

Adani Total Gas. Helping transition India to a gas-based economy

71

Disclaimer

Consequent to the induction of TOTAL Holdings SAS as the joint promoter of the Company, the Board approved a change in the name of the Company from Adani Gas Limited to Adani Total Gas Limited (ATGL).

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This is the first annual report covering a full year's performance of Adani Total Gas Limited (evolving from Adani Gas Limited).

This annual report has been structured across four parts.

Part one addresses the widening role of gas in a growing India.

Part two addresses our drivers of excellence.

Part three comprises our performance.

Part four presents our Integrated Report.



Part 1

Natural gas,
India and Adani
Total Gas Limited

THE BIG PICTURE

There are three big messages we wish to communicate.

One, natural gas is among the cleaner fuels available to humankind.

Two, India intends to increase the use of natural gas from 6.2% of its primary fuel mix to 15% by 2030.

Three, Adani Total Gas Limited, one of India's largest gas distribution companies, expects to play a catalytic role in the country's accelerated evolution into a gas-based economy.



**“Huun phari thi
jeev-va laagi”**
(*I began to live again*)

The story of Sudhaben could become the
story of masses across India

Sudhaben lives in semi-urban Gujarat.

For a number of years, she accessed firewood by collecting the broken branches fallen off trees.

On the occasion that she was not shooed off parks and gardens, her aggregation would take 45 minutes to an hour. Every single day. More than 350 days a year.

Then came Ramnikbhai who said, 'Ketla divas aam chalaavsho?' (How many days can you continue like this?)

He suggested an alternative. 'Gas' is all he said.

Sudhaben was not one to give up years of free resource collection for a paid resource.

But the idea had been seeded. She asked 'Ketla laagshay?' (How much will it cost?)

The amount did not appear much.

The connection was provided in a few days. All she needed to do was to turn her wrist. The gas came through in a smooth soundless flow.

Sudhaben has given up scouring public places for wood. She estimates that she saves more than 300 hours a year. That is nearly half a month of incremental living.

She sums her experience of gas delivered to her residence with the words: "Huun phari thi jeev-va laagi" (*I began to live again*).

TRANSFORMING LIVES

The story of Adani Total Gas Limited is not as much about pipes and CNG stations.

It is about people, wellness and dignity



Savitabai in rural Bhilwara district walks 55 minutes a day to fetch firewood.

In some months from now she will be able to access piped natural gas in her kitchen and allocate the saved time towards looking after the family



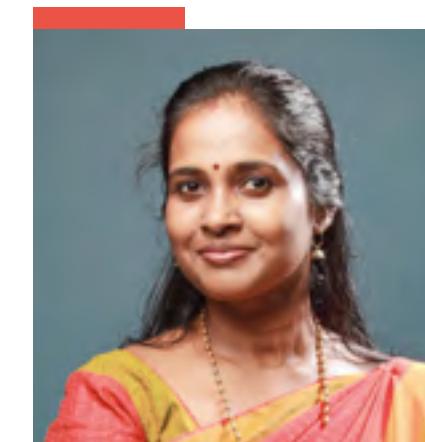
Santokh Singh was apprehensive about whether the building he was designing would qualify as 'green' due to its reliance on legacy fuels.

He was elated when the government invited bidding for a natural gas distribution in his city.



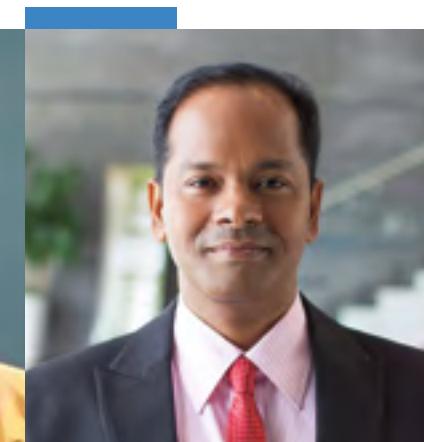
Raju in Udaipur drove a diesel-driven private taxi for years, struggling to break even.

The viability of his small venture strengthened following his switch to compressed natural gas.



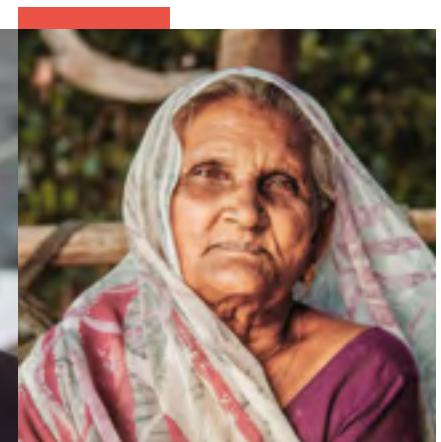
Lakshmi in Cuddalore district is an asthmatic whose condition worsened on account of a sustained exposure to kitchen smoke.

Soon in the future, she will have switched to piped natural gas.



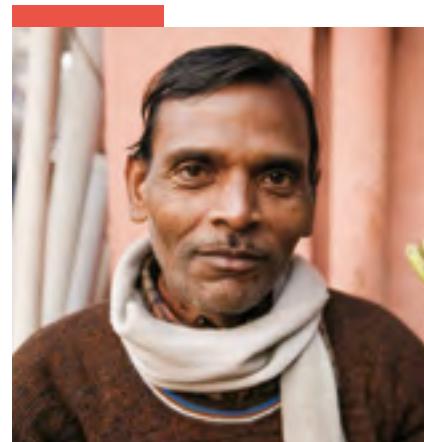
Ajay in Surendranagar was constantly worried about a volatility in fuel costs affecting the viability of his business.

He is a more relieved person today following access to stable and economical piped natural gas.



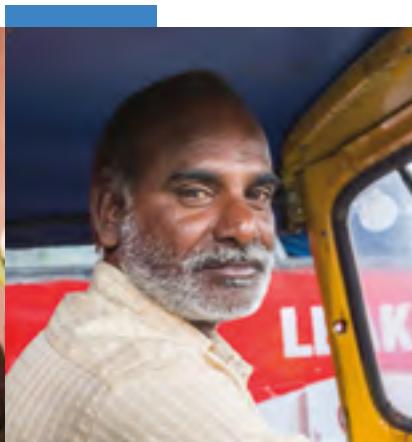
Kantaba in Surendranagar district is 65 years old but must balance 5 kgs of firewood on her head each morning to keep the home fires running.

In the next few months she will move to a less demanding physical engagement after she gets piped natural gas delivered to her kitchen



Bharath in Khurja would perpetually complain about shopfloor hygiene on account of fuel spills.

His workers are a happier lot following the switch to piped natural gas



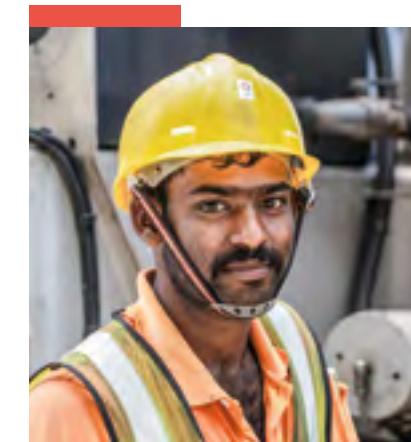
Ramesh is an auto-rickshaw driver in Chittorgarh who ties a handkerchief across his face as a protection against automotive fumes.

In the foreseeable future, he is likely to dispense with the handkerchief as a proliferation in CNG stations makes the town air cleaner



Rakesh in Kheda once complained to his family, 'There are just too many variables in my business.'

He told them the other day, 'The one variable that has been turned into a near-constant is the availability of piped natural gas.'



Salim works in a small-scale unit in Faridabad. There used to be a time when he worked uncomplainingly despite being exposed to noxious industrial fumes.

Following the introduction of piped natural gas, he breathes lighter today – in more senses than one.



Shalini in Palwal used to perpetually fret that 'Na jaane yeh gas ki tanki kab khatam ho jaayegi.'

She looks at those times, smiles and shakes her head; she uses a limitless piped natural gas connection today.

Disclaimer
This section represents a simulation of how consumers are expected to respond after ATGL has widened its CGD network across these locations

ASPIRATION

Tomorrow's India...

Marked by subtle changes in everyday realities that mean that the country will get cleaner



Where the words 'petrol pump' will be replaced with 'gas station'

Where the air becomes progressively cleaner

Where industrial workers are likely to feel safer working with a cleaner and considerably less hazardous fuel like natural gas

Where the lifecycle cost of automobile ownership is likely to decline on account of lower gas-based fuel cost and lower vehicle maintenance expenditure

Where the ranking of Indian cities progressively moves towards the cleaner end of the spectrum of most polluted cities with increasing use of the clean and green fuel i.e. natural gas.

Where the proportion of natural gas in the energy mix of India moves towards the developed countries' proportion, increasing the energy security of the Company and reducing reliance on crude oil imports.

Where the increased use of gas in power stations could help reduce environment load and meet peak power requirements complementing renewable energy.

Where the competitive cost arising out of the increased use of gas in fertiliser manufacture could help revive closed units and reduce urea import

Where the proportion of natural gas in the energy mix of India moves towards the developed countries' proportion, increasing the energy security of the Company and reducing reliance on crude oil imports.

Where the increased use of gas provides hope that environmental integrity does not have to be sacrificed for economic growth

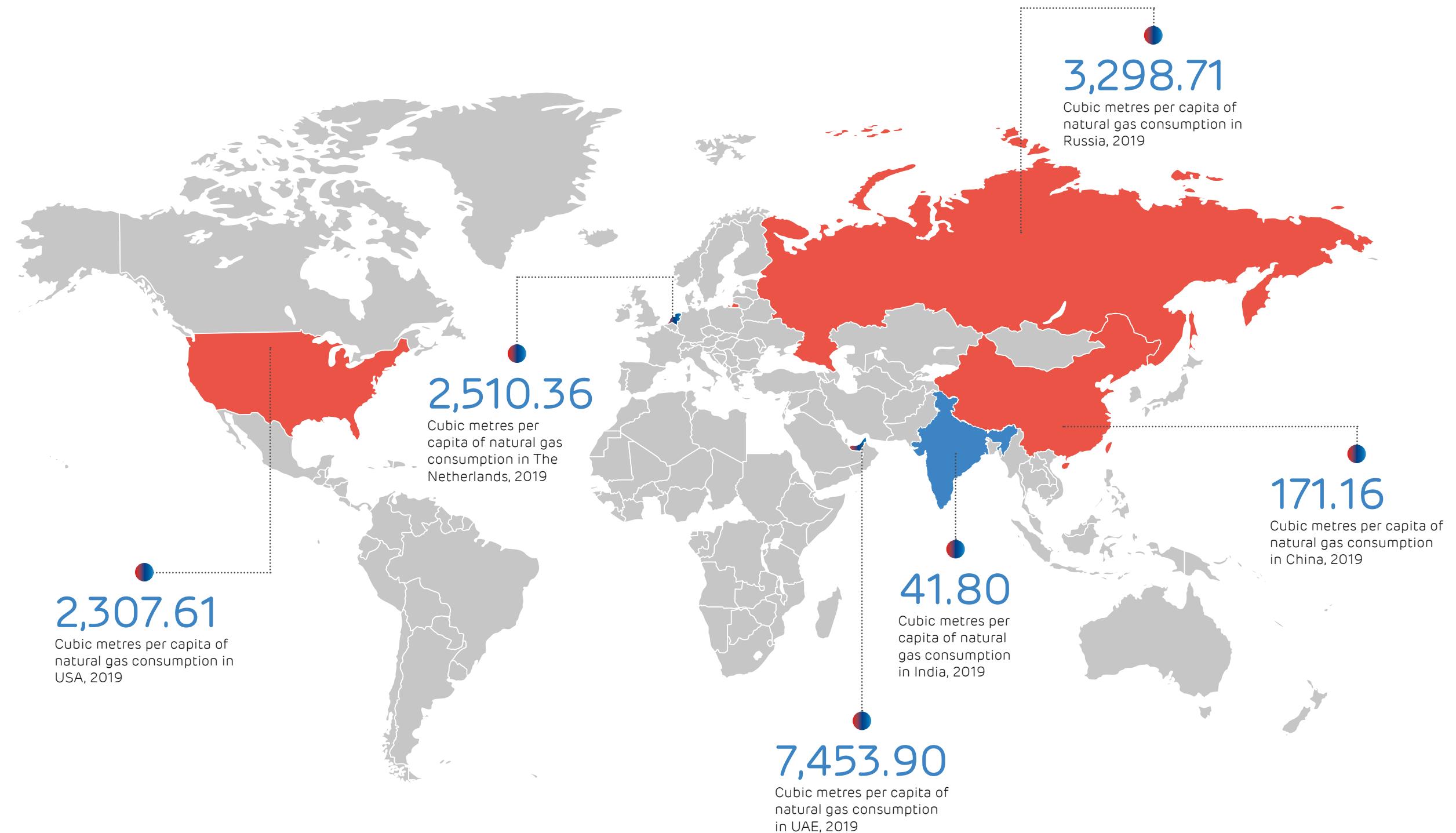
Where the Indian home maker finds an ally in the residential availability of piped natural gas that protects her health

Where a decline in firewood collection for residential cooking will help protect the earth's green cover

Where responsible fuel use could strengthen the ESG rating of companies

Where the proactive use of gas by industries translates into a competitive advantage and a national standard

Gas. The headroom for growth in India

(Source: CIA World Factbook) (Data as on 1st January, 2020)



FIRST WORD

Clean air.

Two words that encapsulate the gist of our vision

Overview

At Adani Total Gas, we are engaged in making India breathe fresh and cleaner air.

We believe that there is a greater urgency and priority in doing so now for a number of reasons.

The release of greenhouse gases is warming our planet

and destroying centuries-old ecological systems.

The impact of global warming is likely to affect human existence and global economies.

These realities are making it increasingly imperative for humankind to collaborate in

protecting the earth.

We believe that the core of our business is directed to protecting the earth and making the world a better place to live in.

Cleaner fuel

At the heart of a preference for natural gas lies cleanliness – arguably one of the cleaner fuels.

Natural gas burns 50% cleaner than coal and about 30% cleaner than oil. By the virtue of its lower carbon content and fewer impurities, it produces less sulfur dioxide (primary contributor to acid rain).

The result is that the increased use of natural gas is helping make cities habitable.

Compressed natural gas (CNG) is one of the clean-burning transportation fuels. CNG burns cleaner than petroleum-based products because of its low carbon content. CNG produces the fewest emissions of all fuels and contains significantly less pollutants than conventional liquid fuels. CNG produces 20-30% fewer greenhouse gas emissions and 95% fewer tailpipe emissions than petroleum products. Because CNG fuel systems are completely

sealed, CNG vehicles produce no evaporative emissions.

The increased use of CNG also implies that the pollution in Indian cities could decline even as automobile ownership increases, the heart of consumption sustainability.

Why a gas-based economy is critically needed: Declining quality of air pollution in India

Overview

India is home to some of the world's most polluted cities.

In 2019, as much as 90.7% of India's population was estimated to have been exposed to unhealthy air levels of ambient PM2.5.

India leads the list of countries with the highest annual average exposures to PM 2.5-fine particulate matter that is considered hazardous to health and the third highest average ozone exposures in the world, with a 17% increase in the last decade (2010-2019). As per World Air Quality Report 2019,

cities in India, on average, exceeded the WHO target for annual PM 2.5 exposure by 500%.

The 1.67 Million premature deaths attributable to air pollution accounted for nearly 18% of India's total deaths during 2019, while the economic loss due to the lost output from premature deaths and morbidity from air pollution was estimated at 1.4% of the GDP (equivalent to ₹260,000 Crore). The largest proportions of air pollution-linked deaths were due to chronic obstructive pulmonary disease (32%), ischaemic heart disease (30%), strokes (16%), lower respiratory infections (11%) and neonatal disorders (5%).

Interestingly, national air pollution decreased by 20% from 2018 to 2019 with 98% of cities experiencing

improvements. As compared to 2018, every city in India, except Nagpur, reported a decline in PM 2.5 levels in 2019. As of 2019, the average annual PM 2.5 concentration across India was 58.1 micrograms per cubic meter. Besides, India's exposure to household air pollution reduced from 73% in 2010 to 61% in 2019 on the back of the government's growing focus on widening access to clean energy.

These realities warrant the accelerated introduction of natural gas that could progressively replace conventional fuels, making India cleaner and healthier.

Sources: Public Health Foundation of India, New Delhi, Economic Times, The Telegraph



ANALYSIS

Gas. Bedrock of a modern progressive society

Overview

The world is faced with challenges related to climate change, urban pollution, health vulnerability and inflation.

Interestingly, there is a growing conviction that these issues can be addressed or moderated through the increasing use of a clean fuel.

Inevitably, the selection of this clean and acceptable fuel has come down to natural gas.

There is a growing consensus across the judiciary,

environmentalists, urban planners, economists and citizens that natural gas represents a near-comprehensive answer to modern challenges and could lead humankind into a better tomorrow. Natural gas is also being viewed as the natural transition fuel between polluting fuels and renewables.

The re-structuring of the global fuel mix across the last few decades – now beginning to happen in India – is inspiring

hope (along with renewable energy) that the future of the world can indeed be cleaner and cheaper.

The use of natural gas ensures that economic growth can be aligned with environment responsibility. The result is that increased wealth creation by any country does not need to come at the cost of depriving succeeding generations the opportunity of living more complete and healthy lives.

There are several reasons why natural gas is being preferred.

Decoupling

The increased use of gas (along with renewable energy) is sending out a signal that economic growth need not be coupled with environment degradation; that humankind can drive consumption-driven economic growth without a corresponding environment load that compromises the capacity of succeeding generations to benefit from the earth.

Economy

After decades of sustained inflation in the cost of electricity (fossil fuel-derived), what the world is now seeing is a welcome break: the prospect of sustained stability or decline in the cost of power generated from gas, partly due to an abundance in discovery and availability. The result is that in most areas, natural gas is more affordable than electricity for house and water heating – currently almost half the cost of petrol and more than a third more economical than diesel. Affordable natural gas prices generate extensive savings, which accelerates gas demand that, in turn, incentivises investments, accelerating the virtuous cycle.

Dependability

Natural gas is dependable for fulfilling energy needs. In case of a big storm marked by power outage, consumers can use water heaters and other home appliances utilising natural gas available through underground pipelines.

Health and well-being

Compressed Natural Gas (CNG) does not generate smoke when combusted; petrol and diesel leave unburnt carbon particles in the air with carbon monoxide, which causes headache and dizziness, among other health hazards. CNG has helped reduce greenhouse gas emissions 15-25%

Logistics competitiveness

When seen through a functional prism, gas is but a fuel; when appraised through the effectiveness impact, gas can help nations deepen their competitiveness. By the virtue of it being used a transportation fuel, gas helps reduce national logistic costs – it offers a 30-45% price advantage per equivalent unit of energy over gasoline – and makes national services and products more competitive, increases exports, accelerates employment and widens prosperity. In view of this, gas is more than just one of the fuels available; it is increasingly seen as integral to national prosperity.

Government policies

Several governments are stepping forward by supporting policies that make gas use more attractive over conventional fuels. For instance, CGDs get the highest priority in domestic gas allocation. Following court orders, the central government facilitated the supply of 100% domestic gas for all gas consumption for CNG/domestic piped gas, which was later increased to 110% allocation – the highest allocation priority over competing fuels.



Advantages of compressed natural gas

Lower cost: Compressed natural gas provides a 50-60% saving over conventional products such as petrol and diesel fuel. Since CNG does not contain lead, spark plug life is extended. CNG does not dilute or contaminate crankcase oil, so intervals between oil changes and tune-ups are extended. Pipes and mufflers last longer because CNG does not react to metals. The result is a lower cost of automobile ownership, a remarkable game-changer in a price-sensitive country like India where the automobile penetration is lower than the global average. Besides, vehicle owners possess the option to extend the usable life of their petrol/vehicles by converting them to CNG.

Better performance: CNG is established as superior to petroleum-based products since natural gas possesses an octane rating of about 127. CNG vehicles experience less knocking, no vapour locking and superior starting even under extreme weather conditions (since natural gas is already in a gaseous state).

Enhanced safety: Compressed natural gas (CNG) fuel storage tanks are stronger and safer than gasoline or diesel tanks, reducing the possibility of accidental release. Even when accidentally released, CNG disperses quickly into the air instead of staying on the ground, reducing the risk of fire and ground contamination. CNG gives off little to no emissions during refuelling.

Fire resistant: The ignition temperature of CNG is 600 C, higher than gasoline (320 C) and diesel (285 C). This means that CNG vehicles are less likely to catch fire. In the event of a leak, CNG is lighter than air, making it possible to dissipate into the atmosphere, unlike gasoline or diesel that could aggregate on the ground to become a fire hazard.

Capacity: A 50 litre cylinder (water-carrying capacity) can carry approximately 9 kgs of CNG, the equivalent to 12.5 litres of petrol that could facilitate 180-200 km of travel of a medium-sized 1,100 CC car.

Advantages of piped natural gas

Game-changer: The provision of piped natural gas in the Indian kitchen is helping graduate that part of the home into the modern age with extensive implications for those who utilise the facility.

Unlimited access: The concept of piped natural gas has transformed a finite quantity of available bottled gas into an unlimited piped resource, liberating the person managing the kitchen from the ongoing concern of running out of supply.

Convenient: Gas is constantly fed into the piped system, circumventing the challenges of handling, refilling and cylinder replacement. Besides, piped natural gas obviates the need for cylinder storage in space-starved kitchens.

Economical: Piped gas generates higher savings compared to conventional fuels. The piped delivery neutralises the user against any volatility in transportation costs. The absence of transportation fuel consumption in delivery helps reduce the carbon footprint. The possibility of pilferage during transportation is avoided.

Safe: The absence of storage of any bottled fuel at the customer's premises ensures safety. Besides, piped natural gas is lighter than air and in the event of a leak can dissipate rapidly and minimise the risk of combustion. Piped gas is supplied at a lower pressure than when alternatives are stored and supplied in bottles/cylinders, enhancing safety.

Consistent supply: Piped gas responds to the consumer's need for continuous, consistent and immediate availability, pay per use and billing transparency; the use of piped natural gas eliminates the consumer's challenge of predicting when the alternative might be fully consumed and what would be the right time to re-order.

Eco-friendly: Piped gas does not generate any emissions or solid waste, emerging as a healthier fuel alternative.

Sources: Met Group, Bio Energy Consult, AP news, PR news wire, research gate, OPEC, World Bank

OUTLOOK

Gas, India and the inflection point

India has decided: the country will comprise a larger proportion of natural gas in its growth

Overview

India is the world's third largest energy consumer after USA and China. Growing industrialisation and personal consumption in India have raised global concerns about the country's widening carbon footprint. India recognises the need to moderate coal consumption, which accounts for 77% of the country's electrical power generation.

The Indian government's promise to de-couple its economic growth and coal appetite has been showcased in a pledge to increase the share of power generation capacity that does not consume fossil fuels to 40% by 2030 and reduce carbon emissions by 33 to 35% (from the 2005 level) by 2030 in the Paris Agreement between nations.

The seriousness of the Indian government is reflected in the fact that power generation capacity from renewable, hydroelectric, and nuclear sources has already reached 39%. India appears likely to reduce emissions 45% by 2030, surpassing its Paris Agreement promise.

Besides, India plans to build 175 GW of renewable energy capacity by 2022 and 450 GW of renewable energy capacity by 2030 to address urban pollution, climate change and energy imports.

As far as the CGD segment is concerned, the government responded with flexibility and speed to introduce amendments to authorisation regulations to fast-track the sector and pipe the entire

country around natural gas for the benefit of residential households, commercial establishments, industries and the transportation sector. It outlined its policy seriousness through modification of the bid evaluation criteria between infrastructure and zero-tariff bid weightages, increased marketing exclusivity period to eight years, introduced initiatives related to pipeline connectivity responsibility, proposed new reasonable performance bank guarantees linked to geographic area (GA) population and the proposed year-wise phasing of work programmes and penalties in the event of minimum work programme commitments not being met.

Historical perspective

India's gas consumption increased in fits and starts before stagnating and arriving at today's inflection point.

India's gas consumption increased over 50% between 2009 and 2012 following a sustained consumption decline. As a result, the country's aggregate gas

consumption in 2020-21 was still below the level achieved in 2011-12. Interestingly, city gas distribution reported the most attractive growth while geographic areas awarded in the first eight licensing rounds by the regulator began to mature in addition to areas

authorised directly by the central government.

There is a greater focus today on the increased use of gas due to the government's priority in ensuring clean air, fast emerging as a fundamental human right.

The opportunity

Democratisation: At Adani Total Gas, we are driven by a commitment to democratising the use of natural gas across income and social classes in the geographic areas (GAs) allocated to us. We aspire to enhance the use of this natural resource through increased awareness, extensive reach, strengthening eco-system, superior service, safe use and superior consumer value.

Scale: At Adani Total Gas, we are excited by the vastness of the opportunity to create a market from scratch in a number of the geographic areas allocated to us. We believe that the vastness of the opportunity is among the largest in the world; the cumulative population of the geographic areas allocated to the Company (including joint ventures) covers ~8% of India's population.

Life quality: At Adani Total Gas, we believe that a numerical measure of the opportunity available to us represents a narrow interpretation. We are addressing the opportunity to make a dramatic transformation in the life quality of people, graduating them to cleaner environments that can potentially have a cascading impact on their health, incomes and well-being.

Women's empowerment: At Adani Total Gas, we believe that the impact of our business can be empowering for home-makers, the principal beneficiaries of residential piped gas availability. Our service can have a visible impact on their health and time, two decisive steps towards their complete empowerment.

Societal transformation: At Adani Total Gas, we believe that the introduction of clean fuel across millions for the first time in their lives presents an unprecedented foundation to extend people and their preferences from conventional fuels towards modern equivalents, widening their choice and enriching their lives.

Competitive manufacturing foundation: At Adani Total Gas, we believe that greater domestic natural gas production, transportation and consumption could strengthen the national economy backbone by helping grow the case for domestic manufacture, reduce fuel costs and then reduce costs of manufacture, a virtuous cycle. Besides, increased domestic natural gas availability can help manufacture fertilisers, chemicals and pharmaceuticals, strengthening the national fabric.

Sustainable: The government has priced compressed natural gas for specific downstream applications lower than petrol and diesel, sending out a distinctive consumption signal. The high proportion of taxes generated from petrol and diesel form a significant share of revenues for the central and state governments, indicating that the prevailing pricing strategy (and difference) could sustain.

Operating headroom: India has around 30 Lakh CNG vehicles (as per government data) from an estimated on-road population of 295.8 Million vehicles (2020), a large opportunity. As the number of gas filling stations increase, the number of vehicles shifting from conventional fuels to gas is expected to accelerate (estimated at one Crore CNG-driven vehicles by 2024-25 as per Autocarpro and Economic Times).



*May vary time to time across GAs owing to changes in Central and State taxes

2019-20

31,184

Gross natural gas production (MMSCM)

64,144

Natural gas consumption (MMSCM)

2020-21

28,672

Gross natural gas production (MMSCM)

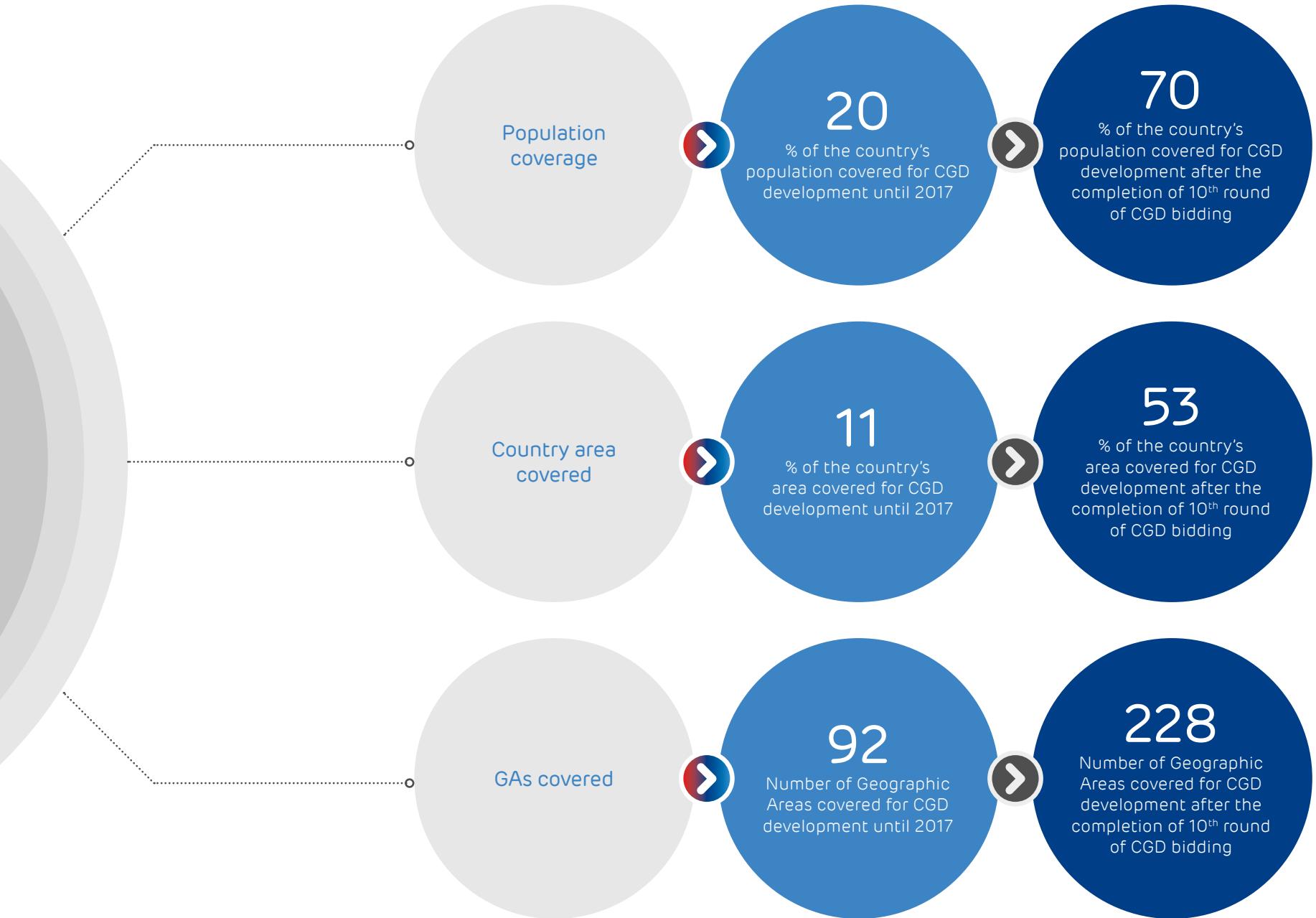
60,645

Natural gas consumption (MMSCM)

City Gas Distribution (CGD)

The expansion of the CGD network could make India a key destination for major global suppliers of compressors, dispensers, meters, fittings and technology solutions. The next eight years could see an investment layout of around a USD 15-20 Billion. This could reinforce the country's PNG and CNG infrastructure, following the laying of over 20,000 km of steel pipelines and 1,00,000 km of polyethylene pipelines.

Source: PPAC, MoPNG



India's gas availability and consumption trend

(MMSCMD)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Domestic gas availability	85	85	87	88	83	76
LNG availability	58	68	75	79	93	90
Domestic gas sales						
CGD gas consumption	15	20	24	25	30	25

Source: MoPNG, PPAC



Gas. At the heart of India's growth ambition

Overview

At Adani Total Gas, we believe that there are five large drivers of prospective fuel consumption in India.

One, India is expected to climb from the seventh largest economy to the third largest by economic size by 2030. This growth is likely to be catalysed by a growing appetite for fuel, the building block of any global economy.

Two, India is a growing country by population size. A population size of 1.03 Billion at the turn of the century has

grown to 1.39 Billion by 2021 and likely to exceed China's by 2026. India's annual population increment of around 1% is one of the largest in the world. This sustained population growth is likely to increase the consumption of products and services, strengthening national fuel demand.

Three, India has arrived at the point where per capita incomes have neared USD 2000. This is a point at which economics believe that, with much of the appetite for staple products

addressed, the consumption shifts to discretionary products that catalyse economic consumption.

Four, India enjoys a demographic dividend (median age around 29 years) that is expected to extend towards the middle of the century, marked by a sustained increase in the working-age population. With more than 65% of its population being of working age, India could provide more than half of Asia's potential workforce over the coming

decades. Nearly 93.5% of the Indian population is younger than 65.

