



Independent Auditor's Report

To the Members of Adani Welspun Exploration Limited

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone 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 Standalone 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 Standalone 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

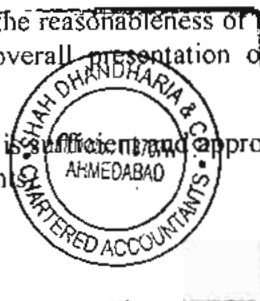
Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

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 Standalone 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 Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 Standalone 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 Standalone 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 Standalone Ind AS Financial Statements.





Independent Auditor's Report

To the Members of Adani Welspun Exploration Limited (Continue)

Opinion

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

Other Matter

1. The attached financial statements include the Company's share of net assets of Rs. 66,94,46,423 and Rs. 118,35,82,690 respectively in 2 unincorporated Joint Ventures not operated by the company, the unaudited accounts of which have been certified by the management and relied upon by us.
2. The company is incurring continuous losses and has a negative net current assets position. However the accounts have been prepared on a going concern basis considering continuous financial support from promoter companies.
3. The comparative financial information of the Company for the year ended 31st March 2017 included in these Financial Statements were audited by previous auditor, whose audit report on these comparative financial statements expressed unmodified opinion which we have relied upon.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;





Independent Auditor's Report

To the Members of Adani Welspun Exploration Limited (Continue)

- 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 does not have any pending litigations which would impact its financial position;
 - 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.

Place : Ahmedabad
Date : 09 May, 2018



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

Pravin Dhandharia
Partner
Membership No. 115490



Annexure - A to the Independent Auditor's Report
RE: Adani Welspun Exploration 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 Standalone Ind AS Financial Statements for the year ended 31st March, 2018, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business.
(c) The company does not own any immovable properties. Accordingly the provisions of paragraph 3 (i) (c) of the Order are not applicable.
- (ii) The Company is in the project development (exploration) stage and has not carried out any commercial activities during the year ended on 31st March, 2018 and hence it does not carry any inventory as defined under Ind AS 2 – Inventories. Accordingly the provisions of paragraph 3 (ii) of the Order are not applicable.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (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 given and investments made by it.
- (v) In our opinion and according to the information and explanation given to us, 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. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- (vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act in respect of the activities to be carried out by the company. However since the Company is under project implementation stage (exploration phase), the maintenance of cost records is not applicable to the company for the year under consideration.
- (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 income tax, sales tax, service tax, goods and service tax, duty of customs, value added tax, cess, provident fund and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

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

- (b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.





Annexure - A to the Independent Auditor's Report

RE: Adani Welspun Exploration Limited (Continue)

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

- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank or financial institution during the year. Further, it has issued 0% Compulsory Convertible Debentures during the year on which no interest payment or principal repayment is to be done.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable.
- (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.
- (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 Standalone Standalone 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 : 09 May, 2018



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

Pravin Dhandharia
Partner
Membership No. 115490



Annexure-B to the Independent Auditor's Report

RE: Adani Welspun Exploration 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 Adani Welspun Exploration Limited (the company) as of 31st March, 2018 in conjunction with our audit of the Standalone 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 standalone 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.



Annexure-B to the Independent Auditor's Report

RE: Adani Welspun Exploration Limited (Continue)

(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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Ahmedabad
Date : 09 May, 2018



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

Pravin Dhandharia
Partner
Membership No. 115490

ADANI WELSPUN EXPLORATION LIMITED

Balance Sheet as at 31 March 2018

		(Amt in Rupees)	
	Notes	As at 31-Mar-2018	As at 31-Mar-2017
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4(a)	1,80,741	1,68,796
(b) Capital Work-In-Progress	5	9,32,67,74,331	9,14,22,78,781
(c) Other Intangible Assets	4(b)	3,93,888	6,42,310
(d) Financial Assets			
(i) Investments	6	60,000	2,41,500
(ii) Loans	7	-	1,50,58,170
(iii) Other Financial Assets	8	6,93,07,640	5,91,68,747
(e) Income Tax Assets (net)		30,65,539	22,36,086
(f) Other Non-current Assets	9	1,70,01,640	7,12,86,104
Total Non-current Assets		9,41,67,83,778	9,29,10,80,494
Current Assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Cash & Cash Equivalents	10	6,65,054	14,60,482
(ii) Loans	11	16,500	-
(iii) Other Financial Assets	12	5,09,60,602	99,03,069
(c) Other Current Assets	13	2,39,68,870	7,04,299
Total Current Assets		7,56,11,027	1,20,67,850
Total Assets		9,49,23,94,805	9,30,31,48,344
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	13,30,00,000	13,30,00,000
(b) Instrument entirely equity in nature	15	8,55,63,64,800	-
(c) Other Equity	16	(8,19,58,942)	5,43,99,060
Total Equity		8,60,74,05,858	18,73,99,061
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	-	5,88,13,43,886
(b) Long term Provisions	18	15,09,140	18,64,397
Total Non-current Liabilities		15,09,140	5,88,32,08,283
Current Liabilities			
(a) Financial Liabilities	19		
(i) Trade Payables		34,42,834	12,65,930
(ii) Borrowings		-	2,72,32,76,852
(iii) Other financial liabilities		86,38,96,719	50,27,55,667
(b) Short term Provisions	20	26,28,141	3,86,428
(c) Other Current Liabilities	21	1,35,12,113	48,56,124
Total Current Liabilities		88,34,79,808	3,23,25,41,001
Total Liabilities		88,49,88,948	9,11,57,49,284
Total Equity and Liabilities		9,49,23,94,805	9,30,31,48,344
Summary of significant accounting policies	2		

The notes referred above are an integral part of these financial statements.

As per our report of even date

For Shah Dhandharia & Co.

