Notes to Financial Statements

as at and for the year ended on 31st March, 2020

1 Corporate Information

Adani Gas Limited ("AGL" or "the Company") is a public limited company domiciled in India and was incorporated on 5th August, 2005 under the Companies Act, 1956, having its registered office at "Adani House", Near Mithakali Six Roads, Navrangpura, Ahmedabad -380009. Its shares are listed on BSE Limited and National Stock Exchange. AGL is engaged in City Gas Distribution ("CGD") business and supplies natural gas to domestic, commercial, industrial and vehicle users.

2 Significant accounting policies

I) 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.

II) Basis of Preparation

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

The financial statements are presented in INR except when otherwise stated. All amounts have been rounded-off to the nearest crore, unless otherwise indicated.

Current & Non-Current Classification

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

i. The asset/liability is expected to be realised / settled in the Company's normal operating cycle;

ii. The asset is intended for sale or consumption;

iii. The asset/liability is held primarily for the purpose of trading;

iv. The asset/liability is expected to be realised/ settled within twelve months after the reporting period;

v. The asset is Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;

vi. In case of liability, the Company does not have unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

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

III) Use of Estimates and Judgments

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

Key sources of estimation uncertainity

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

i) Useful life and residual value of property, plant and equipments and intangible assets:

Determination of the estimated useful life of property, plant and equipment and intangible

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

assets and the assessment as to which components of the cost may be capitalised. Useful life of these assets is based on the life prescribed in Schedule II to the Companies Act, 2013 or based on technical estimates, taking into account the nature of the asset, estimated usage, expected residual values and operating conditions of the asset. Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

ii) Taxes:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Significant management judgement is also required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

iii) Fair value measurement of financial instruments:

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

iv) Recognition and measurement of Contingent liabilities, provisions and uncertain tax positions:

There are various legal, direct and indirect tax matters and other obligations including local and state levies, availing input tax credits etc., which may impact the Company. Evaluation of uncertain liabilities and contingent liabilities arising out of above matters and recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

v) Defined benefit plans (Gratuity benefits):

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vi) Inventory measurement:

The Company performs physical counts of above inventory on a periodic basis using internal / external experts to perform volumetric surveys and assessments, basis which the estimate of quantity for these inventories is determined. The variations noted between book records and physical quantities of above inventories are evaluated and appropriately accounted in the books of accounts.

vii) Recoverability of advances/ receivables:

At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

viii) Impairment of Goodwill:

Ind AS 36 requires that the Company assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets.

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

These conditions include changes resulting from market and economic environment, including internal and external factors such as the Company's market capitalization, significant changes in the Company's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. In accordance with Ind AS 36, goodwill is reviewed at least annually for impairment.

IV) Summary of Significant Accounting Policies

a Inventories

i) Inventories and Stores and Spares are valued at lower of Cost or Net Realisable Value (NRV).

ii) Cost is determined on Weighted Average basis and comprises of costs of purchases, cost of conversion, all non-refundable duties & taxes and other costs incurred in bringing the inventories to their present location and condition.

iii) Quantity of CNG in cascades and Natural Gas in pipelines are estimated on a volumetric basis and are valued on Weighted Average basis considering lower of cost or net realisable value.

iv) Net Realisable Value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale. Necessary adjustment for shortage / excess stock is given based on the available evidence and past experience of the Company.

b Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash equivalents includes short-term deposits 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.

c Revenue recognition

Revenue from Operations

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers. Revenue also excludes taxes collected from customers in its capacity as agent.

The Company considers recovery of excise duty flows to the Company on its liability and hence, forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

The accounting policy for the specific revenue streams of the company are summarised below:

Revenue on sale of natural gas is recognized on transfer of title to customers at delivery point. Sales are billed bi-monthly to domestic customers and on fortnightly basis to commercial, non commercial and industrial customers. Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to customers from CNG stations. Gas Transportation Income is recognized in the same period in which the related volumes of gas are delivered to the customers

Other Incomes

Interest income is recognised on effective interest rate taking into account the amount outstanding and the rate applicable. Dividend income from investments is recognised when the Company's right to receive payment is established.

Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

In case of customers where meter reading dates for billing is not matching with reporting date, the gas sales between last meter reading date and reporting date has been accrued by the Company based on past average sales. The actual sales revenue may vary compared to accrued unbilled revenue so included in sale of natural gas. The same is recognised as contract asset and is disclosed as "Unbilled Revenue" under Other Current Financial Assets.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs obligations under the contract. The same is disclosed as "Advance from Customers" under Other Current Liabilities.

d Property, Plant & Equipments

Recognition and measurement

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2015 as the deemed cost under Ind AS.

Property, Plant and Equipments are stated at cost of acquisition or construction less accumulated depreciation and impairment losses and net of taxes (Cenvat and VAT credit wherever applicable). All direct cost attributable to respective assets are capitalized to the assets. Other indirect expenses are capitalized to assets in proportion of the value of the assets. Borrowing cost relating to acquisition / construction of Property, Plant and Equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Spare parts or stores meeting the definition of Property, Plant and Equipment, either procured along with equipment or subsequently, are capitalized in the asset's carrying amount or recognized as separate asset, if appropriate.

The Natural Gas distribution systems for PNG connections are commissioned on commencement of supply of gas to the individual consumers. The CNG outlets are commissioned on commencement of sale of CNG to the customers.

Subsequent measurement

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipments, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the profit and loss for the period during which such expenses are incurred. Cost of day to day service primarily include costs of labor, consumables and cost of small spare parts.

Expenditure incurred during the period of construction including, all direct and indirect overheads, incidental and related to construction is carried forward and on completion, the costs are allocated to the respective assets.

Depreciation

Depreciation is provided using straight-line method as specified in Schedule II to the Companies Act, 2013. Estimated useful life of assets are determined based on technical parameters / assessments. Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Estimated useful life of assets determined based on technical parameters / assessments for following class of assets are as follows:

Assets Class	Estimated Useful Life
Compressors	10 years
Dispensers	10 years
Canopy	10 years
Cascades	20 years
Steel Pipes & Fittings	30 years
PE Pipes & Fittings	30 years

During the year, the company has revised its estimates of useful lives in accordance with Ind AS 8, for some of the above mentioned asset classes, based on technical parameters and assessments.

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

Assets Class	Previous Useful Life	Revised Useful Life
Compressors	8 years	10 years
Dispensers	8 years	10 years
Cascades	15 years	20 years
Steel Pipes & Fittings	20 years	30 years
PE Pipes & Fittings	20 years	30 years

Derecognition

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

e Capital Work in Progress

Expenditure related to and incurred during implementation of capital projects to get the assets ready for intended use is included under "Capital Work in Progress". The same is allocated to the respective items of property plant and equipment on completion of construction / erection of the capital project / property plant and equipment. Borrowing Cost related to a acquisition/construction of Property, Plant and Equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. The cost of asset not put to use before the year and capital inventory are disclosed under Capital work in progress.

f Intangible Assets

Recognition and measurement

Intangible assets are recorded at the consideration paid for acquisition and are amortized over their estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

Amortisation

Intangible assets are amortised on straight line basis over their estimated useful life as below:

Assets Class	Estimated Useful Life
Software	3-5 Years based on management estimate

g Financial Instruments

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

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

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

A) Financial Assets

All financial assets, except investment in joint venture are recognised initially at fair value. Investment in joint venture are measured at cost less impairment in accordance with Ind AS 27 "Separate Financial Statements".

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

1) At amortised cost

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

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

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

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Impairment of financial assets

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

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

B) 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.

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

Financial Liablities

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

1) At amortised cost

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

2) At Fair Value through Profit or Loss (FVTPL)

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management; It include financial liabilities held for trading and financial liabilities designated upon initial recognition as such Subsequently, any changes in fair value are recognised in the Statement of Profit and Loss.