Five, India is extensively under-consumed across a number of products (steel, cement,

fertilisers and automobiles etc.), where the levels are well below the prevailing global average. As the increase in incomes translates into enhanced product offtake, there could be

a corresponding increase in fuel demand.

Growing judiciary role



There is a growing judicial priority to advocate the case for a cleaner air. The National Green Tribunal has passed a number of rulings in favour of a cleaner environment.

A 100-location study by the Central Pollution Control Board (CPCB) and State PCBs identified 38 cities as 'critically polluted', 31 as 'severely polluted' and the rest as 'other polluted' areas.

In December 2018, National Green Tribunal directed state PCBs to outline plans to moderate pollution levels in these CPAs and SPAs and submit reports on actions to limit polluting activities by June 2019. The NGT ordered that

activities causing pollution in these areas be prohibited and no further industrial activities or expansion be permitted within until the pollution was moderated to within prescribed limits.

In November 2019, NGT provided CPCB and PCBs a three-month deadline to implement action plans on prohibiting pollution-causing activities in these areas with defined punitive action.

The NGT made it mandatory for industries in National Capital Region to graduate from conventional fuels to piped gas by 31st January, 2021, a decisive precedent likely to be extended to other cities, widening the consumption of natural gas in India.

Bigger government priority



There is a growing government focus on widening the role of natural gas in India.

According to IEA, India will overtake the European Union as the world's third-largest energy consumer by 2030. India's primary energy consumption is expected to be almost double to 1,123 Million Tonnes of oil equivalent by 2040. India accounts for nearly one-quarter of global energy demand growth from 2019-40, the largest for any country.

Oil and gas play a predominant role within the energy mix; more than a third of the energy required is addressed by hydrocarbons.

Interestingly, natural gas comprises 6.2% of the country's primary energy mix compared to the global average of 24%; the government intends to increase this to 15% by 2030 through the introduction of a transparent policy framework.

The Indian government's goal to make natural gas an integral part of our lives

>16,000

km of additional natural gas pipelines to be available in about six years

>10,000

Number of CNG stations across India

Policy in action



India stands at an inflection point in gas consumption. The seriousness of the government's policy direction has been validated through successive rounds of bidding for the city gas distribution rights across identified geographic areas, more particularly in 9th and 10th rounds of bidding.

The objective of the policy and the bidding rounds is to ensure the delivery of gas across the length and breadth of the country, making it possible for India to emerge as a gas-based economy within a decade.

This bidding discipline has been transparent, establishing stakeholder trust, interest and participation.

The award of city gas distribution licenses has been secured with a milestone-based schedule of intermediate and terminal deadlines, coupled with pre-determined penalties in the event of delays, enhancing a seriousness of commitment in national interest.

The award of licenses has been broad-based, ensuring the participation of a number of players and mitigating project implementation risks.

The fine print



To promote the expansion of city gas networks, the Indian government embarked on the following initiatives:

- Domestic gas, which is cheaper than imported gas, was allocated to address the entire PNG requirement (residential households) and CNG (transportation) segments of the CGD sector and kept under the 'no cut' category.
- A 'Public utility' status was granted to CGD projects by the Ministry of Labour and Employment.
- Ministry of Defence issued guidelines for the use of PNG in its residential areas/unit lines
- The Department of Public Enterprises issued guidelines to public sector enterprises to make provisions for PNG in their respective residential complexes
- DIPP notified amended Rule 2018 to ease the process for set up CNG dispensing facilities at existing OMC ROs.

The impact

At Adani Total Gas, we believe that increased gas consumption can transform India - qualitatively and quantitatively.

The use of one of the cleanest fuels could deepen a focus on decisively enhancing fuel-efficiency, strengthening national competitiveness and environment sustainability. In a world where the cost difference of a few basis points can affect viability, we believe that the increased use of natural gas could emerge as a national game-changer.

The increased gas supply is expected to generate additional demand that was muted or non-existent in the absence of abundant natural gas.

The rebalancing of the country's fuel mix towards cleaner options is likely to moderate the incidental costs arising from the use of conventional fuels (health and safety, for instance). This is likely to translate into lower national carbon intensity, making gas an ideal transition fuel.

This multi-decadal opportunity represents a large headroom for

India in catching up with the developed country consumption average, broad-basing the national economy.

Besides, the accelerated switch towards natural gas could send out a signal: that India's coming to age as an economic superpower could be catalysed by clean fuel and environment responsibility.

Enriching the 'India' brand. Enhancing respect for the country.

Big numbers

National penetration

6.2

%, share of gas in India's energy mix, 2020

15

%, share of gas in India's energy mix, 2030 (estimated)

Transportation fuel

3,101

Number of CNG stations in India, 31st March, 2021

>10,000

Projected number of CNG stations in India

Household access

7.82

Million households that currently use piped gas, 2021

>50

Million households projected to use piped gas

Broadbasing

< 20

% of population covered till 2016

>70

% of population covered till the 10th Round

Piped Natural Gas (PNG) supplies to domestic households

3.16

Million, 31st March, 2016

7.82

Million, 31st March, 2021

Average annual growth ~20%

Compressed Natural Gas (CNG) dispensing stations

1,081

Number across India, 31st March, 2016

3,101

Number across India, 31st March, 2021

Average annual growth ~23%

Gas. Addressing India's unprecedented growth prospects across the foreseeable future

Overview

At Adani Total Gas, we believe that the 9th and 10th rounds of bidding for geographic areas represent an inflection point in the country's fuel history.

The first eight bidding rounds covered 92 geographic areas with the city gas distribution network; the subsequent two rounds covered 136 geographic areas – 20% of the

bidding rounds (the last two) accounted for 60% of all the geographic areas till date.

As an extension, the first eight bidding rounds were conducted across a range of 10 years; the last two bidding rounds were conducted within just eight months.

The first eight bidding rounds covered 20% of the country's

population; the last two rounds have increased coverage to an estimated 70%.

The message: gas is set to play a deeper role in Indian lives, graduating from a localised role into a strategic national fuel.

Accelerated bidding rounds

City gas distribution authorisations were granted by Petroleum & Natural Gas Regulatory Board through a bidding process, where interested players promised a specified number of CNG stations, domestic

PNG connections and steel pipe circuit lengths to be laid by them. The 9th and 10th rounds increased the areas covered under CGD by adding many geographical areas (GAs) in the north, south and eastern regions.

9th CGD round (April 2018): The PNGRB bids for 86 geographic areas were spread over 174 districts (156 full and 18 in part), covering 26% of India's population and 24% of the land mass. This round attracted sound investor

interest: 406 bids from 38 entities. Most winners bid at the minimum base tariff and winners were decided based on minimum work program committed. The total work committed comprised over 22 Million domestic PNG connections, 4,600 CNG stations, and 116,000 inch-km of steel pipeline with a corresponding investment value of ₹700 Billion (USD 10 Billion).

10th CGD round (November 2018): PNGRB launched the 10th CGD licensing round in November 2018 for 50 GAs, covering 124 districts

(112 full and 12 in part) - 24% of India's population and 18% of its land mass. This round attracted 225 bids from 25 entities. Successful bidders committed over 20 Million domestic PNG connections, 3,578 CNG stations and over 58,000 inch-km of steel pipeline.

Following these two rounds, the CGD coverage is expected to reach nearly 231 GAs, covering 404 districts and 70% of India's population (from 20% a few years ago) and 53% of the national land mass. The impact of these

bidding rounds promises to transform the country's gas footprint: the growth achieved across the decades leading to the start of the bidding for the ninth round will be replicated several times over in a fraction of the time across the foreseeable future.

The Petroleum and Natural Gas Regulatory Board announced an indicative list of 44 new geographical areas for the proposed 11th round of bidding for city gas distribution, covering Tamil Nadu, Maharashtra and Madhya Pradesh.

Demand outlook

At Adani Total Gas, we believe that India is placed at the cusp of unprecedented gas demand growth.

Even as India's gas demand grew at a 5% CAGR in the last few years, this growth is expected to increase to 7-10% CAGR over the foreseeable future. This optimism has been based on the following realities: unprecedented expansion in the country's city gas network, preference for humanless gas access (as opposed to the conventional LPG tank), higher demand from downstream industries especially the fertiliser sector backed by the government's focus in the conversion of naphtha-based plants to gas-based, abundant LNG availability translating into affordable fuel costs and stronger punitive judicial action on polluting units.

The Atmanirbhar Bharat focus of the Indian government is expected to moderate imports and strengthen the case for domestic resource / product manufacture. This is expected to catalyse fuel consumption. There is a stronger case for clean fuel consumption today on account of demanding customers who insist

on their use and then report their upstream fuel mix to stakeholders, especially funding institutions. As a result, the use of clean fuels is not only advisable but has become necessary for success or survival in the modern world.

The demand for natural gas in India will be catalysed by the progressive rollout of the city gas distribution network authorisations. These authorisations were granted by PNGRB through a bidding process, where interested players committed to a specified number of CNG stations, domestic PNG connections and the length of steel pipes that would be laid by them within specified time. The last two rounds of granting CGD authorisations (9th and 10th round) were concluded in 2019. These two rounds substantially increased the areas covered under CGD by adding several geographical areas (GAs) in the north, south and eastern regions.

Besides, the CNG stations promised by the players, who won bids during the 9th and 10th rounds, were estimated at 4.5x the existing number of CNG stations at the time of bidding, while the domestic

PNG connections promised were 7.8x the number of PNG connections at that juncture. This indicates that India is positioned at the cusp of a substantial gas consumption discovery across the foreseeable future.

What natural gas was in India...

- Local fuel
- Preferred by public transport for in-city application

What natural gas is becoming in India...

- National fuel
- Preferred for a range of transportation, domestic, industrial and commercial applications

The growth of India's City Gas Distribution network





Part 2

How the market-leading Adani Total Gas Limited is positioned to capitalise on the unprecedented opportunity in India's gas sector

SNAPSHOT

Adani Total Gas Limited is one of India's largest city gas distribution companies

Business of the Company

Adani Total Gas Ltd., founded in 2005, is India's largest city gas distribution company, providing piped natural gas in industrial, commercial and residential sectors and CNG in the transport sector. The Company is engaged in the development of a City Gas Distribution (CGD) network across 19 geographic areas on its own account and 19 in partnership with Indian Oil Corporation Limited.

Presence

Adani Total Gas has a direct presence in 19 geographic areas; 13 GAs were won in the 9th round CGD bidding and 2 GAs in the 10th round in addition to four GAs where the Company was present prior to the 9th and 10th rounds. Adani Total Gas has been granted authorisation to commission city gas infrastructure and supply natural gas in 19 new geographical areas in Gujarat, Haryana, Karnataka, Tamil Nadu, Rajasthan, Madhya Pradesh, Uttar Pradesh, Chattisgarh and Odisha.

The Company's joint venture (50:50) with Indian Oil Corporation (Indian Oil-Adani Gas Private Limited) operates CGD networks at 19 geographic areas in Uttar Pradesh, Punjab, Haryana, Kerala, Uttarakhand, Karnataka, Goa, Bihar West Bengal and the Union Territory of Daman. The JV was entered into in 2013-14 to capitalise on a growing preference for natural gas and leverage mutual infrastructure and domain expertise. The joint venture had won nine GAs in the 9th Round bidding and one GA in the 10th Round Bidding with eight gas in the prior CGD bidding rounds.

Equity ownership

TOTAL Holdings SAS, the world's second largest LNG private player, acquired 37.4% of the equity capital of the Company in February 2020, becoming a co-owner. Following this transaction, the equity holding of Adani Total Gas Limited was divided equally between the Adani Group and TOTAL Holdings SAS.

People resource

The human capital at Adani Total Gas Limited stood at 425 employees as on 31st March, 2021 following the addition of 77 employees in 2020-21, 80% of employees being engineers and professionals. The average age of employees was 34 with 189 employees working in the Company for more than five years. The employees were distributed across 28 locations in 2020-21.

Financial performance

- The 2020-21 revenue from operations declined by 10.37% Y-o-Y to ₹1,784 Crore compared to ₹1,991 Crore in 2019-20.
- The Company recorded its highest ever EBITDA in 2020-21 at ₹749 Crore compared to ₹639 Crore in the previous year, a 17.14% Y-o-Y increase
- The Company recorded its highest PAT in 2020-21 at ₹472 Crore compared to ₹436 Crore in the previous year, a 8.19% Y-o-Y increase

Credit rating

Domestic rating

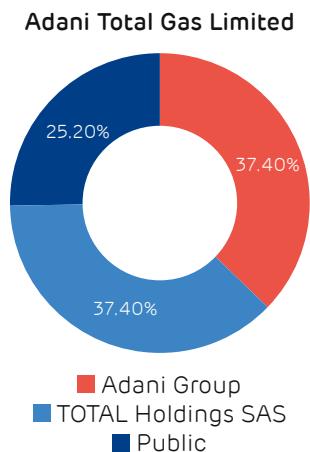
The following ratings were provided by ICRA to Adani Total Gas Ltd. on the following instruments:

- Term loans: AA-/ Stable
- Long term fund based - CC: AA-/ Stable
- Short term non-fund based - BG/ LC: A1+
- Short term fund based - BD/ Short term loan: A1+

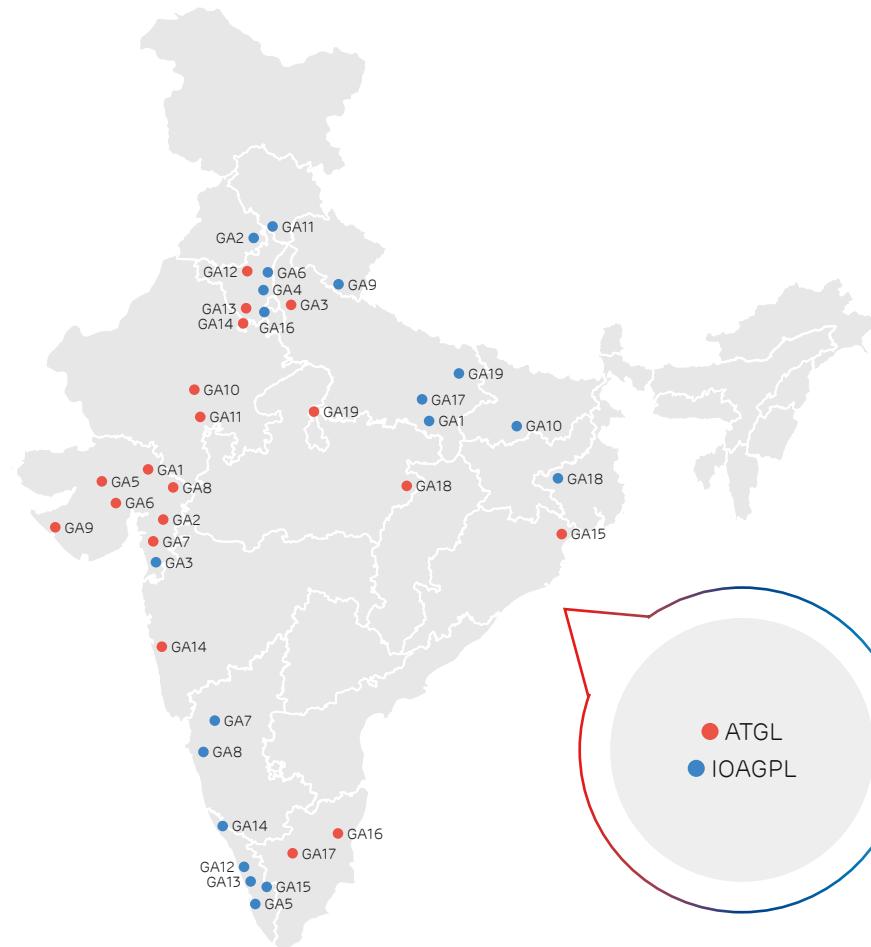
Corporate social responsibility

The Adani Foundation has been creating sustainable opportunities for marginalised communities across more than two decades, touching 2,410 villages in 18 States across India. The Foundation provides quality education, sustainable livelihood development, health interventions and rural infrastructure. The Adani Foundation has implemented four special projects (Saksham, Swachhagraha, SuPoshan and Udaan).

Our equity shareholding



Snapshot of ATGL's portfolio of 38 GAs (Including IOAGPL)



ATGL's footprint

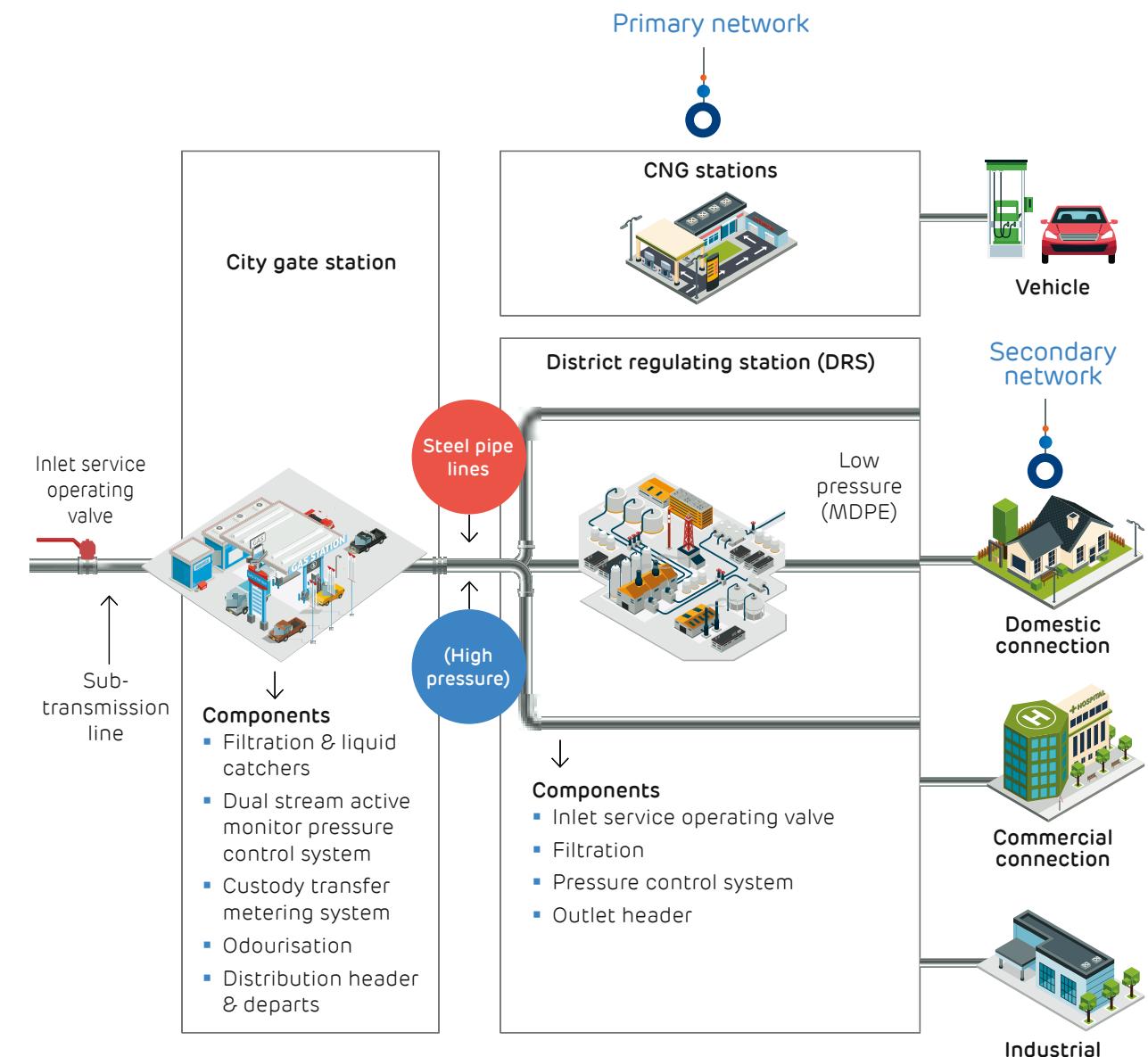
GA1	Ahmedabad City & Daskroi Area
GA2	Vadodara
GA3	Faridabad District
GA4	Kurja
GA5	Surendranagar District (Except areas already authorised)
GA6	Barwala & Ranpur Talukas
GA7	Navsari (Except areas already authorised), Surat (except areas already authorised) Tapi (except areas already authorised)
GA8	Kheda (Except areas already authorised) & Mahisagar Districts
GA9	Porbandar Districts
GA10	Bhilwara & Bundi Districts

IOAGPL's footprint

GA11	Chittorgarh (other than Rawatbhata) & Udaipur District
GA12	Bhiwani, Charkhi Dadri & Mahendragarh Districts
GA13	Nuh & Palwal Districts
GA14	Udupi District
GA15	Balasore, Bhadrak & Mayurbhanj districts
GA16	Cuddalore, Nagapatinam & Tiruvarur Districts
GA17	Tiruppur District
GA18	Anuppur, Bilaspur and Korba Districts
GA19	Jhansi (Except areas already authorised) District, Bhind, Jalaun, Lalitpur and Datia Districts

ATGL 19 GAs + IOAGPL 19 GAs = 38 GAs

Distribution network



Indian Oil-Adani Gas Private Limited (IOAGPL)

A 50:50 joint venture between Adani Total Gas Limited and Indian Oil Corporation Limited was created in 2013-14 to capitalise on growing natural gas demand, leveraging mutual infrastructure and domain competence. Indian Oil Corporation Limited's operational track record, existing infrastructure, LNG import terminal and retail outlets have been complemented by the widening CGD experience of Adani Total Gas Limited.

Highlights of the joint venture

19	Number of GAs	74	(₹ Crore) EBITDA
>2,900	km pipeline network	114	CNG stations

All numbers are relevant as of 31st March, 2021



The big numbers at Adani Total Gas, India's largest city gas distribution company

Our status	Our coverage	Our people	Our footprint
Largest Private player in India's City Gas Distribution space	8% Percentage of India's population addressed by ATGL (including through IOAGPL)	425 Human Capital	19 GAs
Our assets			
3,222 Asset base (₹ Crore)	217 CNG stations	8,000+ km pipeline network	
Our customers			
1,666 Industrial customers	3,300 Commercial customers	0.48 Residential customers (Million)	
Our sales	Our growth	Our income	
1.41 Average MMSCMD gas supplied	2.04 Peak volume, MMSCMD, February 2021	9% 5-year CAGR in revenues	1,829 Total income (₹ Crore)
Our profitability	Our rollout	Our control	
27.5% RoE	AA- External credit rating	1,260 Capex in the last three years (₹ in Crore)	100% Automated supervision of the entire CGD network through SCADA

All numbers are relevant as of 31st March, 2021

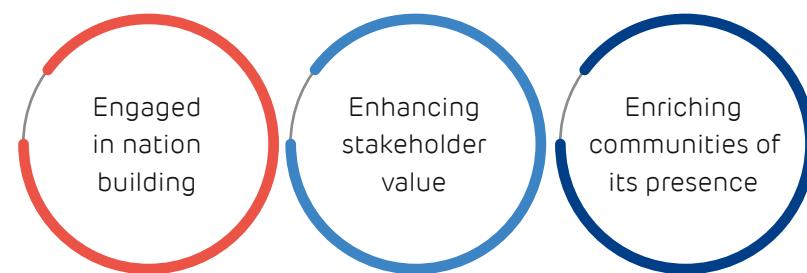


Adani Total Gas Limited represents the coming together of two large and respected corporate citizens.

Adani Group is one of the fastest growing industrial conglomerates in India.

TOTALEnergies is one of the world's largest integrated energy groups.

The multi-business Adani Group is one of the most dynamic industrial conglomerates in India.



Vision

To be a world class leader in businesses that enrich lives and contribute to nations in building infrastructure through sustainable value creation.



Values

Courage	Trust	Commitment
We shall embrace new ideas and business	We shall believe in our employees and other stakeholders	We shall stand by our promises and adhere to high standards of business



Culture

Passion	Results	Integration	Dedication	Entrepreneurship
Performing with enthusiasm and energy	Consistently achieving goals	Working across functions and businesses to create synergies	Working with commitment in the pursuit of our aims	Seizing new opportunities with initiatives and ownership

The promoter

The Adani Group has been promoted by the visionary industrialist Mr. Gautam Adani. The group was founded by Gautam Adani in 1988 as a commodity trading business, the flagship company being Adani Enterprises Limited (previously Adani Exports Limited).

The Adani Group

The Adani Group is a diversified industrial conglomerate in India with a combined market capitalisation of USD 91 Billion as on 31st March, 2021, comprising six publicly traded companies. The Group's extensive business interests across India's infrastructure sector – transport,

logistics, energy and utilities – possess a proven track record of excellence in business development, construction and maintenance. The Group comprises among the largest infrastructure and utility portfolios in the world. There has been a gradual shift in the business mix from B2B to B2C with the Group

engaged in agro commodities and ancillary industries, gas distribution across geographies in India, electricity distribution that powers the financial capital of India, and the airports business that will manage and develop eight airports in India. The Group is also engaged in the digital, road building, water and data centre businesses.

The scale

Most of the Group's businesses are among the largest in India, generating attractive economies of scale. Adani Green Energy Limited is among the largest renewable energy businesses in India. Adani Total Gas Limited is the largest city gas distribution business in India. Adani Ports & Special Economic Zone Limited

is the largest private sector port operator in India. Adani Wilmar is the largest edible oils brand in India. Adani Transmission Limited is the largest private sector transmission and distribution company in India.

The visibility

The Adani Group comprises six publicly traded companies that were collectively valued at a market capitalisation of USD 91 Billion as on 31st March, 2021.

The positioning

The Adani Group has positioned itself as a leader in the transport logistics and energy utility portfolio businesses in India. The Group has focused on sizable infrastructure development in India with operations and

maintenance (O&M) practices benchmarked to global standards.

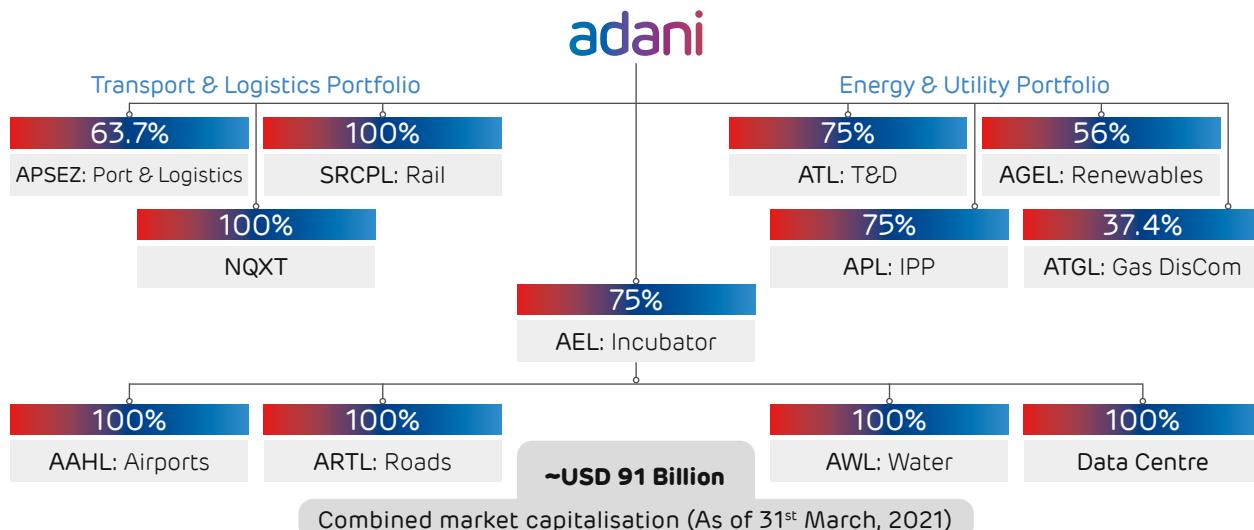
The core philosophy

The Adani Group's core philosophy is 'Nation Building', driven by 'Growth with Goodness', its beacon for sustainable growth. The Adani Group is committed to widen its ESG footprint with an emphasis on climate protection and increasing community outreach through CSR programmes woven around sustainability, diversity and shared values.

The credibility

The Adani Group comprises four IG-rated businesses and is the only Infrastructure Investment Grade bond issuer from India.