Chartered Accountants

Firm Registration Number : 118707W

Pravin Dhandharia

Partner

Membership No. 115490



For and on behalf of the board of directors of
M/s Adani Welspun Exploration Limited

Sandeep Garg
Managing Director
DIN: 00036419

Rajatesh Ganguly
CFO

Jatin Jalundhwala
Director
DIN: 00137888

Gunjan Taunk
Company Secretary

Place : Ahmedabad
Date : 09 May, 2018

Place : Ahmedabad
Date : 09 May, 2018

ADANI WELSPUN EXPLORATION LIMITED

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

			(Amt in Rupees)
	Notes	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Income			
Revenue from Operations		-	-
Other Income	22	1,03,596	1,71,991
Total Income		1,03,596	1,71,991
Expenses			
Operating Expenses		-	-
Employee Benefits Expense	23	2,06,64,713	2,42,29,467
Finance Costs	24	30,77,553	21,66,116
Depreciation and Amortisation Expense	4(a) & 4(b)	7,79,838	45,07,384
Unsuccessful Exploration Costs	37(a)	8,57,08,525	3,42,24,175
Other Expenses	25	2,62,09,055	2,49,89,072
Total Expenses		13,64,39,684	9,01,16,214
Profit / (Loss) Before Tax		(13,63,36,089)	(8,99,44,223)
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Adjustment of Earlier Years		-	-
Total Tax Expenses		-	-
Profit / (Loss) For The Year		(13,63,36,089)	(8,99,44,223)
Other Comprehensive Income / Loss			
- Item that will be reclassified to Profit & Loss		-	-
- Item that will not be reclassified to Profit & Loss			
(i) Remeasurement of employee benefit obligation (net of tax)		(21,914)	(2,62,798)
(Tax - Nil (previous year - Nil))			
Other Comprehensive Loss (After Tax)		(21,914)	(2,62,798)
Total Comprehensive Income for the Year		(13,63,58,003)	(9,02,07,021)
Earning per Equity Share (Face value of Rs.10 each)	34		
Basic		(10.25)	(6.76)
Diluted		(10.25)	(6.76)

Summary of significant accounting policies 2

The notes referred above are an integral part of these financial statements.

As per our report of even date
For **Shah Dhandharia & Co.**
Chartered Accountants
Firm Registration Number : 118707W

Pravin Dhandharia
Partner
Membership No. 115490



For and on behalf of the board of directors of
M/s Adani Welspun Exploration Limited

Sandeep Garg
Managing Director
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Director
DIN: 00137888

Gunjan Taunk
Company Secretary

Place : Ahmedabad
Date : 09 May, 2018

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ADANI WELSPUN EXPLORATION LIMITED

Statement of changes in equity for the year ended 31st March, 2018

A. Equity Share Capital

Particulars	No. of Shares	Amt. in Rupees
As at 31 st March 2016	1,33,00,000	13,30,00,000
Changes in the Equity Share Capital	-	-
As at 31 st March 2017	1,33,00,000	13,30,00,000
Changes in the Equity Share Capital	-	-
As at 31 st March 2018	1,33,00,000	13,30,00,000

B. Other Equity

(Amt in Rupees)

Particulars	Retained Earnings	Share Premium	Total
As at 31 st March 2016	(29,50,09,419)	43,96,15,500	14,46,06,081
Add/(Less):			
Loss for the year	(8,99,44,223)	-	(8,99,44,223)
Other Comprehensive Income	(2,62,798)	-	(2,62,798)
As at 31 st March 2017	(38,52,16,440)	43,96,15,500	5,43,99,060
Add/(Less):			
Loss for the year	(13,63,36,089)	-	(13,63,36,089)
Other Comprehensive Income	-	-	-
As at 31 st March 2018	(52,15,52,528)	43,96,15,500	(8,19,37,028)

The notes referred above are an integral part of these financial statements.

As per our report of even date

For Shah Dhandharia & Co.

Chartered Accountants

Firm Registration Number: 118707W

Pravin Dhandharia

Partner

Membership No. 115490



Place : Ahmedabad

Date : 09 May, 2018

For and on behalf of the board of directors of

M/s Adani Welspun Exploration Limited

Sandeep Garg
Managing Director
DIN:00036419

Rajatesh Ganguly
CFO

Place : Ahmedabad

Date : 09 May, 2018

Jatin Jalundhwala
Director
DIN: 00137888

Gunjan Taunk
Company Secretary

ADANI WELSPUN EXPLORATION LIMITED

Cash Flow Statement for the year ended on 31 March 2018

	(Amt in Rupees)	
	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	(13,63,36,089)	(8,99,44,223)
Adjustment on account of :		
Depreciation and Amortisation Expense	7,79,838	45,07,384
Unsuccessful Exploration Cost written off	8,57,08,525	3,42,24,175
Sundry Balances Written off	(29,916)	-
Unrealised Forex Gain	(73,679)	-
Provision for Doubtful Advances	1,44,28,345	4,25,555
Prov. for Diminution in Value of Investments	1,81,500	-
Finance Costs	30,77,553	21,66,116
Remeasurement of defined employee benefit plans	(21,914)	(2,62,798)
Operating Profit / (Loss) Before Working Capital Changes	(3,22,85,837)	(4,88,83,791)
Movements in Working Capital :		
Decrease/(Increase) in Non-Current Loans and Advances	5,49,70,293	(7,47,02,929)
Decrease/(Increase) in Current Loans and Advances	(2,34,31,020)	5,47,495
Decrease / (Increase) in Other Current Assets	-	84,240
Increase / (Decrease) in Other Current Liabilities	1,20,47,960	(69,15,040)
Increase/(Decrease) in Non-Current provisions	(3,55,257)	5,84,135
Increase/(Decrease) in Current provisions	22,41,713	1,71,606
Cash Flow from Operations	1,31,87,852	(12,91,14,284)
Less : Direct Taxes Paid / (Refund) (Net)	8,29,453	(5,85,120)
Net Cash from / (Used) Operating Activities (A)	1,23,58,399	(12,85,29,164)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on construction and acquisition of Property, Plant and Equipment and Intangible assets (including capital advances and exploratory work-in-progress)	(21,17,02,823)	(38,04,19,804)
Increase in Term Deposit (not considered as Cash Equivalent)	(4,84,51,395)	(1,98,49,217)
Interest Received	30,87,661	20,05,056
Net Cash from / (Used in) Investing Activities (B)	(25,70,66,557)	(39,82,63,965)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	1,91,25,000	96,03,32,885
Proceeds from Issue of CCD	76,89,85,000	-
Repayment of ECB Loan	(47,32,63,845)	(12,54,35,103)
Interest & Bank Charges paid	(7,09,33,425)	(30,75,26,177)
Net Cash from Financing Activities (C)	24,39,12,730	52,73,71,605
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(7,95,427)	5,78,476
Cash & Cash Equivalents at the beginning of the year	14,60,482	8,82,006
Cash & Cash Equivalents at the end of the year	6,65,055	14,60,482