Derecognition of financial liability

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange 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 the statement of profit and loss.

h Goodwill

Goodwill acquired as a result of demerger of CGD business from Adani Energy Limited is measured at net value as at 31st March, 2015. Goodwill is not amortized but is checked for impairment at regular intervals of time. Impairment shall be recognised when there are certain indications that recoverable amount of cash generating unit is less than its carrying amount.

i Foreign Currency Transactions

Functional and Presentation currency

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

Transactions and Balances

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

All foreign currency denominated monetary assets and liabilities are translated at the exchange rates on the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss with the exception of those related to acquisition of a PPE which are capitalised and depreciated over the remaining useful life of the related asset. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in the statement of profit and loss except exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

j Employee Benefits

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

a) Short Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of salaries and wages

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

at the undiscounted amount of the benefits expected to be paid wholly within twelve months of rendering the service.

b) Post Employment Benefits

Defined Benefit Plans

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

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

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

Defined Contribution Plans

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

Compensated absences

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.

Short term Employee Benefits

Short-term employee benefit obligations are recognised at an undiscounted amount in the statement of profit and loss for the reporting period in which the related services are received.

k Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. 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. The Company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

l Segment reporting

The Company has a single operating segment i.e. "Sale of Natural Gas". Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected in the financial statements themselves as at and for the financial year ended 31st March, 2020 as determined by Chief Operational Decision Maker , in accordance with Ind-AS 108 "Operating Segment".

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

m Leases

Under Ind AS 116 Leases:

Effective from 1st April, 2019, the Company adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April, 2019 using the modified retrospective method on the date of initial application i.e. 1st April, 2019. Refer Note 48 for details on transition to Ind AS 116 Leases.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

Under Ind AS 17 Leases:

Assets held under lease

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Lease Payments

Payments made under operating leases are generally recognised in profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

n Earning Per Share

Basic Earnings per share is computed by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted Earnings per share is computed by dividing the profit attributable to equity holders of the Company (after adjusting for costs associated with dilutive potential equity shares) by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

o Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity,

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

a) Current Tax

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

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

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

b) Deferred Tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of unrecognised deferred tax assets are reviewed at each reporting date to assess their realisability and corresponding adjustment is made to carrying values of deferred tax assets in the financial statements.

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

p Investments in subsidiaries, associates and joint ventures

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

q Impairment of Property, Plant and Equipments and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

r Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognised for when the Company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for inthe financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position.

Contingent assets are not recognised in the financial statements. the nature of such assets and an estimate of its financial effect are disclosed in notes to the financial statements.

s Exceptional Items

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

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

3 Property, Plant & Equipments, Intangible Assets and Right of use Assets

(₹ in Crores)

Particulars	Property, Plant & Equipments									Intangible Assets			Right of Use Leases Assets			
	Freehold Land	Leasehold Land	Building	Office Equipments	Computer	Vehicles	Furniture	Plant & Machinery	Total	Computer Software	Right of Use of Land	Total	Land	Building	Computer	Total
Year Ended 31st March, 2019																
Gross Carrying Value																
Opening Gross Carrying Amount	16.53	43.52	53.51	4.50	5.80	0.26	9.09	898.32	1,031.54	7.78	0.12	7.90	-	-	-	-
Addition during the Year	-	-	2.94	0.35	0.94	0.37	0.18	143.89	148.66	2.44	-	2.44	-	-	-	-
Deduction during the Year	-	-	-	-	-	0.03	-	1.87	1.90	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Value	16.53	43.52	56.45	4.85	6.74	0.60	9.27	1,040.34	1,178.30	10.22	0.12	10.34	-	-	-	-
Accumulated Depreciation																
Opening Accumulated Depreciation	-	1.47	3.05	2.31	1.86	0.14	4.84	149.71	163.38	4.72	0.11	4.83	-	-	-	-
Depreciation during the year	-	0.49	1.22	0.69	1.32	0.06	1.25	60.65	65.68	1.61	0.01	1.62	-	-	-	-
Deduction during the Year	-	-	-	-	-	0.02	-	1.54	1.56	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	1.96	4.27	3.00	3.18	0.18	6.09	208.82	227.50	6.33	0.12	6.45	-	-	-	-
Net Carrying Amount	16.53	41.56	52.18	1.85	3.56	0.42	3.18	831.52	950.80	3.89	-	3.89	-	-	-	-
Year Ended 31st March, 2020																
Gross Carrying Value																
Opening Gross Carrying Amount	16.53	43.52	56.45	4.85	6.74	0.60	9.27	1,040.35	1,178.31	10.22	0.12	10.34	11.96	1.40	-	13.36
Addition during the Year	27.29	-	5.33	0.42	3.62	-	0.04	199.13	235.83	5.66	-	5.66	9.81	3.41	1.43	14.65
Deduction during the Year	-	-	-	-	0.01	0.37	-	-	0.38	-	-	-	-	-	-	-
Ind AS 116 Transition	-	(43.52)	-	-	-	-	-	-	(43.52)	-	(0.12)	(0.12)	43.64	-	-	43.64
Closing Gross Carrying Value	43.82	-	61.78	5.27	10.35	0.23	9.31	1,239.48	1,370.24	15.88	-	15.88	65.41	4.81	1.43	71.65
Accumulated Depreciation																
Opening Accumulated Depreciation	-	1.96	4.27	3.00	3.18	0.18	6.09	208.82	227.50	6.33	0.12	6.45	-	-	-	-
Depreciation during the year	-	-	1.27	0.73	1.68	0.06	1.03	41.79	46.56	2.05	-	2.05	1.75	0.91	0.08	2.74
Deduction during the Year	-	-	-	-	-	0.05	-	-	0.05	-	-	-	-	-	-	-
Ind AS 116 Transition	-	(1.96)	-	-	-	-	-	-	(1.96)	-	(0.12)	(0.12)	2.08	-	-	2.08
Closing Accumulated Depreciation	-	-	5.54	3.73	4.86	0.19	7.12	250.61	272.05	8.38	-	8.38	3.83	0.91	0.08	4.82
Net Carrying Amount	43.82	-	56.24	1.54	5.49	0.04	2.19	988.87	1,098.19	7.50	-	7.50	61.58	3.90	1.35	66.83

Notes:

a) Impairment of Property, Plant & Equipments and Intangible Assets

Management has carried out a review, of the carrying value of assets as March 31, 2020 in accordance with the provisions of Ind AS – 36 Impairment of Assets. Based on this review, the management is of the opinion, that there are no impairment indicators that necessitate any adjustments to the carrying value of the assets. The same has been relied by the auditor.

b) In respect of Leases that were classified as finance lease, applying Ind AS 17, an amount of ₹ 43.64 Cr from Gross carrying value and ₹ 2.08 Crore from accumlated depreciation has been reclassified from Property, Plant,Equipments and Intangible Assets to Right-of-use Lease asset

c) Refer note 18 for Securities

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

4 Capital Work-in-progress

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Work in Progress (Refer note below)	181.48	85.61
Capital Inventory	160.58	104.86
Total	**342.06**	**190.47**

Note: Includes expenditure directly attributable to construction period of ₹ 61.66 Crores (31st March, 2019 : ₹ 26.07 Crores) (Refer note 40)

5 Non - Current Investments

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investments measured at Cost		
Investment in unquoted Equity Shares of Jointly Controlled Entity (fully paid)		
Indian Oil -Adani Gas Private Limited		
29,10,00,000 Shares (31st March, 2019: 18,55,00,000 Shares)	291.00	185.50
Total	**291.00**	**185.50**
Aggregate value of unquoted investments	291.00	185.50

6 Other Non - Current Financial Assets

(Unsecured, considered good)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security Deposits	25.08	7.23
Interest accrued and due on deposits	2.08	1.94
Interest accrued and not due on deposits	0.03	0.03
Total	**27.19**	**9.20**

7 Income Tax Assets (Net)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Payment of Income Tax (net of provisions)	15.82	11.26
Total	**15.82**	**11.26**

Notes to Financial Statements
as at and for the year ended on 31st March, 2020

8 Other Non - Current Assets
(Unsecured, considered good)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital advances	47.69	1.34
Balance with Government Authorities	5.92	6.13
Total	**53.61**	**7.47**