Adani Group: A world class infrastructure & utility portfolio



Marked shift from B2B to B2C businesses

ATGL: Gas distribution network to serve key geographies across India

AEML: Electricity distribution network that powers the financial capital of India

Adani Airports: To operate, manage and develop eight airports in the country

Locked in Growth

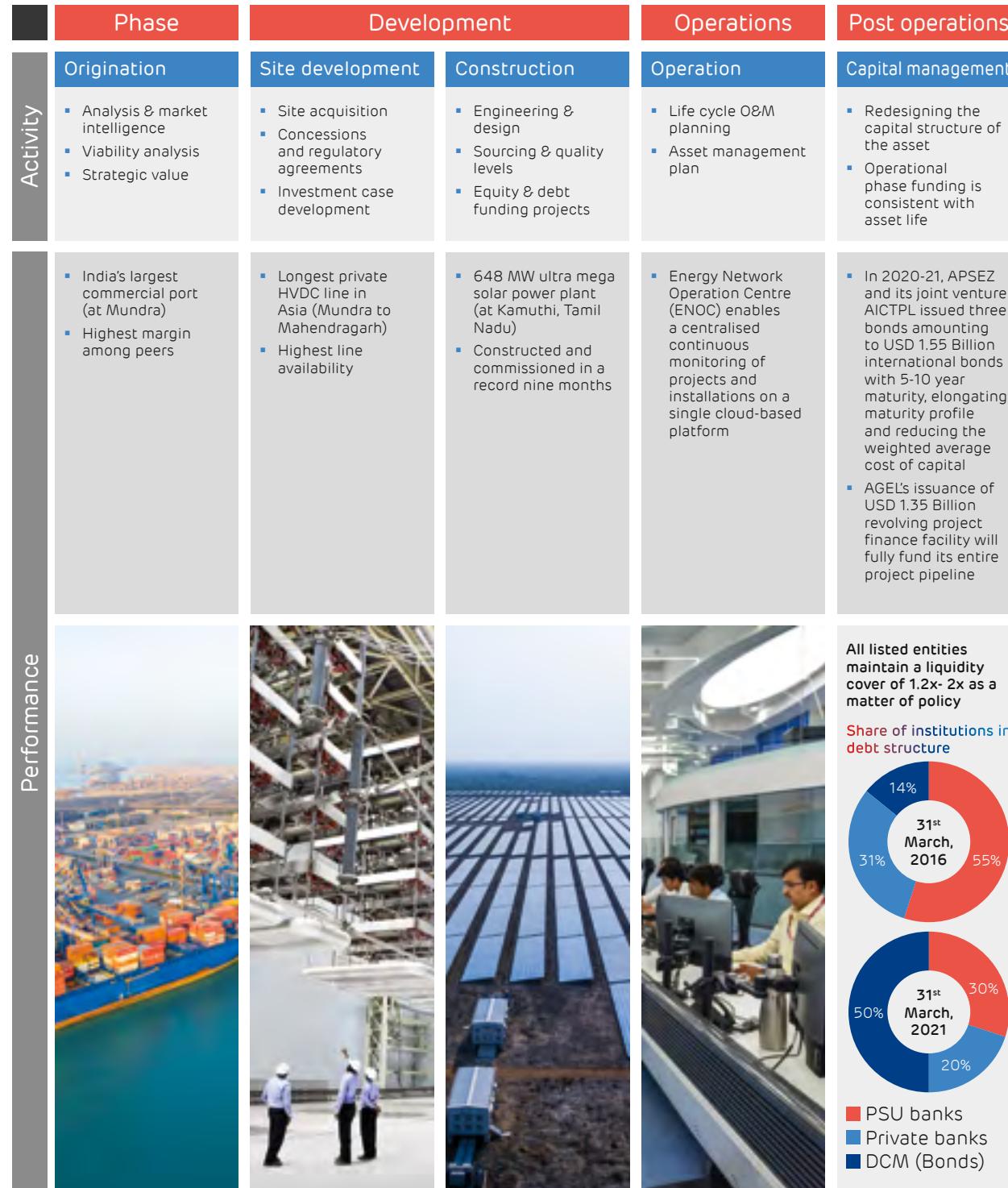
Transport & logistics: Airports and Roads

Energy & Utility: Water and Data Centre

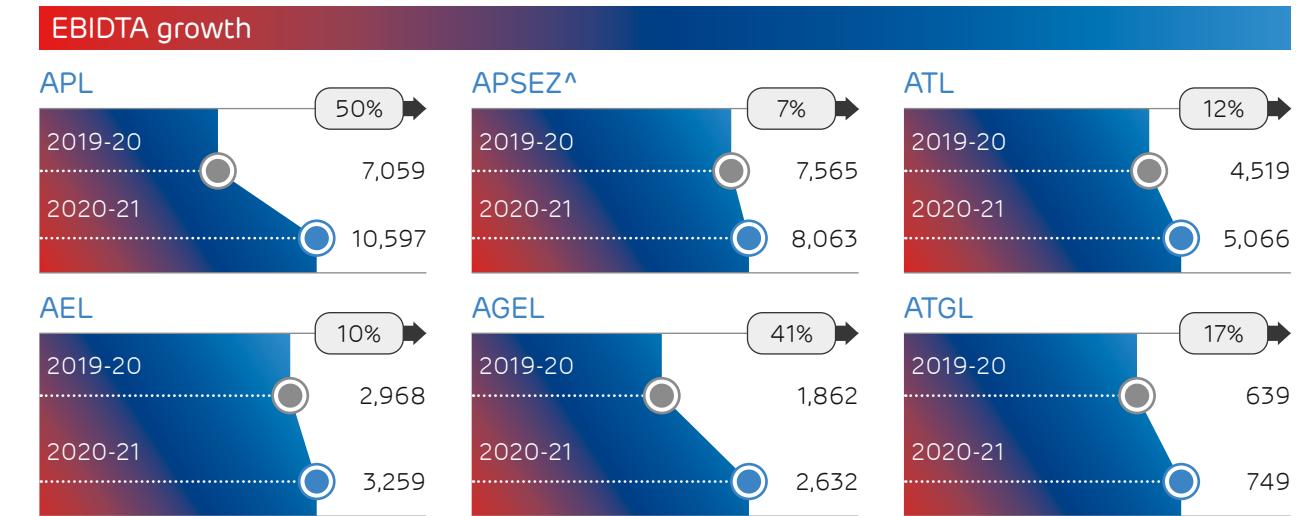
APSEZ: Adani Ports and Special Economic Zone Limited
NQXT: North Queensland Export Terminal
SRCPPL: Sarguja Rail Corridor Pvt Ltd
AAHL: Adani Airports Holdings Ltd
ATL / APL / AGEL / ATGL: Adani Transmission / Power / Green Energy / Total Gas Ltd.
AEML: Adani Electricity Mumbai Ltd
ARTL: Adani Road Transport Ltd
AWL: Adani Water Ltd
T&D: Transmission and Distribution
IPP: Independent Power Producer

Opportunity identification, development and beneficiation is intrinsic to diversification and growth of the group

Adani Group: Repeatable & proven transformative investment model



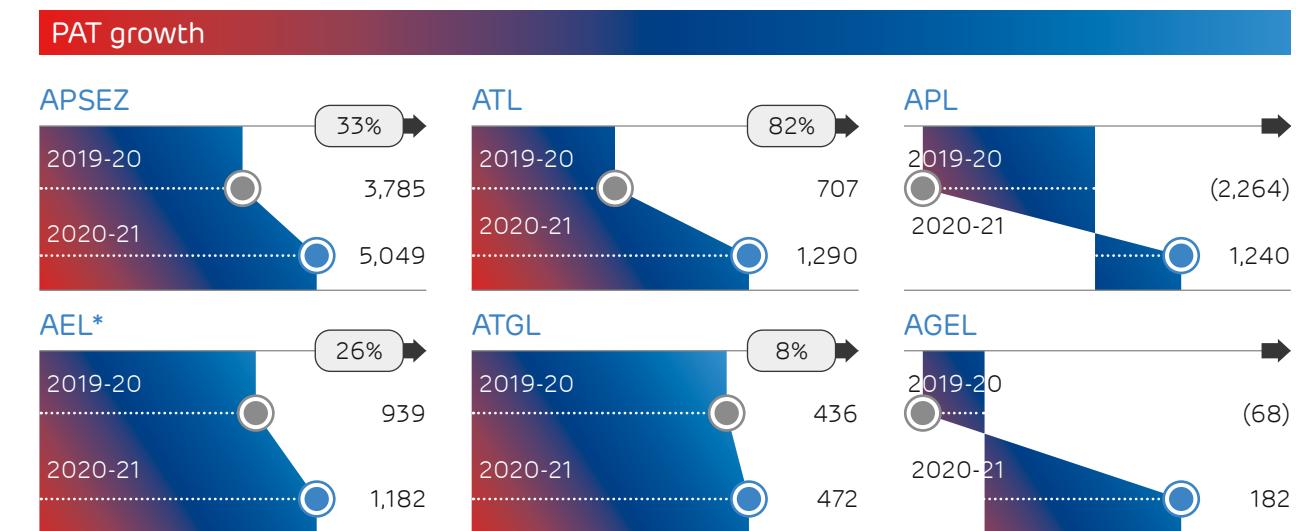
How Adani Group companies performed in a challenging 2020-21



Strong growth in the consolidated EBITDA of the listed companies of the Group by 22% in 2020-21 demonstrates the utility nature of the businesses

- APL EBITDA improved due to improved merchant tariffs, lower imported coal prices and higher prior period income recognition
- AGEL EBITDA grew on account of increased revenue from power supply and O&M cost optimisation
- ATL EBITDA grew due to growth in power transmission EBITDA and higher regulatory income from the power distribution business
- APSEZ EBITDA growth was on account of an increase in cargo volume, operational efficiency and cost restructuring
- AEL EBITDA grew due to an increase in EBITDA from the solar manufacturing business

EBITDA includes Other Income. ^aAPSEZ EBITDA excludes forex gain/loss, other income and one time donation of ₹80 Crore. AEL: Adani Enterprises Limited; AGEL: Adani Green Energy Limited; APL: Adani Power Limited; APSEZ: Adani Ports and Special Economic Zone Limited; ATGL: Adani Total Gas Limited; ATL: Adani Transmission Limited



Combined PAT of Adani Group's listed portfolio grew 166% in 2020-21

- All portfolio companies registered profit after tax (PAT)
- Adani portfolio PAT grew through the pandemic, underlining the core utility nature of the businesses

*PAT for AEL excludes exceptional items

The Adani Group platform of excellence, outperformance and leadership



The Adani Group businesses

Transport

Logistics

Energy

Utilities

The Group Adani growth platform

Betting on India

Strategic big picture

Making outsized investments in futuristic infrastructure

Investing at a competitive capital cost in a relatively low commissioning time

Creating long-term revenue visibility

Reinforcing attractive margins

The platform

India

At the Adani Group, we believe in and bet on India. We have observed that following the announcement of liberalisation in 1991, India has not just grown faster; it has compressed the GDP growth of the earlier decades into considerably fewer years for equivalent growth. For instance, the GDP growth that India achieved across nearly 60 years was replicated in the next seven years. This is precisely what is expected going ahead: India is expected to transition from a sub-USD 3 Trillion economy to a USD 5 Trillion economy in the next few years. At Adani Group, we have proactively invested in businesses that will ride the middle-income consumption engine seeking improved life quality. We have invested not on the basis of what is, but on what can be. In making disproportionate investments, we intend to shift the needle not just for the Company but for the country as a whole with the objective of widening access, reducing costs, widening the market and, in doing so, helping strengthen India.

Competitive advantage

At the Adani Group, we believe that the ability to make a significant national contribution can only be derived from a broad-based competitive advantage that is not dependent on any one factor but is the result of an overarching culture of excellence – the coming together of rich sectorial experience, timely project implementation, ability to commission projects faster than the sectorial curve, competence to do so at a cost lower than the industry average, foresight to not merely service the market but to grow it, establish a decisive sustainable leadership and evolve the Company's position into a generic name within the sector of its presence.

Relatively non-mature spaces

At the Adani Group, we have selected to enter businesses that may be considered 'maturely non-

mature'. Some of the businesses can be classified as mature, based on the enduring industry presence and the conventional interpretation of their market potential; these very businesses can be considered non-mature by the virtue of their vast addressable market potential and the superior Adani Group value proposition. The result is that the Adani Group addresses sectorial spaces not on the basis of existing market demand but on the basis of prospective market growth following the superior Adani sectorial value proposition.

Outsized

The Adani Group has established a respect for taking outsized bets in select sectors and businesses without compromising Balance Sheet safety. The Group establishes a large capacity aspiration that sends out a strong message of its long-term

direction. Its outsized initial capacity establishes economies of scale within a relatively short time horizon that deters prospective competition and generates a substantial cost leadership (fixed and variable) across market cycles.

Technology

The Adani Group invests in the best technology standards of the day that could generate precious additional basis points in profitability and help more than recover the additional cost (if at all) paid within a short tenure. This superior technology standard evolves into the Company's sustainable competitive advantage, respect, talent traction and profitability.

Execution excellence

The Adani Group has built a distinctive specialisation in project execution, one of the most challenging segments in

India. The Group has established benchmark credentials in executing projects faster than the sectorial average by drawing from the multi-decade Adani pool of managerial excellence across a range of competencies. This capability has resulted in quicker revenue inflow, increased surplus and competitive project cost per unit of delivered output.

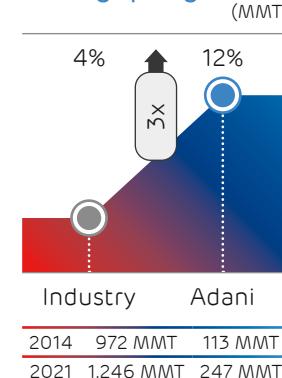
Scalable financial structure
The Adani Group has created a robust financial foundation of owned and borrowed funds (the lowest cost by far for infrastructure building companies in India). This enhanced credibility makes it possible for the Adani Group to mobilise resources from some of the largest global lenders at among the lowest costs. This

approach helps transform these marquee institutions from mere lenders to stable resource (fund or growth) providers for the long-term.

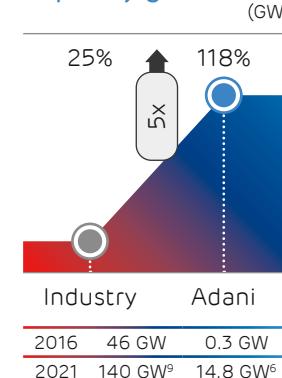
Ownership
The Adani Group comprises a high promoter ownership, validating a high commitment and ownership in projects.

Adani Group's outperformance

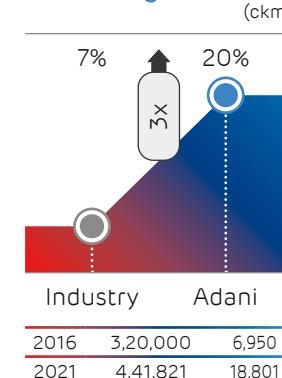
Port cargo throughput growth (MMT)



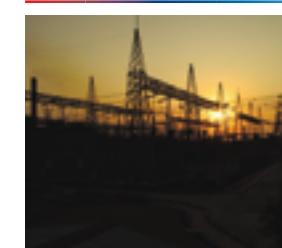
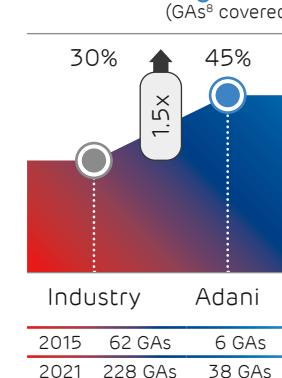
Renewable capacity growth (GW)



Transmission network growth (ckm)



City gas distribution⁷ growth (GAs⁸ covered)



APSEZ
Highest margin among peers global
EBITDA margin: 70%^{1,2}
Next best peer margin: 55%

AGEL
World's largest solar energy developer
EBITDA margin: 91%^{1,4}
Among the industry's best

ATL
Highest network availability among peers
EBITDA margin: 92%^{1,5}
Next best peer margin: 89%

ATGL
India's largest private CGD business
EBITDA margin: 41%
Among the best in industry

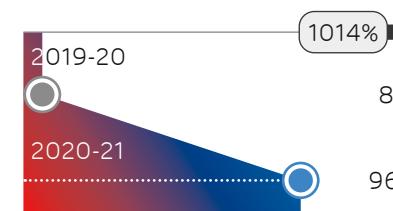
Transformative model driving scale, growth and free cashflow

Note: 1. Data for 2020-21 | 2. Margin for ports business only. Excludes forex gains/losses | 3. EBITDA = PBT + Depreciation + Net Finance Costs – Other Income | 4. EBITDA Margin represents EBITDA earned from power supply | 5. Operating EBITDA margin of transmission business only, does not include distribution business | 6. Contracted & awarded capacity | 7. CGD – City Gas distribution | 8. GAs - Geographical Areas - Including JV | Industry data is from market intelligence | 9. This includes 17GW of renewable capacity where PPA has been signed and the capacity is under various stages of implementation and 29GW of capacity where PPA is yet to be signed⁶

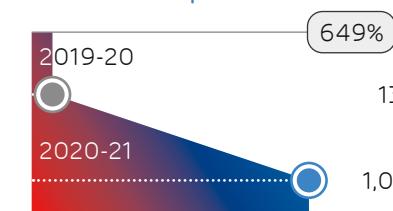
How Adani Group enhanced value in 2020-21

Movement in the Adani listed portfolio on the stock exchanges in 2020-21

Adani Total Gas Limited



Adani Enterprises Limited



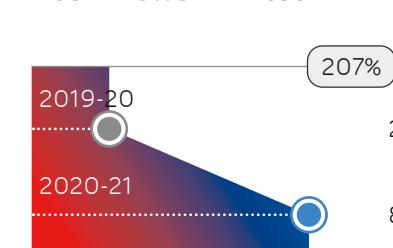
Adani Green Energy Limited



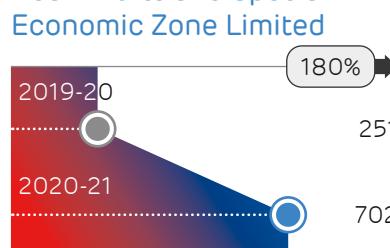
Adani Transmission Limited



Adani Power Limited



Adani Ports and Special Economic Zone Limited



All Adani portfolio stocks generated a return in excess of 100% and outperformed the index by a significant margin (Nifty-50 generated a return of 71%). 2020-21 stock prices were as of 31st March, 2021 and 2019-20 stock price was as of 31st March, 2020

The Adani Group: Establishing benchmarks

Largest

India's largest commercial port (Mundra)

India's largest private sector ports company

India's largest single location private thermal IPP (Mundra)

One of the world's largest ultra mega solar power plant of 648 MW at Kamuthi (Tamil Nadu)

Highest

Ports company enjoying the highest margin among peers

Highest transmission line availability in India

Quickest

The 648 MW solar power Kamuthi plant commissioned in only nine months

Longest

Longest private HVDC line in Asia (Mundra to Mahendragarh)

Our Promoter TotalEnergies.

TotalEnergies is one of the world's largest and most respected integrated energy groups.

It has been engaged in energy production and supply for nearly a century.

It enjoys the respect of the energy sector, with a presence in more than 130 countries.

Introduction

TotalEnergies is a broad energy company that produces and markets energies on a global scale: oil and biofuels, natural gas and green gases, renewables and electricity. Its 105,000 employees are committed to energy that is ever more affordable, clean, reliable and accessible to as many people as possible. Active in more than 130 countries, TotalEnergies puts sustainable development in all its dimensions at the heart of its projects and operations to contribute to the well-being of people.

Business presence

TotalEnergies's model of value creation is based on integration across the energy value chain, from exploration and production of oil, gas and electricity to energy distribution to the end customer, and including refining, liquefaction, petrochemicals, trading and energy transportation and storage.

Ambition

Rising to the dual challenge of meeting the energy needs of a growing world population while reducing global warming: reinventing energy production and consumption in order to get to Net Zero by 2050, together with society – those tasks underlie the *raison d'être* of TotalEnergies which is to supply to as many people as possible a more affordable, more available and cleaner energy. TotalEnergies intends to help meet those challenges responsibly, contribute to the planet's sustainable development, be a major player of the energy transition.

TotalEnergies, the company of responsible energies, aims to be a major player in the energy transition to get to net zero by 2050 together with society.

This ambition means notably investing profitably to become one of the top five worldwide producers of renewable electricity, being one of the top 3 companies worldwide in low-carbon LNG.

Employee diversity

With nearly 160 nationalities represented in its workforce, a presence in over 130 countries and more than 730 professional skills, TotalEnergies boasts genuine human potential. Diversity is an essential asset for the company. The variety of opinions and career paths yield both innovative solutions and new opportunities.

By 2025, TotalEnergies is targeting the same level of female representation for its leadership positions notably with women comprising 30% of the members of the Executive Committees (25% in 2020), 30% of senior executives (25.7% in 2020). Non-French are expected to comprise 45% of senior executives (36.3% in 2020).

The Adani-TotalEnergies synergies

Partnership with TotalEnergies to help the Company access the world's best practices.

Access to best practices and knowledge to accelerate project rollout across new geographies.

leveraging Adani Group's strength.

Proposed commissioning of world-class LNG-based gas distribution.

Proposed backward integration

into the development of major equipment needed in CGD infrastructure.

Wider and deeper gas sourcing options, leveraging TotalEnergies' global presence.

CHAIRMAN'S MESSAGE

A Time For Pragmatic Optimism

It is hard to believe that a 100-year-old Keynesian statement, made at a time when telecommuting and global e-commerce were not even nebulous ideas, could still ring so true.

'He could order by telephone, sipping his morning tea in bed, the various products of the whole earth, in such quantity as he might see fit, and reasonably expect their early delivery upon his doorstep. He could at the same moment and by the same means adventure his wealth in the natural resources and new enterprises of any quarter of the world.'

This appeared in John Maynard Keynes' influential best-seller *The Economic Consequences of the Peace*, first published in 1919, when the word *globalisation* had not even been coined (it first showed up in its modern meaning only in 1930). The fact is that globalisation did exist even then, except that the pace was sedentary in comparison to today's world.

Some Things Never Change

If Keynes' time is remembered for the gradual globalisation of social and economic life, our time will be remembered for the unbridled pace at which globalisation is enveloping our lives, driven by the ubiquitous reach of the internet. The consequences are still emerging as our world's political, cultural and economic

barriers dissolve faster than ever before in a dual solvent of global interdependence and hyper interconnectivity that are creating unprecedented new opportunities, new business models and several new challenges.

Of all the challenges, however, one of the most significant consequences of globalisation has been pandemics – and the most difficult of them has been COVID-19. While this is no surprise given that pandemics like the Asian Flu of 1957 spread through trade and travel routes, it is obvious that the world was just not prepared for the explosive rate of spread of a pandemic of COVID-19's scale. This has exposed several of the fragilities of global interdependence that will need to be fixed and each country is expected to do it differently.

Curiously though, the remedy for this malady is coming through the process of globalisation, as evidenced by the worldwide collaboration on accelerated genome sequencing, vaccine development and vaccine manufacturing. Therefore, paradoxically, both the problem and its solution lie in our embrace of globalisation.

Learnings During a Crisis

There is no denying the fact that while COVID-19 has challenged every nation, India's size and population density have made it a harsher challenge. Indeed, the pandemic froze economic

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The COVID-19 pandemic has demonstrated, to most nations across the world, that free market economies cannot be at the cost of self-reliance. We must believe in our own capabilities and must be able to depend on it for economic construction, especially in times of crisis.

Despite a pandemic-induced large-scale disruption in economic activity, all six of our listed entities posted results significantly above market expectations.

priorities and forced the world to divert time and resources to manage the crisis, as did India. No one denies that India could have done much better and that every life lost is a tragedy. However, as the world races to vaccinate its people, we see India being criticised repeatedly for not doing enough to protect its own. Sometimes, it is worth keeping in mind that India has more people than the *combined population* of Europe, North America and Oceania. In other words, our country is facing a challenge bigger than what three continents are facing at a time when every nation is maximising what it can do for its own people and has far better healthcare infrastructure built over several decades. Given that our vaccination effort is bigger than the combined efforts of 87 countries, it is only fair to take a step back and determine the scale of the challenge our nation has confronted.

In this context, I believe that the *Atmanirbharta* initiative launched by the Government is a transformational and correct step in our nation's journey. The COVID-19 pandemic has demonstrated, to most nations across the world, that free market economies cannot be at the cost of self-reliance. We must believe in our own capabilities and must be able to depend on it for economic construction, especially in times of crisis. Therefore, the five pillars of *Atmanirbhara Bharat* – Economy, Infrastructure, System, Vibrant Demography, and Demand – are a necessity to ensure our economy builds the intrinsic robustness to manage disruptive black swan events like COVID-19. The definition of a free-market economy will undergo a change in a post-COVID-19 world, and we must unhesitatingly write our own definition. After all, not only is India the world's largest democracy but it is

also the world's most unique and boldest experiment with democracy. One size does not fit all and it is increasingly evident that the phenomenon of hyper-globalisation that created the unrealistic expectation of being the panacea for efficient manufacturing and services across the world has been one important cause of much of the inequalities we are witnessing today. Therefore, only when we are able to fully mobilise the efforts of our own people will we be able to develop our economy in a way that we can take advantage of our country's demographic dividends that we have not yet been able to fully unleash. COVID-19 is a wakeup call for all of us to transform ourselves. There cannot be a better time for us to commence the journey towards true self-reliance (*Atmanirbharta*) for accelerating the building of our nation in the post-COVID-19 world.

Organisational Values as a Platform for Numbers

The past year has been one that further reinforced my belief in the values of an organisation. About a decade back, we chose *Courage, Trust and Commitment* as the guiding values that would determine our actions and, today, I credit the resilience that we have demonstrated to the stoutness of these values. It strengthens my confidence in our organisation's fortitude, and this has been demonstrated in the results of our Group. Not only has the Adani Group emerged as India's benchmark for market leadership in difficult times, but we have also broadcast our organisational ability to rapidly pivot in the right market direction. An exciting example of this agility is our expanding partnership with TOTAL (now TotalEnergies) who are strategically increasing their renewables portfolio.

These developments exemplify the resilience of our diversified business across sectors, industries, and geographies. Despite a pandemic-induced large-scale disruption in economic activity, all six of our listed entities posted results significantly above market expectations and some of these record highlights appear below.

Group highlights

- Capacity addition, sweating of assets, and a relentless focus on operational excellence and efficiency ensured that the EBITDA of our listed portfolio registered a year-on-year growth of 22% (₹32,337 crore in 2020-21).
- The return to equity shareholders (PAT) increased by a significant 166% on a year-on-year basis (₹9,415 crore in 2020-21).
- All Adani portfolio stocks gave returns over 100% and outperformed index by a significant margin (Nifty-50 gave a return of 71%).

Segment highlights

- Adani Green Energy Limited (AGEL) added 925 MW operational capacity, achieved a high consistent Solar CUF of 22.5% and Wind CUF of 26.8%.
- Adani Transmission Limited (ATL) added 2,536 ckt km to its network, reaching 17,276 ckt km, and sold a record 7,169 Million units during the year.
- Adani Ports and Special Economic Zone (APSEZ) achieved a cargo volume of 247 MMT (up by 11%) and reached a market share of 25%, a gain of 4% points.
- Adani Total Gas Limited (ATGL) added 102 CNG stations, 500 commercial and 40,939 domestic customers, achieving a combined volume of 515 MMSCM (CNG+PNG)

Strategic highlights

- APSEZ announced four acquisitions — KPCL, GPL, Digi Ports & SRCPL — thus improving East Coast - West Coast parity. It also announced the setting up of a container terminal at Colombo port in partnership with John Keells and SLPA.
- Adani Enterprise Limited (AEL) took over operations of airports at Ahmedabad, Lucknow and Mangalore, signed concession agreements for Guwahati, Jaipur & Thiruvananthapuram, and is in the process of acquiring Mumbai International Airports Limited (MIAL) & Navi Mumbai International Airport Limited (NMIAL) airports.

- AGEL fortified its partnership with TotalEnergies who acquired a 50% stake in its 2.35 GW portfolio of operating solar assets and 20% equity stake in AGEL from the founders for an investment amounting to USD 2.5 Billion.

While we can look back and feel satisfied about our results, I believe that the real phase of accelerated growth of the Adani Group as an entity that benefits from having a portfolio of companies with several strategic adjacencies, is only now gathering momentum. This helps us bridge the B2B to B2C gap in unique ways and will encompass our new businesses like Airports, Data Centres, Defence and several others. What we have built over the past two decades is India's largest integrated and yet diversified infrastructure business that is now manifesting itself as an integrated 'platform of platforms' and moving us closer to unprecedented access to the Indian end consumer. I know of no business model akin to ours with access to an unlimited B2B and B2C market over the next several decades.

Not only has the Adani Group emerged as India's benchmark for market leadership in difficult times, we have also broadcast our organisational ability to rapidly pivot in the right market direction. These traits exemplify the resilience of our diversified business across sectors, industries, and geographies.

Building the Template for Capitalising on Trends

While we are known as an organisation that makes swift decisions, our foray into the world of renewables and clean energy has further allowed us to template our expansion process and has given us the confidence to move into several new sectors as has been increasingly evident with our diverse business portfolio. As an example, it is worth noting that the thought process of accelerating our clean energy footprint was seeded as recently as in 2020 (at the Davos World Economic Forum in January 2020). From my meetings at Davos, two things had become evident.

First – Climate change had become the defining issue of our time and climate change action must be accepted as a global, national, and personal responsibility.

It was at Davos that I decided we must align with our nation's perspective on renewable energy – and set ourselves the goal to be the world's largest solar power producer. I also decided that a significant part of our Group's future investments must be focused on sustainable and renewable energy.

Second – With India driving one of the largest consumption growths, our country would have to play a defining role as it balanced its need to provide affordable electricity to its citizens as well as accelerate its renewable energy ambitions.

It was at Davos that I decided we must align with our nation's perspective on renewable energy – and set ourselves the goal to be the world's largest solar power producer. I also decided that a significant part of our Group's future investments must be focused on sustainable and renewable energy. On the 22nd of January, I penned down my thoughts and the Group's ambitions in a LinkedIn article wherein I wrote: *"Our vision is to become the world's largest solar power company by 2025 and thereafter the world's largest renewable power company by 2030".* I also stated that we would *"build 25 Gigawatts by 2025 and also become the world's biggest solar player"*. Our existing portfolio of renewable power at that time stood at just 2.5 Gigawatts.

We moved fast since January 2020 and my focus has been on building an organisation that can add an unmatched 5 Gigawatts of generation capacity every year over the next decade and foster a cleaner energy future. So far, we are very much on target. Let me highlight some of the milestones:

- Five months following the promise at Davos, in Q2 of 2020, we won the world's largest solar tender when SECI awarded us 8 Gigawatts through a competitive bidding process.
- Thereafter, in Q3 of 2020, Mercom reported that we had become the world's largest solar power developer. We rose from No.6 position in 2019 to No.1 in 2020 – in just nine months.

- Simultaneously, we formed game-changing partnerships in energy to start establishing the base for global partnerships. Inducting TotalEnergies as a 20% partner in the renewables business sealed a strategic alliance that covers investments in LNG terminals and renewable assets across India, besides the gas utility business. The partnership within the renewables space in India will be a key contributor to TotalEnergies' objective of transforming into a clean energy leader.
- Since January 2020, the value of our renewables business increased over 600 times thereby yielding one of the best returns across all stock markets.
- Thereafter, in May 2021, we acquired Softbank's and Bharti's 5 Gigawatts portfolio of renewable assets, allowing us to leapfrog and get to our target of 25 Gigawatts a full four years ahead of our schedule.

This is what templatisation means to us and it gives us the confidence to expand swiftly across several adjacent sectors. This success is also a manifestation of the core of our three organisational values – Courage, Trust, and Commitment – that fundamentally define our Group.

Adani Foundation: Growth with Goodness

As a Group with businesses in locations where some of the poorest segments of our population reside, we are deeply conscious of our responsibility to help marginalised and underprivileged communities – over and above just creating jobs. Through a wide variety of initiatives led by the Adani Foundation, we have touched millions of lives across thousands

of villages, driving beneficial change in education, health, infrastructure development and sustainable livelihood development. We expect to amplify our work and double these numbers over the next five years.

However, in line with the rest of the world, the Adani Foundation's primary focus over the past year was guided by the battle against COVID-19. One of the issues the cascading nature of this pandemic thrust into the national spotlight was the grave inequality across our scattered communes in access to relief and care. As soon as the virus took hold, we mapped out the urgencies of the moment and studied how best we could mitigate distress across India. We quickly realised that the battle needed more than the standard assortment of medical items, like protective gear and diagnostic kits. The most pressing need was for additional means to quickly deliver medical oxygen across the land.

The solution was tied to several items that were in short supply locally. We needed more cryogenic tanks capable of transporting oxygen in supercooled liquid form, more medical oxygen cylinders for hospitalised patients, more oxygen generator plants for healthcare facilities unable to rely on transported supplies and more oxygen concentrators for people managing their infection by themselves.

At no time in the past was the work of the Adani Foundation more necessary and relevant than it is now.

It was a formidable challenge but one that we rose to, quickly and efficiently. Working with our business partners and Indian missions across the world, we managed to secure a massive life-saving inventory of these critical items, the biggest of which we brought in with the help of the Indian Air Force. Back home, our indefatigable logistics teams ensured that the oxygen tanks and cylinders were repeatedly refilled and despatched to all corners of the country.

I am also proud that the Foundation went well beyond procuring essential supplies. In just days, our engineering and medical teams expertly converted our Adani Vidya Mandir school in Ahmedabad and the Noida Indoor Stadium into emergency COVID-19 Care Facilities with hundreds of beds, oxygen support and catered food. In Bhuj and Mundra, our hospitals that serve as a general medical oasis for the neighbouring districts were swiftly turned into 100% COVID-19 care hospitals.

At no time in the past was the work of the Adani Foundation more necessary and relevant than it is now. I am deeply moved by the extent of the effort our Foundation's team members have put in, often choosing to ignore the risk to their own health.

The Belief in the Long Term

Over the past few months there have been several voices that wonder if India's target to be a five-trillion-dollar economy over the next four years is achievable. I personally see it as an inconsequential question. History has amply demonstrated that out of every pandemic crisis, emerge several learnings and I believe that India and the world become wiser as we go through this pandemic. India will be a five-trillion-dollar economy and will then go on to be a 15-trillion-

India will be a five-trillion-dollar economy and will then go on to be a 15-trillion-dollar-plus economy over the next two decades and will emerge as one of the largest global markets, in terms of both consumption size and market capitalisation.

dollar-plus economy over the next two decades, emerging as one of the largest global markets in terms of consumption size and market capitalisation. There will be bumps along the road, as has been the case in the past, and is expected to be the case in the future. However, there cannot be any doubt that the largest middle-class that will ever exist, augmented by an increase in the working age and consuming population share, will have a positive impact on India's growth rates very much in line with the demographic dividend India enjoys. The most essential factor required will be a better trained workforce and I have no reason to believe that over the next two decades we will not have been able to suitably address this challenge. It is a virtuous cycle that is driven by the growth in the middle-class population and India today has a longer runway than any other nation in the world.

Regards,

Gautam S Adani
Chairman

CEO'S STRATEGIC OVERVIEW

We will utilise every development that reinforces our position as a clean and 'green' company that is good for the earth, consumers and stakeholders.

**Dear shareholders,**

We are witnessing unprecedented times with the world uniting to overcome challenges posed by the COVID-19 pandemic. To help customers in this hour of need, your Company ensured the 24x7 supply of piped natural gas and compressed natural gas while addressing emergencies and taking the utmost care of its front-line employees and workmen.

The personality of the erstwhile Adani Gas Limited was transformed from 1st January, 2021 to Adani Total Gas Limited (ATGL), reflecting the ownership of the promoters, the Adani Group and TOTAL Group. While the Adani Group is one of the largest multi-business conglomerates in India, TotalEnergies is a French supermajor that acquired a 37.4% equity stake in the Company in February 2020.

I must take this opportunity to assure our shareholders that the equity infusion on the one hand and the transformation in our name on the other will not only prove to be business-strengthening but also brand-reinforcing. It will reconcile the entrepreneurial capabilities, knowledge, networks and execution capabilities of the strong promoters around a unified vision.

We believe that this effective combination will empower our Company to capitalise on the prevailing sectorial inflection and enhance value for all stakeholders across the foreseeable future.

Performance redefined

I am pleased to communicate that despite the onslaught of the COVID-19 pandemic, ATGL reported record operational and financial performance in 2020-21, the first full year of operations following TotalEnergies' equity infusion. We believe that this is a creditable performance following the demand erosion in the first half of 2020-21. The performance reflects the spirit of the Company to persist and prevail through passionate commitment.