Notes to Cash flow Statement :For the year ended
31-Mar-2018For the year ended
31-Mar-2017

1.Reconciliation of Cash and cash equivalents with the Balance Sheet: :

Cash and cash equivalents as per Balance Sheet (refer note 10)

6,65,054

14,60,482

6,65,054**14,60,482**

2. The Statement of Cash Flow has been prepared under the 'Indirect Method' set out in IND AS 7 'Statement of Cash Flow'.

3. As per the amendment in "Ind AS 7 Statement of Cash flows : Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

Particulars	As at 1st Apr.2017	Net Cash Flows	Changes in the Fair Values	Non Cash Movement	As at 31st March 2018
Non-Current Borrowings	6,35,87,99,232	(47,32,63,845)	-	(5,04,49,78,069)	84,05,57,318
Current Borrowings	2,72,32,76,852	1,91,25,000	-	(2,74,24,01,852)	-
0% Compulsarily Convertible Debentures (CCD)	-	76,89,85,000	-	7,78,73,79,800	8,55,63,64,800

The notes referred above are an integral part of these financial statements.

As per our report of even date

For Shah Dhandharia & Co.

Chartered Accountants

Firm Registration Number : 118707W

Pravin Dhandharia
Partner

Membership No. 115490

Place : Ahmedabad
Date : 09 May, 2018For and on behalf of Board of Directors of
For M/s Adani Welspun Exploration LimitedSandeep Garg
Managing Director
DIN:00036419Rajatesh Ganguly
CFOPlace : Ahmedabad
Date : 09 May, 2018Jatin Jalundhwala
Director
DIN: 00137888Gurjan Kaur
Company Secretary

ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

1 Corporate Information

Adani Welspun Exploration Limited is a public limited company domiciled in India and was incorporated under the Companies Act, 1956. The registered office of the Company is located at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad, Gujarat. The Company is in the business of exploration and production of oil and natural gas in India and overseas. At present, the company is having a portfolio of four offshore blocks, wherein the company is operator in two blocks, and in the balance company is acting as a non-operator.

Oil & Gas Blocks	Participating Interest
MB-OSN-2005/2	100%
MB/OSDSF/B9/2016*	100%
GK-OSN-2009/1 (Operated by ONGC)	20%**
GK-OSN-2009/2 (Operated by ONGC)	30%

* New Block awarded to company by Government of India under Discovered Small Field Bid Round 2016.

** 25% after exit of GSPC from Appraisal Phase, GSPC having the right for subsequent farm in.

2 Summary of Significant Accounting Policies

a) Statement of Compliance

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

b) Basis of preparation and presentation of financial statements

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

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

c) Current & Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle or
- Held primarily for the purpose of trading or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d) Cash And Cash Equivalents (for purposes of Cash Flow Statement)

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

e) Cash Flow Statement

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



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

f) Inventories

The company is carrying the capital inventory in the form of stores and spares which are valued at cost. Cost is determined on Weighted Average basis.

g) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

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

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

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

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

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

1. Financial assets

Initial recognition and measurement

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Subsequent measurement

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

Classification of financial assets

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

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

Financial assets at cost:

Investments in subsidiaries, associates and joint ventures are accounted for at cost.

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

Financial assets that do not meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "Other income" line item.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

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

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

2. Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:

- (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- (ii) the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

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

Fair values are determined in the manner described in note k.

Financial liabilities subsequently measured at amortised cost

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

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

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

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



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

h) Employee Benefits

Employee benefits includes salary, wages, gratuity, compensated absences and contribution to provident fund.

Short Term Employees 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.

Defined Contribution Plans

Retirement benefits in the form of provident fund is a defined contribution scheme. 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.

Defined Benefit Plans

The Company operates a defined benefit gratuity plan. 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.

Re-measurements comprising of actuarial gains and losses 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.

The Group recognises the following changes in the net defined benefit obligation as an expense in the 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.

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.

i) Borrowing Costs

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

j) Non Current Assets

(a) Property, Plant and Equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Land and building held for use in the production or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Free hold land is not depreciated.

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

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

Fixtures equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

Depreciation is recognised based on the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

(b) Other Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(c) Oil & Gas Assets

The Company maintains its accounts in accordance with the guidelines as set out by the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI) on "Accounting on Oil & Gas Producing Activities".

Expenditure incurred on the acquisition of the license are initially capitalized on a license by license basis. Costs excluding indirect cost incurred for the block are held, undepleted within "Exploratory Work in Progress" until the exploration phase relating to the license area is complete or commercial oil & gas reserves have been discovered. Indirect costs are expensed off in the year of incurrence.

Expenditure incurred prior to obtaining the right(s) to explore, develop and produce oil and gas are expensed off in the year of incurrence to the extent of the efforts not successful. The pro rated cost of the successful efforts and Exploratory/appraisal drilling costs are initially capitalized within "Exploratory Work in Progress" on a block by block basis until the success or otherwise of the block is established. The success or failure of each exploration/appraisal effort is judged on a block basis. Exploration Assets shall be subject to impairment test on an annual basis.

Where results of seismic studies or exploration drilling indicate the presence of oil & gas reserves which are ultimately not considered commercially recoverable and no additional exploratory activity is firmly planned, all related costs are written off to the statement of profit & loss in the year of cessation of the exploration activity.