Note: Refer note 46 for Related Party Balances

9 Inventories
(At lower of Cost or Net Realisable Value)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Stock of Natural Gas	0.97	1.31
Stores and spares	40.33	42.65
Total	**41.30**	**43.96**

Note: Refer note 18 for security

10 Trade Receivables

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good	61.17	82.79
Unsecured, credit impaired	0.88	1.28
	62.05	**84.07**
Allowances for Expected Credit Losses	(0.88)	(1.28)
Total	**61.17**	**82.79**

Note:

i) Refer note 18 for security
ii) Refer note 46 for balances with related party

11 Cash and Cash equivalents

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with banks		
- In current accounts	19.62	136.36
- Deposit with original maturity of less than 3 months	69.00	22.85
Cash on hand	-	0.04
Total	**88.62**	**159.25**

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

12 Bank balances other than Cash and Cash equivalents

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances held as Margin Money	0.80	0.48
Fixed Deposits (with original maturity for more than three months)	0.03	0.03
Earmarked balances in unclaimed dividend accounts	0.02	-
Total	**0.85**	**0.51**

13 Current Loans

(Unsecured, considered good)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Loans to related parties	311.22	359.02
Loan to employees	0.26	0.20
Total	**311.48**	**359.22**

Note: Refer note 46 for Related Party Balances

14 Other Current Financial Assets

(Unsecured, considered good)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest accrued but not due on deposits	0.04	0.04
Contract Asset - Unbilled Receivable (refer note 47)	16.97	13.70
Other Receivables from Related Parties	8.38	3.59
Total	**25.39**	**17.33**

Note: Refer note 46 for Related Party Balances

15 Other Current Assets

(Unsecured, considered good)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance for supply of goods or services	2.39	1.92
Balances with Government authorities	8.62	7.74
Prepaid Expenses	18.25	0.84
Total	**29.26**	**10.50**

Note: Refer note 46 for Related Party Balances

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

16 Equity Share Capital

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorised Share Capital 5,09,95,00,000 (as at 31st March, 2019 - 5,09,95,00,000) equity shares of ₹ 1/- each	509.95	509.95
Total	**509.95**	**509.95**
Issued, Subscribed and fully paid-up equity shares 1,09,98,10,083 (As at 31st March, 2019 - 1,09,98,10,083) Fully paid up Equity shares of ₹ 1/- each	109.98	109.98
Total	**109.98**	**109.98**

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	(₹ in Crores)	No. of Shares	(₹ in Crores)
At the beginning of the year	1,09,98,10,083	109.98	1,09,98,10,083	109.98
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,09,98,10,083**	**109.98**	**1,09,98,10,083**	**109.98**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 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 number of equity shares held by the share holders. The dividend proposed by the Board of Directors if any, is subject to the approval of shareholders in the ensuring Annual General Meeting, except in case of interim dividend.

c. Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 1 each fully paid				
Shri Gautam S. Adani/Shri Rajesh S. Adani (on behalf S. B. Adani Family Trust)	40,22,95,584	36.58%	61,96,97,910	56.35%
Adani Tradeline LLP	-	-	9,94,91,719	9.05%
Total Holdings SAS	41,13,31,740	37.40%	-	-

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

17 Other Equity

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(A) Capital Reserve		
Balance as at the beginning/end of the year	146.21	146.21
Total	**146.21**	**146.21**
(B) Retained Earnings		
Opening Balance	855.29	622.73
Add: Profit for the year	436.24	228.71
Add : Transition adjustment on account of Ind AS 115	-	4.45
Add: Other Comprehensive Income/(Loss)	(1.11)	(0.60)
Less: Dividend on Equity Shares	(54.99)	-
Less: Tax on Dividend	(11.30)	-
	1,224.13	855.29
Total	**1,370.34**	**1,001.50**

Nature and purpose of each reserve :

a) Capital Reserve

The capital reserve was created as per Composite scheme of arrangement among Adani Gas Holding Limited and Adani Gas Limited and Adani Enterprise Limited and their respective shareholders and creditors under section 230 to 232 of the Companies Act, 2013 approved by National Company Law Tribunal ("NCLT") Bench at Ahmedabad vide its order dated 3rd August, 2018. Hence, the same is not considered as a free reserve for the purpose of distribution of dividends.

b) Retained Earnings

The portion of profits not distributed among the shareholders are termed as retained earnings (free reserves). The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders, for distributing dividend and bonus or for any other purpose, as approved by the Board of Directors of the Company.

18 Non - Current Borrowings

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured borrowings		
Term Loans from Banks (refer note a & b)	297.50	345.71
Unsecured borrowings		
10% Cumulative Redeemable Preference Share (refer note c)	0.05	0.05
Total	**297.55**	**345.76**

Notes:

a) Security Details:

Rupee Term Loans from bank is secured by

- First pari passu charge and hypothecation charge over all present and future movable Plant and Machinery and other movable assets of the Company at Ahmedabad, Vadodara, Khurja and Faridabad.
- Second pari passu charge over all current assets uncalled capital , goodwill, cash flows, receivables, book debt and revenue, present & future, located or pertaining to Ahmedabad , Vadodara, Khurja and Faridabad.

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

18 Non - Current Borrowings (Contd..)

a) Security Details: (Contd..)

b) Repayment terms:

i) Long Term Rupee Term Loan of ₹ 182.35 Crores is repayable in 8 Quarterly Instalments of ₹ 6.51 Crores each from Q1 F.Y. 21 to Q4 F.Y. 22, 11 Quarterly Instalments of ₹ 10.42 Crores each from Q1 F.Y. 23 to Q3 F.Y. 25 and final instalment of ₹ 15.63 Crores in Q4 F.Y. 25 and said loan carries interest rate equal to the benchmark rate, presently @ 8.8% and is payable on monthly basis.

ii) Long Term Rupee Term Loan of ₹ 103.53 Crores is repayable at 9 Quarterly Instalments of ₹ 3.57 Crores each from Q1 F.Y. 21 to Q1 F.Y. 23, 10 Quarterly Instalments of ₹ 5.71 Crores each from Q2 F.Y. 23 to Q3 F.Y. 25 and instalment of ₹ 7.85 Crores in Q4 F.Y. 25 and final instalment of ₹ 6.43 Crores in Q1 F.Y. 26 and said loan carries interest rate equal to the benchmark rate, presently @ 8.10% and is payable on monthly basis.

iii) Long Term Rupee Term Loan of ₹ 61.50 Crores is repayable in 10 Quarterly Instalments of ₹ 2.05 Crores each from F.Y. 21 to Q2 F.Y. 23, 8 Quarterly Instalments of ₹ 3.28 Crores each from Q3 F.Y. 23 to Q2 F.Y. 25 and 4 Quarterly Instalments of ₹ 3.69 Crores each from Q3 F.Y. 25 to Q2 F.Y. 26 and said loan carries interest rate equal to the benchmark rate, presently @ 8.15% and is payable on monthly basis.

iv) For current maturities of long term borrowing, refer note 26 "Other Current Financial Liabilities".

c) Terms of Preference Share Capital

The Company has outstanding 50,000 10% Cumulative Redeemable Preference Shares ('CRPS') of ₹ 10 each issued at face value. Each preference shareholder has a right to vote only on resolutions placed before the Company which directly affects the right attached to preference shareholders. These preference shares be redeemable at face value in one or more tranches provided however, that the Preference Shares shall anyways be redeemed in full within a maximum period of 3 years from the date of allotment of the Preference Shares. In the event of liquidation of the Company, the holder of CRPS will have priority over equity shares in the payment of dividend and repayment of capital.