The growth reported by the Company was also catalysed by the addition of 102 CNG stations during the year under review, taking the total number to a consolidated 217 CNG stations in 2020-21 (90 in new geographic areas). The sharp growth in our CNG population was the result of a rapid broad-basing of the eco-system across our allotted geographic areas in addition to a prudent mix of co-located and dealer-owned stations to accelerate rollout. Besides, the Company achieved 2.0 MMSCMD in volumes and crossed ~2,250-inch km of steel pipe laying.

Despite 77 days of a complete lockdown and restrictions imposed by the government through the course of the year, the Company reported an overall volume of 515.13 MMSCM in 2020-21, which was 88.47% of the volume achieved in the previous financial year. The CNG volume of 227.18 MMSCM was 77.90% of what the Company reported in 2019-20 while PNG sales volume of 287.95 MMSCM was 99.08% of the previous year.

In the PNG segment, the Company increased rollout across domestic households by 40,939, taking the Company's overall customer count to 0.48 Million. The Company's Industrial and Commercial customer base expanded to 1,666 and 3,300 respectively during the year under review.

The combination of a broadbased distribution network, larger customer base and efficient gas sourcing translated into a year of financial outperformance. Despite a nationwide pandemic reality, the Company reported record performances for three successive quarters (second, third and fourth quarters of 2020-21): EBITDA of ₹218 Crore, ₹222 Crore and ₹224 Crore respectively; PBT (before exceptional item) of ₹192 Crore, ₹195 Crore and ₹195 Crore respectively; PAT of ₹135 Crore, ₹145 Crore and ₹195 Crore respectively.

The accretion of strong quarterly performances resulted in revenue from operations of ₹1,784 Crore in 2020-21 against ₹1,991 Crore in the previous year. The Company's EBITDA and PAT of ₹749 Crore and ₹472 Crore respectively for 2020-21 compared favourably with ₹639 Crore and ₹436 Crore in the previous financial year.

Safety

If there is one word that is uppermost in my mind it is 'safety'. Safety is not only a priority but a precondition of business at ATGL.

During the last year, it was paramount to protect the well-being of our employees and their families during the pandemic. As a going concern, it was necessary to

put our people first and prioritise their safety over everything else we did. The Company introduced practices, processes and protocols that maximised precautions to protect against COVID-19. I am pleased to communicate that as a result of these initiatives – work from home being one – the Company's principal asset, its employees, remained safe, secure and protected. In turn, their safety translated into unimpaired business continuity for our Company.

I am also pleased to communicate the availability of our services and systems on a 24x7 basis across the country at a time when employees could not attend offices or installations. The Company's complex network was available to employees at all times; each employee transformed into a 'standalone operating office'; the aggregation of these individual constituents demonstrated the spirit of Team ATGL; the team raised the level of its spirit and extended piped natural gas connections to consumers just when they needed them the most. The team handled routine operations and emergencies while taking comprehensive safety precautions.

The Company emphasised its over-arching commitment to safety through the nature of its service. Piped natural gas delivery comprises contactless gas delivery; during the pandemic, marked by the critical need for social distancing, the delivery network provided just the solution for the times as it circumvented the consumer's compulsion to

Customer delight resides at the core of our being. Our sustained commitment is to pleasantly surprise customers with interventions that evoke the desired reaction of 'This is the best experience I have had with a public utility.'

receive bottled containers carried into their homes by individuals. Besides, the Company reinforced its commitment to provide a responsible 24x7 utility service by sustaining gas delivery without interruption and adhering comprehensively to safety protocols. The Company engaged in extensive team planning, coordination and implementation of the highest safety standards for employees and business partners.

The Company treated the pandemic as an opportunity for learning and development, imparting 34,518 person-hours of training, largely through the online platform. The Company developed mobile app-based learning for contractors. Digital interventions enhanced safety across logistics transportation.

The result is that safety was not just a peripheral theme at our Company; it resided at the core of everything that we did, leading to the delight of our customers, employees and partners.

Stakeholder delight

At ATGL, we possess a distinct clarity of the rationale of our existence. We are in business to provide delight to all our stakeholders. We believe that if we consistently delight them, we will enhance value for them as well.

Customer delight resides at the core of our being. Our sustained commitment is to pleasantly surprise customers with interventions that evoke the desired reaction of 'This is the best experience I have had with a public utility.' During the year under review, the Company launched multiple initiatives to enhance customer experience. The launch of the 'MyAdaniGas' mobile app proved to be a game-changer. The app provides a range of services that the customer can execute on one's fingertips; services like registration for a connection (along with tracking its progress), paying bills and analysing energy consumption, for which the customer would have been required to commute to get services delivered, can now be addressed without moving out of one's position, enhancing a sense of safety. Customers have the option to pay their bills through payment options of their choice through secure multiple payment methods like Paytm, net banking, Credit / Debit Cards and UPI etc.

Besides, we configured and integrated our spot billing solution the way customers would have wanted. The solution was successfully integrated with WhatsApp. This made it possible for our Company to send digitally signed bills to customers on their WhatsApp accounts. This digital media-based intervention helped

the Company save paper, person-hours and manual commutes.

With our immense focus on digital payments, we achieved 92% of our collections by value through digital transactions, which accounted for 82% of our total volumes. This set an industry benchmark and we are committed to raise the bar further.

The Company enhanced employee delight through the introduction of initiatives to replace repetitive manual processes with digitised and automated alternatives. Safety being an integral part of our operations, we launched Emergency Response Management System (ERMS) to handle emergencies and enhance asset safety. Initiatives like My AdaniGas mobile application helped sales executives register customers digitally, eliminating hours of data entry and paper utilisation. Initiatives like analog to digital (A2D) plugged departmental gaps with customised digitalised solutions. The introduction of these interventions liberated employees from the mundane and empowered them to focus on the strategic, value-added and effective.

'Ask Adani Mitra' was our chat-bots solution implemented on the website, an interactive communication for customers which is under upgrade now to support local languages like Hindi and Gujarati in addition to English.

These systems and backend technologies helped manage a difficult pandemic environment where customers can seek our services without any interruption and without any hassle of calling anyone or visiting any place for support.

Sustainability

At ATGL, we recognise that our success is only as good as our environment-social-governance commitment.

In the modern world, it is no longer enough to achieve the 'what'; it is also important to select a responsible and sustainable 'how'.

This focus puts a priority on attracting competent and qualified professionals who widen our knowledge bandwidth. We will continue to infuse our teams with youthfulness, knowledge, experience and passion. We will unleash the entrepreneurial capability of our people through responsibility and accountability. We will continue to enrich our engaging work culture that makes it possible for our people to develop professionally and personally.

As a governance-focused organisation, we will seek to enhance process simplicity and outcome predictability. We will continue to invest in cutting-edge technologies that replace the routine with the value-added.

We will continue to secure our policies and standard operating protocols that make our Company relatively less dependent on individuals and more driven by a unified culture.

As a responsible environment-respecting organisation, we seek opportunities to maximise the use of solar energy and moderate our carbon footprint. We are engaged in formulating a plan to become a net-zero emissions company. We will utilise every development that reinforces our position as a clean and 'green' company that is good for the earth, consumers and stakeholders.

At ATGL, our commitment is to do good for the largest number in an enduring way. Through Adani Foundation, we will continue to empower weaker community sections through initiatives focused on education, health, sustainability livelihood development and community infrastructure.

We believe that by extending to each stakeholder a sense of delight, we will have reinforced our commitment to build an enduring company across consumers, geographies, market cycles and time.

Suresh P. Manglani
Chief Executive Officer

CFO'S OPERATIONAL REVIEW

We will continue to focus on sweating our existing assets while developing and expanding our new Geographical Areas

**Dear shareholders,**

I am pleased to present the operational review of your Company for 2020-21.

Seldom has there been a financial year with distinctive parts that were as contrasting as the one we saw in the last financial year.

The first quarter of the last financial year proved uncertain and challenging due to the enforcement of a countrywide lockdown following the outbreak

of the pandemic and partial restrictions thereafter. During this period, there was no visibility on the consumption of gas by our various downstream customers. However, as the nation opened to gradual unlocking, your Company invested in efforts and marketing interventions to ensure that we start recovering our volumes.

A time of courage

The Company responded to this hesitant and tentative environment with courage, fortitude and optimism. The Company kept faith that as the lockdown restrictions were partially lifted, demand revival would begin to kick in. During the interim, the Company responded with cost optimisation, optimal gas sourcing and cost savings wherever possible. The Company's optimism and perseverance were validated; it reported the highest quarterly EBITDA in its existence in the second quarter of the last financial year and went ahead to report even better numbers in the third quarter. The speed with which the Company rebooted and rebounded following the uncertain first quarter of 2020-21 stands as a testimony to the spirit of the Company to prevail over adversity.

Balanced mix

The Company responded to the uncertain business environment with a combination of CNG and PNG volumes. Even as the country's CNG segment was slow to recover on account of relatively low cross-country transportation mobility, the PNG segment recovered quicker on account of the more predictable nature of gas demand among industrial and residential consumers. The combination of these customer segments helped stabilise the overall offering of the Company, protecting it from excessive volatility.

The result is that during the year under review, revenue from operations was 89.63% of the previous year, declining from ₹1,991 Crore to ₹1,784 Crore. EBITDA improved 17.14% from ₹639 Crore to ₹749 Crore. PAT registered a growth of 8.19% from ₹436 Crore to ₹472 Crore. The Company finished the year under review with a strong Balance Sheet and a gearing of 0.25, which provides room for sustainable expansion.

Maintaining and growing

At ATGL, we are not just attending to the business of the day; even as one part of the Company is addressing business needs of the moment, another part of our Company is engaged in building for the future. This commitment to achieve best-in-class profitability while continuing to invest in network expansion represents the validation of our strategic depth.

Our competence in being able to grow our business at a relatively low Balance Sheet cost is partly the result of strong cash flows and maintaining return ratios that are now an industry benchmark. The high payback on our investments was showcased by a return on capital employed

of 28% and Return on net worth of 27% in 2020-21. Besides, the entire organisation focused on cost moderation through an operational excellence framework, resulting in a low operating expenditure of ₹4.30 per SCM.

Our sustained focus on digitalisation and automation strengthened service seamlessness for customers, which, in turn, enhanced collection efficiency. I am pleased to communicate that at a time when physical distancing was a priority and contactless engagement at a premium, the Company generated more than 90% receipts through digitalisation, enhancing safety for the giver and the recipient.

Optimism

At ATGL, we are optimistic of our prospects.

The Geographic Areas allotted to us represent a potent backbone considering their relative maturity while still being operationalised; once mature, these Geographic areas could generate exponential growth. A balanced approach between CNG and PNG will continue to be key to our success.

At ATGL, our priority will be to enhance shareholder value through business growth and expansion. We believe that the incorporation of reporting transparency and best governance practices shall strengthen our ability to enhance stakeholder value.

Outlook

The year 2021-22 is likely to be challenging due to the uncertainty created by yet another pandemic surge.

However, once the vaccine rollout accelerates and the country recovers from this setback, we believe that our Company will face exciting times.

The Indian government announced its intention to increase the natural gas mix in its energy basket from ~ 6% to around 15% by 2030 on an enlarging consumption base. This indicates that city gas distribution companies will not only need to grow to address the demand of the day but will need to accelerate even faster to play catch-up in the face of a widening market.

The Company's geographic areas allotted some years ago contributed more than 85% of volumes during the year under review. The Company will not only focus on sweating these GAs to the fullest but also expand into new allotted geographical areas. Besides, the current year's Union Budget announced that 100 more areas would be covered by CNG, which will help build the sectorial eco-system and graduate CNG into a preferred intra-state and inter-state fuel of choice .

Conclusion

At ATGL, we are optimistic that we will not only navigate the prevailing challenges but also generate sustainable growth that translates into enhanced value for all stakeholders associated with our Company.

Parag Parikh
Chief Financial Officer

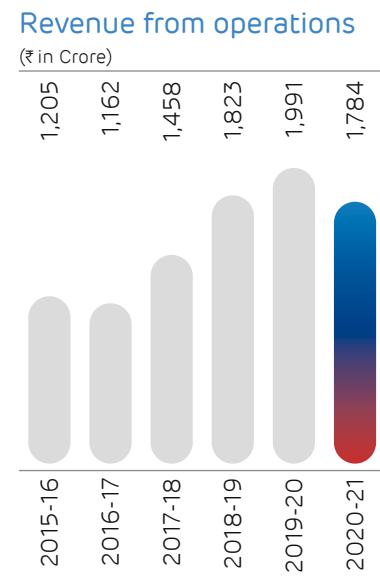


Part 3

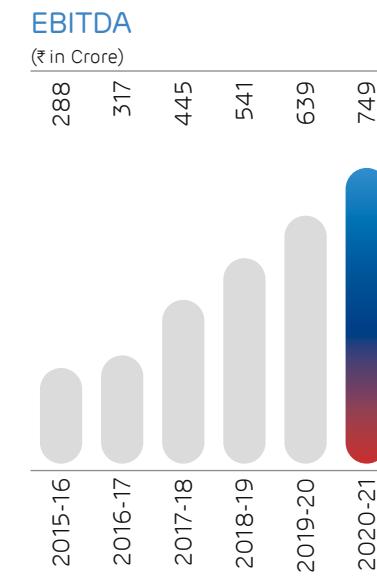
Our performance

How we have performed and what we have achieved

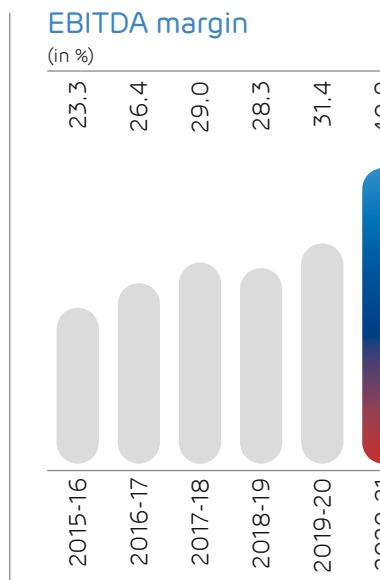
How we have grown in the last few years



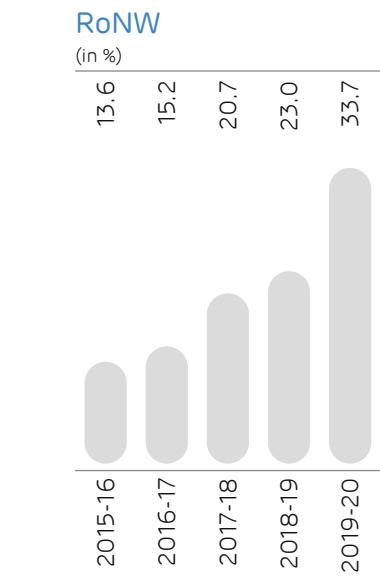
8%
5-year CAGR growth



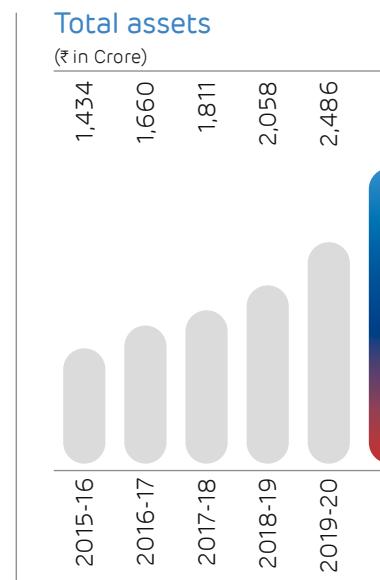
21%
5-year CAGR growth



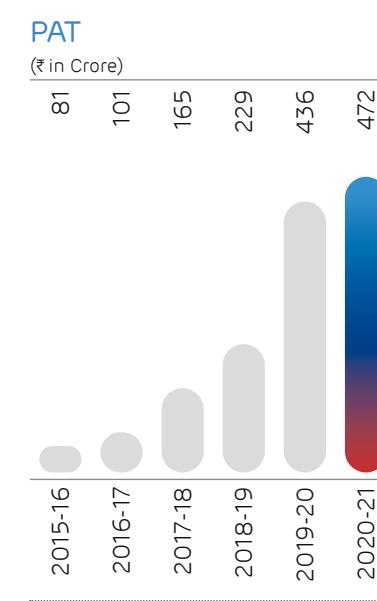
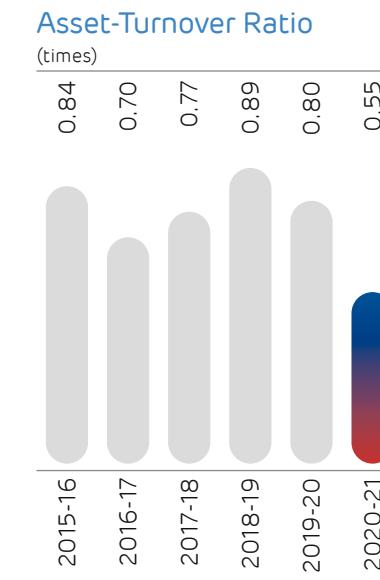
1,760
bps increase over 5 years



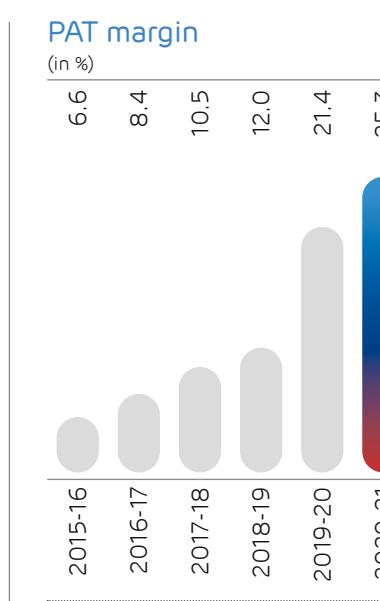
1,390
bps increase over 5 years



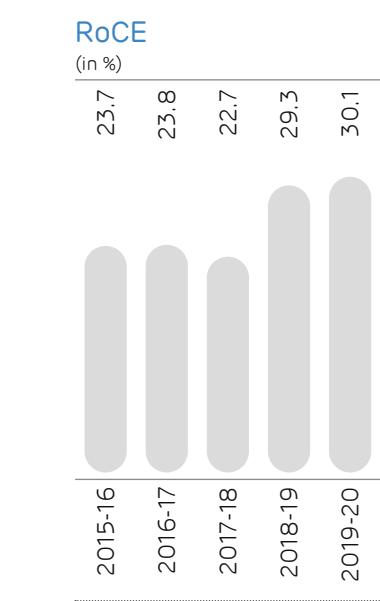
30%
Y-o-Y growth



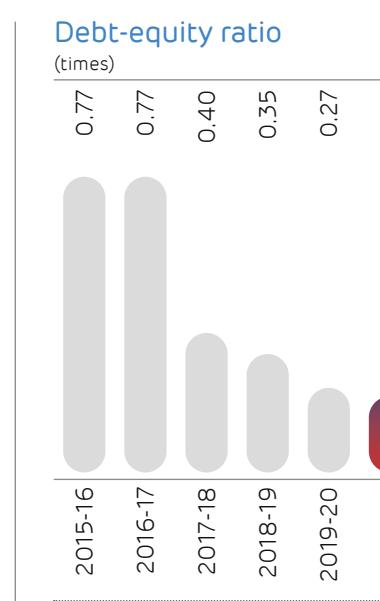
42%
5-year CAGR growth



1,870
bps increase over 5 years



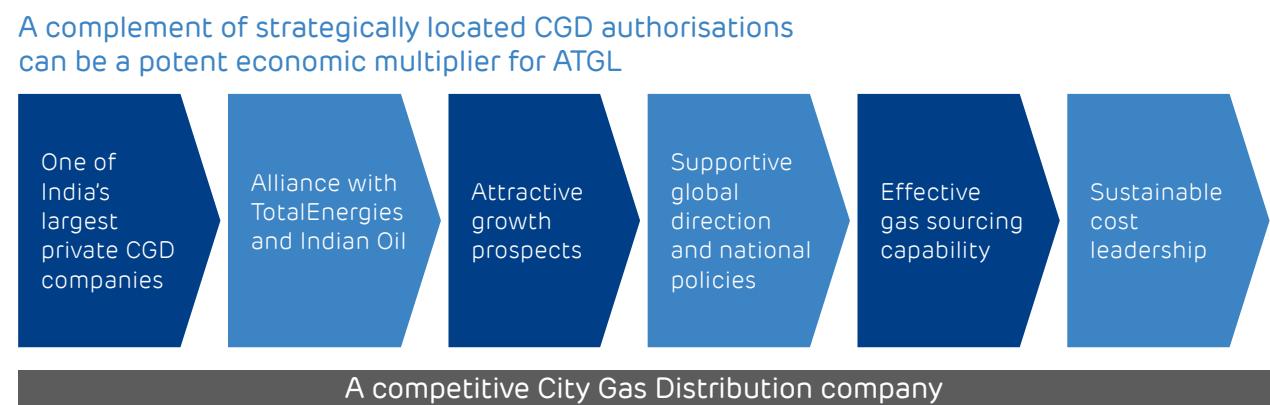
420
bps increase over 5 years



52
bps decline over 5 years

How ATGL has enhanced shareholder value

Overview
ATGL is India's most valuable city gas distribution company
The Company reports among the highest EBIDTA margins in India's CGD sector



ATGL's value-enhancing model

The customer (transportation, industrial, commercial and domestic) is willing to consume fuel that is cleaner than conventional alternatives while being cheaper.

At ATGL, we have created a value-enhancing framework: a validated profitable and growing business on the one hand coupled with impending rollout across a larger CGD footprint on the other.

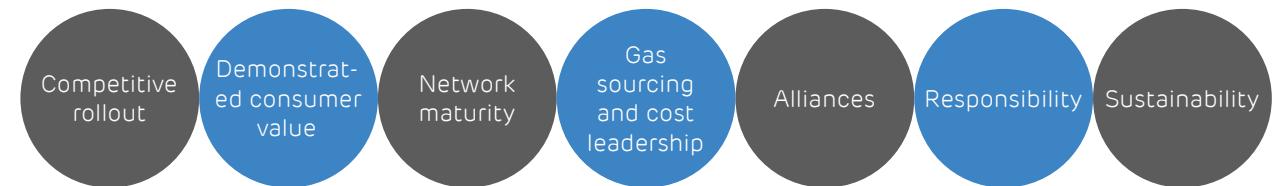
The business model has been directed towards aggressive but protected growth, marked by rapid scale-up on the one hand and annuity-like incomes on the other, assuring business predictability.

Besides, this approach reconciles the best of a hunter-farmer model. At the hunter level, the Company is engaged in the accelerated rollout of CGD infrastructure assets accompanied by cost competitiveness and economies of scale, a foundation of

profitable long-term growth. At the responsible farmer level, the Company expects to forge stable multi-year customer engagements leading to near annuity-like revenues and consequent business predictability.

This combination – an entrepreneurial approach at one end leading to secured income patterns at the other – represents the foundation of ATGL's value-enhancement engine.

The broad elements of how we have enhanced shareholder value over the years



1. Competitive rollout

One of India's largest private gas distribution companies

Presence across 19 GAs on its own books and 19 GAs in partnership

Among the most competitive cost structures among Indian CGD companies

Engaged in building national infrastructure

2. Demonstrated consumer value

CNG priced below conventional fuels

PNG priced competitively by the Company

Pricing ensures a lower holistic cost of asset ownership

Pricing enhances a consumer's competitiveness

3. Network maturity

Deeper penetration within the GA

Superior economies of distribution

Correspondingly higher revenues and margins

Large operating headroom

4. Gas sourcing and cost leadership

Strategic and agile gas sourcing responding to market dynamics

Strategic choice of price index-based on GA segmentation, customer portfolio and outlook

One of the lowest opex / SCMs in the industry

5. Alliances

TotalEnergies co-ownership in ATGL

Transfer of international best practices

50:50 joint venture with Indian Oil Corporation

CGD bidding effectiveness; enhanced operational ease

6. Responsibility

Deep governance commitment

Extensively de-risked approach; established global corporate credibility

Secured long-term revenue visibility

Environmentally clean business model

7. Sustainability

Investment in business foundation for sustainable scalability

Long-term relationships with customers; enhanced revenue visibility

Presence in attractive and growing CGD areas

Low Net debt/EBIDTA; attractive credit rating



How we
strengthened
our business
in 2020-21

GA footprint	Sales volume	Piped network
4 Number of GAs, 2015-16	380.89 Natural gas sold, MMSCM, 2015-16	>4,600 Km, Piped network including steel piped network, 2015-16
19 Number of GAs, 2020-21	515.13 Natural gas sold, MMSCM, 2020-21	>8,000 Km, piped network including steel piped network, 2020-21
	6% CAGR, five years ending 2020-21	
CNG retail outlets	CNG sales volume	Household connections
65 Outlets, 2015-16	209.43 Sales in MMSCM, 2015-16	0.21 Million, Residential customers, 2015-16
217 Outlets, 2020-21	227.18 Sales in MMSCM, 2020-21	0.48 Million, residential customers, 2020-21
	2% CAGR, five years ending 2020-21	18% CAGR, five years ending 2020-21
Commercial connections	Industrial connections	
1,862 Commercial customers, 2015-16	951 Industrial customers, 2015-16	
3,300 Commercial customers, 2020-21	1,666 Industrial customers, 2020-21	
12% CAGR, five years ending 2020-21	12% CAGR, five years ending 2020-21	

OUTCOMES

These have been the outcomes of our value-focused approach



How we delivered a superior market valuation

Capital appreciation

14,171

₹ Crore, market capitalisation, 31st March, 2019

9,502

₹ Crore, market capitalisation, 31st March, 2020

1,05,719

₹ Crore, market capitalisation, 31st March, 2021

Prices as per BSE

How we generated superior financial hygiene

EBITDA

288

Earnings before interest, tax and depreciation-amortisation, ₹ Crore, 2015-16

749

Earnings before interest, tax and depreciation-amortisation, ₹ Crore, 2020-21

21% CAGR, five years ending 2020-21

EBITDA margin

23.34

%, EBITDA margin, 2015-16

40.94

% EBITDA margin, 2020-21

1,760 bps growth, five years ending 2020-21

Gearing

0.77

Debt-equity ratio, 2015-16

0.25

Debt-equity ratio, 2020-21

0.52x decline, five years ending 2020-21

RoCE

23.70

%, Return on Capital Employed, 2015-16

27.95

%, Return on Capital Employed, 2020-21

425 bps increase, five years ending 2020-21

VALUE-CREATION

How we intend to enhance shareholder value going ahead

Overview

At ATGL, we possess clarity on how we intend to enhance shareholder value.

This clarity reconciles a management of risk parameters at one end and opportunity responsiveness at the other.

The Company intends to enhance value through the interplay of various business drivers.

Asset creation through infrastructure rollout: The Company intends to accelerate infrastructure rollout in the new GAs and create a CGD network with a focus on health and safety

Sweating existing assets: The Company will enhance the utilisation of infrastructure in its existing GAs, strengthening profitability

Best practices: The Company intends to leverage the

established best practices of TotalEnergies, enhancing efficiency

Revenue mix: The Company intends to balance revenues from domestic, industrial, commercial and transportation consumers with the objective to enhance organisational sustainability across market cycles, sustaining outperformance

Effective gas sourcing: The Company will focus on competitive, strategic and diversified gas sourcing with the objective to enhance the customer's value proposition

Accrual maximisation: The Company intends to plough accruals from its existing business into infrastructure creation, enhancing the role of net worth in building the business

Consumer switch: The Company intends to leverage the growing

traction for natural gas as a clean fuel in accelerating the switch from conventional fuels, strengthening revenue growth

Digitalisation: The Company intends to invest deeper in digitalisation with the objective to enhance the consumer experience, strengthen controls and procure materials more effectively, enhancing customer retention, margins and competitiveness

Building domestic franchise: The Company intends to leverage its extensive domestic franchise with the objective to generate asset-light revenues

Liquidity: The Company intends to enhance liquidity through the proactive repayment of long-term debt from accruals generated from accelerated monetised infrastructure creation, reflected in an attractively low Net debt / EBIDTA.

Our shareholder value creation foundation

Asset creation by infrastructure rollout	Sweating of existing assets	Best practices	Effective gas sourcing	Revenue mix
Accrual maximisation	Consumer switch	Digitalisation	Building domestic franchise	Liquidity

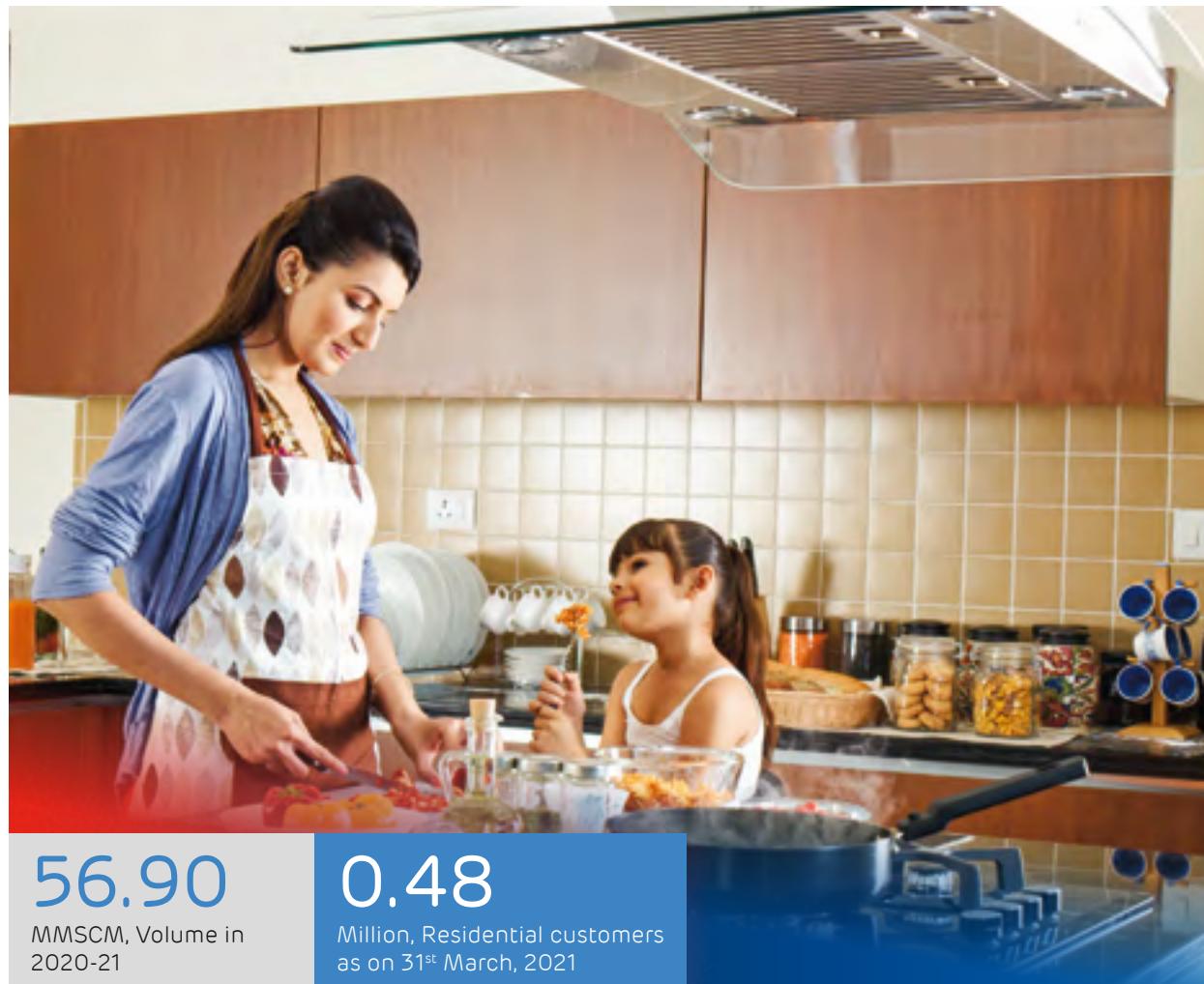


Our business segments

At ATGL, our city gas distribution business comprises two principal revenue streams – compressed natural gas and piped natural gas supplied to industrial, commercial and domestic consumers. We believe that the extent of under-penetration of the CGD network in India, policy inflection point and growing consumer preference for gas makes our sector a multi-year growth opportunity.

OUR BUSINESS

Residential PNG

**Overview**

Piped natural gas is an idea whose time has come for the three C's: convenience, cleanliness and cost.

PNG has overcome the disadvantages related to consumption estimation, proactive LPG cylinder booking, safety considerations and space management.

Besides, PNG has demonstrated advantages related to billing transparency and applications across cooking and water heating (gas geysers).

The government catalysed domestic piped gas growth; domestic connections more than doubled in five years (CAGR of ~16%).