Any payment made towards fulfilment of commitment under the Contracts from earlier periods continues to be included under Exploration and Evaluation Assets at its carried value in accordance with IND AS 101.

k) 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, subject to the guidelines prescribed by the Government of India

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.



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

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.

l) Revenue Recognition

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

ii) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

m) Investment in Joint Ventures

In respect of unincorporated joint ventures in the nature of Production Sharing Contracts (PSC) entered into by the company for oil and gas exploration and production activities, the company's share in the assets and liabilities are accounted for according to the Participating Interest of the company as per PSC and the Joint Operating Agreements on a line by line basis in the Company's Financial Statements.

n) Exceptional items

Exceptional items are generally non-recurring items of income and expense within profit and 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.

o) Segment Accounting

The Company's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

p) Leases

Lease arrangement where risks and rewards incidental to ownership of an asset substantially vest with the Lessor are recognized as operating leases. The Company's significant leasing arrangements are in respect of operating leases for immovable property which includes office premises, godowns etc. The aggregate lease rental payable is charged as rent including lease rentals.

q) 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 representation made by management and information available with the Company.

r) Earnings Per Share

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

s) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

t) Accounting for Taxation

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

Current tax

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



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilised. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of Deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

u) Impairment

i. Impairment of Non-Financial assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets, other than inventories and deferred tax 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). Where 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.

ii. Impairment of Financial assets

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

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

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that will results if default occurs within the 12 months after the reporting date and this, are not cash shortfalls that are

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

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

5 Capital Work in Progress

Exploratory Work in Progress
Opening Balance
Add:- Additions during the year
Less:- Unsuccessful Exploration Costs
Total (A)

Capital Inventory
Stores & spares (valued at cost)

Total (B)

TOTAL (A+B)

Amt in Rs.	
As at 31-Mar-2018	As at 31-Mar-2017
9,004,929,964	8,382,024,100
270,587,718	657,130,038
85,708,525	34,224,175
9,189,809,156	9,004,929,964
136,965,175	137,348,818
136,965,175	137,348,818
9,326,774,331	9,142,278,781

6 Investments

Long Term Trade Investments (unquoted and fully paid)

In Equity Shares of Wholly Owned Subsidiary

AWEL Global Limited

10 Equity Shares of AED 1,000 each

(10 shares as at 31st March, 2017)

Less: Provision for diminishing in Value of Equity Shares

In Government and Other Securities, at amortised cost (Unquoted and fully paid)

National Saving Certificate (lying with government authority)

(Rs. 60000 as at 31st March, 2017)

Aggregate value of unquoted investments

Amt in Rs.	
As at 31-Mar-2018	As at 31-Mar-2017
181,500	181,500
181,500	-
-	181,500
60,000	60,000
60,000	241,500
60,000	241,500

7 Long Term Loans

(Unsecured, considered good)

Unsecured Loan to Subsidiary AWEL GLOBAL LTD.

Less: Provision for doubtful loans & Advances

Amt in Rs.	
As at 31-Mar-2018	As at 31-Mar-2017
14,428,345	15,058,170
14,428,345	-
-	15,058,170

8 Other Non Current Financial Assets

(Unsecured, considered good)

Security Deposits with MoPNG

TDR agst Margin Money Deposits

(Original Maturity > 12 Months)

Interest Accrued but not Due

Amt in Rs.	
As at 31-Mar-2018	As at 31-Mar-2017
397,452	379,776
63,453,497	55,508,682
5,456,691	3,280,289
69,307,640	59,168,747

Note :

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

9 Other Non Current Assets

Capital Advances for other projects



Amt in Rs.	
As at 31-Mar-2018	As at 31-Mar-2017
17,001,640	71,286,104
17,001,640	71,286,104

ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

10 Cash & Cash Equivalents

	Amt in Rs.	
	As at 31-Mar-2018	As at 31-Mar-2017
i) Balances with banks		
- In Current Account	665,054	1,460,482
- In Fixed Deposit Account (less than three months)		
	665,054	1,460,482

Notes :

i) The fair value of Cash and Cash equivalents is not materially different from the carrying value presented

11 Loans

	Amt in Rs.	
	As at 31-Mar-2018	As at 31-Mar-2017
(Unsecured, considered good)		
Loans to Employees	16,500	-
	16,500	-

Note:

i) The fair value of short term loan is not materially different from the carrying value presented

12 Other Current Financial Assets

	Amt in Rs.	
	As at 31-Mar-2018	As at 31-Mar-2017
(Unsecured, considered good)		
-Security Deposits	1,147,000	1,025,000
-TDR agst Earnest/Margin Money Deposits	42,506,580	2,000,000
-Interest Accrued	1,702,289	1,301,284
-Other Receivables	5,604,733	5,576,785
	50,960,602	9,903,069

Note :

i) The fair value of Other Current Financial Assets is not materially different from the carrying value presented.

13 Other Current Assets

	Amt in Rs.	
	As at 31-Mar-2018	As at 31-Mar-2017
(Unsecured, considered good)		
Prepaid Expenses	23,968,870	704,299
	23,968,870	704,299



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

14 Share Capital

	As at 31-Mar-2018		As at 31-Mar-2017	
	Numbers	Amt in Rs.	Numbers	Amt in Rs.
Authorised Share Capital				
50,00,000 Equity shares (As at 31st March, 2017 - 50,00,000 shares) of Rs. 10/- each	50,000,000	500,000,000	50,000,000	500,000,000
Issued, Subscribed Fully Paid-up Share Capital				
13,30,000 Equity shares (As at 31st March, 2017 - 13,30,000 shares) of Rs. 10/- each fully paid up	13,300,000	133,000,000	13,300,000	133,000,000
	13,300,000	133,000,000	13,300,000	133,000,000

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

	As at 31-Mar-2018		As at 31-Mar-2017	
	Numbers	Amt in Rs.	Numbers	Amt in Rs.
Equity shares				
At the beginning of the period	13,300,000	133,000,000	13,300,000	133,000,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	13,300,000	133,000,000	13,300,000	133,000,000

b. Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.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.