19 Non - Current Lease Liability

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Finance lease obligations (Refer note 48)	21.20	-
Total	**21.20**	**-**

20 Other Non - Current Financial Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Retention Money	1.18	3.48
Total	**1.18**	**3.48**

21 Non - Current Provisions

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits		
Provision for compensated absences (Refer note 44)	4.15	3.06
Total	**4.15**	**3.06**

Notes to Financial Statements
as at and for the year ended on 31st March, 2020

22 Deferred Tax Liabilities (net)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Liabilities		
Property, Plant & Equipment and Other Intangible assets	101.38	112.95
Gross Deferred Tax Liabilities	101.38	112.95
Deferred Tax Assets		
Employee Benefit Liability	3.49	2.75
Allowance for credit losses	0.22	0.45
Lease Liability net of Lease Assets	2.99	-
Others	4.41	7.73
Gross Deferred Tax Assets	11.11	10.93
Net Deferred Tax Liabilities	90.27	102.02

Refer Note 52 for the impact of concessional tax rate regime by way of The Taxation (Amendment) Act, 2019 incorporated in Finance Bill, 2020

a. Movement in Deferred Tax Liability (net) for the year ended 31st March 2020:

(₹ in Crores)

Particulars	As at 1st April, 2019	Recognised in profit and loss	Recognised in OCI	As at 31st March, 2020
Tax effect of items constituting deferred tax liabilities:				
Difference between book base and tax base of property, plant & equipment and Intangible Assets	112.95	(11.57)	-	101.38
Total	112.95	(11.57)	-	101.38
Tax effect of items constituting deferred tax asset:				
Employee Benefit Liability	2.75	0.37	0.37	3.49
Allowance for credit losses	0.45	(0.23)	-	0.22
Lease Liability net of Lease Assets	-	2.99	-	2.99
Others	7.73	(3.32)	-	4.41
Total	10.93	(0.18)	0.37	11.11
Net Deferred Tax Liability	102.02	(11.39)	(0.37)	90.27

b. Movement in Deferred Tax Liability (net) for the year ended 31st March 2019:

Particulars	As at 1st April, 2018	Recognised in profit and loss	Recognised in OCI	As at 31st March, 2019
Tax effect of items constituting deferred tax liabilities:				
Difference between book base and tax base of property, plant & equipment and Intangible Assets	102.06	10.89	-	112.95
Total	102.06	10.89	-	112.95

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

22 Deferred Tax Liabilities (net)

b. Movement in Deferred Tax Liability (net) for the year ended 31st March 2019: (Contd..)

Particulars	As at 1st April, 2018	Recognised in profit and loss	Recognised in OCI	As at 31st March, 2019
Tax effect of items constituting deferred tax asset:				
Employee Benefit Liability	2.35	0.08	0.32	2.75
Allowance for credit losses	0.12	0.33	-	0.45
Others	-	7.73	-	7.73
Total	2.47	8.14	0.32	10.93
Net Deferred Tax Liability	99.59	2.75	(0.32)	102.02

23 Current Borrowings

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured Borrowings		
Trade Credits From Banks	57.26	-
Total	57.26	-

Notes:

Trade credits from Banks aggregating to ₹ 57.26 Crore are secured or to be secured by First Pari paasu charge over the current and moveable assets of the Geographical Areas allotted under 9th Round of CGD Bidding , exclusive charge over the capital goods purchased and subservient charge on all current assets and movable fixed assets, both present and future of the borrower. The same carries an interest rate in range of 8.05% p.a. to 8.50% p.a.

24 Current Lease Liability

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Finance lease obligations (Refer note 48)	4.05	-
Total	4.05	-

25 Trade Payables

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables		
i. Total outstanding dues of micro and small enterprises	2.76	7.35
ii. Total outstanding dues of creditors other than micro and small enterprises	79.85	96.50
Total	82.61	103.85

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

25 Trade Payables (Contd..)

Disclosures required under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2.76	7.35
ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed date	-	-
iv) The amount of interest due and payable for the year	-	-
v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The information on Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.

26 Other Current Financial Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current maturities of non current borrowings (Secured) (refer note 18)	48.21	48.21
Interest accrued but not due on borrowings	2.59	2.97
Unclaimed Dividend	0.02	-
Security Deposit from Customers	313.51	269.72
Security Deposit from Contractors	1.03	0.95
Other payables		
- Retention money payable	29.33	19.84
- Capital Creditors	37.64	26.54
Total	**432.33**	**368.23**

27 Other Current Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Revenue received in advance		
Contract Liability - Advances from Customers (Refer Note 47)	0.88	1.14
Statutory Liabilities	8.87	9.02
Total	**9.75**	**10.16**

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

28 Current Provisions

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits		
Provision for Gratuity (Refer note 44)	4.05	2.78
Provision for compensated absences (Refer note 44)	1.04	0.81
Total	**5.09**	**3.59**

29 Current Tax Liabilities (net)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Tax (net of advance tax and tax deducted at source)	-	6.01
Total	**-**	**6.01**

30 Revenue from Operations

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Revenue from Contract with Customers		
Sale of Goods		
CNG Sales	947.56	851.74
PNG Sales	1,017.00	950.42
Sale of Services		
Connection Income	9.73	9.31
Transportation Income	3.65	2.43
Other Operating Revenues	12.96	9.59
Total	**1,990.90**	**1,823.49**

31 Other Income

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Interest Income		
Inter Corporate Loans	30.22	68.51
Bank Deposits	1.46	2.64
Others	0.20	0.19
Foreign Exchange Fluctuation Gain	0.28	0.08
Net Gain on Sale / fair valuation of Current Investments	6.51	11.28
Net Gain on Sale of Property, plant and equipment	0.02	-
Liabilities no longer required written back	0.05	0.05
Sale of Stores and Spares	-	0.73
Corporate Guarantee Income	3.53	2.60
Other non-operating income	2.12	0.60
Total	**44.39**	**86.68**

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

32 Cost of Natural Gas and Traded Items

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Cost of Natural Gas	1,059.63	1,087.21
Total	**1,059.63**	**1,087.21**

33 Changes in Inventories

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Opening Stock of Finished Goods / Stock in Trade	1.31	6.75
Less: Closing Stock of Finished Goods / Stock in Trade	0.97	1.31
Total	**0.34**	**5.44**

34 Employee Benefits Expense

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Salaries, wages and Bonus	41.91	37.54
Contribution to Provident and Other Funds	2.73	2.13
Staff Welfare Expenses	2.82	2.33
Total	**47.46**	**42.00**

35 Finance costs

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Interest on		
Term Loan	32.91	37.77
Security Deposit	4.12	3.46
Commercial Paper	-	2.68
Income Tax	1.08	0.81
Debentures	-	25.61
Finance lease liabilities	1.00	-
Others	0.02	0.03
Other Borrowing Costs		
Bank and Other Finance Charges	1.92	19.49
Total	**41.05**	**89.85**

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

36 Other Expenses

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Consumption of stores and spare parts	10.75	10.29
Job Work Charges	0.35	-
Power and fuel	35.39	32.29
Transportation Charges	5.65	3.81
Security Expenses	2.73	2.45
Facilitation Fees	0.58	0.91
Commission & Brokerage	1.76	1.37
Rent	10.61	3.20
Repairs and Maintenance		
Plant and Machinery	26.40	20.56
Buildings	1.19	0.82
Others	1.84	1.57
Insurance Expenses	0.67	0.51
Rates and Taxes	14.30	3.61
Fines & Penalties	6.41	-
Legal and Professional Expenses	25.20	18.16
Travelling and Conveyance Expenses	8.98	7.63
Advertisement and Business Promotion Expenses	3.28	7.91
Office Expenses	1.21	1.29
Communication & IT Expenses	7.44	5.74
Printing and Stationery Expenses	1.02	0.92
Donations	-	0.65
Corporate Social Responsibility Expenses (Refer note 43)	5.21	3.73
Directors' Sitting Fees	0.34	0.07
Commission to Non Executive Directors	0.43	0.19
Payment to Auditors		
Statutory Audit Fees	0.13	0.11
Others	0.01	-
Write-off for Doubtful Debt, Loans & Advances	0.32	-
Allowances for Credit Losses	(0.40)	0.94
Loss on Sale on Property, Plant & Equipment	-	0.33
Miscellaneous Expenses	0.56	0.61
Total	**172.36**	**129.67**