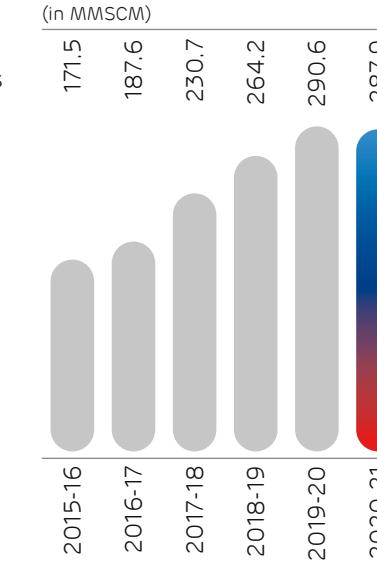
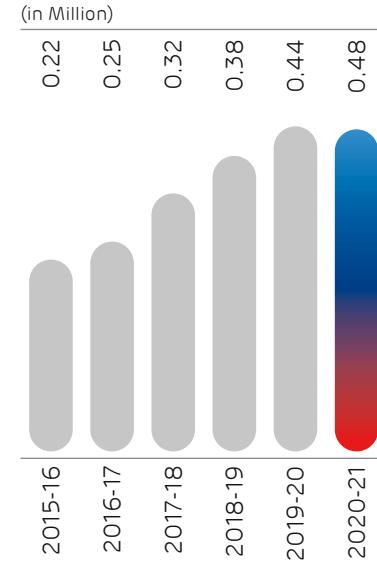
Highlights, 2020-21

ATGL transported and marketed PNG to more than 0.48 Million domestic households across 5 GAs during the year under review.

The Company is engaged in widening the rollout of its domestic customers in its GAs.

The highlights of the performance of this business during the year under review comprised the following:

- Added 40,939 household connections
- Deepened respect as a responsive service provider
- Provided uninterrupted service even during the national lockdown period
- Introduced WhatsApp-based billing to enhance environment-friendliness
- Developed the installment-based payment structure to increase market penetration
- Popularised the My Adani Total Gas app that enhanced consumer convenience
- Introduced POS payments; expanded the digital payments infrastructure
- Shared safety and health guidelines through diverse channels
- Conducted safety and audit checks for leaks or pilferages conducted at customer sites

PNG sales volume**Households covered**

limiting subsidised cylinders per household to 12 per year. This should enhance the offtake of piped domestic connections.

The outlook is optimistic on account of lower costs, pipeline delivered to homes and quick responsiveness to consumer needs. The Company enjoys a rich experience derived out of a long-standing presence and experience in four GAs, now being leveraged across a larger footprint. Besides, the Company expects to shorten its learning curve across a larger national footprint, strengthening the business.

OUR BUSINESS

Commercial PNG

**Overview**

The Company provides PNG to commercial customers, where its growing preference has been influenced by access to a clean fuel source, increased environment awareness and lower costs.

The Company widened its commercial PNG offering to cover the hospitality-restaurant-quick service restaurant sectors, health care facilities and corporate offices.

Highlights, 2020-21

The Company's growing CGD network made it possible to deepen its presence across a larger number of commercial customers.

The highlights of this business segment during the year under review comprised the following:

- Added 314 commercial connections
- Enhanced traction for the My Adani Gas app, enhancing consumer convenience
- Deepened the digital payments infrastructure
- Conducted regular safety and audit checks at customer sites, enhancing safety standards and awareness

Outlook

The Company intends to build an eco-system in newly allotted GAs. The Company is committed to achieve deliverables quicker than the mandated requirement. The Company intends to widen applications across diverse downstream sectors, widening the market.

OUR BUSINESS

Industrial PNG



The Company is engaged in marketing gas connections to industrial users.

There has been a growing preference to shift from conventional fuels to gas for onward use in boilers, thermic fluid heaters, direct fired dryers, textile processing, heat treatment, wire drawing, casting and forging applications.

Highlights, 2020-21

- There was an initial slowdown on account of the lower demand following the announcement of the lockdown
- There was a traction for gas supply in the second half of the financial year on account of uninterrupted access, lower carbonisation, reduced emissions and an attractive value proposition.

- Despite weak industrial growth on account of the pandemic-induced lockdown, the Company added 186 industrial customers
- Consumer traction was deepened through My Adani Gas App (enhanced features)
- Regular safety and audit checks were conducted at customer sites, enhancing customer confidence

Outlook

The fact that gas pipeline entities have established gas corridors for industrial consumers provides the Company with a critical mass of awareness and gas acceptability. The concept of pay per use has catalysed gas connectivity. Small industrial and commercial units have been increasingly converting to gas, owing to pollution control measures in several areas (ban on fuel oils and coal in areas) and

the increased competitiveness of natural gas over liquid fuels. Compared to ~39% share in 2015-16, the share of industrial and commercial gas increased to nearly 45% in recent years.

The Company expects to leverage its corporate brand to enhance awareness and consumer confidence. The Company's presence (directly and through joint venture) will help enhance a critical mass in visibility. The Company intends to build an ecosystem in newly allotted GAs. The Company is committed to achieve deliverables quicker than the mandated requirement. The lower cost of delivered natural gas is helping customers moderate their production costs and enhance competitiveness. In view of this, the use of natural gas is expected to gain traction and emerge as indispensable to business sustainability.

OUR BUSINESS

Compressed natural gas



Compressed Natural Gas (CNG) represents a mixture of hydrocarbons, mainly comprising methane. It consists of natural gas compressed to a pressure of 200-250 kgs/cm² to enhance storage capacity in vehicles.

There is a growing consumer preference for CNG on account of its cost competitiveness over conventional transportation fuels. There is also a growing government leaning towards CNG on account of minimal emissions, helping make the world cleaner.

Highlights, 2020-21

The highlights of this business during the year under review comprised the following:

- Added 102 CNG stations, the highest in any single year
- Strengthened the 24x7 emergency help-line
- Leveraged the My Adani Gas app with superior features
- Expanded the digital payments infrastructure

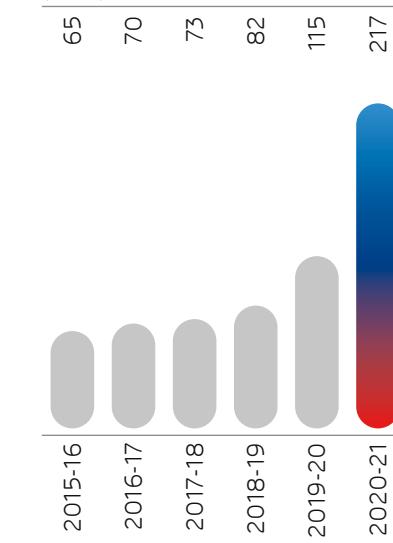
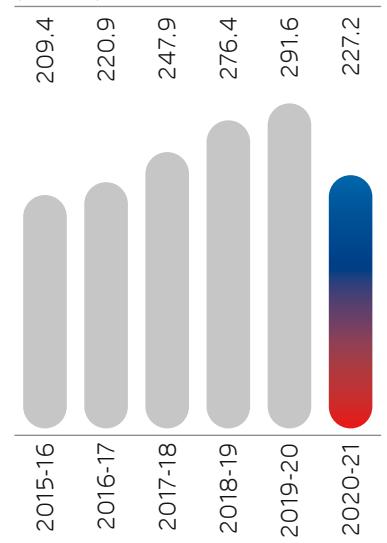
Outlook

As CGDs get prioritised allocation of economically priced domestic gas for CNG/domestic PNG operations, prices for these fuels are likely to remain attractive over alternative fuels like petrol/diesel for transportation and LPG for households.

With petrol/diesel prices deregulated and Central/State governments increasing indirect taxes on petrol/diesel, the pricing advantage of CNG over petrol/diesel is likely to sustain.

Over the last few years, there has been an increased priority on domestic piped gas and CNG for transport. The government ensured a full allocation of cheaper domestic gas for meeting the feedstock appetite of domestic piped gas/CNG, reflected in 110% gas allocation from 2014.

The government also encouraged CGD companies to commission more CNG stations. In the space of four years, CNG vehicles

CNG outlets presence
(In No.)CNG sales volume
(MMSCM)

help enhance a critical mass in visibility. The Company intends to fast-track accelerate CNG station rollout. The optimism related to natural gas has been derived from a lower cost of operation by commercial vehicle users, making it possible to widen vehicle ownership. The Company expects to capitalise through an accelerated CNG station rollout program.

A silent gas-driven revolution has already unfolded across ATGL's geographic areas

This is how lives are being transformed by PNG and CNG in today's India



"Adani Total Gas provides piped natural gas to four of my kitchens - one being the main kitchen and three in the servant quarters. I shifted to Adani Total Gas in 2015 and these have been the benefits: relieved me of storing four LPG cylinders; eliminated problems related to

supply fluctuations (as was the case with cylinders), which has helped cook faster; generated 15% cost savings. In 2017, when one of my stoves experienced an unforeseen leak, we immediately informed Adani Total Gas. The service provider arrived within an hour and

fixed the stove. What has remained in my mind is that Adani Total Gas arrived in an hour. It was unbelievable."

Deepan Kirit Patel,
Domestic Adani Total Gas customer, Ahmedabad



"I have been associated with Adani Total Gas since 2015 when I started the food business. At the time, our main requirement was efficient heating of our principal products - wafer sticks and wafer rolls. These products required considerable heating at a high pressure. The use of LPG cylinders was risky. We turned to Adani Total Gas' piped connection instead: this enhanced cooking efficiency and relieved us from the need to keep several gas cylinders in stock, given that

we consume 8-10 cylinders a day. Adani Total Gas liberated us from active inventory management, which helped reduce staff size and cost, making us more competitive. The process of transitioning to Adani Total Gas' piped connection was smooth and safe. Their engineers took measures like installing fire extinguishers, regulating and keeping the gas pressure at safe levels to minimise danger. This helped consume gas whenever and however long we needed. Adani

Total Gas provides impeccable after-sales service, which includes periodic checks, instant 24-hour service and advance intimation of price hikes. I was impressed enough to install the Adani Total Gas connection in four other units in addition to my residence and the rest of the residential society.

From a customer I have become an ambassador."
Jitendra Varandani,
Industrial customer, Adani Total Gas, Ahmedabad



"My company manufactures steel products like bartans. For that we require a heating capacity at 1,150° Celsius. This was risky and expensive when one uses LPG cylinders. The natural gas pipeline reduced costs and

enhanced productivity. During our crisis, we approached Adani Total Gas for a refund on the deposit paid at the time of pipeline connection. The Company immediately paid. We turned to furnace oil but as soon as conditions improved

in 2020, we returned to Adani Total Gas for superior fuel and better service. "

Bharat Kumar Patel,
Industrial customer, Adani Total Gas, Ahmedabad



"I connected my residence to Adani Total Gas' PNG pipeline six years ago. If there is one thing that has been different from other service providers, it has been its superior customer service. The Company addresses the smallest queries of customers with patience on phone; it sends its professionals home whenever the situation warrants. Recently, we noticed

what looked like a leak in our pipeline at midnight; Adani Total Gas solved the problem within an hour. The Company sent a team for a maintenance check and located a minor defect. It indicated a wish to change the pipe. I was hesitant; it did not appear major and I was worried about the cost. The team informed that the replacement would be completely

free of cost. The shift from LPG cylinders to Adani Total Gas' PNG connection reduced my cost 15-17%, resulted in faster cooking, enhanced safety and made the transaction cashless. What else can one want?"

Chirag Soni,
Domestic customer, Adani Total Gas, Ahmedabad





"We have been using Adani Total Gas' PNG at our confectionery shop. What impresses me is that issues regarding the pipe, gas flow or leak are instantly resolved; besides, one does not need to store LPG cylinders, there is no limit on gas consumption and **there is a 15% saving in monthly bills.**"

Jaimin Patel,
*Commercial customer,
Adani Total Gas,
Ahmedabad*



"In terms of work, our pottery business involves heating at temperatures as high as 500 degrees Celsius. To achieve this was relatively difficult when the factory was running on diesel as there was always an issue related to consistent supply. After availing Adani Total Gas' PNG connection, this challenge has been resolved once and for all. I was Adani Total Gas' first customer in Khurja and the only one in the city for a year-and-a-half. In these seven years, I have not faced any issue regarding the PNG pipeline connection and this is what I like most about its service. Even if there was

any issue (gas flow blockage), we called them and the problem was immediately fixed. When you know that things will be addressed promptly, **you stop thinking of Adani Total Gas as a vendor and more like a partner.**"

Guljeet Minhas,
*Industrial customer,
Adani Total Gas, Khurja*



"It has been seven years since Adani Total Gas' PNG connection was installed in my factory. This has been one investment that has been completely worth it. From safety measures to customer service, every aspect has been comprehensively

covered. Recently, there was a small issue with my pipeline connection and Adani Total Gas executives arrived within 10 minutes to address it. The Company transformed my complaint into enhanced trust! Besides, the

substitution of propane with natural gas helped save 10% of costs in addition to a decline in the stress related to propane storage."

Pritam Singh,
*Industrial customer,
Adani Total Gas,
Faridabad*



"I have been using Adani Total Gas' PNG at my industrial unit 'S&P Threads Private Limited, for 11 years. Since my primary business is textile dyeing, PNG has helped reduce costs and enhance environment responsibility. Before

December 2009, we ran the business completely on furnace oil. During these 11 years, the cost of furnace oil may or may not have declined but **we never once thought of switching back because PNG is a green fuel** and beneficial for our

factory environment."

Manish Vaish,
*Industrial customer,
Adani Total Gas,
Faridabad*



KNOWLEDGE CAPITAL

How we have built a robust people foundation for sustainable growth

Overview

At ATGL, we are placed at a unique position in our existence on the one hand and within the context of India's city gas distribution sector on the other.

The sector is at an inflection point that is expected to graduate the country decisively towards a gas-based economy. This unprecedented reality is putting a premium on people enthusiasm, experience and adaptability. Add to this reality the incidence of Black Swans, making it imperative to respond to unforeseen realities with speed and sensitivity.

In this dynamic environment, the biggest sectorial challenge is how companies recruit, retain and grow its people.

The ATGL perspective

At ATGL, the management has outlined a target to be network-ready across its authorised Geographic Areas at the earliest. This puts a premium on the need to align the entire organisation – across locations, functions and tiers – around this challenging self-enforced deadline.

The Company has outlined initiatives to recruit select talent ahead of the curve, build capacity and capabilities for critical positions and create a judicious

balance of experienced and enthusiastic talent.

The Company created an enabling environment for nurturing talent based on the strategic direction, milestone requirements, need-gap analysis and the need to create a people competence foundation with the objective to achieve seamless organisational scalability.

Our approach

At ATGL, we responded to the challenge of enhancing the organisation's future-readiness through various initiatives.

The Company leveraged its strong constituent brands (Adani and TotalEnergies) and positioned itself as an emerging energy major to attract select professionals and outperformers.

The Company focused on building a knowledge company, selecting recruits based on aptitude and attitude, reinforced with a culture of continuous training and on-the-job work exposure.

The Company created a capability building plan that preceded the business plan, ensuring that workflows accelerated towards desired deadlines.

The Company focused on the development of capabilities

in frontier technologies (hydrogen gas, compression manufacture and smart meters) with the objective to develop competencies today with a view to make them future ready.

The Company fostered a workplace that was engaging, rewarded outperformance, was safe and encouraged inclusion. The Company valued diversity, provided equal opportunity, recruited and promoted employees based on merit.

Our recruitment approach

The Company recruited prospects based on a scientific analysis of their capabilities and competencies, making it possible to focus on the right individual, validated through retention and growth.

The Company focused on the selection of the right individual matched to the right job profile, a precise fitment that translated into job satisfaction and engagement.

The Company grew managers and business leaders from within; the positions that they vacated were plugged with selective campus recruitments. This helped the Company accelerate empowerment on the one hand and fulfil career aspirations on

the other. As a validation, the head of every GA allocated to the Company was promoted from within

Our retention focus

The Company prioritised operational transparency ('speakerphone culture') where discussions were open, frank, fearless and participative.

The Company retained the spirit of a small team where leaders were created and promoted from within while allocated multiple responsibilities, transforming them from a local functional head into a zonal profit centre head - an excellent preparation for a high growth career.

The Company engaged in management-employee engagements which facilitated ground-level understanding.

The Company embarked on the creation of a Human Resource Management System tool that is smartphone-compatible, enhancing employee convenience.

Our training and development focus

The Company deepened its commitment to renew competencies through intensive training:

Our people platform target by 2025

- Decline in employee turnover
- Improvement in Employee Satisfaction Score
- Increase in average training hours per person

▪ Mandatory safety induction training for all employees and contractors

▪ Safety, Technical & Operation Competency (STOC) training provided to all contractor employees

▪ Training for employees on all high-risk activities (PTW, working at heights, electrical etc.

▪ Behavioural training to enhance their proficiency in line with Adani Behavioral Competencies

communication between the Chairman and employees, drawing on their suggestions on strategy, operations and technology

Straight from Ground Zero: This intervention facilitates a dialogue between an employee and CEO.

Service Now: This digital foundation encourages employees to share concerns on HR policies, practices, safety, personal issues, incidents and concerns with the concerned department or function

The outcomes

The Company grew the business into the largest in India's city gas distribution sector with only around 425 employees, reporting possibly the highest revenue per employee in the sector

The Company created a diversely talented workforce, marked by diverse capabilities and experiences.

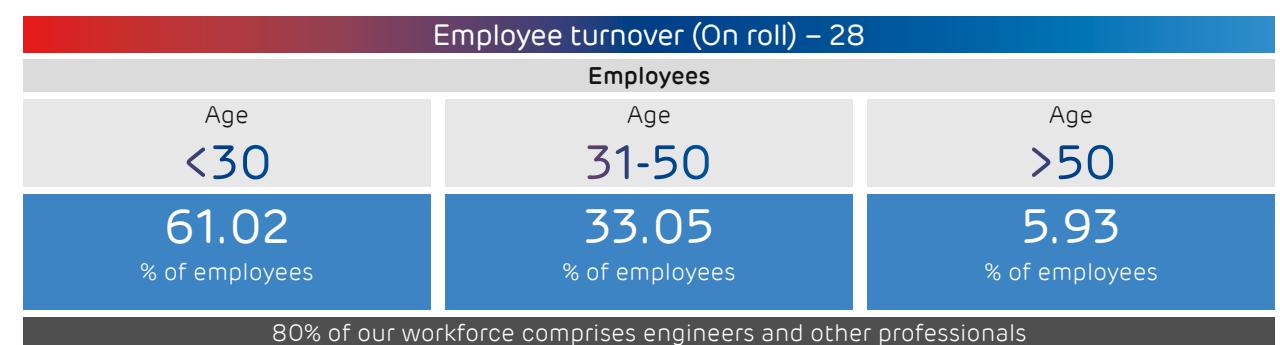
Value delivered in 2020-21



Big numbers



Our people, 2020-21



EXCELLENCE DRIVER

How we have built a robust financial foundation for sustainable growth

Our goal

Controlled rollout across GAs without stretching the Balance Sheet

Our platform



Overview

At ATGL, we believe that a robust business model with a strong Balance Sheet represents a foundation for long-term sustainability, making it possible to absorb unforeseen challenges with adequate liquidity and minimal impairment.

This priority is particularly evident in India's city gas distribution sector where the opportunity is unprecedented, making it necessary for players to manage their ongoing operations on the one hand and scale the business within a deadline on the other.

This capacity to reconcile the needs of the present with emerging needs makes it imperative to mobilise an optimal quantum of capital resources at competitive costs in the shortest turnaround time.

The ability to balance all these requirements is inevitably directed to creating a robust financial structure that addresses long-term needs.

Foundation

At ATGL, we have created a Balance Sheet foundation to protect the Company's national leadership in the area of city gas distribution on the one hand and facilitate its growth across allocated Geographic Areas (19 on its own account and 19 in alliance with Indian Oil Corporation).

This specific foundation has been structured around the following constituents:

Sustainability: At ATGL, we demonstrated the resilience of our business model in a challenging 2020-21 when demand was muted in one quarter marked by the lockdown. The Company reported a 17.14% growth in EBITDA and a 8.19% increase in profit after tax during the financial year under review

Security: At ATGL, we have been engaged in the city gas distribution business for more than a decade, having matured our presence across four GAs. This longstanding presence translated

into better margins and adequate cash flows. The availability of this annuity-like revenue base now provides the Company with precious liquidity during its second business-building phase, making it possible to rationalise the requirement of debt in business expansion

Liquidity: At ATGL, we focus on maintaining adequate financial liquidity with the objective to be opportunity-ready. Much of this liquidity is derived from a conservative gearing that makes it possible to address various economic cycles and emerging opportunities with adequate cash on the books. The Company maintained adequate liquidity and low gearing (Net debt/EBIDTA) of 0.16x as on 31st March, 2021, ensuring growth without compromising Balance Sheet hygiene.

Credit rating: At ATGL, we were provided domestic credit rating of AA(-) by rating agency ICRA, which made it possible for the

Company to mobilise long-term debt at a competitive rate across an extended tenure, strengthening cash flows.

CNG Stations, Dealership Model

Model: At ATGL, we selected to implement the dealer-owned dealer-operated (DODO) model along with the conventional COLO Model. The DODO model, along with providing CNG, will result in single-stop solutions to the vehicle segment and better brand visibility. This will make it possible for the Company to deepen the footprint in the optimised manner.

Sequential rollout: At ATGL, we intend to commission our assets in a prudently sequential manner, monetising those businesses first that are marked by a lower cost, quicker commissioning and attractive returns (CNG) and back-ended by businesses that take longer to commission (domestic connections). We believe that this approach will make it possible for the capital expenditure to pay back quicker.

Gearing: At ATGL, the management intends to utilise its accruals to support the ongoing capex program with the objective to enhance prospective cash flows. Even though the Company has embarked on the most aggressive capital-investment phase of its existence, it intends to prudently utilise a large proportion of accruals to grow its business.

Competitiveness: At ATGL, we believe that a secure Balance Sheet is under-pinned by competitive gas sourcing and distribution. The Company is among the lowest operating cost city gas distribution companies in India, generating an increase in operating margin, consistently higher than the sectorial average

Superior technology and asset utilisation: At ATGL, we believe that the use of cutting-edge

technology and automation will generate superior asset utilisation, consumer service, customer experience, operational integrity and graduate India into a new age in technology-driven utilities

Balanced revenue mix: At ATGL, we believe that a balanced mix of revenues from CNG and PNG businesses makes it possible to enhance revenue visibility on the one hand and diversification on the other.

Financial discipline

The Company validated its financial discipline during the last financial year, which was among the most challenging encountered in its existence.

Despite the first quarter of the last financial year being affected extensively by a lockdown that affected gas offtake among CNG, industrial and commercial consumers, the Company passed the year with a 17.14% growth in EBITDA.

The Company reported a cash profit of ₹534 Crore in the last financial year and ₹1,317 Crore in the last three financial years aggregated.

Outlook

The outlook is optimistic for the Indian economy in general and ATGL in particular.

As India returned to buoyant growth (as witnessed in the last three quarters of the last financial year), ATGL continues to be the best placed within India's city gas distribution sector to capitalise: for being the lowest cost CGD proxy in a growing gas consuming nation. The Company possesses a low beta (capacity to resist declines in economic growth without Balance Sheet impairment) for a broad-based revenue mix comprising residential, industrial, commercial and transportation consumers.

How we transformed in the last few years

Leverage

1.61

X, Net debt / EBIDTA, 2015-16

0.16

X, Net debt / EBIDTA, 2020-21

The Company's EBIDTA grew at 21% CAGR between 2015-16 and 2020-21

Debt cost (average)

9.40

%, 2015-16

7.49

%, 2020-21

The Company leveraged its credibility to moderate debt cost

Credit rating

ICRA A+ (Stable)

2014-15

ICRA AA- (Stable)

2020-21

EXCELLENCE DRIVER

How we have created a competitive and scalable materials procurement foundation

Our goal

Best quality + Effective cost + Timely delivery

Our platform

Objective	Procurement goal	Company brand and knowledge	Economies	Automation	Strategic	Selectivity
Planned approach	Quality	Team	Dashboard	Validation	Flexibility	Procurement efficiency

Overview

At Adani Total Gas, we believe that efficient procurement lies at the heart of a competitive organisation. This is particularly so in our business where the next few years are likely to be dedicated to accelerated asset creation. Besides, the Company intends to engage in significant procurements across the next five years; since the corresponding annual capital expenditure plan will be considerably larger than the retrospective average, there will be a greater priority in maximising economies of scale. In view of this priority, the Company evolved the role of procurement from functional aggregation into an organised corporate intervention, influencing year-on-year competitiveness.

Foundation constituents

The Company is an active procurer of materials (mild steel pipes of American certification, online compressors, hydraulic boosters, medium density polyethylene pipes and gas dispensers etc.) and services (contracts for pipe-laying etc.).

Over the years, we graduated the elements that go into effective procurement into an organisational architecture that has enhanced functional predictability and project execution visibility.

Power of economies: The Company has provided select and accredited vendors with the prospect of volume-based procurement on the one hand in exchange for competitive pricing on the other.

Objective: The objective of the Company is to procure the largest volume of materials and services at the lowest price coupled with the highest quality at the right juncture during the aggressive asset-building phase of its existence

Procurement goal: The goal of the procurement function at the Company is to make available an adequate and planned quantity of materials and services that empower the Company to sustain aggressive asset rollout well before the promised and committed schedule

Leverage the Company's brand and knowledge: The Company has drawn extensively from the rich promoter pool of procurement knowledge, strengthening related efficiency and effectiveness

Team: The Company created a competent team comprising professionals specialised in the procurement function, possessing

Automation: The Company embarked on the process to automate its procurement to moderate costs and time, enhancing transparency (the full benefits of which will be visible from 2021-22 onwards)

Strategic: The Company leveraged the established Adani Group's reverse-auction practice among enlisted vendors to maximise procurement efficiency

Selective: The Company works with pre-approved vendors, appraised on their track record, experience, delivery speed, quality commitment and trade respect

Planned approach: The Company drew out an extensive time-based and activity-influenced schedule for material and services procurement, making it possible to place the right quantity of the right requirement at the right location at the right time

Quality-centricity: The Company built a demanding quality priority into its procurement plan with the objective to generate multi-year or multi-decade infrastructure durability (the coveted API 5L X42 mark mandatory for all its steel pipes procurement, for instance)

Efficient procurement: The Company made a prudent use of Letters of Credit to maximise the use of the lowest interest rates related to procurement

a technical background (engineers), exposure to negotiation-based processes and contracts understanding. The roles were periodically changed to enhance fresh and holistic perspectives.

Dashboard: The Company's procurement process and sequence was 'dash-boarded', making it possible to be aware at all times of the status of the order, eliminating the possibility of a stock out or excessively large inventory

External validation: The Company strengthened its procurement platform through a documented validation of all incoming materials by respected global agencies (Bureau Veritas, TUV and Lloyd's), protecting infrastructure integrity

Procurement flexibility: The Company established a global procurement understanding, making it possible to arrive at the best procurement balance of Indian or imported material (based on quality, delivery, volume, certification and cost)

Outcome
The Company emerged as one of the most competitive related to the procurement of materials and services, strengthening prospects of multi-year business sustainability.

Big numbers

586

₹ Crore, procurement orders placed for materials and services, 2019-20

847

₹ Crore, procurement orders placed for materials and services, 2020-21

EXCELLENCE DRIVER

How we have created a competitive gas sourcing foundation as a Centre of Excellence

Our goal

Competitive, strategic and diversified gas sourcing, enhancing the customer's value proposition while protecting or strengthening ATGL's earnings.

Our platform



Overview

At ATGL, there is a strategic priority in being able to procure gas from the domestic and/or global markets around an optimal price-value proposition, the common denominator being a portfolio-based approach.

This approach warrants a focus on being able to procure gas at the most competitive cost with the most flexible terms from the most reputable domestic/global suppliers at times through a participation in competitive bidding processes, enhancing procurement stability and visibility.

This approach underscores the priority to keep downstream customers fully serviced for their gas requirements across market cycles, strengthening their ability to capitalise on market opportunities and providing a valuable proposition to increase natural gas usage.

Foundation

At ATGL, we recognise the importance of a stable procurement platform in a world marked by volatile gas prices. Over the years, the maturity of the procurement foundation has made it possible to moderate gas procurement price volatility to tide over various risks (commercial and operational). This, in turn, has empowered the Company to pass the benefit of competitive gas prices to consumers, enhancing margins and competitiveness coupled with customer-centric pricing.

Over the years, the effectiveness of the Company's gas procurement foundation has been secured through the following strategic priorities:

Customer-centricity: The focus of the gas procurement function is to ensure sustained business continuity of the customer's business, putting a premium on longstanding gas sourcing relationships and forging new ones.

Security

Security: The Company procures gas at a specified cost from the government for onward distribution across domestic and CNG customers. During the last few years, the government has made allocations to these segments a priority over industrial customers, securing the Company's access to gas for this business segment. The Company procures gas from the market for the industrial and commercial customers and ensures security of supply to such segments vide aligned upstream purchase agreements.

Strategic optimisation: The Company has graduated beyond a singular focus on the lowest price of procurement; it has created a number of weightages assigned to diverse factors (terms of trade, supplier credibility, gas volume offered, diversified portfolio approach and index linkage of price) that make it possible for a holistic strategy to be implemented leading to competitive and flexible procurement.

Diversified procurement blend: The Company balances its procurement across long-term and mid-term contracts and spot purchases with the objective to capitalise on prevailing opportunities and optimise its procurement mix.

Exposure: The Company is engaged with a number of gas providers in the global and Indian markets, widening its exposure to diverse procurement permutations and combinations

Experience: The Company's gas procurement function is managed by a professional team – created on the basis of gas trading experience, qualifications and validated capabilities in gas trading and risk management – that possesses a multi-year exposure to various commodity market cycles, particularly in the oil and gas sector.

Guidelines: The Company's gas procurement decisions are complemented by a set of risk management guidelines distilled from years of experience through a policy approved by the Board of Directors and periodically updated to keep it contemporary with the current market scenario.

Broad-basing: At the heart of the Company's guidelines related to gas procurement lies a commitment to broad-base the procurement basket (LNG linked index, Crude Oil linked index and fixed prices), reduce exposure to volatility and enhance pricing stability.

Stable approach: The Company recognises that price swings cannot be predicted; in view of this, it does not take speculative positions. The Company recognises that the focus of its business is not in generating

a profitable arbitrage as much in moderating the impact of price swings on its procurement quantum where its strategic risk management function takes lead role.

Flexibility: The Company practices a flexible approach in its gas procurement; it may alter its procurement source or change the diversification levers across indices, suppliers and volumes.

Outcomes

The Company leveraged its strategic and forward-looking portfolio-based gas sourcing capabilities by dwelling on the prevailing abundance in gas availability during the year under review, making it possible to moderate procurement prices and keep the cost of its service affordable. This made it possible for the Company to moderate gas cost as a proportion of revenues from 60% in 2019-20 to 49% in 2020-21.

Big numbers

Competitive sourcing

60

%, Gas cost as a percentage of revenues, 2019-20

49

%, Gas cost as a percentage of revenues, 2020-21

The coming of the Indian Gas Exchange

In 2020, the Indian government provided the regulatory clearance for the commissioning of the Indian Gas Exchange (IGX), the first national-level gas trading platform.

The setting up of the IGX will strengthen transparent natural gas price discovery, which could attract more market participants, widen market breadth, enhance price stability and attract investments in the gas value chain.

The online foundation will enable buyers and sellers to trade on the spot and forward markets, complemented by

physical hubs (Dahej, Hazira and Kakinada). LNG supplies tend to be via long-term contracts, which implies price rigidities and heightened risks that hamper market development. Even short-term LNG contracts tend to be for 6-12 months.

IGX will provide traders the convenience of the day-ahead market coupled with weekly gas price contracts, enhancing efficient price discovery in a fragmented opaque market. The Company has already become a member of IGX and benefit of complementing its sourcing portfolio by transacting through the exchange.

EXCELLENCE DRIVER

How we have built a digital foundation for profitable and sustainable growth

Our goal

- Accelerate customer accretion
- Maximise operations uptime
- Hassle-free customer experience in the palm of one's hand
- Shrinking responsiveness from minute to seconds

Our platform



Purpose

The Company is committed to accelerate digital transformation across processes and operations with the objective to enhance customer experience, improve efficiency, increase speed and enhance precision. Through digitisation, the Company aims to create value-added offerings, strengthen operations (back-end and front-end) and support growth strategies. Besides, digitisation is expected to enhance anywhere and anytime information access, empowering stakeholders to make informed choices.