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 together with its nominees are as below :

	As at 31-Mar-2018		As at 31-Mar-2017	
	Numbers	Amt in Rs.	Numbers	Amt in Rs.
Equity Shares				
Adani Enterprises Limited	8,645,003	86,450,030	8,645,003	86,450,030
	8,645,003	86,450,030	8,645,003	86,450,030

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

	As at 31-Mar-2018		As at 31-Mar-2017	
	Numbers	% holding	Numbers	% holding
Equity Shares				
Adani Enterprises Limited	8,645,003	65%	8,645,003	65%
Welspun Natural Resources P Ltd	4,654,997	35%	4,654,997	35%
	13,300,000	100%	13,300,000	100%



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

15 Instruments entirely equity in nature

Instrument	As at 31-Mar-2018		As at 31-Mar-2017	
	No. of Debentures	Amt. in Rupees	No. of Debentures	Amt. in Rupees
0% Compulsarily convertible Debentures of Rs.100 each, entirely equity in nature				
- Issued to Adani Enterprises Limited	57,702,480	5,770,248,000	-	-
- Issued to Welspun Natural Resources Pvt.Ltd.	27,861,168	2,786,116,800	-	-
	85,563,648	8,556,364,800	-	-

Note :

The Company has issued 0% Compulsory Convertible Debentures of Rs. 100 each to Adani Enterprises Limited and Welspun Natural Resources Private Limited, against loan outstanding, which shall be mandatorily converted in to equity shares of the Company at par in the ratio of 10:1 at any time after 01st April 2022 and on or before 31st March 2037.

16 Other Equity

	Amt in Rs.	
	As at 31-Mar-2018	As at 31-Mar-2017
A. Share Premium Account		
Balance at the end of the previous year	439,615,500	439,615,500
Add:- Received during the year	-	-
Balance at the close of the year	439,615,500	439,615,500
B. Retained Earnings		
Surplus/(Deficit) in Statement of Profit & Loss		
As per last Balance Sheet	(385,216,440)	(295,009,419)
Add:- Profit/(Loss) for the year	(136,336,089)	(89,944,223)
Add:- Other Comprehensive Income for the year	(21,914)	(262,798)
Less:- Appropriations	-	-
Net Surplus/(Deficit) at the end of the year	(521,574,442)	(385,216,440)
Total (A+B)	(81,958,942)	54,399,060

Notes:

i) Securities premium reserve represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

ii) Retained earnings represents the amount that can be distributed by the company as dividends considering the requirement of the Companies' Act, 2013. No dividends are distributed given the accumulated losses incurred by the company.

17 Long Term Borrowings

	Amt in Rs.	
	As at 31-Mar-2018	As at 31-Mar-2017
Secured		
From Banks-Term Loans		
In Foreign Currency	-	836,365,817
Unsecured		
Intercompany deposits from related parties (refer note 32)	-	5,044,978,069
	-	5,881,343,886

Notes:

The Foreign Currency loan is secured by the first pari-passu charge on existing and future movable fixed assets, receivables and Letter of Comfort of Adani Enterprises Ltd.

The loan is carrying an interest rate of 3 Months Libor plus 490 basis points and is repayable in 12 quarterly instalments, started from Jan 16, 2017. Company has decided to pre-pay this loan and got approval of RBI for pre-closer in the month of March 2018. Accordingly, full outstanding balance shown under head current maturities of long term borrowings

The Company has been generally serving the loan as per schedule. There are no over dues as on 31st March, 2018.

In pursuance to the offer of Compulsarily Convertible Debentures (CCD), during the year, Adani Enterprises Limited has given application for conversion of borrowings of Rs.504.50 Crores into CCD of Rs.100 each. Company has accepted the application and issued 0% CCD of Rs.100 each.



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

18 Long Term Provisions

	Amt in Rs.	
	As at 31-Mar-2018	As at 31-Mar-2017
Provision for Gratuity (refer note 33)	-	44,625
Provision for Leave Encashment	1,509,140	1,819,772
	1,509,140	1,864,397

Note :

Current and non-current classification is done based on actuarial valuation certificate.

19 Current Financial Liabilities

	Amt in Rs.	
	As at 31-Mar-2018	As at 31-Mar-2017
(i) Trade payables		
- Micro, small and medium enterprise (Refer Note 27)	-	-
- Others	3,442,834	1,265,930
(ii) Short Term Borrowings		
Unsecured		
Intercompany deposits from related parties	-	2,723,276,852.40
(iii) Other Financial Liabilities		
Current Maturity of long term borrowings (Secured)	840,557,318	477,455,347
(Refer Note 17)		
Interest Accrued but not due on borrowings	8,123,435	11,269,627
Other Payables for capital transactions	15,215,966	14,030,693
	867,339,553	3,227,298,449

Note:

1. In pursuance to the offer of Compulsarily Convertible Debentures (CCD), during the year, Welspun Natural Resources Pvt.Ltd. has given application for conversion of borrowings of Rs.272.33 Crores into CCD of Rs.100 each. Company has accepted the application and issued 0% CCD of Rs.100 each.