37 Exceptional Items

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Expenses on account of Composite Scheme of Arrangement	-	27.64
Total	**-**	**27.64**

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

38 Income Tax

a. The major components of income tax expense for the years ended 31st March, 2020 and 31st March, 2019 are:

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Income Tax Expense :		
Current Tax:		
Current Income Tax Charge	122.54	125.06
Total (a)	122.54	125.06
Deferred Tax		
In respect of current year origination and reversal of temporary differences	(11.38)	2.75
Total (b)	(11.38)	2.75
Total (a+b)	111.16	127.81

b. Reconciliation of Income Tax Expense with Accounting Profit

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Profit before Tax as per statement of Profit and Loss	547.40	356.52
Tax at companies domestic tax rate (Refer Note 52 for tax rate)	137.77	124.58
Tax Effect of :		
Restatement as per Ind AS 103	-	(0.21)
Expenses not deductible for tax purposes	2.17	1.05
Change in Tax Rate	(28.54)	-
Adjustment of earlier years	1.42	1.40
Others	(1.67)	0.99
Income Tax recognised in statement of profit and loss account at effective rate	111.16	127.81

Provision for taxation for the year has been made after considering allowance, claims and relief available to the Company as advised by the Company's tax consultants. There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters.

39 Contingent Liabilities and Commitments (to the extent not provided for) :

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Contingent Liabilities :		
a) Pending labour matters contested in various courts	0.99	0.95
b) Cases pending in Consumer Forums	0.02	0.02
c) Cases pending in MACT	0.10	0.10
d) In respect of Service tax, Excise Duty and VAT	27.33	59.58
e) In respect of Income Tax	2.17	2.20

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

39 Contingent Liabilities and Commitments (to the extent not provided for) : (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
f) Special Civil Suits	0.25	0.25
g) Corporate Guarantee on behalf of JV Company	3,533.46	3,471.94
h) Case pending in NCLAT	-	25.67
Total	**3,564.32**	**3,560.70**

i) The Hon'ble Supreme Court (SC) has passed a judgement dated 28th February 2019, relating to components of salary structure to be included while computing the contribution to provident fund under the Employees Provident Fund Act, 1952. The Company's Management is of the view that there is considerable uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any. Currently, the Company has not considered any impact in these financial statements.

j) Gas suppliers have submitted a claim of ₹ 65.59 Crores pertaining to earlier years (FY 2013-14 to FY 2018-19) for use of allocated gas for other than specified purpose. The Company has refuted this claim contending that there is a gross error in actual domestic gas purchase and actual sales considered by the suppliers. The management is of the view that the Company is not liable to pay any such claim. The Company has already taken up the matter with concerned entities/authorities to withdraw the claim.

k) Haryana Shehri Vikas Pradhikaran ("HSVP") has raised demand notes of ₹ 33.03 crores against plot of lands allotted by HSVP to the Company for CNG gas stations. Presently the Company does not have any basis of the computation of the claim. The Company is regularly paying all the lease rentals and has made a requisite provision on the basis of the allotment letter. The Company is of the opinion that, as remaining amount is not clear and ascertainable and is beyond the terms of allotment letters, hence not provided in the books.

(ii) Commitments :

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Estimated amount of contract on capital account to be executed and note provided for (net of advance)	337.12	59.36
Total	**337.12**	**59.36**

Notes:

a) Interest on the above contingencies is not included in the above amounts wherever not ascertainable.

b) Management is not expecting any future cash outflow with respect to above litigations.

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

40 Expenses Directly Attributable To Construction Period

The following expenses which are specifically attributable to construction of project are included in Capital Work-in-Progress (CWIP) :

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balances	26.07	14.85
Employee Benefits Expense	29.17	11.84
Finance Cost	6.44	1.89
Operating and Other Expenses	28.17	31.05
Project Expenses	1.37	0.34
	91.22	**59.97**
Less:		
Capitalisations	29.56	33.90
Closing Balances	61.66	26.07

41 Financial Instruments and Risk Review :

a) Financial Assets and Liabilities

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

b) Fair Value Hierarchy

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

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

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

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

c) Disclosure of fair value measurement and fair value hierarchy for financial assets and liabilities

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

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

41 Financial Instruments and Risk Review : (Contd..)

As at 31st March, 2020 :

(₹ in Crores)

Particulars	Refer Note	Fair Value through profit or loss (Level-2)	Amortised cost	Total
Financial Assets				
Cash and cash equivalents	11	-	88.62	88.62
Other Bank balances	12	-	0.85	0.85
Trade Receivables	10	-	61.17	61.17
Loans	13	-	311.48	311.48
Other Financial Assets	6, 14	-	52.58	52.58
Total		**-**	**514.70**	**514.70**
Financial Liabilities				
Borrowings	18, 23, 26	-	403.02	403.02
Lease Liability	19, 24	-	25.25	25.25
Trade Payables	25	-	82.61	82.61
Other Financial Liabilities	20, 26	-	385.30	385.30
Total		**-**	**896.18**	**896.18**

As at 31st March, 2019

(₹ in Crores)

Particulars	Refer Note	Fair Value through profit or loss (Level-2)	Amortised cost	Total
Financial Assets				
Cash and cash equivalents	11	-	159.25	159.25
Other Bank balances	12	-	0.51	0.51
Trade Receivables	10	-	82.79	82.79
Loans	13	-	359.22	359.22
Other Financial Assets	6, 14	-	26.53	26.53
Total		**-**	**628.30**	**628.30**
Financial Liabilities				
Borrowings	18, 23, 26	-	393.97	393.97
Trade Payables	25	-	103.85	103.85
Other Financial Liabilities	20, 26	-	323.50	323.50
Total		**-**	**821.32**	**821.32**

Notes :

(a) Investments exclude Investment in Joint Venture.

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

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

41 Financial Instruments and Risk Review : (Contd..)

d) Financial Instruments and Financial Risk Review

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements, exchange rate fluctuation collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks.

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, price risk.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to changes in interest rates due to its financing, investing and cash management activities. The risks arising from interest rate movements arise from borrowings with variable interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

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

For Company's total borrowings, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total Borrowings	403.02	393.97

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

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Impact on profit before tax for the year	2.02	1.98

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

41 Financial Instruments and Risk Review : (Contd..)

ii) Foreign Currency Risk

Foreign Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the company's operating and financing activities. Since, the transactions in foreign currency are limited, the exposure to foreign currency risk is minimal and hence no hedging is opted.

The details of foreign currency exposures not hedged by derivative instruments are as under :-

Particulars	Currency	As at 31st March, 2020		As at 31st March, 2019	
		Forex	₹ in Crore	Forex	₹ in Crore
Trade Payables	USD	1,16,100	0.88	-	-

(Closing rate as at 31st March, 2020 : INR/USD-75.665 and as at 31st March, 2019 : INR/USD-69.155).

iii) Price risk

The Company's exposure to price risk in the investment in mutual funds and classified in the balance sheet as fair value through profit or loss. Management monitors the prices closely to mitigate its impact on profit and cash flows. Since these investments are insignificant, the exposure to equity price changes is minimal.

The Company has given corporate guarantees to fulfil the collateral requirements of the joint ventures companies. The counterparties have an obligation to return the guarantees to the Company. There are no other significant terms and conditions associated with the use of guarantee.

iv) Credit risk

Credit risk refers to the risk that a counterparty or customer will default on its contractual obligations resulting in a loss to the Company. Financial instruments that are subject to credit risk principally consist of Loans, Trade and Other Receivables, Cash & Cash Equivalents, Investments and Other Financial Assets. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of counter parties on continuous basis with appropriate approval mechanism for sanction of credit limits. Credit risk from balances with banks, financial institutions and investments is managed by the Company's treasury team in accordance with the Company's risk management policy. Cash and cash equivalents and Bank deposits are placed with banks having good reputation, good past track record and high quality credit rating.

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

41 Financial Instruments and Risk Review : (Contd..)

iv) Credit risk (Contd..)