Overview

At ATGL, we are driven by the vision of an organisation that is reinventing the consumer experience through a combination of dependable gas delivery, safety, responsible pricing and responsiveness. In view of this, we do not just pride on being the largest city gas distribution company in India; we pride on

being the nimblest and most customer responsive as well.

Over the years, the Company invested in widening its footprint, cutting-edge technologies and automated infrastructure. The result is customer trust, reflected in a larger customer engagement, stronger referrals and high retention. This has been showcased in the numbers: during the year under review, the Company reported a gas throughput of 1.41 MMSCMD, and customer connections of 0.48 Million (piped connections), 217 CNG stations and revenue of ₹1,784 Crore.

Key initiatives

Technology

At ATGL, we believe that while competitiveness may be seeded at the business development, financing and project implementation stages, this competitive advantage needs to be strengthened through robust operations and maintenance competence.

Enhancing customer competitiveness

Centre of excellence

The conventional approach was to monitor the performance of disparate standalone gas dispensing locations. The Company reversed the paradigm; it is investing in a centralised surveillance of its CNG, industry, commercial and domestic connections. The benefits of centralised surveillance will far exceed the upsides of disparate monitoring: it will help aggregate subject matter experts in a single location, resulting in informed decisions. Besides, the consolidation will create a foundation empowered to increase the Company's scale without a proportionate increase in system-facing operations professionals.

Governance

We believe that a technology-driven and digitalisation-driven platform is aligned with the modern-day demands of better governance, minimising human interventions and a corresponding room for errors.

Integrated

At the heart of the Company's technology capability lies an integrated approach that helps converge the various arms of the organisation (CNG stations, dispensers, piped gas and city gates), leverage the use of SCADA and PLC that make remote management a reality and generate a holistic picture of the Company's operational health in real-time.

Work-in-progress

The Company is engaged in building a technology-driven system from scratch, attracting and evaluating bids, selecting the architecture and freezing the solutions design. The system is expected to be completely in operation from 2021-22, enhancing systemic efficiency thereafter.

Centre of Excellence

The Company is strengthening its operating platform through

the aggregation of professionals; it is positioned as a centre of excellence in gas energy technologies. This consolidation of capabilities into a knowledge hub is facilitating the crossflow of knowledge leading to informed decision-making. This hub of gas energy sector wisdom, comprising professionals with deep academic knowledge, rich industry experience and thought leaders, will empower the Company to graduate to the next level.

Predictive and prescriptive

The data analytics teams will leverage the power of centralised asset monitoring. A predictive and prescriptive approach of demand forecasting and consumption patterns will be derived from real-time responsiveness and analytics. The Company will be able to discern deviations with speed, leading to proactive predictive analyses even before problems have surfaced.

How ATGL's technology touches customers

The new feature of a **digitally signed bill on WhatsApp** for all customer segments will support ATGL's 'go green' and paperless initiatives. Paperless billing provides instant WhatsApp notification when a customer's bill is ready. ATGL switched to e-billing, providing digitally signed bills to customers directly on WhatsApp, enhancing customer delight. The result is that customers do not need to file their hard copy bills and can access erstwhile bills on WhatsApp. WhatsApp billing will reduce paper waste, printing and courier expenses, save trees, water, greenhouse gas emission and solid waste. It will help generate revenues faster.

Self-billing will enable customers to generate their own bill by submitting their meter reading with their photograph and getting the actual bill on WhatsApp or My Adani Gas app.

Online name transfer form

features will be added on the website to enable customers to transfer connections to their names. This feature will simplify the name transfer process by completely digitising the process, reducing effort, time and commute.

Dynamic UPI QR code printing on the bill will enable the customer to scan the QR code from any UPI app and make gas bill payments. The Paynow button and bill PDF are sent to customers on WhatsApp, strengthening digital transactions. The payments made by customers will be updated in

the customer's account in real-time through seamless systems integration.

E-NACH registration: A paperless mandate registration process supports ATGL's 'go green' initiative. This feature simplifies bill payments where the customer can apply for an auto-debit of the gas bill payment on the due date from the bank account, strengthening digital payments without needing to visit the customer care office for manual NACH (ECS) registration or remembering the bill due date.

Digital payments by customers increased from 82% in 2019-20 to 92% in 2020-21 by amount and 74% in 2019-20 to 86% in 2020-21 by the number of transactions.

Benefits of our digitalised way of working

No paperwork	No delay	Quicker engagement	Wider payment options
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Our digitalisation projects

Adani Delight: Aimed at the digitisation of processes to enable students, home makers and senior citizens to become ATGL ambassadors and provide referral prospects. The Company implemented digital approval workflows, digitally signed invoices, purchase orders, expense tracking, gas balancing dashboard and pricing dashboard. The objective is to automate processes, strengthening competitiveness.

Touchless Revenue Management: Multiple projects were identified and are being taken up in a phased manner to increase digital penetration at each customer touch point, leveraging new technologies like AI-based IVR system, smart meters for domestic customers, self-service chat bots and real-time SAP integration, resulting in billing advancement by 15 days.

Analogue to Digital (A2D): Business process transformation will help ATGL review processes/tools/apps/systems already implemented, gap identification and recommending areas of automation while taking the full benefit of available applications. Outcomes will comprise re-designed processes and tasks mapped to IT-enablement, automated workflows, analytical representation and dashboard. The Company is identifying all manual activities to be automated using robotic process automation, machine learning and artificial intelligence.

Advancement of My Adani Gas: Mobile application foundation facilitating collaborations with partners, customers, vendors, contractors and employees. My Adani Gas completely Streamlines sales process from enquiry to commissioning (domestic, industrial and commercial customers). Empowers Field Sales Officers to digitally complete customer on-boarding. Provides digital self-service channel of interaction for customers comprising service requests, accounts statement, view and pay bills, gas consumption patterns, complaints, meter reading submissions etc. Serves as a vendor collaboration platform, enables vendors/ contractors for purchase/service orders and tracks progress related to purchase/service orders and performance management. Facilitates a dynamic dashboard to showcase performance across the defined KPIs. This will also include field force operations automation, replacing paper-based engagements with smart tablets. Samsung tablets are

issued to the field force to make new registrations, document verifications, online payments (through Net banking, credit card / debit card, UPI and payment aggregators like PayTM, PayU, Billdesk etc.).

Supervisory Control and Data Acquisition (SCADA) system: SCADA is a digital mode of supervising the systems and control through strong data collection on a real-time basis. First CGD company to implement SCADA in 2008-09. Empowers monitoring of operations. Enhanced SCADA across City Gate Stations, CNG stations, DRS and Cathodic Protection Transformer Rectifier Units.

Geographic Information System (GIS): Pipeline network constantly mapped through GIS. Comprises data enhancement activities (completeness of network mapping, land base upgradation, incorporation of building addresses and accuracy enhancements). User-specific functions like hyperlinking drawings/documents to features,

layer visibility control and functionality indicate third party activities and outage manager. Pipeline network information provides monitoring, repair, maintenance and emergency handling approaches.

Automated Meter Reading (AMR) system for I&C customers: Enhancing our systems for the benefit of all industrial and commercial customers to through better after-sales and meter reading facilities. AMR system will help the Company enhance real-time data availability leading to better revenue realisations and daily gas reconciliation. Helped enhance operational safety and customer service.

Project Management Office (PMO): Automation that captures the performance of milestones of ongoing projects and assists execution departments in estimating concern areas. System improves accuracy and timely submission of information to stakeholders and regulators.

Emergency Response Management System: Deployed first-of-its-kind Emergency Response Management System to ensure every incident is reported, notified, tracked, monitored, addressed, investigated and resolved. System captures the smooth coordination with third party utilities and patrol information to prevent asset impairment. Application eliminates manual efforts, helping the team respond better to emergency situations. Increasingly relevant to address projects and

operations pan-India covering multiple stakeholders like Project/ Maintenance Teams, contract workers, utility companies, local authorities etc. Facilitates end-to-end tracking of emergency incidents (gas leakage/ fire/ vehicle accident / property damage or high-risk incidents using mobile applications as well as web applications). An interactive dashboard provides data analytics leading to informed decision making.

Adani Mitra (Chatbot): Adding natural language processing capability to our chatbot (Adani Mitra) on our website to interpret customers' inputs or behaviour and generate feedback during the chat conversation. The updated chatbot will possess omnichannel capabilities (web, mobile, Facebook, WhatsApp) and multilingual support (English, Hindi and Gujarati).

Paperless office: Entire office work digitised; culture of no printouts. All forms, approvals / NFAs on digital platforms. Sharing of documents on SharePoint and OneDrive; reviews and approvals system- based. Virtual meetings 100% paperless, enhanced organisational resilience in working from home.

3rd Eye: Implemented an industry intelligent tool to facilitate business leaders with a single window of the operations of Adani Total Gas and upcoming growth areas. This depicts the state of operations around pipelines, CNG stations, LNG terminals,

cross-country pipelines and GA mapping.

Pricing dashboard: Developed a dashboard to empower the management to take informed decisions on pricing across segments (Domestic, Commercial, Industrial and CNG) across Geographical Areas-based on the following: Gas cost calculation and margins in a particular region, gas sale price decision in comparison with competing price and the price in a neighbouring geographic area and a dashboard (based on Power BI) providing competing gas prices.

82

% of payments made to ATGL through the digital option, 2019-20.

92

% of payments made to ATGL through the digital option, 2020-21.

BUSINESS DRIVER

How ATGL has built a robust project management foundation

Our goal

Accelerate the development of the CGD network rollout earlier than the mandated deadline with complete safety

Our platform



Overview

At ATGL, there is a premium on the ability to roll the authorised city gas distribution network out well within the mandated work deadline.

This priority has been driven by a need to optimise related project development costs, accelerate the development of a natural gas ecosystem, pre-pone revenues and shrink project payback.

During the last few years, the Company established an early-mover's advantage in a relatively nascent sector through a focussed approach. This approach enhanced an institutionalised understanding of the variables and resources necessary for timely and cost-efficient project implementation.

Creating a foundation

Track record: At ATGL, we established industry benchmarks through scale and projects commissioning speed. This distinctive capability was derived

from an institutionalised Adani Group competence in accelerated project commissioning. The Company had directly conceived, completed and commissioned a presence across 18 GAs as on 31st March, 2021 with another one GA under construction.

Challenging project mix: The Company has developed a wide-ranging competence and has been continuously evolving, maintaining an agile approach in project management. Going ahead, this will lead to a presence across 19 Geographical Areas and nine States.

Project priority: The Company established a project commissioning priority, starting with the development of backbone infrastructure by laying steel pipelines, the lifeline of a CGD network. This was followed by the rollout of CNG stations across GAs, providing a visible footprint, the quickest to be commissioned and monetised, trailed by connections

to domestic industrial and commercial customers as the network progresses. The sequential approach is directed towards revenue generation and bottomline maximisation even during the project commissioning period, aimed to reduce the overall project financing.

Urgency: The Company outlined a target to commission the network considerably before the minimum work programme as mandated by the regulator. This priority was emphasised through the engagement of multiple contractors and service providers to make up for the time lost during the 2020 pandemic. The Company co-ordinated across supply chain partners and technical resources to provide materials and services on schedule.

Resource management: The Company mobilised adequate resources that accelerated project rollout; the project was periodically tracked to



monitor conformance and deviations if any; the Company debottlenecked to return rollout to an improvement over the erstwhile average as it progressed; the Company showcased its entrepreneurial capability in driving rollout.

Outcomes

The Company identified and acquired land pockets for the development of City Gate Stations (CGS) or Liquified Compressed Natural Gas Satellite Stations (LCNG) in new geographic areas (three commissioned in new GAs).

The Company accelerated the implementation of its steel pipe network in new geographical areas (2,215-inch-Km laid till 31st March, 2021).

The Company increased the rollout of CNG outlets from 115 to 217 by the year-end, creating a foundation for the proximate eco-system across the foreseeable future.



Part 4

Our Integrated Reporting section

How we are enhancing value for all our stakeholders

Our Integrated Report

Overview

At ATGL, we have undertaken a step towards Integrated Reporting in line with our holistic communication commitment.

Our first Integrated Report, marked by progressive compliance with the tenets of such an exercise, provides stakeholders an assessment of our ability to create long-term sustainable value.

This is the first year when we present our financial and non-financial metrics in a consolidated report.

Disclaimer

ATGL is engaged in the process to implement a full integrated sustainability report. Therefore, there may be no full data and/or information available in this report. ATGL has reported in spirit with the Integrated Report by creating a framework to scale its reporting going forward.

Basis of presentation

Our Integrated Report is based on the principles contained in the International Integrated Reporting Framework (the International <IR> Framework) published by the International Integrated Reporting Council (IIRC). In this report, the statutory sections – the Directors' Report, including Management Discussion and Analysis (MDA), and the Corporate Governance Report, are as per the Companies Act, 2013 (including the Rules framed thereunder), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the revised Secretarial

Standards issued by the Institute of Company Secretaries of India. The financial statements are in accordance with the Indian Accounting Standards (Ind AS).

This report also covers the guidelines and commitments related to the GRI Standards, United Nations Global Compact (UNG) principles, National Voluntary Guidelines (NVGs), Sustainable Development Goals (SDGs) and India Business & Biodiversity Initiative (IBBI).

All organisations depend on various forms of capital for their value creation. Our ability to create long-term value is interrelated and fundamentally dependent on various forms of capitals available to us (inputs), how we use them (value-accretive activities), our impact on them and the value we deliver (outputs and outcomes).

Reporting boundary

This report covers the financial and non-financial aspects of Adani Total Gas Limited (ATGL).

Assurance

We safeguard information quality contained in this Report through a robust assurance process, leveraging our internal expertise and assurance by third party who has no financial interest in the operations other than that for the assessment and assurance of this report. The statutory section has been audited by M/s Shah Dhandharia & Co. LLP and secretarial audit has been done by CS Ashwin Shah.

The intensity for non-financial parameters have been calculated against revenue including operational and other income. This document includes statements and commitments

presenting the Company's future expectations, which may involve risks and uncertainties such as change in government policies, global market scenario, operational incidents, megatrends etc. Therefore, we cannot guarantee such statements become real.

Our Capitals

All organisations depend on various forms of capital for their value creation. Our ability to create long-term value is interrelated and fundamentally dependent on various forms of capitals available to us (inputs), how we use them (value-accretive activities), our impact on them and the value we deliver (outputs and outcomes).

Board and management assurance

The Board of Directors and Management team acknowledge their responsibility to ensure the integrity of this Integrated Report. They believe the report addresses all material issues and presents the integrated performance in a fair, transparent and accurate manner.

Capitals and their impact

Resources that help us enhance value

	Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Natural Capital	Social and Relationship Capital
What is it	Financial resources that the Company already has or obtains through financing	The Company's tangible and intangible infrastructure used for value creation through business activities	Intangible, knowledge-based assets	Employee knowledge, skills, experience and motivation	Natural resources impacted by the Company's activities	Ability to share, relate and collaborate with stakeholders, promoting community development and wellbeing
Management approach	Create value for shareholders through sustainable growth	Well maintained functional assets and equipment	Consider innovation as a strategic element of the Company	Availability of a committed and qualified workforce offers an inclusive and balanced work environment	Ensure sustainable use of natural resources and contribute to combating climate change	Zero accident programme
Significant aspects	Balanced and diversified growth Sound financials Operational excellence Sustainable outcomes and dividends	Number of CNG stations, industrial and commercial consumers Gas throughput capability Other assets	R&D promotion Digitalisation for efficiency and development of new products and processes Disruptive technology and business models	Human resource management Talent management Diversity, equal opportunity and reconciliation Learning & Development	Climate change Preservation of biodiversity Management of Environmental footprint Operational excellence and energy efficiency	Stakeholder engagement Community support programmes Human rights due diligence Brand management Transparency and good governance Corporate reputation
2020-21 Highlights (outcomes)	Revenue: ₹1,784 Crore EBITDA: ₹749 Crore PAT: ₹472 Crore ROCE: 27.95%	Total gas volume sold: 1.41 MMSCD Number of CNG stations: 217 Number of Domestic Consumers: 0.48 Million Number of Industrial Consumers: 1,666 Number of Commercial Consumers: 3,300	Real-time network monitoring Streamlined data repository	Revenue per employee: ₹4.38 Crore LTIFR: On-roll + FTE on Contract - 0.35 Fatalities: On-roll + FTE on contract - 0	Cost of energy consumption 12% of operating expenses	Total number of direct and indirect beneficiaries: 3.67 Million

OUR OPERATING ENVIRONMENT

Capitalising on emerging opportunities

The importance of a pan-national natural gas network is an idea whose time has arrived.

As India focuses on the reduction of oil imports, there is a greater focus on developing local gas fields and shifting the fuel mix from oil-heavy to gas-rich.

India has outlined a target of enhancing the proportion of natural gas in its fuel mix from a

little over 6% to 15% across the decade even as the total fuel consumption increases year-on-year, accelerating the case for natural gas within the economy. Even as this transpires, India would essentially be playing catch-up, considering that the global penetration of natural gas is at 24% and expected to increase.

The fact that natural gas is the cleanest fossil fuel puts it in a strong position to emerge as the long-term fuel preference across several sectors (industrial, commercial and residential).

The sectorial overview

Increasing gas in Indian lives

The Indian government has charted out a vision to more than double the share of natural gas in the Indian fuel mix by 2030, a decisive move towards cleaner fuels

Minimum Work Programme

The government has demonstrated its seriousness by insisting that authorised companies complete the rollout of their entire network within eight years of the zero date

Smart infrastructure

India's gas network lags global counterparts in scale, infrastructure, operational parameters and technology. There is a premium especially on technology to help gas companies create 'intelligent' networks

Four customer segments

There is a need to address several customers across the principal consuming segments, putting a priority on segment selection

Regional potential

The government has given out several licenses to companies with the objective to cover the national landscape with access to gas

ATGL response

The Company participated in bids and was awarded 15 Geographic Areas in the 9th and 10th Bidding rounds on its own books and another 10 in partnership with Indian Oil Corporation. The Company will service the needs of 8% of the Indian population, marked by under-penetration in most areas that presents the Company with a multi-year growth opportunity

The Company is engaged in the disciplined allocation of its accruals cum mobilised resources to accelerate network expansion

The Company is engaged in the development of global standard next-generation, smart and futuristic back surveillance infrastructure (utilising SCADA, Internet of Things, Cloud, Analytics, Mobility and Information Security), maximising network uptime

The Company is engaged in broadbasing its business across the CNG and piped gas revenue streams, enhancing corporate stability

The Company has been allocated geographic areas that are growing economically on the one hand, are progressive enough to recognise the value of a clean fuel (natural gas) being delivered to their premises and are under-penetrated in consumption of superior fuels



STAKEHOLDER ENGAGEMENT

ATGL. Entering enduring partnerships

At ATGL, we engage extensively with our stakeholders with the objective to create a sustainable business. This has been marked by a win-win proposition, resulting in the creation of a robust eco-system

Overview

At ATGL, our stakeholders comprise customers, suppliers, business partners, employees and communities (in the areas we operate).

Stakeholder engagement process

Stakeholder groups	Engagement mechanism	Engagement frequency	Key concerns	Response mechanisms
Customers	Online survey, e-mails, online grievance mechanism, reports, brochures, feedback mechanism, customer meets, website, customer support cell	Whenever needed, quarterly and annually	Service quality: Drop in gas pressure, safety issues, billing clarifications, delay in connections, low billing transparency Infrastructure: Safety and pipeline integrity Legal: Clearances and permissions	Customer touch point programmes, customer satisfaction surveys, periodic surveillance and customer visits
Suppliers/vendors	Online survey, e-mails, vendor meet, online grievance mechanism, site visits, one-to-one interactions, reports and website	Quarterly, Annually	Service: Contract management and payment terms Capability development: Training, Local Vendor Development Human Rights: Amenities provision, safe working conditions, working hours, wages	Data collection on sustainability performance, training, workshops and grievance redressal mechanism

Stakeholder groups	Engagement mechanism	Engagement frequency	Key concerns	Response mechanisms
Investors	Reports, website, investor meets, one-to-one interaction, Annual General Meeting, online grievance mechanism and e-mails	As required	Financial growth: Profitability, wages, dividend and EPS Governance: Ethics, Board oversight, business and sustainability risks Environment: Climate change, energy and emissions, waste disposal, water use Social: Employee attrition, community development, social license to operate	Business and profit growth
Government and Social Partners	Reports, website, one-to-one interaction, events, e-mails and letters	As required	Financial growth: Taxes and partnership Legal: License, compliance and governance	Management systems deployment, monitoring KPIs, periodic reporting, active participation, capacity building of representatives
Communities	Focus group discussions, one-to-one interactions, media, website, online grievance mechanism	Continuous, weekly, monthly, quarterly and annually	Economic growth: CSR investment Social: Livelihoods, access to resources, environment degradation, use of resources, employment (direct and indirect)	Strong partnerships, opportunities to engage with employees and supply chain and maintain a license to operate
Employees	Online surveys, magazines, internal e-mails, intranet, reports, websites, online grievance mechanism, one-to-one interactions, Town Hall meetings and brochures	Online survey, magazines, internal emails, intranet, reports, websites, online grievance mechanism, one-to-one interactions, Town-Hall meetings and brochures	Benefits: Policies and compensation, facilities Human Rights: Working hours and a safe working environment Career growth: Training & development and brand value Financial growth: EPS, dividend and profitability	Robust HR policies, effective and transparent communication, training activities, grievance redressal mechanism

BUSINESS ENABLER

ATGL. Focused on creating a progressively de-risked operating model

Overview

In a world marked by unforeseen developments, economic downturns and uncertain trade flows, there is a growing recognition that risk mitigation must lead to growth.

The objective of this de-risking commitment is to protect business viability during economic weakness and generate a vigorous rebound during periods of economic recovery.

At ATGL, this commitment to comprehensive de-risking has been drawn from the multi-decade Adani Group and TotalEnergies commitments to de-risking. The de-risking philosophy of the co-promoters has been centred across the following principles:

- Engaged in business marked by flow management (cargo, resources, people and power)
- Presence in sectors with large operating headroom
- Recognition that growth represents effective de-risking
- Sustain growth even during periods of economic slowness
- Growth with corresponding checks and balances

- Invest in enablers that enhance nimbleness

Reconciling speed with stability

At the heart of our Company's sustainability lies a commitment to growth speed without compromising business quality, employee and stakeholder health as well as safety and environment protection.

This has been ensured through the following considerations:

One, we are not obsessed with 'How rapidly can we grow?' as much as 'How rapidly can we grow in a sustainable manner?' There is a commitment to initiatives that accelerate our growth without trading our ability to sustain this across the foreseeable future.

Two, our growth is structured around a framework of robust processes and systems.

Three, we believe that the most visible score of our governance is reflected in a progressively higher credit rating. A superior credit rating does not just represent an academic validation; it helps generate a lower debt cost, which, in turn, enhances long-term profitability.

In view of this, ATGL's robust risk management framework has translated into growth (assets, revenues, profits and cash flows) at one end and the ability to ride through economic troughs on the other (as during the 2020 pandemic lockdown). In a challenging 2020-21 when the global economy de-grew 3.3% and the Indian economy de-grew 7.3%, ATGL's EBITDA increased 17%. Besides, the framework ensures workplace safety of the Company's stakeholders, risk minimisation to society, reduced consumption of finite resources and strengthening of the corporate culture to ensure a sustainable risk moderation.

De-risking leading to a more sustainable ATGL

7.3

% Indian economic de-growth, 2020-21

17

% EBITDA growth at ATGL, 2020-21

Strategic objectives

Focus on people, safety, and sustainability	Ensures financial flexibility	Optimise overhead, costs and capital expenditure	Improve portfolio quality	Maintain long-term optionality
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STRATEGIC PRIORITIES

Creating a sustainable growth strategy and momentum

ATGL's focus is to deliver industry-leading returns to shareholders, best-in-class service to customers and enhanced engagement value for all stakeholders.

The Company aims to capitalise on the progressive evolution of India into a gas-based economy.

This is expected to widen the Company's geographic presence, generate new revenue opportunities, enhance operational efficiency and deepen its existing community engagement.

Objectives	Progress during 2020-21	Long-term goals	Capitals impacted
Our diversified customer approach offers opportunities for long-term value enhancement	<ul style="list-style-type: none"> Wider rollout across authorised GAs Grew the existing business Addressed opportunities in the CNG and piped gas segments Customer mix balanced – CNG 45% and piped gas 55% 	<ul style="list-style-type: none"> Accelerated network rollout Deepening market presence Building a profitable business model Balanced customer mix (CNG and piped) 	<ul style="list-style-type: none"> Financial Capital Social and Relationship Capital Intellectual Capital
Focus on generating strong cash flows and keeping to capital allocation discipline.	<ul style="list-style-type: none"> Improved cash profit Credible and confidence-enhancing credit rating EBITDA up 17% 	<ul style="list-style-type: none"> Continue to drive growth through investment and network expansion Focus on maintaining EBITDA margin and RoCE 	<ul style="list-style-type: none"> Financial Capital
We strive for operational excellence across our business supported by improved digital solutions and optimising costs	<ul style="list-style-type: none"> Improved quality standards Driving innovation Improved asset capacity utilisation Focus on customer service and improving response time in vessel, yard and gate operation 	<ul style="list-style-type: none"> Drive improvements in customer service Digital enhanced service 	<ul style="list-style-type: none"> Intellectual Capital Human Capital Natural Capital Social and Relationship Capital
Maintain responsible and profitable growth by building on client satisfaction, quality of service and innovation	<ul style="list-style-type: none"> Data analytics and optimisation Upgrading facilities with modern technology and process methodology 		

Objectives	Progress during 2020-21	Long-term goals	Capitals impacted
We promote inclusive growth through strong stakeholder relationships	<ul style="list-style-type: none"> Implemented programmes for reduction in carbon footprint, water conservation and waste reduction Implemented capital allocation, dividend and shareholder return policy Zero fatality of contractor workers/labourers 	<ul style="list-style-type: none"> Moving towards carbon neutral company To increase use of renewable energy in operations 	<ul style="list-style-type: none"> Intellectual Capital Human Capital Natural Capital Social and Relationship Capital

Strengthening controls	Compliance management	Emergency response programme
ATGL created a Sustainability Steering Council for the execution of strategies, policies and practices on environmental risks including climate change commitments delineated in our climate action plan that are being implemented through a company-wide environmental policy and Environmental Management System (EMS) ISO 14001:2015 at the site level. The environment performance is monitored through action plans at the department level. The Company biannually audited an adherence to environmental regulations, permits and the Environment Management System by ISO certification agency.	Compliance with applicable laws and regulations is our responsibility and commitment to environmental stewardship. Our teams recognise that a material breach of any law or regulation can potentially result in irreversible reputational damage or lead to liabilities. We adhere to the highest standards of governance, which ensures a compliance with applicable laws and regulations. The approach of prevention, accountability, engagement and continuous improvement allows the Company to stay on top of legal and statutory requirements.	ATGL is exposed to the possibilities of lower gas supply or safety issues at the customer end. These incidents could have a direct impact on the asset and security of employees and customers.

Audits results

All operational GAs retained their ISO 14001:2015 certification, indicating acceptable performance and process implementation.

The Company's IT-enabled compliance management system tracks legal, statutory commitments and apprises the management on any non-conformities. There were no fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations at any location in 2020-21.

All locations under ATGL abide by a disaster management plan. The plan sets out security measures for onboarding and delivering gas. It defines guidelines and procedures for monitoring operations. The preparedness of employees is tested and validated periodically.

During an event of disaster such as a cyclone, disaster teams (infrastructure in-charge, safety officer and accountable managers) are activated for emergency preparedness, response and investigation.

The Company maintains insurance coverage to protect against a range of disaster-related security and safety risks, at levels that are considered appropriate and consistent with industry practices. The objective is to exclude or minimise the risk of financial loss at a reasonable cost. The Company could still be subject to risks in the following areas:

- Losses beyond the limits, or outside the scope, of coverage of our insurance
- Inability to maintain adequate insurance coverage on commercially reasonable terms in the future
- Certain categories of disasters not insurable at a reasonable cost

In areas beyond the scope of insurance, the Company may face losses due to a deficit in operational activities, low delivery time or low throughput. These factors, though accounted for, could cause a financial loss to the Company.

Building resilience towards climate change

Climate change and energy:

Climate change is one of the biggest challenges of the oil & gas/energy industries. However, this challenge is an opportunity at ATGL as the Company's principal product natural gas is the cleanest of all fossil fuels that helps reduce the impact of climate change.

ATGL is fully aligned with climate change and India's commitment to being a leading natural gas player and the largest private CGD company in India.

ATGL intends to contribute to India's Nationally Determined Contribution targets and to the Paris Agreement by ensuring sustainable development in alignment to the ambitious goal laid down by our joint venture partners Adani Group and TotalEnergies on ESG issues relevant to the Company and its stakeholders. The Company intends to approach this through a structured action and investment plan with a

commitment to climate change and achieving carbon neutrality in its activities by 2050.

Energy intensity and efficiency:

In line with our goal to reduce environment impact, we have undertaken measures including process improvements and technology integration. We have focused on the need to reduce energy use and carbon emissions by improving processes and using renewable energy capacity wherever feasible.

GHG emissions: GHG emissions (scope 1 & scope 2) in our operations are linked to the combustion of fuels that release greenhouse gases such as CO₂, CH₄ and N₂O and use of grid electricity. A small amount of total GHG emissions are generated from refrigerants such as R22, R134, R407C and R410. We are in the process of phasing these gases out.

fuels towards clean or renewable energy.

Energy and GHG reduction programme

ATGL implemented programmes with quantitative targets and deadlines to reduce energy and GHG emissions. The Company made services and systems efficient through engineering technologies, operational efficiencies and employee awareness. The Company engaged in the improved measurement of fuels and electricity, optimising and improving efficiencies in terminal projects, retrofitting lighting with energy-efficient LEDs and investing in low-energy alternatives such as solar panels.

Lower impact on environment and nature

Biodiversity and land use

The natural gas sector has a positive impact on the environment. However, during

network rollout, there could be a moderate to low negative impact on biodiversity and land use. Some of these impacts are unavoidable and do not affect the ecosystem. It is our endeavour to minimise their impacts.

We identify biodiversity impacts and use Comprehensive Environmental Impact Assessment to focus on terrestrial life. Special permission is taken from the authorities prior to working near forests and other eco-sensitive areas.

Water

Water conservation is increasingly relevant for humankind.

At ATGL, water conservation maintains community relationships. The Company installs water meters in all locations to derive the water balance. We put sensors / aerators in all water taps to optimise water consumption. Rainwater harvesting has been provided in all CGS and R-LNG sites

their licensed processing centre. Non-hazardous wastes are also separately collected for recycling purposes.

Waste generated due to our activities is managed through the 5R (Reduce, Reuse, Reprocess, Recycle and Recover) approach and operationalised through the EMS. A team at the GA location monitors waste disposal.

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Emission type	Description	Emission sources and activities	Emission quantity (tCO ₂ e)
GHG direct emissions (scope 1)	Direct emissions that occur from sources that are owned or controlled by us	Fuel consumed by own equipment, vehicles etc. used in operation	20,875 Tonnes (26%)*
GHG indirect emissions (scope 2)	Indirect emissions from the generation of purchased electricity consumed by us	Electricity purchased from the grid	16,710 Tonnes (23%)*

*Reduction when compared with 2019-20

In 2020-21, the total emissions combining scope 1 and scope 2 stood at 37,586 tCO₂e.

Transition to clean energy

ATGL expects to reduce GHG emissions through the decarbonisation of ATGL's logistics and transportation while

converting from high-speed diesel to natural gas and the phased conversion of all diesel generating sets set from HSD to gas-fired in all offices and CGS stations.

Through diversification towards a balanced energy mix, we hope to contribute positively towards

our Climate Change commitment.

The transition to clean energy is

in anticipation that regulatory

measures could constrain the use

of fossil fuels. The government

could impose taxes on GHG

emissions and incentivise a shift

in the energy mix from fossil



OUR COMMITMENT

How ATGL created a safety foundation for sustainable health, safety and operational integrity

Our goal

Zero harm

Our platform

Risk management	Guiding principles and goals	Governance framework	Operational discipline	Policy
Team	Periodic maintenance	Responsible vendor engagement	Resources	Training and development
Government and regulatory compliances	Digitisation	Asset integrity	Integrated Management System (IMS)	Emergency preparedness

Overview

Safety is the measure by which the success of organisations is being increasingly appraised.

Companies are increasingly respected for their ability to return their employees safely to their homes each day, protect the interests of communities living proximate to the Company's operations and safeguard the wellbeing of consumers.