2. The fair value of Current Financial Liabilities is not materially different from the carrying value presented.

20 Short Term Provisions

	Amt in Rs.	
	As at 31-Mar-2018	As at 31-Mar-2017
Provision for Gratuity (refer note 33)	762,504	82,810
Provision for Leave Encashment	1,865,637	303,618
	2,628,141	386,428

21 Other Current Liabilities

	Amt in Rs.	
	As at 31-Mar-2018	As at 31-Mar-2017
Statutory Dues Payable (incl. TDS, PF, GST)	3,410,873	4,801,124
Retention Money	10,101,240	55,000
	13,512,113	4,856,124



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

22 Other Income

	Amt in Rs.	
	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Interest Income on IT Refund	-	171,991
Forex Revaluation Gain	73,679	-
Sundry balances written off	29,916	-
	103,596	171,991

23 Employee Benefits Expense

	Amt in Rs.	
	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Salaries, Wages & Bonus	18,463,964	22,131,408
Staff Welfare Expenses	57,222	-
Contribution to Provident & other funds (refer note 33)	2,165,441	2,098,059
	20,686,627	24,229,467

24 Finance Costs

	Amt in Rs.	
	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Bank Charges	282,690	1,182,834
BG Commission Charges	2,794,863	983,283
	3,077,553	2,166,116

25 Other Expenses

	Amt in Rs.	
	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Legal & Professional Fees	2,850,564	4,325,208
Subscriptions and Membership Fees	1,659,638	229,800
Business Development Expenses	12,919	16,225,319
Payment to Auditors:		
Statutory Audit Fees	159,000	149,500
Other Attestation Services	-	60,474
Directors Sitting Fees	120,360	300,000
Rent	1,781,850	897,000
Repairs & Maintenance Expenses	2,691,710	16,787
Travelling & Conveyance Expenses	1,123,990	-
Communication Expenses	779,290	-
General & Administration Expenses	419,889	1,832,763
Forex Revaluation Loss	-	526,666
Provision for Doubtful Loans & Advances	14,428,345	-
Provision for Diminution in value of Investment	181,500	-
Loss on discard of Assets	-	425,555
	26,209,055	24,989,072



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

26 Financial Instruments And Risk Review

The Company's principal financial liabilities comprise provisions, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations / projects. The Company's principal financial assets include mainly cash and cash equivalents, trade receivables, loans and other financial assets. In the ordinary course of business, the Company is mainly exposed to risks resulting from interest 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 Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for interest rate risk.

Credit risk

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

Liquidity risk

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

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31st March 2018	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings	848,680,754	-	-	848,680,754
Trade payables	3,442,834	-	-	3,442,834
Other Financial Liabilities	15,215,966	-	-	15,215,966
	867,339,553	-	-	867,339,553

ii) Capital Management

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended as at 31st March, 2018 and as at 31st March, 2017.

Particulars	Note	As at 31st March 2018	As at 31st March 2017
Net debt (total debt less cash and cash equivalents) (A)	10,17 & 19	839,892,264	9,080,615,603
Total capital (B)	14,15 & 16	8,607,405,858	187,399,061
Total capital and net debt C=(A+B)		9,447,298,122	9,268,014,663
Gearing ratio (A/C)		0.09	0.98

27 Disclosures under MSMED Act

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



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

28 Interest in Joint Venture

The company has entered into Joint Venture Agreement in the nature of Production Sharing Contracts (PSC) with the Government of India, Oil & Natural Gas Corporation Ltd (ONGC), Indian Oil Corporation Ltd (IOCL) and Gujarat State Petroleum Corporation Ltd (GSPCL) for two offshore blocks GK-OSN-2009/1 & GK-OSN-2009/2 located in Gulf of Kutchh. The PSC for the blocks were signed on August 5, 2010. The company holds 20% participating interest in Block GK-OSN-2009/1 (25% for Appraisal Phase after exit of GSPCL from Appraisal phase) and 30% participating interest in Block GK-OSN-2009/2.

The company's share of the Assets & Liabilities of the jointly controlled assets for the year ended March 31, 2018 are as follows:-

(Amt in Rs.)		
Particulars	GK-OSN-2009/1	GK-OSN-2009/2
Current Assets	298,863	764,777
Current Liabilities	-	-
Exploratory Work in Progress	669,147,560	1,182,817,913
Total	669,446,423	1,183,582,690

All the JV related expenditure has been shown under "Exploratory Work in Progress" and in the case of an oil or gas discovery, the same will be allocated/transferred to the producing property.

29 Lease Agreement

Where the Company is a lessee:

The disclosure in respect of leasing agreements entered towards office premises, godowns are as follows:

Particulars	Amt in Rs.	
	As at 31-Mar-2018	As at 31-Mar-2017
Not later than one year	1,980,000	1,200,000
Later than one year and not later than five years	-	1,794,000
Later than five years	-	-
Lease payment recognized in Statement of Profit & Loss	1,781,850	897,000

At the year end, the company have one ongoing renewable lease agreement related to Shorebase of Mumbai Block, and one ongoing renewable lease agreement related to its office hence disclosure relating to future lease payments as at March 31, 2017 given above.

30 Expenditure in Foreign Currency

Amt in Rs.		
Particulars	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
(i) Value of Imports		
Capital Inventory-Stores	-	-
(ii) Expenditure in Foreign Currency		
Professional & Legal Services	770,561	1,563,104
Subscriptions	-	670,025
(iii) Earnings in Foreign Currency	-	-
Total		2,233,129



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

31 Unhedged Foreign Currency Exposure

Foreign currency exposure not covered by derivative instruments or otherwise as on

Particulars	Currency	As at 31-Mar-2018		As at 31-Mar-2017	
		Foreign Currency	Rs.	Foreign Currency	Rs.
Current Liabilities	USD	42,997	2,802,329	42,997	2,788,355
Foreign Borrowings	USD	12,896,929	840,557,318	20,259,386	1,313,821,163
Interest Accrued but not Due	USD	124,640	8,123,435	171,399	11,115,247
Other Receivables	USD	85,995	5,604,733	85,995	5,576,785

Closing Rate taken 1 USD = Rs.65.175

32 Related Parties

The Management has identified the following entities and individuals as related parties of the Company for the year ended 31st March, 2018 for the purpose of reporting as per IND AS 24 - Related Party Disclosure which are as under:-