Movement in expected credit loss allowance on trade receivables

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balance of Credit Losses	1.28	0.34
Changes during the year	(0.40)	0.94
Closing Balance of Credit Losses	**0.88**	**1.28**

v) Liquidity Risk

Liquidity risk refers the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. 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 contractual maturities of non-derivative financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in Crores)

As at 31st March, 2020	Refer Note	Less than 1 year	1 to 5 year	More than 5 Years	Total
Borrowings	18, 23, 26	105.47	283.77	13.72	402.96
Trade Payables	25	82.61	-	-	82.61
Lease Liability	19,24	4.05	10.95	10.26	25.25
Other Non Current Financial Liabilities	20	-	1.18	-	1.18
Other Current Financial Liabilities	26	384.12	-	-	384.12

(₹ in Crores)

As at 31st March, 2019	Refer Note	Less than 1 year	1 to 5 year	More than 5 Years	Total
Borrowings	18, 23, 26	48.21	246.52	99.24	393.97
Trade Payables	25	103.85	-	-	103.85
Other Non Current Financial Liabilities	20	-	3.48	-	3.48
Other Current Financial Liabilities	26	320.02	-	-	320.02

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

41 Financial Instruments and Risk Review : (Contd..)

e) Capital Management

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

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

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
Net debt (total debt less cash and cash equivalents) (A)	19,24,27,12 and 13	313.55	234.21
Total capital (B)	17 and 18	1,480.32	1,111.48
Total capital and net debt C=(A+B)		1,793.87	1,345.69
Gearing ratio (A/C)		**17%**	**17%**

Management monitors the return on capital, as well as the level of dividends to equity shareholders. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2020 and 31st March, 2019.

42 Earning Per Share (EPS)

Pursuant to the Indian Accounting Standard (Ind AS- 33) – Earnings per Share, the disclosure is as under:

Particulars	UOM	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Basic and Diluted EPS			
Net Profit after tax attributable to Equity Shareholders	(₹ in Crores)	436.24	228.71
Weighted Average Number of Equity Shares for basic and diluted EPS	No	1,09,98,10,083	1,09,98,10,083
Nominal Value of equity share	₹	1	1
Basic and Diluted EPS	₹	3.97	2.08

43 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The CSR activities of the Company are generally being carried out through Adani Foundation a Charitable Trust set up by the Group, whereby funds are allocated from the Company. The Charitable Trust carries out the CSR activities as specified in Schedule VII to the Companies Act, 2013 on behalf of the Company. During the year, Company was required to spend CSR expense of ₹ 5.21 Crores (31st March, 2019 : ₹ 3.73 Crores) as per requirement of Section 135 of Companies Act, 2013 and had spent ₹ 5.21 Crores (31st March, 2019 : ₹ 3.73 Crores) for the year.

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

43 Corporate Social Responsibility (Contd..)

(₹ in Crores)

Particulars	Amount contributed	Amount yet to be contributed	Total
a) Construction/acquisition of any assets	-	-	-
b) On purpose other than (a) above	5.21	-	5.21
Total	**5.21**	**-**	**5.21**

44 The Company has made provision in the accounts for Gratuity based on actuarial valuation. The particulars under the Ind AS 19 "Employee Benefits" furnished below are those which are relevant and available to the Company for this year.

a) Contributions to Defined Contribution Plan, recognised as expense for the year are as under:

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provident Fund	1.47	1.17
Super Annuation Fund	0.04	0.06
Total	**1.51**	**1.23**

b) Defined Benefit Obligations :

The Company has a defined benefit gratuity plan (funded) and is governed by the Payment of Gratuity Act, 1972. Under the Act, 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. The scheme is funded with Life Insurance Corporation of India (LIC) in form of a qualifying insurance policy with effect from September 01, 2010 for future payment of gratuity to the employees.

Liability in respect of Gratuity is determined based on actuarial valuation done by actuary as at the balance sheet date. Each year, the management reviews the level of funding in the gratuity fund. Such review includes the asset - liability matching strategy. The management decides its contribution based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Investment Risk	:	These Plans invest in long term debt instruments such as Government securities and highly rated corporate bonds. The valuation of which is inversely proportionate to the interest rate movements. There is risk of volatility in asset values due to market fluctuations and impairment of assets due to credit losses.
Interest Risk	:	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa.
Longevity Risk	:	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	:	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

Notes to Financial Statements
as at and for the year ended on 31st March, 2020

44 (Contd..)

b) Defined Benefit Obligations : (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
i. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation		
Liability at the beginning of the Year	8.47	6.35
Current Service Cost	1.20	0.79
Past Service Cost	-	-
Interest Cost	0.65	0.51
Employee Transfer in / transfer out (net)	0.21	0.25
Benefit paid	(0.81)	(0.44)
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in demographic assumptions	(0.64)	-
change in financial assumptions	1.25	0.20
experience variance (i.e. Actual experiencevs assumptions)	0.44	0.81
Present Value of Defined Benefits Obligation at the end of the Year	**10.77**	**8.47**
ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan Assets		
Fair Value of Plan assets at the beginning of the Year	5.69	3.82
Investment Income	0.43	0.29
Return on plan asset excluding amount recognised in net interest expenses	(0.42)	0.09
Employers Contributions	1.85	1.93
Benefit paid	(0.81)	(0.44)
Fair Value of Plan assets at the end of the Year	**6.74**	**5.69**
iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Present Value of Defined Benefit Obligations at the end of the Year	10.77	8.47
Fair Value of Plan assets at the end of the Year	6.74	5.69
Net Asset / (Liability) recognized in balance sheet as at the end of the year	**(4.03)**	**(2.78)**
iv. Gratuity Cost for the Year		
Current service cost	1.20	0.79
Interest cost	0.65	0.51
Expected return on plan assets	-	-
Actuarial Gain / (Loss)	-	-
Past service cost-vested benefit recognised during the year	-	-
Investment income	(0.43)	(0.29)
Net Gratuity cost	**1.42**	**1.01**
v. Other Comprehensive income		
Actuarial (gains) / losses		
Change in demographic assumptions	(0.64)	-
Change in financial assumptions	1.25	0.20
Experience variance (i.e. Actual experiencevs assumptions)	0.44	0.81
Actuarial (gain)/loss arising because of change in effect of asset ceiling	-	-
Return on plan assets, excluding amount recognised in net interest expense	0.42	(0.09)
Components of defined benefit costs recognised in other comprehensive income	**1.47**	**0.92**

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

44 (Contd..)

b) Defined Benefit Obligations : (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
vi. Actuarial Assumptions		
Discount Rate (per annum)	6.70%	7.60%
Annual Increase in Salary Cost	8.00%	8.00%
Mortality Rate During employment	IALM(2012-14)	IALM(2006-08)
Attrition Rate	5.67%	1.00%

vii. Sensitivity Analysis

Significant actuarial assumptions for the detemination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have 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:

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	11.86	9.83	9.60	7.52
Salary Growth Rate (- / + 1%)	9.84	11.82	7.52	9.58
Attrition Rate (- / + 50%)	11.12	10.51	8.49	8.45
Mortality Rate (- / + 10%)	10.77	10.77	8.47	8.47

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

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 ₹ 5.35 Crore.

Notes to Financial Statements
as at and for the year ended on 31st March, 2020

44 (Contd..)

b) Defined Benefit Obligations : (Contd..)

c) Maturity Profile of Defined Benefit Obligation

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31st March 2019: 13 years). The expected maturity analysis of gratuity benefits is as follows :

Expected cash flows over the next (valued on undiscounted basis):	(₹ in Crores)
1 year	0.73
2 to 5 years	3.65
6 to 10 years	5.22
More than 10 years	13.35

ix. Risk Exposure and Asset Liability Matching

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

c) Compensated absences/ leaves

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, 2020 is ₹ 5.20 Crores (31st March 2019: ₹ 3.87 Crores).

