-03-2017	For the year ended 31-03-2016
a) Imported	-	3.92
b) Indigenous	1,064.10	1,267.35
<b>Total</b>	<b>1,064.10</b>	<b>1,271.27</b>

## NOTE: 48 OTHER STATUTORY INFORMATION

### a) Value of Imports calculated on CIF Basis In respect of

Particulars	(₹ in Lacs)	
	For the year ended 31-03-2017	For the year ended 31-03-2016
Capital Goods	283.24	299.16

### b) Expenditure in Foreign Currency

Particulars	(₹ in Lacs)	
	For the year ended 31-03-2017	For the year ended 31-03-2016
Travelling Exp	-	-
Professional Fees	-	-

## NOTE : 49 PREVIOUS YEAR COMPARATIVES

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

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 No. 112054W

ANUJ JAIN  
Partner  
Mem No. 119140



For and on behalf of the Board of  
Adani Gas Ltd

RAJESH S. ADANI  
Director  
DIN: 00006328

NARESH PODDAR  
CFO

SHRIDHAR TAMBAPARNI  
Whole-time Director  
DIN: 07131658

HARDIK SANGHVI  
Company Secretary

Place: Ahmedabad  
Date: 11 MAY 2017

Place: Ahmedabad  
Date: 11 MAY 2017