Controlling Companies	Adani Enterprises Ltd. (Controlled by S.B. Adani Family Trust, a private discretionary trust) Welspun Natural Resources Pvt. Ltd.		
Subsidiary Company	AWEL Global Limited		
Associate Entities (Companies with whom transaction has been made)	Welspun Enterprises Ltd. Welspun Realty Pvt. Ltd.		
Key Management Personnel	Mr. Rajesh S. Adani, Chairman Mr. Sandeep Garg, Managing Director Mr. Devang Desai, Director (up to 30.08.2017) Mr. Jatin Jalundhwala (w.e.f. 30.08.2017) Mr. Pranav Adani, Director Mr. Balkrishan Goenka, Director Mr. Mr. Jay Himatlal Shah, Independent Director (up to 07.10.2017) Mr. Mr. Krishna Kumar Mishra, Independent Director (up to 07.10.2017)		
Information in respect of Related Parties		Amt in Rs. 31-Mar-2018	Amt in Rs. 31-Mar-2017
<u>Interest Expense</u>			
Controlling Company	Adani Enterprises Limited	-	221,633,829
<u>Reimbursement of Expenses</u>			
Associate Company	Welspun Enterprises Ltd.	2,661,225	-
<u>Rent Paid</u>			
Associate Company	Welspun Realty Pvt. Ltd.	914,550	897,000
<u>Funds Received</u>			
Controlling Company	Adani Enterprises Limited	755,225,000	580,170,000
Controlling Company	Welspun Natural Resources Pvt. Ltd.	75,385,000	186,105,000
Subsidiary Company	AWEL Global Limited	703,504	-
<u>Funds Given</u>			
Controlling Company	Adani Enterprises Limited	29,955,000	21,200,000
Controlling Company	Welspun Natural Resources Pvt. Ltd.	12,545,000	1,500,000
Subsidiary Company	AWEL Global Limited	-	6,013,761
<u>Dr./CR Balance written off</u>			
Controlling Company	Adani Enterprises Limited	(69)	-
Controlling Company	Welspun Natural Resources Pvt. Ltd.	(53)	-
<u>Remuneration</u>			
Managing Director	Sandeep Garg	12,000,000	12,000,000
<u>Sitting fees</u>			
Independent Director	Jay Himatlal Shah	51,000	169,500
Independent Director	Krishna Kumar Mishra	51,000	130,500
<u>Issue of Compulsory Convertible Debentures (CCD)* to:</u>			
Controlling Company	Adani Enterprises Limited	5,770,248,000	-
Controlling Company	Welspun Natural Resources Pvt. Ltd.	2,786,116,800	-

(*) Out of above values, below CCD's issued by way of Conversion of Loan to CCD:

Adani Enterprises Limited: 50449780 CCD's of Rs.100 each at par, valuing Rs.504,49,78,000/-

Welspun Natural Resources Pvt. Ltd. : 27424018 CCD's of Rs.100 each at par, valuing Rs. 274,24,01,800/-

Balance Receivable / (Payable)

Particulars	Amt in Rs.	
	As at 31-Mar-2018	As at 31-Mar-2017
Controlling Company	Adani Enterprises Limited	(5,044,978,069)
Controlling Company	Welspun Natural Resources Pvt. Ltd.	(2,723,276,853)
Associate Company	Welspun Enterprises Ltd.	(24,105)
Subsidiary Company	AWEL Global Limited	14,428,345

Terms and conditions of transactions with related parties

Outstanding balances of related parties at the year-end are unsecured. There have been no guarantees received for any related party receivables or payables. Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions

Notes:

The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

33 Retirement Benefits

(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.

Particulars	Gratuity	
	As at 31-Mar-2018	As at 31-Mar-2017
i. Changes in the Present Value of Obligation		
Present Value of Obligation as at the beginning	3,131,248	2,216,325
Current Service Cost	603,477	538,974
Interest Expense or Cost	237,805	174,965
Benefits paid	-	-
Actuarial (Gains) / Losses	(7,018)	200,984
Acquisition Adjustment	-	-
Present Value of Obligation as at the end	<u>3,965,512</u>	<u>3,131,248</u>
ii Changes in the Fair Value of Plan Assets		
	For the period ending	
Particulars	31-Mar-2018	31-Mar-2017
Fair value of Plan Assets at the beginning	3,003,813	2,300,565
Investment Income	228,127	181,615
Employer's Contribution	-	583,447
Employee's Contribution	-	-
Benefits Paid	-	-
Return on Plan assets excluding amount recognised in net interest expense	(28,932)	(61,814)
Acquisition Adjustment	-	-
Fair value of Plan Assets as at the end	<u>3,203,008</u>	<u>3,003,813</u>
iii. Net Asset / (Liability) recognised in the Balance Sheet		
Present Value of Obligations	3,965,512	3,131,248
Fair Value of Plan Assets	3,203,008	3,003,813
Net Asset / (Liability)	<u>(762,504)</u>	<u>(127,435)</u>
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	<u>(762,504)</u>	<u>(127,435)</u>
iv. Expense recognised in the Statement of Profit and Loss (Refer Clause x)		
Current Service Cost	603,477	538,974
Past Service Cost	-	-
Loss/ (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	9,678	(6,650)
	<u>613,155</u>	<u>532,324</u>
v. Expense recognised in Other Comprehensive Income (Refer Clause x)		
Actuarial (Gains) / Losses	(7,018)	200,984
Return on plan assets, excluding amount recognised in net interest expense	28,932	61,814
	<u>21,914</u>	<u>262,798</u>



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

vi. Past four years data for defined benefit obligation and fair value of plan to the extent available:

Particulars	2016-17	2015-16	2014-15	2013-14
Obligations at the end of the year	3,131,248	2,216,325	1,833,344	1,793,785
Plan assets at the end of the year	3,003,813	2,300,565	1,723,528	2,522,041
Net Assets / (Liability) at the end of year	(127,435)	84,240	(109,816)	728,256
<u>Experience Adjustment on:</u>				
(Gain) / Loss for Plan Liabilities	139,941	(190,784)	(690,861)	(690,861)
Gain / (Loss) for Plan Assets	-	-	(141,943)	(141,943)

vii. Actuarial Assumptions & Sensitivity Analysis

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

	As at 0-Jan-1900	As at 0-Jan-1900
Discount Rate	7.80%	7.60%
Expected Rate of Return on Plan Assets	NA	NA
Mortality / Pre-retirement	IALM 06-08 Ultimate	IALM 06-08 Ultimate
Turnover Rate		
Rate of Escalation in Salary (p.a.)	8.00%	8.00%