45 Pursuant to Para B14 of Ind AS 112, Disclosure of Interest in Other Entities, following is the disclosure relating to Joint Venture of the entity:

The Company has a Joint Venture interest in Indian Oil Adani Gas Private Limited, a Company incorporated under the Companies Act, 2013. As at 31st March, 2020, the Company has invested a sum of ₹ 291 Crores (31st March, 2019: ₹ 185.50 Crores)

Assets, liabilities , income & expenditure, contingent liabilities and capital commitments of the Joint Venture are as given below:

(₹ in Crores)

Particulars	2019-20 (Unaudited)	2018-19 (Audited)
	IndianOil-Adani Gas Private Limited	
Country of Incorporation	India	India
% of ownership interest	50%	50%
Current Assets	167.62	76.31
Non Current Assets	1,343.65	1,033.29
Current Liabilities	206.73	136.44
Non Current Liabilities	741.44	621.22
Income	311.53	167.67

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

45 Pursuant to Para B14 of Ind AS 112, Disclosure of Interest in Other Entities, following is the disclosure relating to Joint Venture of the entity: (Contd..)

(₹ in Crores)

Particulars	2019-20 (Unaudited)	2018-19 (Audited)
	IndianOil-Adani Gas Private Limited	
Profit/(Loss) for the year	0.15	(0.03)
Other Comprehensive Income	0.01	(0.01)
Total Comprehensive Income	0.17	(0.04)
Contingent Liabilities	0.27	0.27
Capital Commitments	414.99	239.77

46 Related party transactions

a. List of related parties and relationship

The Management has identified the following entities and individuals as related parties of the Company for the year ended 31st March, 2020 for the purpose of reporting as per Ind AS 24 Related Party Disclosure which are as under:-

Ultimate Controlling Entity	:	S. B. Adani Family Trust (SBAFT) Total Holdings SAS (THS)
Joint Venture Entity	:	IndianOil-Adani Gas Private Limited
Entities under common control / associate Entities (with whom transactions are done)	:	Adani Enterprises Limited Adani Power Limited Adani Power (Mundra) Limited Adani Foundation Karnavati Aviation Private Limited Adani Township & Real Estate Company Private Limited Shantikrupa Estates Private Limited Belvedere Golf and Country Club Private Limited Adani Infra (India) Limited Adani Agri Fresh Limited Adani Institute for Education and Research Adani Green Energy Limited Adani Wind Energy (GJ) Limited Adani Estate Management Private Limited Adani Ports and Special Economic Zone Limited
Board of Directors and Key Managerial Personnel	:	Mr. Gautam S. Adani, Chairman Mr. Pranav V. Adani, Director Mr. Alexis Thelemaque, Additional Director (w.e.f. 14.02.2020) Mr. Suresh P Manglani, Executive Director (upto 05.02.2020) Mr. Maheshwar Sahu, Independent Director Mrs. Chandra Iyengar, Independent Director Mr. Naresh Kumar Nayyar, Independent Director Mr. Suresh P Manglani, Chief Executive Officer (w.e.f. 05.02.2020) Mr. Parag Parikh, Chief Financial Officer (w.e.f. 25.09.2019) Mr. Gunjan Taunk, Company Secretary

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

46 Related party transactions (Contd..)

a. List of related parties and relationship (Contd..)

Terms and conditions of transactions with related parties

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

ii) Outstanding balances of related parties at the year-end are unsecured.

iii) Remuneration to Key Managerial Personnel does not include provision for Leave Encashment and Gratuity as it is provided in the books of account on the basis of actuarial valuation for the Company as a whole and hence individual figures cannot be identified.

iv) Reimbursement to associate entity includes amount of cost allocation of remuneration to some of the Key Managerial Personnel.

v) All above figures are net of taxes wherever applicable.

b. Transactions with Related Parties

(0.00 denotes amount less than ₹ 50,000)

(₹ in Crores)

Sr No.	Related Party	Nature of Transaction	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Adani Enterprises Limited	Loan Given	27.20	176.30
		Loan Received back	75.00	1,177.06
		Purchase of Inventories	-	12.53
		Services Availed	8.27	8.22
		Transfer-in of Employee Liabilities	0.02	0.48
		Transfer-out of Employee Liabilities	0.05	0.00
		Receipt of Interest on Loan	30.22	68.51
2	Adani Power Limited	Purchase of Fixed Asset	-	0.01
3	Adani Power (Mundra) Limited	Services Availed	0.00	-
4	Adani Foundation	Donation	5.21	3.73
5	Karnavati Aviation Private Limited	Services Availed	3.00	2.40
6	Belvedere Golf and Country Club Private Limited	Services Availed	-	0.05
7	Shantikrupa Estates Private Limited	Services Availed	6.33	3.47
8	Adani Township & Real Estate Company Private Limited	Services Availed	0.00	0.00
9	Adani Ports and Special Economic Zone Limited	Rent Expense	1.74	0.43
		Services Availed	0.61	-
		Transfer-in of Employee Liabilities	0.05	-
10	Adani Infra (India) Limited	Transfer-in of Employee Liabilities	0.17	-
11	Adani Agri Fresh Limited	Services Availed	0.00	-
12	Adani Institute for Education and Research	Services Availed	0.12	-
13	Adani Green Energy Limited	Transfer-in of Employee Liabilities	0.11	-
14	Adani Wind Energy (GJ) Limited	Transfer-in of Employee Liabilities	0.01	-
15	Adani Estate Management Private Limited	Services Availed	0.00	-

Notes to Financial Statements
as at and for the year ended on 31st March, 2020

46 Related party transactions (Contd..)

b. Transactions with Related Parties (Contd..)

(₹ in Crores)

Sr No.	Related Party	Nature of Transaction	For the year ended 31st March, 2020	For the year ended 31st March, 2019
16	IndianOil-Adani Gas Private Limited	Sale of Inventory	-	0.06
		Purchase of Capital Inventory	4.00	-
		Sale of Natural Gas	2.87	-
		Purchase of Natural Gas	0.26	-
		Services Rendered	5.93	2.79
		Services Availed	0.01	-
		Corporate Guarantee Commission	3.53	2.60
		Investment in Equity	105.50	51.50
17	Mr. Rajeev Sharma	Short-term Benefits	-	2.25
18	Mr. Naresh Poddar	Short-term Benefits	-	0.91
19	Mr. Suresh P Manglani	Short-term Benefits	2.87	0.69
20	Mr. Parag Parikh	Short-term Benefits	1.62	-
21	Mr. Maheshwar Sahu	Director Sitting Fees	0.11	0.02
		Commission	0.12	0.05
22	Mrs. Chandra Iyengar	Director Sitting Fees	0.09	0.02
		Commission	0.12	0.05
23	Mr. Naresh Kumar Nayyar	Director Sitting Fees	0.09	0.02
		Commission	0.12	0.05

c. Balances With Related Parties

(₹ in Crores)

Sr No.	Related Party	Nature of Balances	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Adani Enterprises Limited	Trade Payables	1.19	3.39
		Other Current Financial Assets	0.02	
		Current Loans	311.22	359.02
2	Adani Ports and Special Economic Zone Limited	Trade Payables	0.59	0.47
		Other Non - Current Financial Assets	0.43	-
		Other Current Financial Assets	0.05	-
3	Adani Power (Mundra) Limited	Other Current Financial Assets	0.01	0.01
		Trade Payables	0.00	-
4	Belvedere Golf and Country Club Private Limited	Trade Payables	-	0.01
5	Adani Township & Real Estate Company Private Limited	Trade Payables	-	0.00
6	Adani Estate Management Private Limited	Trade Payables	0.00	-
7	Adani Green Energy Limited	Other Current Financial Assets	0.11	-
8	Adani Wind Energy (GJ) Limited	Other Current Financial Assets	0.01	-
9	Adani Infra (India) Limited	Other Current Financial Assets	0.17	-
10	Karnavati Aviation Private Limited	Trade Payables	0.26	0.27

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

46 Related party transactions (Contd..)

c. Balances With Related Parties (Contd..)