ATGL is committed to ensure the continuity of natural gas supply, safety and reliability of services to customers, committed to demonstrate continual improvements in Quality, Occupational Health, Safety & Environmental (QHSE) management. ATGL has institutionalised practices around sustainable development.

ATGL formulated a business continuity plan that ensured continuity of services during the pandemic. A structured program was implemented to ensure the health & safety of employees, contractors and other stakeholders.

Risk understanding

At ATGL, we believe that a comprehensive risk understanding represents the basis of mitigation and a safer workplace. The Company is engaged in a business where the key risks comprise working in challenging terrain, material handling and the use of heavy equipment, cascade operations, excavation, gas escape handling, electrical work, hot work, working in confined spaces and hydro-testing. These engagements warrant an institutionalised approach to

safety and risk mitigation that extends from risk identification, assessment and mitigation.

ATGL has established, implemented and maintained processes necessary to prepare for and respond to potential emergency situations, including actions to address risks and opportunities. ATGL established an Emergency Response and Disaster Management Plan (ERDMP) for its Geographical Areas. Emergency response drills are conducted periodically, lessons communicated and corrective actions taken. The ERDMP Plan is updated and certified as per PNGRB requirements. The Company established procedures to ensure that there is an appropriate response to unexpected or accidental incidents. The Area Emergency Offices are equipped with all

resources for timely response to any type of emergency, working 24x7 with the customer care team. ERMS (Emergency Response Management System) app was launched to leverage digitisation and enhance emergency management.

The reporting of anomalies and near-misses is encouraged and monitored. The involvement of each employee in identifying anomalies or dangerous situations is an indicator of the employees' involvement and vigilance in accident prevention and reflects the safety culture within the ATGL.

Goals

We charted out a desired goal of 'Zero harm'. ATGL identified personal health and safety goals: preventing occupational accidents, preventing occupational health risks, minimising risks for the health and safety of consumers and preventing the occurrence of any major industrial accidents.

Philosophy

'Safety first in everything we do at ATGL' is an integral part of the ATGL culture. Safety is not just a value but a pre-condition of employment. ATGL believes that all injuries, illnesses and incidents are preventable and nothing is more important than our employees going home safe each day. Safety is not a priority – it is a pre-condition for our organisational behaviour.

Guiding principles

Some features of our guiding principles towards 'zero harm' are encapsulated below:

Align and set leadership expectations for safety: Develop a safety competence involving line functions and a functional safety improvement plan.

Reduce incidents severity; implement a safety discipline: Implementation of complete safety standards; zero tolerance for LSSR (Life Saving Safety Rules) violations.

Learn, improve and share experiences to accelerate safety performance improvement: Focus on near misses, critical incidents and knowledge sharing (local, regional, global).

Manage risk exposures, implement contractor safety management: Contractor management and community engagement.

Governance framework

At ATGL, our HSE commitment has been driven and protected by a governance framework that cascades from the Board of Directors to a Business Safety Council to Task Forces and right down to a Safety Committee per Geographic Area. This linkage and inter-reporting system ensure the quickest institutionalised reporting and transfer of information, enhancing a systemic responsiveness (periodic review) to unforeseen developments.

	Review frequency
Board	Quarterly
Management Review (ISO + Legal compliances)	Half Yearly
Business Safety Council CEO + Task force Lead + Business HSE & AI Head	Monthly
Leader's Leading Task Force (TF) TF leader + TF team + Business HSE Head	Monthly
GA Safety Committee GA Head + Site HSE Head + Team	Monthly

At ATGL, we focus on all our employees and business partners returning home safe each day from our premises and workplace

Discipline

At Adani Total Gas, we have brought to the subject of safety an over-arching discipline that is lived every moment, in every function, in every employee and across every location.

At the Company, we believe that the safety responsibility is not the

preserve of a handful of seniors; sustainable success can only be derived if the safety function is owned by every single member.

This safety ethic does not just need to be passively observed; it needs to be actively championed. Over the years, we extended the

responsibility of championing this work ethic from a conventional top-down role cascading from business leaders to a bottom-up approach driven by selected change leaders.

Policy

The Company's QHSE Policy outlines the Standard Operating Procedures of every single function, the Company remaining committed to ensure that partners practice the same commitment.

ATGL established its Integrated management system (IMS) and accredited the ISO 9001:2015

Initiatives

The Company evolved safety training from a necessary compliance into a fundamental right for all (employees and associates); it deepened its safety field audit discipline conducted by line officers at supplier / vendor premises; it made 'zero accidents' an aspiration that was collectively reviewed and celebrated on every occasion.

The Company's operations and maintenance teams engaged in period maintenance and checks at customer premises. Besides, the Company conducted periodic medical checks for the junior staff, workers and associates. Safety and health guidelines were shared extensively with employees and associates through the social media and dedicated customer-

Quality Management System, ISO 14001:2015 Environmental Management System and BS OHSAS 18001:2007 Occupational Health and Safety assessment Series. Regular internal and external audits were conducted to verify adherence and effectiveness. ATGL determined

channels. A Vulnerability Safety Risk Study helped identify high-risk areas. Appropriate risk assessments (HAZOP/QRA) was conducted across all installations.

The Company instituted Environmental Health Safety conditions into each vendor contract, bringing the subject under the service level agreement ambit. A Safety Risk Field audit covered contractor preparedness.

The Company shared health and safety guidelines with customers through the social media Facebook/Twitter/SMS/email/gas bill. The Company provided a safety kit to consumers with every new connection that indicated the safe use of PNG. The Company carried out a periodic

and provided resources needed for the establishment, implementation, maintenance and improvement of the QHSE Management System through process charts, QHSE system procedure and management program.

awareness program for industrial customers. The institution of the CNG Clinic enhanced awareness of vehicle safety for the benefit of drivers in addition to health check campaigns. The Company engaged in an annual leak detection program for every household.

The Company educated the public through the 'Dial before Dig' campaign that enhanced public awareness through media. The Company enhanced community awareness through events like National Safety Week, Fire Service Week, Environment Day and Road Safety Week etc. The Company implemented a structured behaviour-based safety program called Suraksha Samwaad.

Resources

At our Company, the effectiveness of our safety function was reinforced through a proactive investment in surveillance technology that made it possible

to monitor our network in real time through SCADA and Area Emergency offices. The Company's Master Control Rooms monitored a range of operating

parameters for established patterns and deviations; automated alerts and trip mechanisms enhanced controls and safety.

Training and development

ATGL invested in a structured training program for stakeholders. The Company sustained its training priority through the following programmes: mandatory safety induction training for all employees and contractors; mandatory Safety, Technical and Operation Competence

(STOC) training for all contractor employees; training addressing high risk activities (PTW, working at heights, electrical); PETZL Rope access system training was provided for plumbers engaged in high-risk riser jobs at heights. Emergency response training was provided to all employees and

Government and regulatory compliances

At ATGL, we maintain strong relationships with the government and industry regulatory bodies. We ensure that all our operations, processes and businesses remain compliant with stipulations, policies, directives of statutory and regulatory bodies (PNGRB, PESO, DGFASLI etc.). We ensure compliance with legal and regulatory requirements through the Legatrix software-based tracking system.

Digitisation: At ATGL, the safety priority has been secured by

progressive investments in the latest generation of digitisation tools (Gensuite, ERMS, LMS, Oleo app) that are tamper-proof, accurate, comprehensive and structured to report real-time developments.

Asset integrity: ATGL ensures that our assets perform reliably and safely throughout various stages of their life cycle. This achieved through risk-based inspections, surveillance and monitoring of the network 24/7 and compliance with respect to PNGRB IMS and

business partners. The outcomes of these training initiatives have been enhanced adaptability to demanding business needs, emerging technologies, enhanced workplace accuracy and improved efficiency.

T4S regulations. The Integrity Management System (IMS) is in place across geographical areas. ATGL has developed a comprehensive IMS manual in line with PNGRB regulations. Regular audit (once in three years) on IMS/T4S conducted by a third party as per PNGRB and compliance is in place. An asset integrity blueprint was chalked out to ensure that ATGL assets provide business continuity without compromising safety.



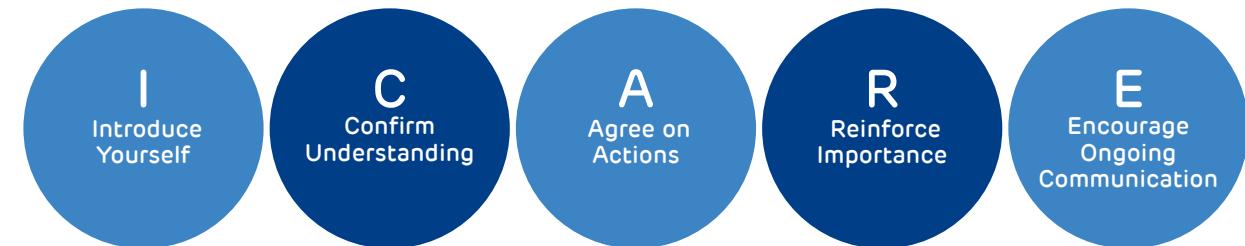
Our HSE landscape



Life-saving practices

Obtain work permit before work commencement	Ensure excavation clearance and shoring
Drive safely; use seat belt/crash helmet	Do not override safety-critical equipment
Ensure isolation/LOTO while working on energised equipment	Engage only trained personnel on the job
Engage attendant before confined space entry for a job	Conduct a gas test when required
Do not work under suspended loads	Ensure fall protection when working at heights

Safety interaction



Suraksha Samwaad: Proactive behaviour-based safety approach for cultural change

Training & capability building

Training need identification: Employee & Contractor TNI completed for 2020-21 covering safety & job specific requirements; TNI-based training plan	learning platform short videos prepared specific to CGD business
Training: Identification of subject matter experts from business, train the trainer program for SME, business-specific training calendar and TNI-based training	
Training modules and videos: Standardised training modules linkage with classroom & e	

Communication: Incident-based learning videos used for training and awareness

Incident reporting and investigation

ATGL encourages all employees and stakeholders to report safety concerns/hazards/near misses & other incidents through the mobile/web-based incident reporting system. All incidents/accidents are promptly and transparently being reported. The lesson learnt from the near-misses and incidents are shared across all employees and contractors to ensure similar incidents are prevented.	trained during safety induction and STOC training. Incident investigation /root cause analysis training imparted to develop subject matter experts
Incident reporting methods: Gensuite mobile-based application; Gensuite website-based reporting QR code-based reporting; hard copy format in Hindi for contractors	
Incident investigation and action closure: Gensuite-based investigation; why-why analysis conducted	

Action tracking system: Learning from incidents released across locations; actions tracked for closure through the Gensuite ATS platform

Continuous improvement: Linkage with training and procedure task force

Code of Conduct: Immediate communication of any incident and timely action through a master control room

Incident reporting and investigation

No fatal injuries were reported in 2020-21

Significant improvements were reported in near-miss reporting: 412 (YTD 2020-21) against 85 (YTD 2019-20)

ATGL Safety Pyramid 2019-20	ATGL Safety Pyramid 2020-21
FAT: 0	FAT: 0
LTI: 2	LTI: 2
RWC+ MTC: 2	RWC+ MTC: 1
FAC: 3	FAC: 4
Near misses: 85	Near misses: 412
Hazard/unsafe acts: 1,893	Hazard/unsafe acts: 1073



HSE leading and lagging indicators, 2020-21

Leading indicators

Safety Interaction (Samwaad) plan vs actual	Leading Actions Ratio per employee (Near Miss & Hazard)	Training Compliance (plan vs actual)	Safety Standards Deployment	Action closure on Weekly Safety Risk field audit (SRFA)	Incident and other audit recommendation closure serious onsite incidents actions closure

Goals 'O'

	2019-20	2020-21
Fatality	0	0
Lost Time Injury Frequency Rate - LTIFR **	0.47	0.35
Total Recordable Injury Frequency Rate - TRIFR*	0.93	0.53
Total Recordable occupational illness' frequency rate -TRIIFR	0	0

TRIIFR includes LTI, MTC & RWC both on-site and off-site on company business, per Million person hours

Case study#1

LCV drivers working for Adani Total Gas indicated that their families were more assured about their safety and that they would return home as safe as they had left for work

Case study#2

A fleet owner engaged with Adani Total Gas said that with the deepening of the training discipline within the Company, he sleeps better – without interruptions related to unforeseen developments

Case study#3

Plumbers with Adani Total Gas have been trained to work with a rope access system as opposed to the conventional *jholas*; the absence of any incidents in high-risk areas has enhanced their confidence

Big numbers

34,500+

Person-hours of safety training to employees and associates

Zero

Fatalities, 2020-21

0.35

(per Million person-hours) Lost Time Injury Frequency Rate (LTIFR), 2020-21

Safety audits

Conducted by leaders at ATGL sites

Our certifications

ISO 9001:2015

ISO 14001:2015

OHSAS 18001:2007

Key highlights, 2020-21

- Significant training; imparted 34,518 person-hours of training; training needs identification-based on critical HSE procedures
- Actions based on Vulnerability Safety Risk Study to minimise risk.
- Digitisation-based initiatives like ERMS (Emergency Response Management System), Mobile app-based contractor training
- & engagement, vehicle tracking system for logistics safety and camera-based critical job monitoring
- Implemented reward and recognition program and consequence policy for ensuring HSE accountability at each level
- Exchanged best practices, knowledge sharing sessions conducted with TotalEnergies
- Third party periodic comprehensive asset integrity audit completed for all operational assets, strengthening asset quality / HSE / performance
- Special campaign on Dial before Dig rolled out to prevent third party damages. Awareness program through radio & social media, team initiatives and with other utility companies and corporation bodies





ATGL and environment responsibility

Overview

ATGL formulated an environment management system comprising environment objectives and targets prepared annually. These helped adopt eco-friendly practices, contributing to the prevention of pollution, contamination and resource wastage from operations. The Company's operations were audited periodically to ensure

implementation effectiveness and improvement. The Company obtained accreditation for ISO 14001:2015 certification by meeting specific requirements for environmental management system that enhanced environment performance.

The Company leveraged investments in digital technologies to reduce paper consumption. It encouraged

customers to opt for electronic billing and online payments instead of physical copies and receipts. Through My Adani Gas app, customers accessed full digital services from placing service requests to accounts statements. Through Touchless Revenue Management System, the Company digitised the end-to-end cycle of revenue management (meter reading to payment), which reduced paper consumption.

Major initiatives

The Company prepared an aspect/impact register for each department to manage environmental challenges and identify controls, train and manage internal/external audits on ISO 14001:2015.

The Company established a system to monitor external and internal impacts for each process relevant to our purpose.

The Company monitored and reviewed information about interested parties and their requirements relevant to QHSE, ensuring compliance with the highest standards.

The Company provided resources for the establishment, implementation, maintenance and continual improvement of the QHSE Management System through process charts,

QHSE system procedure and management program.

The Company promoted clean fuel awareness among the public on radio/social media.

The Company distributed saplings on Environment Day; it distributed canvas bags to prevent plastic pollution.

Outlook and targets

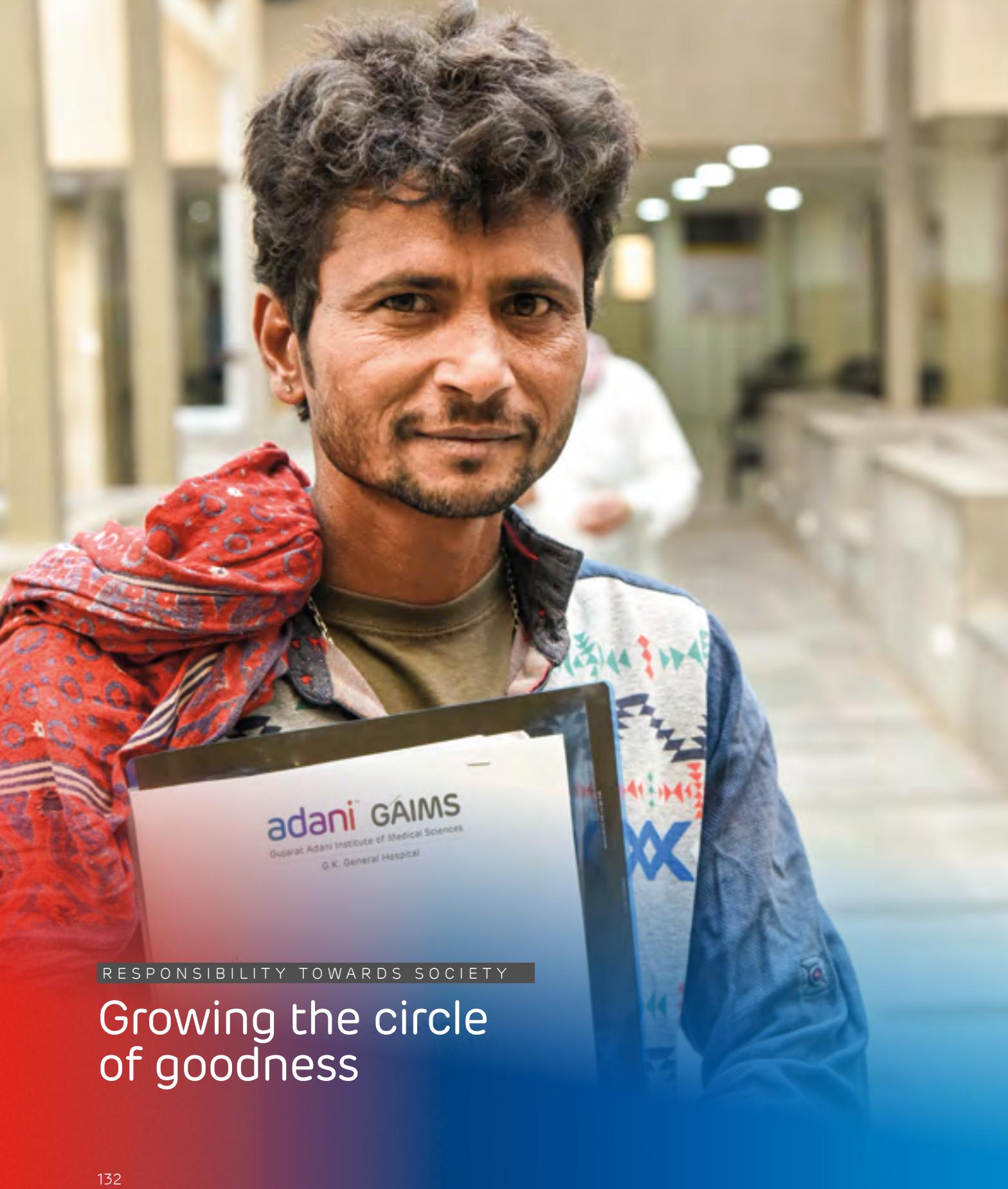
Green energy-based CNG stations, where solar panel will be used as an energy source, are being considered and implementation is at a pilot project stage.

Water-saving initiatives comprising aerator installation/water meter have been installed in offices/stations.

There is a drive for the reduction of fugitive emissions.

The Company is promoting the use of clean fuel, reducing significant CO₂ emissions; more than 1,200 Tonnes per day of CO₂ emissions was equivalent to the use of liquid fossil fuels.

The Company measured its carbon footprint across locations and operations; its projected CO₂ emissions for 10 years was coupled with action plans to reduce emissions.



Growing the circle of goodness

At ATGL, we recognise our responsibility to leverage our scale and expertise to deliver a positive and meaningful impact for society. We engage with local groups and associations to implement targeted programmes that emphasise good health, quality education, sustainable livelihoods and community infrastructure, in alignment with the Sustainable Development Goals (SDGs).

We believe that when we help our communities address their most pressing challenges, we are assisting in making our society and ATGL more resilient.

Overview

Our Corporate Social Responsibility (CSR), sustainability and community outreach arm, the Adani Foundation, has been striving to create sustainable opportunities for the marginalised communities for over two decades.

Adani Group has been pursuing and promoting the mission of equitable development and inclusive growth through its CSR arm Adani Foundation since 1996. Socially and economically disadvantaged sections of the society are on select focus of the Foundation's CSR efforts. These efforts are aligned with the global Sustainable Development Goals (SDGs) – addressing the topical needs of India, such as providing education and generating livelihoods, over and above bringing universal perspectives such as Human Rights and Rights of Indigenous People to attention.

For over two decades, the Foundation has been able to reconcile people, planet and

prosperity in the formulation and execution of its programs. Today, its reach covers 3.67 Million people in 2,410 villages across 18 states in India through various initiatives for:

- Promoting quality education through cost-free and subsidised schooling as well as educational programmes that bridge the gaps in existing government primary schools.
- Equipping the youth and women with income-generating skills, making them employable and self-reliant.
- Supporting supplementary and sustainable livelihood opportunities for formation and functioning of self-help groups (SHGs), upgrading existing agricultural practices and enhancing animal husbandry practices.
- Enabling access to healthcare through hospitals, rural clinics, mobile healthcare units, health cards and medical camps.

- Facilitating infrastructure development in rural areas, responding to the grassroots' requirements for small-scale basic structures, technical facilities and systems at the community level that are critical for sustenance of lives and livelihoods of communities.

In March 2020, the outbreak of coronavirus marked the beginning of an unprecedented time in modern history. As India took decisive steps to contain, test and treat COVID-19 in a proactive manner, the Adani Foundation aligned its foot soldiers to the need of the hour. As the situation continues to evolve, its CSR activities are pivoting their everyday processes, building response mechanisms as well as helping to build back a more resilient and inclusive society.

Adani Total Gas contributed ₹7.82 Crore towards CSR initiatives in 2020-21, which was used for implementing various interventions.

Education

Adani Foundation's resolve to make quality education available and affordable to as many children as possible has taken the form of several cost-free schools as well as subsidised schools across India. As social distancing norms became the new reality, technology-driven solutions came to the rescue to facilitate learning before in-person learning became safe again.



Adani Vidya Mandir, Ahmedabad

The Adani Vidya Mandir, Ahmedabad (AVMA), is the first of the Adani Vidya Mandirs and

also the first private school in the city to be accredited by NABET under the Quality Council of India (QCI). It provides cost-free quality education

along with uniform, books and stationery to meritorious but economically disadvantaged students. Handpicked staff and their continual training ensures the holistic development of the students.

During the pandemic, the AVMA teachers and students readily came out of their comfort zones and grew accustomed to virtual classrooms. Apart from teaching regular subjects, the teachers conducted online prayers, demonstrated experiments, organised celebration of festivals, and periodically assessed every child to give them confidence, motivation and support. With an average weekly attendance of 90%, a total of 1,122 students of AVMA continued to learn virtually.

Varanasi Bioconservation Project

Bio-mass sources like agricultural residue, cattle dung, sugarcane press mud, municipal solid waste (segregated organic waste) and sewage treatment plant waste can be used to produce biogas through anaerobic decomposition. The compressed biogas (CBG) can be utilised as a green renewable automotive fuel.

The use of CBG can help bring down dependency on crude oil imports and contribute to the Prime Minister's Swacch Bharat

Mission. With this in mind, the Adani Group is sponsoring and funding one such project through its CSR arm Adani Foundation. The project entails development and commissioning of a CBG plant adjoining an existing facility at Shahanshahpur village, Varanasi, which will spur the manufacturing of organic manure and fertiliser in solid and liquid form. It will help enhance farmers' income and rural employment by providing additional jobs for biogas plant operation and maintenance.

In the long run, a biogas plant removes the need for women to

forage for fuel for cooking, help in hunger alleviation when the biogas digestate improves crop yields through better soil-quality and reduces the need for crop irrigation – thereby contributing to sustainable development as well as environment protection by reducing CO_2 emissions.



COVID-19 Relief Work

Adani Foundation acted promptly to contribute to the battle against the coronavirus pandemic in India. Apart from anchoring immediate and comprehensive relief work, the Foundation along with Adani Group has donated an upwards of ₹114 Crore to central and state governments for PM CARES Fund and various Chief Ministers' Funds. This monetary aid also includes employee contributions

and donations made to NGOs engaged in COVID-19 relief work. The Adani Foundation donated 10,000 PPE kits to the Government of India to safeguard healthcare providers. Together, these contributions helped limit the spread of the coronavirus and mitigate its adverse impacts in the communities which the Foundation serves.

GOVERNANCE

ATGL and its robust governance foundation

At ATGL, we have invested in the creation of a governance framework that touches every segment of our business, enhances trust and is directed to enhance value for all our stakeholders

Overview

At ATGL, we are committed to credible corporate governance that enhances our respect as a responsible corporate citizen.

We believe that this governance culture is relevant in our business for some good reasons. The natural gas industry is poised to play a decisive role in moderating India's carbon intensity and moderating pollution. The core of the business is directed towards responsible governance.

At ATGL, corporate governance comprises rules, practices, and processes by which the Company is managed. The spirit of governance balances the interests of all stakeholders (shareholders, management, customers, suppliers, financiers, government and community). The result is that governance is not incidental but integral to the existence of the organisation.

External environment and ATGL's governance

ATGL operates in a dynamic and impudent environment, marked by economic impact, demographic trends and technological advancements with an increased focus on alliances, trade, consolidation and integration. This environment presents opportunities with a premium on speed, innovation and risk management.

At ATGL, we formulated a strategy aimed at enhancing value over the medium-to-long term. ATGL outlined objectives to enhance trust among stakeholders through transparent disclosures and effective Board governance. ATGL has strengthened its governance framework, policies and disclosures; it evaluates outcomes, strengthening relevance.

Structure of the Board

Being at the centre of ATGL's corporate governance practice, our Board possesses a prudent

balance of skills, knowledge and experience. The Company's governance practice is supported by committees to which certain Board responsibilities are delegated and report to the Board following each meeting to ensure that the Board remains fully updated.

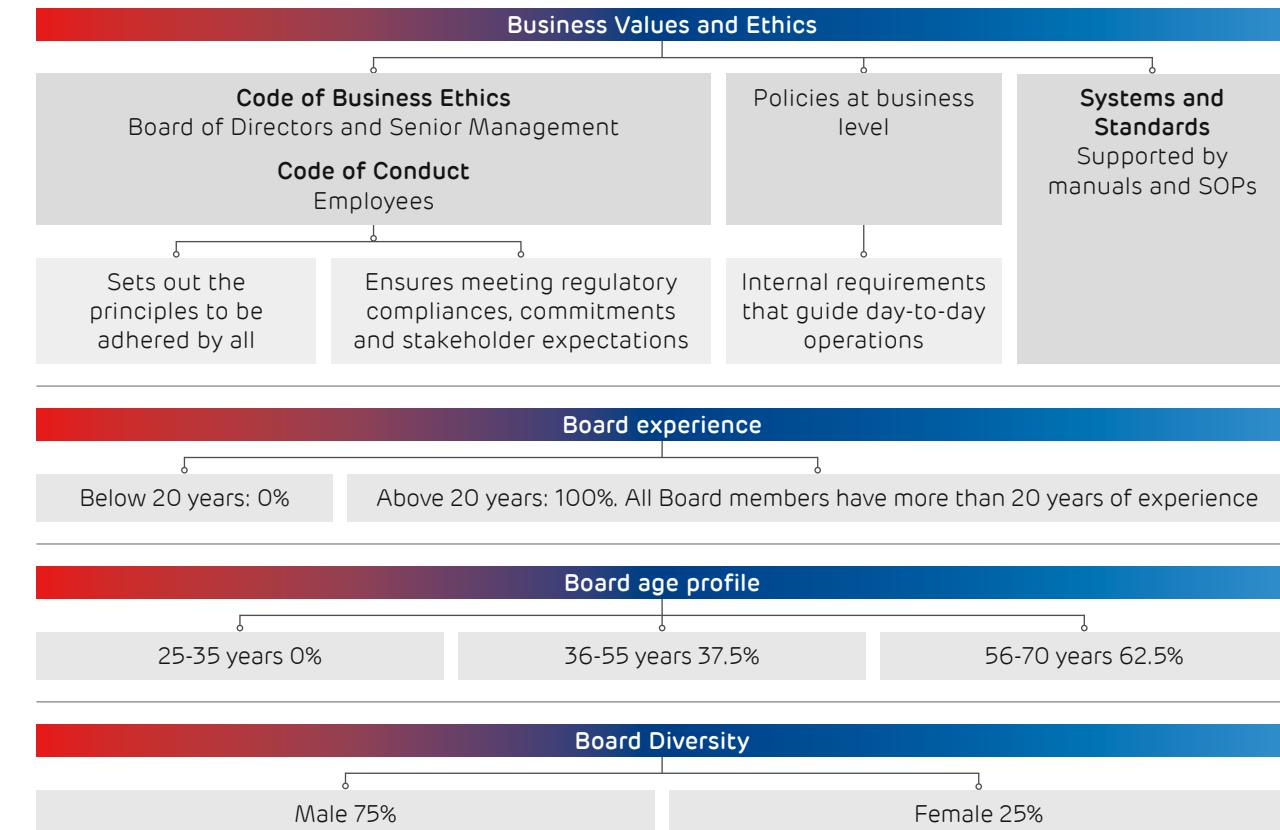
The principal Board Committees include the Audit, Nominations and Remuneration, Stakeholders' Relationship, Corporate Social Responsibility and Risk Management, with formally delegated duties and responsibilities and written terms of reference. From time to time, the Board may set up additional committees to consider specific issues when the need arises. ATGL recognises and embraces the benefits of having a diverse Board and seeks to increase diversity. ATGL understands that a diverse Board makes an effective use of differences in skills, regional and industry experience, backgrounds, races, genders and other capabilities.

Board of Directors

Non-Executive (Non-Independent) Directors: 50%

Independent Directors: 50%

Approach to Corporate Governance



Board performance

For the financial year ended 31st March, 2021, the Board's evaluation was facilitated through a structured process encompassing various aspects like composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, contribution at the meetings and otherwise, independent judgement, governance issues, among others.

The evaluation process covered a wide range of issues including leadership, dynamics of Board meetings, competence of Board members, succession planning, information quality and flow, relationship with senior management, quality of Board supervision and decision-making

with an emphasis on the Board's role in strategic decisions.

As a step towards stronger governance practice, the Company engaged a leading consultancy firm to conduct a Board evaluation process, facilitated through an online secured module, ensuring transparent, effective and independent involvement of the management. The evaluation was conducted through a questionnaire comprising qualitative parameters and constructive feedback based on ratings. The recommendations arising from the evaluation process were considered by the Board to optimise effectiveness.

The Company implemented internal process, controls, best practices and policies to enhance governance to empower employees discharge their duties in the best interests of all stakeholders.

Code of Conduct

The Company's Code of Conduct is adhered by all employees including the Board and Senior executives. Management and employees are trained on the Code and implications through multiple communication modes.

Code and standards

The Code of Conduct constitutes an important part of ATGL's

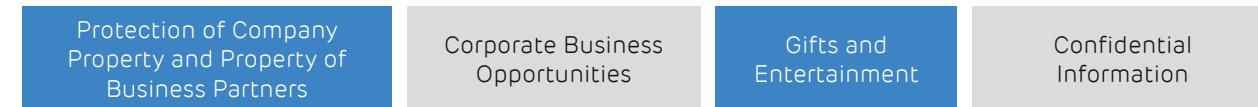
The Code of Conduct forms an important part of on-boarding employees, who are required to sign the Code as a part of their employment contract.

The Company demonstrated a high standard of business

integrity as well as compliance with a range of protocols, national and international laws. Failure by our employees or agents to comply with these regulations could result in substantial penalties and damage to our

reputation, impacting our future revenue and cash flow. Allegations of corruption or bribery or violation of sanctions regulations could lead to reputation and brand damage with investors, regulators and customers.

ATGL's Code of Conduct stipulates how these topics are handled



Our teams are obligated to adhere to important aspects ranging from corruption, human rights, labour laws and social standards, conflicts of interest, trade control and protection of data privacy.

Whistle Blower Policy

Our Code of Conduct and Whistle Blower Policy are the tools we use to guard against corruption within ATGL. Our Whistle Blower Policy employees to report complaints and concerns about conduct considered to be contrary to ATGL's values. The Whistle Blower Policy established a necessary vigil mechanism for employees and Directors to report concerns in confidence about unethical behaviour, misconduct, malpractice or irregularities in any matters related to the Company. The Audit Committee monitored and reviewed investigations of the whistle-blower complaints received during the year.

Anti-corruption

Corruption and bribery undermine social and economic development. ATGL is committed to fight them; it aims to eliminate corruption in the logistics industry through multi-stakeholder collaboration and its own operations. Corruption corrodes the business environment, adds to the cost of participating in global trade and has a significant negative impact on the markets and countries we operate in. Furthermore, it affects external confidence as well as company morale.