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

Particulars	Increase in assumptions		Decrease in assumptions	
	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2018	As at 31-Mar-2017
Discount Rate (- / + 1%)	3,729,572	2,939,611	4,236,334	3,350,046
Salary Growth Rate (- / + 1%)	4,233,139	3,347,043	3,727,925	2,938,604
Attrition Rate (- / + 50%)	3,959,327	3,119,795	3,971,895	3,143,610
Mortality Rate (- / + 10%)	3,965,358	3,131,100	3,965,668	3,131,397

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

a) Funding arrangements and Funding Policy

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

b) Expected Contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year is Rs.12,27,982/-

c) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows) - 6 years

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6 years. The expected maturity analysis of gratuity benefits is as follows :

	As at 31-Mar-2018
Less than a year	1,650,145
Between 2 to 5 years	1,457,632
Between 6 to 10 years	423,803
Beyond 10 years	4,066,666
Total	7,598,246

ix. As defined benefit plans of Leave Encashment are non-funded, no data is presented as to fair value of plan assets and asset liability matching.

x. The company has provided for expenses of Gratuity and Leave Encashment on the basis of actuarial valuation. These expenses are recoverable from customer as and when they become payable to the employees. Hence, these expenses are classified as "Other Non-Current Financial Assets" and consequently do not have any impact on Statement of Profit & Loss and Other Comprehensive Income.



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

xi. Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically 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. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

(b) Defined Benefit Contributions :

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

(c) Other Long Term Employee Benefits :

Other long term employee benefits comprise of compensated absences/leaves, which are recognised based on actuarial valuation. The actuarial liability for compensated absences as at the year ended 31st March, 2018 is Rs. 33,74,777/- (Previous Year Rs. 21,23,390/-).

34 Earning Per Share (EPS)

	Amt in Rs.	
	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Profit / (Loss) for calculation of basic and diluted EPS	(136,336,089)	(89,944,223)
Weighted average number of equity shares for calculating Basic EPS	13,300,000	13,300,000
Weighted average number of equity shares for calculating Diluted EPS	21,856,364	13,300,000
Face value of equity shares	10	10
Basic Earning Per Share (in Rupees)	(10.25)	(6.76)
Diluted Earning Per Share (in Rupees)	(10.25)	(6.76)

35 Fair Value Measurement and Hierarchy

Since the Company does not have any financial asset or liability measured at fair value, disclosure of fair value hierarchy and disclosure of category-wise assets and liabilities is not relevant. All financial assets and liabilities of the Company have been valued at amortised cost and their values are not expected to be different than those presented in financial statements.



ADANI WELSPUN EXPLORATION LIMITED

Notes to Financial Statements for the year ended 31 March 2018

35 Recent Indian Accounting Standards (Ind AS)

Standards issued but not yet effective

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified new standards and amendments to existing standards. These amendments are effective for annual periods beginning after 1 April 2018.

Ind AS 115 Revenue from contract with customers

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Company is in the process of evaluating and identifying the key impacts along with transition options to be considered while transitioning to Ind AS 115. This Standard permits two possible methods of transition i.e. retrospective approach and modified retrospective method.

Amendments to existing Ind AS

The following amended standards are not expected to have a significant impact on the Company's standalone financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company when it will adopt the respective standards.

Ind AS 40 - Investment Property

The amendment lays down the principle regarding the transfer of asset to, or from, investment property.

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

The amendment lays down principles to determine the date of transaction when a company recognizes a non-monetary prepayment asset or deferred income liability.

Ind AS 12 - Income Taxes

The amendment explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps.

36 Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 7th May, 2018, there are no subsequent events to be recognized or reported that are not already disclosed.

37 Other Disclosures

- During the period under review AWEL (Company) has identified certain abortive and unsuccessful efforts/projects. Based on internal evaluations, management has decided not to pursue these any further. Hence cost associated to these abortive and unsuccessful efforts/projects amounting to Rs. 8,57,08,525 has been expensed off during the year.
- The first exploratory phase of Mumbai Block, after considering the extension period as granted by the Directorate General of Hydrocarbons (DGH) was expired on April 29, 2015. The Company has already exercised its option for entering into Exploration Phase II vide its letter dated April 27, 2015. DGH has communicated to the Company that the same is awaiting approval from Ministry of Petroleum and Natural Resources (MoPNG).
- Directorate General of Hydrocarbons has notified hydrocarbon discoveries in respect of both the Kutchh blocks, viz. GK-OSN-2009/1 & GK-OSN-2009/2. In order to assess the full potential of the blocks, the Consortium has decided to move into appraisal phase of the PSC and opted not to extend first phase of exploration.
- The company has earned interest on fixed deposits which were placed out of the funds borrowed for the purpose of meeting capital expenditure of project. Interest expenses on borrowing is capitalized as part of the project development cost and accordingly, income earned by utilizing borrowed funds have been reduced from project costs.
- Previous year's figures have been recast, regrouped and rearranged, wherever necessary to conform to this year's classification. Further, the figures have been rounded off to the nearest rupee.
- Approval of financial statements - The financial statements were approved for issue by the board of directors on May 09, 2018.

As per our report of even date
For Shah Dhandharia & Co.
Chartered Accountants
Firm Registration Number : 118707W

Pravin Dhandharia
Partner
Membership No. 115490



Place : Ahmedabad
Date : 09 May, 2018

For and on behalf of the board of directors of
M/s Adani Welspun Exploration Limited

Sandeep Garg
Managing Director
DIN:00036419

Rajatesh Ganguly
CFO

Place : Ahmedabad
Date : 09 May, 2018

Jatin Jalundhwala
Director
DIN: 00137888

Gurjan Taunk
Company Secretary