(₹ in Crores)

Sr No.	Related Party	Nature of Balances	For the year ended 31st March, 2020	For the year ended 31st March, 2019
11	Shantikrupa Estates Private Limited	Trade Payables	0.30	0.67
		Other Non Current Assets	4.59	1.06
12	IndianOil-Adani Gas Private Limited	Other Current Financial Assets	9.46	3.88
		Trade Receivables	0.66	-
		Trade Payables	0.29	-
		Other Current Financial Liabilities	4.72	-
		Corporate Guarantee	3,533.46	3,471.94

d. Following are the details of loans and advances in nature of loans given to subsidiaries, associates and other entities in which directors are interested in terms of regulation 53(f) read together with Para A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) 2015, as amended

(₹ in Crores)

Name of Entity	Closing Balance as at 31st March, 2020	Maximum amount outstanding during the year
Adani Enterprises Limited		
Current Year	311.22	359.02
Previous Year	359.02	1,359.87

47 Contract Balances

(a) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

(₹ in Crores)

Particulars	Refer note	As at 31st March, 2020	As at 31st March, 2019
Trade receivables	10	61.17	82.79
Contract assets	14	16.97	13.70
Contract liabilities	27	0.88	1.14

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers.

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

47 Contract Balances (Contd..)

(b) Significant changes in contract assets and liabilities during the period:

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020
Contract assets reclassified to receivables	13.70
Contract liabilities recognised as revenue during the year	1.14

(c) Reconciliation the amount of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Revenue as per contracted price	1,990.90	1,823.49
Adjustments		
Discounts	-	-
Revenue from contract with customers	1,990.90	1,823.49

48 Leases

i) Transition to Ind AS 116 Leases:

The Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 Leases ('Ind AS 116') which replaces the existing lease standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 1st April, 2019, the Company has adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

The Company has elected below practical expedients on transition to Ind AS 116:

1. Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
2. Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
4. Elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying Ind AS 17 Leases.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standards to its leases, prospectively, applying the standards on initial application without making any adjustment to opening balance of retained earnings.

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

48 Leases (Contd..)

i) Transition to Ind AS 116 Leases: (Contd..)

The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term.

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 9.75%.

ii) The movement in Lease liabilities during the year ended 31st March, 2020

(₹ in Crores)

Particulars	As at 31st March, 2020			
	Land	Building	Computer	Total
Balance as at 1st April, 2019 (adoption of Ind AS 116)	11.96	1.40	-	13.36
Additions during the year	8.47	3.41	1.43	13.31
Finance costs incurred during the year	1.28	0.31	0.04	1.63
Payments of Lease Liabilities	1.85	1.05	0.15	3.05
Balance as at 31st March, 2020 (refer note 19 & 24)	**19.86**	**4.07**	**1.32**	**25.25**

iii) The carrying value of the Rights-of-use and depreciation charged during the year

(₹ in Crores)

Particulars	As at 31st March, 2020
Opening Gross Carrying Value	43.64
Addition to the Right of Use of Asset on account of transition to Ind AS 116 - Lease Accounting	13.36
Addition to Right of use assets during the year	14.65
Right of use assets as at end of the year	**71.65**
Accumulated Depreciation	
Opening Value of Accumulated Depreciation	2.08
Depreciation charged for the year	2.74
	4.82

iv) Amount Recognised in Profit & Loss Account during the Year

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
(i) Expenses related to Short Term Lease & Low Asset Value Lease	2.37	-
(ii) Lease Expenses	-	3.20
Total	**2.37**	**3.20**

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

48 Leases (Contd..)

v) Amounts recognised in statement of cash flows

(₹ in Crores)

Particulars	For the Year ended 31st March, 2020
Total cash outflow for leases	3.05

vi) Maturity analysis of lease liabilities

(₹ in Crores)

Particulars	As at 31st March, 2020
Maturity Analysis of contractual undiscounted cash flows	
Less than one year	4.23
One to five years	14.22
More than five years	25.31
Total undiscounted lease liabilities as at 31st March, 2020	43.77
Balances of Lease Liabilities	
Non-Current lease liabilities	4.05
Current lease liabilities	21.20
Total Lease Liability	25.25

Note : In future when the dispute related to HSVP gets settled and in case it is required to change in estimate of cashflows, lease modification guidance would be applicable under Ind AS 116, and to be accounted accordingly during that period. (Refer note : 39)

49 In accordance with para 51 of Ind AS 16, useful life has been reviewed during the year. Based on this review, the useful life of certain class of plant and machinery have been revised as specified in accounting policies w.e.f 1st April, 2019. Management believes that the same better represents the economic benefits expected to accrue from use of the assets. The impact of this change has been accounted prospectively from 1st April 2019. Accordingly, depreciation charge for the financial year 2019-20 has been reduced by ₹ 22.60 Crores.

50 Other Disclosures

a) An amount of ₹ 6.87 Crores (P.Y. ₹ 6.87 Crores) is standing as CENVAT credit receivable being the difference between the amount of CENVAT credit availed in the books of account on Input, Capital Goods and Input Services and the credit claimed under statutory returns. Out of this, the Company has made application to the Excise & Service Tax department for availing this credit of ₹ 6.87 Crores in statutory returns.

b) In the opinion of the Management and to the best of their knowledge and belief, the classification under the head of Current and Non-Current Assets (other than Property, Plant and Equipment and Non-Current Investments), are approximately of the value stated, if realized in the ordinary course of business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

c) Petition against the company was filed before PNGRB alleging violation of certain provisions pertaining to works in petitioner's authorized Geographical Area. Correspondingly, a Special Leave petition is filed by the company before Hon'ble Supreme Court of India challenging the authorization coupled with constitutional validity of Regulation 18 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 in reference to outer areas of Ahmedabad which is pending for disposal and consequently PNGRB proceedings are adjourned sine die due to such pendency at Apex Court at the reporting date.

d) Item of expenditure in Statement of Profit & Loss includes reimbursement to and by the Company, as agreed upon between group Companies.

Notes to Financial Statements

as at and for the year ended on 31st March, 2020

50 Other Disclosures (Contd..)

e) Security Deposit include amount of ₹ 2.09 Crore and interest due thereon of ₹ 2.11 Crore are outstanding for a substantial period of time. The Company has been actively negotiating for recovery, periodic confirmation of balances are taken and the management is reasonably confident of recovery against the same.

f) The Company has constructed building and facilities for processing and distribution of natural gas on plots allotted on long term lease by Ahmedabad Municipal Corporation and has paid rent accordingly.

51 Details of Loans given, Investments made and Guarantee given or security provided covered u/s 186 (4) of the Companies Act, 2013 are given under respective heads (refer notes 5 and 46).

52 On 20th September, 2019, vide the Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance'), the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1st April, 2019, subject to certain conditions. The Company has decided to opt for the reduced corporate tax rates effective from 1st April, 2019. Accordingly, the Company has recognised Provision for Income Tax and has re-measured its deferred taxes as per the provisions of the Ordinance. This has resulted in a reduction of deferred tax liability by ₹ 28.54 Crores on account of remeasurement of deferred tax liability as at 31st March, 2020.

53 The Ministry of Home Affairs vide order No.40-3/2020 dated 24.03.2020 notified Gas retail outlets among the essential services which continued to operate during lock down in the crisis situation of COVID-19. The Company has considered the possible effects on the carrying amounts of financial assets including receivables, inventories and unbilled revenues. The Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

54 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 8th May, 2020, there are no subsequent events to be recognized or reported that are not already disclosed.

55 Approval of financial statements

The financial statements were approved for issue by the board of directors on 8th May, 2020.

As per our attached report of even date

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

SHUBHAM ROHATGI
Partner
Membership No. 183083

Place : Ahmedabad
Date : 8th May, 2020

For and on behalf of the Board
ADANI GAS LIMITED

GAUTAM S. ADANI
Chairman
DIN 00006273

ALEXIS THELEMAQUE
Director
DIN 08563003
Place : Mumbai

SURESH P MANGLANI
Chief Executive Officer
Place : Mumbai

PARAG PARIKH
Chief Financial Officer

GUNJAN TAUNK
Company Secretary

Place : Ahmedabad
Date : 8th May, 2020