For ATGL, non-compliance with legislation on bribery and corruption may lead to legal and reputational risks, extra costs, inefficiencies in our business and ultimately debarment from markets. Risk of corruption is found primarily in our interactions with authorities over controls and approvals in ports and border controls, mostly in the shape of facilitation payments. Risk of corruption in our supply chain is managed through stringent processes and controls.

Our Compliance Management System aims to ensure adherence to legal regulations and the Company's internal guidelines. An IT-enabled compliance management system provides compliance status through dashboards.

One key element in the prevention of compliance violations is compulsory training and workshops held as classroom or online courses. All employees are required within a prescribed time frame to take part in basic compliance training, refresher courses and special tutorials. Training senior executives is a particular focus.

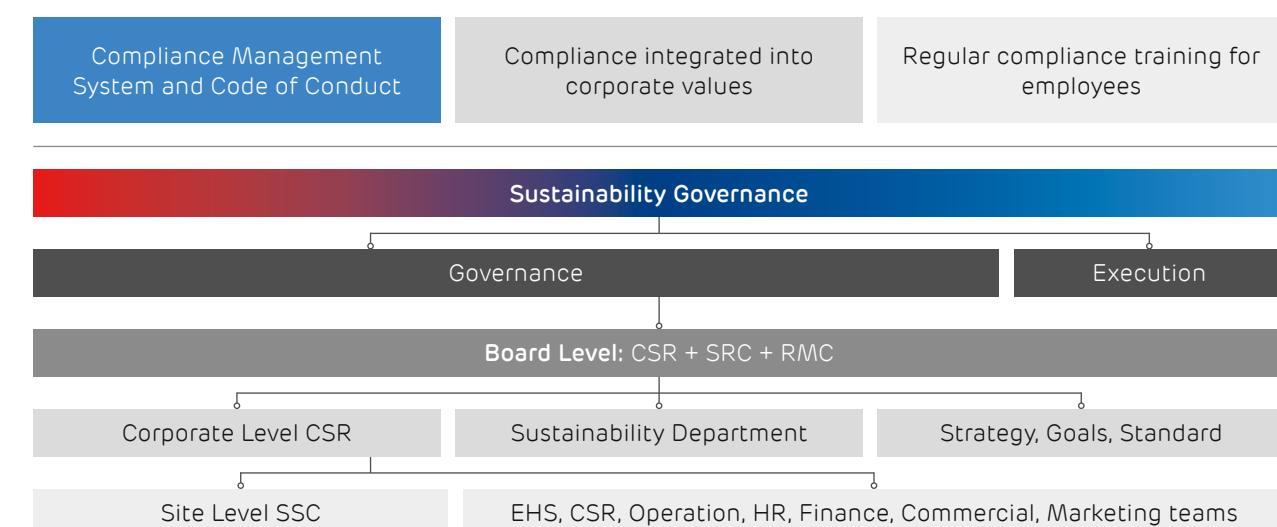
The internal system acts as a resource library that provides the Company with a comprehensive

matrix on all applicable legal, statutory and regulatory laws and its management.

Integration with sustainability

We recognise that doing business in a sustainable and responsible manner is integral to viability. Sustainability considerations are integrated with the way we do business. We will be successful when our business operations add value to the environment, society and economy in the long term. We seek to emerge as a thought leader and increase the relevance of sustainability in our decision-making processes.

Sustainability is at the core of what we do, a drive for growth as well as an element of our corporate governance. That is why sustainability is anchored in our Company's vision, strategy and business models. We constituted a CSR Committee (CSR) at the Board level to oversee our positions and practices on sustainability issues, principally in relation with social and environmental matters that affect shareholders and key stakeholders.



Board of Directors



Mr. Gautam Adani
Chairman



Mr. Pranav Adani
Director



Mr. Jose-Ignacio Sanz Saiz
Director



Mr. Alexis Thelemaque
Director



Mr. Maheswar Sahu
Independent and
Non-Executive Director



Mr. Naresh Kumar Nayyar
Independent and
Non-Executive Director



Ms. Chandra Iyengar
Independent and
Non-Executive Director



Ms. Gauri Trivedi
Independent and
Non-Executive Director

Corporate Information

Board of Directors

Mr. Gautam S. Adani
Chairman
Mr. Pranav V. Adani
Director
Mr. Jose-Ignacio Sanz Saiz
Director
Mr. Alexis Thelemaque
Director
Mr. Maheswar Sahu
Independent Director
Mr. Naresh Kumar Nayyar
Independent Director
Mrs. Chandra Iyengar
Independent Director
Ms. Gauri Trivedi
Independent Director

Chief Executive Officer

Mr. Suresh P Manglani

Chief Financial Officer

Mr. Parag Parikh

Company Secretary

Mr. Gunjan Taunk

Auditors

Shah Dhandharia & Co LLP
Chartered Accountants, Ahmedabad

Bankers / Financial Institutions

HDFC Bank
Axis Bank
ICICI Bank
IndusInd Bank
Kotak Mahindra Bank
Yes Bank
IDBI Bank
State Bank of India
Bank of Baroda
Union Bank of India
Syndicate Bank

Registrar and Transfer Agent

Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg, Vikhroli West,
Mumbai 400 083
Tel No.: +91 22 4918 6270

Joint Venture Company

Indian Oil - Adani Gas Private Limited (IOAGPL)

Registered Office

"Adani Corporate House"
Shanti gram, Near Vaishno Devi Circle, S.
G. Highway, Khodiyar, Ahmedabad 382 421,
Gujarat, India

CIN

L40100GJ2005PLC046553

Directors' Report

Dear Shareholders

Your Directors are pleased to present the 16th Annual Report along with the Audited Financial Statements of your Company for the financial year ended 31st March, 2021.

Financial Performance

The summarised financial highlight is depicted below:

Particulars	Consolidated Results		Standalone Results	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	1,784.47	1,990.90	1,784.47	1,990.90
Operating Expenses	858.49	1,176.32	858.49	1,176.32
Administrative & Other Expenses	221.66	219.82	221.66	219.82
Total Expenditure	1,080.15	1,396.14	1,080.15	1,396.14
Operating EBITDA	704.32	594.76	704.32	594.76
Other Income	44.36	44.39	44.36	44.39
EBITDA	748.68	639.15	748.68	639.15
Finance Costs	40.48	41.05	40.48	41.05
Depreciation and Amortisation Expenses	62.52	50.70	62.52	50.70
Profit for the year before Exceptional Items & Tax	645.68	547.40	645.68	547.40
Less: Exceptional items	14.47	-	14.47	-
Profit before tax	631.21	547.40	631.21	547.40
Tax Expense:	159.26	111.16	159.26	111.16
Profit for the year before share of profit / (loss) from joint venture	471.95	436.24	471.95	436.24
Share of profit / (loss) from joint venture	(9.13)	0.08	-	-
Net Profit / (Loss) after Joint Venture	462.82	436.32	471.95	436.24

Note:

1. There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.
2. Previous year figures have been regrouped / re-arranged wherever necessary.

Performance Highlights

Consolidated Financial Results:

The audited consolidated financial statements of your Company as on 31st March, 2021, prepared in accordance with the relevant applicable IND AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and provisions of the Companies Act, 2013, forms part of this Annual Report.

The key aspects of your Company's consolidated performance during the financial year 2020-21 are as follows:

Operational Highlights:

- In 2020-21 your Company has achieved Sales Volume of 515.13 MMSCM which is @ 88% of 2019-20 Volume mainly due to nationwide Covid-19 pandemic impact.
- Your company has achieved the PNG Sales Volume 287.95 MMSCM which @ 99% of 2019-20 Sales Volume of 290.61 MMSCM.
- Along with its JV, the Company is now operate license in 38 Geographical Areas.

Financial Highlights:

- 2020-21 Revenue from Operations maintained @ ₹ 1,784 Crores which @ 90% of 2019-20 level of ₹ 1,991 Crores.
- 2020-21 EBITDA has increased by 17% Y-o-Y to ₹ 749 Crores vs. ₹ 639 Crores in 2019-20.

Standalone Financial Results:

On standalone basis, your Company registered revenue from operations of ₹ 1,784 Crores and PAT of ₹ 472 Crores.

The detailed operational performance of your Company has been comprehensively discussed in the Management Discussion and Analysis Report which forms part of this Report.

Dividend

Your Directors have recommended a dividend of 25% (₹ 0.25/- per Equity Share of ₹ 1 each) on the Equity Shares out of the profits of the Company for the financial year 2020-21. The said dividend, if approved by the shareholders, would involve a cash outflow of ₹ 27.50 Crores.

Your Directors also recommended a dividend of 10% (₹ 1/- per Preference Share of ₹ 10 each) on the 10% Cumulative Redeemable Preference Shares out of the profits of the Company for the financial year 2020-21. The said dividend, if approved by the shareholders, would involve a cash outflow of ₹ 0.60 Lakhs including tax thereon.

Covid-19 Pandemic

The Operational Performance of the Company has sustained well during the financial year and the Company has been able to attain the Pre-Covid

monthly Sales Volume. The Company has considered the possible impacts of COVID-19 in preparation of these financial statements including but not limited to assessment of going concern assumption, recoverable values of financial assets and expects to recover the carrying amount of these assets. The Company has also considered the economic conditions and the potential effect to the CGD industry. The Company is continuously and closely monitoring the developments. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements.

Change of Name of the Company

During the year under review, the name of the Company has been changed from Adani Gas Limited to "Adani Total Gas Limited" in order to reflect the names of the both Promoter Groups and a fresh Certificate of Incorporation was issued by Ministry of Corporate Affairs on 1st January, 2021.

Fixed Deposits

During the year under review, your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

Particulars of Loans, Guarantees or Investments

The provisions of Section 186 of the Companies Act, 2013, with respect to a loan, guarantee or security are not applicable to the Company as the Company is engaged in providing infrastructural facilities which is exempted under Section 186 of the Companies Act, 2013. The details of investment made during the year under review are disclosed in the financial statements.

Subsidiaries, Joint Ventures and Associate Companies

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed there under and Regulation 33 of the SEBI Listing Regulations, the Company has prepared consolidated financial statements of the Company and its joint venture and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 which forms part of this Annual Report.

The annual financial statements and related detailed information of the joint venture company shall be made available to the shareholders of the holding and joint venture seeking such information on all working days during business hours. The financial statements of the joint venture shall also be kept for inspection by any shareholder/s during working hours at the Company's registered office and that of the respective joint venture concerned. In accordance with Section 136 of the

Companies Act, 2013, the audited financial statements, including consolidated financial statements and related information of the Company and audited accounts of its joint venture, are available on our website, www.adanigas.com

Pursuant to Section 134 of the Act read with Rule 8(1) of the Companies (Accounts) Rules, 2014 the details of development of joint venture of the Company is covered in the Management Discussion and Analysis Report which forms part of this Annual Report.

Directors and Key Managerial Personnel

Mr. Jose-Ignacio Sanz Saiz (DIN: 08705604) was appointed as an Additional Director (Non-Executive, Non-Independent) and Ms. Gauri Trivedi (DIN: 06502788) was appointed as an Additional Director (Non-Executive, Independent) by the Board of Directors at its meeting held on 5th August, 2020.

As an Additional Directors Mr. Jose-Ignacio Sanz Saiz and Ms. Gauri Trivedi hold office upto the ensuing Annual General Meeting. The Company has received notices from members under Section 160 of the Companies Act, 2013 proposing their appointment as Directors of the Company.

The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as independent director during the year.

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mr. Alexis Thelemaque (DIN: 08563003) is liable to retire by rotation and being eligible offers himself for re-appointment.

The Board recommends the appointment/re-appointment of above directors for your approval.

Brief details of Directors proposed to be appointed/re-appointed as required under Regulation 36 of the SEBI Listing Regulations are provided in the Annexure to the Notice of Annual General Meeting.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following:

a. that in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b. that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial control were adequate and were operating effectively;
- f. that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Policies

During the year under review, the Board of Directors of the Company has adopted / amended / approved changes in Policy on Board Diversity and Code of internal procedures and conduct for regulating, monitoring and reporting of Trading by Insiders to comply with the recent amendments in the Companies Act, 2013 and SEBI Listing Regulations. Accordingly, the updated policies are uploaded on website of the Company at <https://www.adanigas.com>.

Number of Board Meetings

The Board of Directors met 5 (five) times during the year under review. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this report.

Independent Directors' Meeting

The Independent Directors met on 31st March, 2021, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Board Evaluation

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured

evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

As a step towards better governance practice, this year the Company, has engaged leading consultancy firm, to conduct the Board evaluation process which was facilitated through an online secured module ensuring transparent, effective and independent involvement of the management. The evaluation was conducted through a tailored questionnaire having qualitative parameters and constructive feedback based on ratings. Recommendations arising from the evaluation process were considered by the Board to optimise its effectiveness.

Policy on Directors' Appointment & Remuneration

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 is made available on the Company's website at <http://www.adanigas.com>.

Internal Financial Control System and their Adequacy

The details in respect of internal financial control and their adequacy are included in Management Discussion and Analysis Report, which forms part of this annual report.

Risk Management

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls.

Committees of the Board

Details of various committees constituted by the Board of Directors as per the provisions of the SEBI Listing Regulations and the Companies Act, 2013 are given in the Corporate Governance Report which forms part of this annual report.

Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility (CSR) Committee and has framed a CSR Policy. The brief details of CSR Committee are provided in the Corporate Governance Report. The Annual Report on CSR activities is annexed to this Report. The CSR Policy is available on the website of the Company at <http://www.adanigas.com>.

Corporate Governance and Management Discussion & Analysis Reports

Separate reports on Corporate Governance compliance and Management Discussion and Analysis as stipulated by the SEBI Listing Regulations forms part of this Annual Report along with the required Certificate from Practicing Company Secretaries regarding compliance of the conditions of Corporate Governance as stipulated.

In compliance with Corporate Governance requirements as per the SEBI Listing Regulations, your Company has formulated and implemented a Code of Business Conduct and Ethics for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto.

Business Responsibility Report

The Business Responsibility Report for the year ended 31st March, 2021 as stipulated under Regulation 34 of the SEBI Listing Regulations is annexed which forms part of this Annual Report.

Prevention of Sexual Harassment at Workplace

As per the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2021 is available on the Company's website at <https://www.adanigas.com/investors/investor-downloads>

Related Party Transactions

All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

During the year under review, your Company has entered into transactions with related party which are material as per Regulation 23 of the SEBI Listing Regulations and the details of the said transactions are provided in the Annexure to Notice of the Annual General Meeting.

Significant and Material Orders passed by the Regulators or Courts or Tribunals Impacting the going concern status of the Company

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

Insurance

Your Company has taken appropriate insurance for all assets against foreseeable perils.

Auditors & Auditors' Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. Shah Dhandharia & Co. LLP, Chartered Accountants (Firm Registration No. 118707W/W100724), were appointed as Statutory Auditors of the Company to hold office till conclusion of the 17th Annual General Meeting (AGM) of the Company to be held in the calendar year 2022.

The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report. There were no qualifications, reservations, adverse remark or disclaimers given by Statutory Auditors of the Company.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has re-appointed Mr. Ashwin Shah, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for 2020-21 is annexed, which forms part of this report as Annexure-A. There were no qualifications, reservation or adverse remarks or disclaimers given by Secretarial Auditors of the Company.

Reporting of frauds by Auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee or the Board, under Section 143 (12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Directors' Report.

Cost Audit Report

Your Company has re-appointed M/s. N. D. Birla & Co., Practicing Cost Accountants to conduct audit of cost records maintained for Petroleum Products of the Company for the year ended 31st March, 2022. The Cost Audit Report for the year 2019-20 was filed before the due date with the Ministry of Corporate Affairs.

The Company has maintained the cost accounts and records in accordance with Section 148 of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014.

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as Annexure-B.

The statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, as amended from time to time is annexed to this Report as Annexure-C.

Acknowledgment

Your Directors are highly grateful for all the guidance, support and assistance received from the Government of India, respective State Government, Financial Institutions and Banks. Your Directors thank all shareholders, esteemed customers, suppliers and business associates for their faith, trust and confidence reposed in the Company. Your Directors also wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

Date: 04.05.2021
Place: Ahmedabad

Gautam S. Adani
Chairman
(DIN: 00006273)

Annexure - A to the Directors' Report

FORM NO. MR-3 - SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To

The Members

Adani Total Gas Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Adani Total Gas Limited (formerly known as Adani Gas Limited) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliance and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives in the conduct of secretarial audit during the pandemic of COVID 19 situation across the country, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations, 2009 (Not Applicable to the Company during the Audit Period);

- d. The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014 (Not Applicable to the Company during the Audit Period);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
- vi) Laws specifically applicable to the industry to which the company belongs, as identified by the management, that is to say:

Legislation Name

1. The Air (Prevention & Control of pollution) Act, 1981 & Rule, 1982
2. The Environment (Protection) Act 1986.
3. The Explosives Act, 1884.
4. The Gujarat State Disaster Management Act, 2003.
5. The Petroleum and Natural Gas Regulatory Board Act, 2006.
6. The Water (Prevention & Control of pollution) Act, 1974
7. The Hazardous Waste (Management & Handling) Rules, 2016
8. The Batteries (Management and Handling) Rules, 2001 as amended 2010
9. The E-waste (Management and Handling) Rules, 2016

I have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.

b. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to filing of certain e-forms with additional fees.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure

compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has:

1. Passed a special resolution for shifting of Registered Office of the Company outside the local limits of the city, but within the same state falling under the jurisdiction of Registrar of Companies, Gujarat.
2. Passed a special resolution to approve adoption of amended and restated Articles of Association of the Company.
3. Passed a special resolution to approve Change of Name of the Company to "Adani Total Gas Limited" and consequent alteration in the Memorandum and Articles of Association of the Company.
4. Passed a special resolution to alter Main Object Clause of Memorandum of Association of the Company.

Date: 04.05.2021

Place: Ahmedabad

UDIN: F001640C000235280

CS Ashwin Shah

Company Secretary

C. P. No. 1640

Note: This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

Annexure - A to Secretarial Audit Report

To
The Members
Adani Total Gas Limited

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 04.05.2021
Place: Ahmedabad
UDIN: F001640C000235280

CS Ashwin Shah
Company Secretary
C. P. No. 1640

Annexure – B to the Directors' Report

[Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2020-21:

Name of Directors/ KMP	Ratio of remuneration to median remuneration of Employees	% increase in remuneration in the financial year
Non-Executive Directors		
Mr. Gautam S. Adani	-	-
Mr. Pranav V. Adani	-	-
Mr. Alexis Thelemaque	-	-
Mr. Jose-Ignacio Sanz Saiz ¹	-	-
Mr. Maheswar Sahu ³	3.12 : 1	21
Mr. Naresh Kumar Nayyar ³	2.94 : 1	21
Mrs. Chandra Iyengar ³	3.00 : 1	27
Ms. Gauri Trivedi ^{2&3}	1.93 : 1	N.A.
Key Managerial Personnel		
Mr. Suresh P Manglani, CEO	32.06 : 1	15
Mr. Parag Parikh, CFO	27.52 : 1	-
Mr. Gunjan Taunk, CS ⁴	-	N.A.

1. Appointed as an Additional Director (Non-Executive, Non-Independent) w.e.f. 5th August, 2020.
 2. Appointed as an Additional Director (Non-Executive, Independent) w.e.f. 5th August, 2020.
 3. Reflects sitting fees and commission.
 4. Drawing remuneration w.e.f. 1st January, 2021.
- ii) The percentage increase in the median remuneration of employees in the financial year: (18.00%)
- iii) The number of permanent employees on the rolls of Company: 425 as on 31st March, 2021.
- iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- Average increase in remuneration of employees excluding KMPs: 2.71%
 - Average increase in remuneration of KMPs: 15.00%
 - KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.
- v) Affirmation that the remuneration is as per the Remuneration Policy of the Company:
- The Company affirms remuneration is as per the Remuneration Policy of the Company.

Annexure – C to the Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out as under:

(A) Conservation of Energy:

- (i) Steps taken or impact on conservation of energy:
 - a) Continuous efforts are put to maintain the electrical power factor at CNG stations at desired level to achieve efficient use of electric energy.
 - b) Deployed Type 3 CNG cascades: Type 3 CNG cascades provide the most weight-efficient gas storage capacity. Your Company has deployed such cascades for CNG transportation, which has resulted in transporting more CNG per trip thereby reducing number of trips and resultant reduction in fuel required for transportation.
 - c) Implemented Vehicle Tracking System for tracking and optimal utilisation of transport vehicles carrying CNG cascades to various CNG Daughter Booster Stations.
 - d) Implementation of Automated Meter Reading (AMR) system for all its Industrial & Commercial customers has eliminated use of vehicles required by agencies for taking meter readings manually.

- (ii) Steps taken by the company for utilising alternate sources of energy:

Solar energy is used at some of the DRS locations. Survey of 18 sites (CGS & CNG Stations) have been completed for installation of Solar roof top systems. At one site in CGS, Ramol, Ahmedabad 89 kw Solar roof top system installation is in progress.

- (iii) Capital investment on energy conservation equipment:

About ₹35 Lakhs has been committed for installation of 89kw Solar roof top system at City Gate Station, Ramol, Ahmedabad.

(B) Technology Absorption:

- (i) the efforts made towards technology absorption;

1. **SCADA:** Company has sustained and enhanced its SCADA system across all City Gate Stations, CNG stations, DRS & Cathodic Protection Transformer Rectifier Units. Company has its plans in place for including all the upcoming new geographical areas under the ambit of SCADA.
2. **GIS:** The pipeline network laid are being mapped in GIS on an ongoing basis, contributing to monitoring and maintaining the pipeline network more proficiently. Data enhancement activities such as completeness of network mapping, land base updation, incorporating addresses of buildings,

accuracy enhancements based on surveys etc. are being undertaken as continuous endeavours. User specific functions such as hyperlinking drawings/documents to features, layers visibility control, functionality to indicate on-going third-party activities and outage manager are being introduced in the GIS. The GIS also continues to provide useful information of pipeline network for regular monitoring, repair and maintenance as well as emergency handling.

3. **AMR System for I&C Customers:** To strengthen the safety of operations and provide improved services to customers in a more efficient manner, ATGL has implemented Automated Meter Reading (AMR) system for all its Industrial & Commercial Customers.

4. **My Adani Gas:** ATGL has launched a mobile application named 'My Adani Gas'. A digital ecosystem/ platform which helps in collaborating with partners & stakeholders such as Customers, Vendors, Contractors and Employees. This facilitates PNG Domestic Customers to upload gas meter readings, identify meter readers, download forms like registration and name change forms, and for CNG customers to locate nearby CNG filling stations. This enables Field Sales Officer and Third-Party Inspector to complete the customer on boarding digitally. It provides the full digital self-service channel of interaction for Customers from service request to account statement. It will provide the platform to collaborate with vendors, acquire new vendors, enable vendors/ contractors for service orders and track progress on service orders & manage their performance.

5. **ATGL - ERMS:** To manage the Emergency situation effectively and to reduce the response time with clear info of all such incidents, ATGL has implemented an app "ATGL - ERMS" which is effective & user friendly. This app can be used by any internal & external body includes employees, partners & public. Through this app, can register any kind of emergency like gas escape, leak, fire but not limited to. It also has feature of patrolling based on google map for allocation of route and end-to-end tracking of the event till its closure by AEO's (Area Emergency Officer), on-the-go mobile based app.

6. **3rd Eye :** We have implemented an Industry Intelligent Tool to facilitate the business leaders to have a single window view of the existing operations of Adani Total Gas, the peer performance and the upcoming business growth areas. This depicts the current state of operations in area of pipeline, CNG stations, LNG terminals, cross country pipeline and the GA mapping.

7. **A2D:** We have initiated the project to transform the manual operations to digitisation & automation. The intent is to analyse the scope of digitisation and automation, thorough various options, tools, and platforms and derive solutions to incorporate / implement for minimising / avoiding the manual processing of information / data / reports. The output of this exercise is to implement the technology and automation for near zero manual operations with operational agility and workforce (employee) enablement through digitisation shift towards culture and way of working.

8. **RRM to TRM:** We had introduced a concept of Touchless Revenue Management to enhance the capabilities on traditional Revenue Management. As a part of this initiative we have implemented eNACH (automatic clearing) of payment against invoice generation and Digitally signed invoices on Whatsapp. This is a part of our Go-Green Go-Digital initiative where in to help customer to avoid hassle in remembering due dates and save time and efforts. To add to move this project to ultimate goal of TRM, we are in process of implementing initiatives like Self-Billing, AI/ML based bot etc.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

Your Company is continuously improving on technology front. Entire billing of CNG has been

shifted from manual to SCADA software. Further in domestic segment, the Company has introduced SPOT billing mechanism. Migrated to Cyclo system, which is linked to SAP ERP, to enable operator to log, resolve, requisite all activates related to O&M, customer care from remote location.

Moving to SCADA software for billing will save man hours and will have accuracy in billing. By introducing SPOT billing, the cost of meter reading and collection will be reduced significantly. By implementing Cyclo system manpower time is saved and efficiency can be improved.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported: NA

(b) the year of import: NA

(c) whether the technology been fully absorbed: NA

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA

(iv) The expenditure incurred on Research and Development : NA

(C) Foreign Exchange Earnings and Outgo:

The particulars relating to foreign exchange earnings and outgo during the year under review are as under:

Particulars	2020-21	2019-20
Foreign exchange earned	-	-
Foreign exchange outgo (including import of goods on CIF basis)	16.27	7.59

Annexure to the Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

1. Brief outline on CSR of the Company: The Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

The Company carried out/ implemented its

CSR activities / projects mainly through Adani Foundation. The Company has identified Primary Education, Community Health, Sustainable Livelihood Development and Rural Infrastructure Development as the core sectors for CSR activities. The CSR Policy has been uploaded on the website of the Company at <http://www.adanigas.com>

2. Composition of CSR Committee:

SN	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the tenure	Number of meetings of CSR Committee attended during the tenure
1	Mr. Maheswar Sahu	Chairman, Non-Executive & Independent	2	2
2	Mrs. Chandra Iyengar	Member, Non-Executive & Independent	2	2
3	Mr. Pranav V. Adani	Member, Non-Executive Promoter	2	2
4	Mr. Jose-Ignacio Sanz Saiz ¹	Member, Non-Executive & Non-Independent	1	1
5	Mr. Alexis Thelemaque ²	Member, Non-Executive & Non-Independent	1	1

1. Appointed as a Member of the CSR Committee w.e.f. 3rd November, 2020.

2. Ceased as a Member of the CSR Committee w.e.f. 3rd November, 2020.

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company <http://www.adanigas.com/investors/corporate-governance>

4. Provide the details of Impact assessment of CSR projects carried out in Pursuance of Sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial year, if any.

6. Average net profit of the Company as per Section 135(5). ₹ 390.47 Crores

7. (a) Two percent of average net profit of the Company as per Section 135(5). ₹ 7.81 Crores

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

(c) Amount required to be set off for the financial year, if any.

(d) Total CSR obligation for the financial year (7a + 7b - 7c). Nil

8. (a) CSR amount spent or unspent for the Financial year:

Total Amount Spent for the Financial Year (₹ in Crores)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).			
		Amount	Date of transfer	Name of the Fund	Amount
7.82		N.A	N.A	N.A	N.A

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) SN	(2) Name of Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project	(6) Amount spent for the project (₹ in Crore)	(7) Mode of implementation Direct (Yes/No)	(8) Mode of implementation - through implementing agency
			State	District			Name CSR Registration number
1	PM Cares Fund for Covid-19 Support	(viii)	Yes	Pan India	5.00	No	PM Cares Fund
2	Adani Vidya Mandir – Ahmedabad	(ii)	Yes	Gujarat Ahmedabad	2.78	No	Adani Foundation
3	Compressed Bio-Gas (CBG) Project	(iv)	Yes	Uttar Pradesh Varanashi	0.04	No	Adani Foundation
Total					7.82		

(d) Amount spent in Administrative Overheads

Nil

(e) Amount spent on Impact Assessment, if applicable

Nil

(f) Total amount spent for the financial year (8b + 8c + 8d + 8e)

₹ 7.82 Crores

(g) Excess amount for set off, if any

SN Particular

SN	Particular	Amount (In ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	₹ 7.81 Crores
(ii)	Total amount spent for the financial Year	₹ 7.82 Crores
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 0.01 Crores
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii) - (iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year. (asset-wise details)

(a) Date of creation or acquisition of the capital asset(s)	Not Applicable
(b) Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profits as per Section 135(5): Not Applicable

Mr. Gautam S Adani

Chairman

Mr. Maheswar Sahu

Chairman – CSR Committee

Annexure to the Directors' Report

Management Discussion and Analysis Report

Global economic overview

The global economy reported de-growth of 3.3% in 2020 compared to 2.9% in 2019. However, the economy demonstrated considerable resilience in posting a reasonable recovery through the course of the year under review.

	2018	2019	2020	2021
Real GDP growth (%)	3.6	2.9	(3.3)	6.0

(Source: IMF)

Indian economic review

The Indian economy reported a smart recovery following the first lockdown quarter of 2020-21. The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. The recovery was not linear but across-the-board and the country reported a consumption revival that translated into better performance for a number of industries.

Y-o-Y growth of the Indian economy

	2018	2019	2020	2021
Real GDP growth (%)	7.0	6.1	4.2	(7.3)

Growth of the Indian economy, 2020-21

	Q1, 2021	Q2, 2021	Q3, 2021	Q4, 2021
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

Indian economic reforms and recovery

The Indian government introduced a number of reforms to catalyse national economic growth during the year under review. The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors, which is expected to accelerate the manufacturing momentum within India. The cumulative impact of the various reforms was improved consumer sentiment and improving Goods and Services Tax (GST) collections in the second half of 2020-21. Besides, foreign direct investments (FDI) into India increased 13% to US\$57 Billion in 2020, the digital sector being the biggest catalyst.

Outlook

The World Bank projected the Indian economy to grow by 8.3% in 2021-2022, making it one of the fastest-growing major economies once more. (Source: Business Standard)

Global natural gas industry

There has been a steady increase in the consumption of natural gas the world over for reasons of safety, cleanliness, cost and convenience. Natural gas production and consumption have been steadily

growing across the decade leading to 2020, validating the long-term potential of the segment.

At the OECD level, natural gas reported an increase in production. The OECD Americas region was the global sectorial driver for the second consecutive year as the United States remained the world's largest natural gas producer. The Asia-Oceania countries under OECD reported a continued increase in demand. On the other hand, the production of natural gas in the European OECD countries declined.

China established its position as a principal driver of global LNG dynamics next to Japan and Korea. For the second consecutive year, the highest increase in LNG imported volumes came out of China (Source: IEA).

Indian natural gas industry

The Indian natural gas consumption reported a CAGR of 5.1% between 2015-16 and 2020, rising to ~175 MMSCMD in 2019-20. Consumption was majorly driven by a demand from the downstream fertiliser and power sectors, which cumulatively accounted for 42% of the domestic gas consumption in 2019-20. Other major end-use sectors comprised the emerging city gas distribution segment (~17%) and refineries (~12%). Given the fall in domestic gas output in 2019-20 and rise in demand, the share of LNG imports rose to 53% compared to 41% in 2015-16.

The natural gas demand was impacted in 2020-21 on account of Covid-19. Despite the current scenario there was a significant recovery in second half of the 2021. The natural gas demand stood at 166.1 MMSCMD, which was around 94.8% of the 2020 natural gas demand.

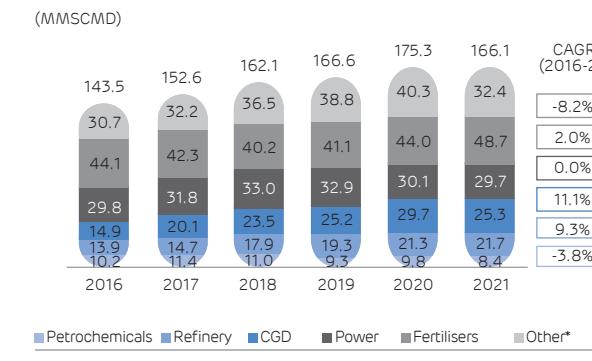
Review of natural gas consumption in India 2016 – 2021



Source: MoPNG, PPAC

Despite domestic production being lower, the government prioritised end-use sectors for the supply of natural gas. Sectors with regulated prices (fertilisers and city gas distribution) and limited affordability (power) enjoyed a higher priority in gas supply as opposed to sectors with market-determined products (industries, steel plants and refineries). The demand for natural gas was influenced by the cost competitiveness of LNG vis-à-vis alternative fuels.

Segment-wise break up of natural gas consumption in India



*Others include LPG/PL consumption, flaring and internal consumption

Source: MoPNG, PPAC

Among the sectors generating a sustained demand for natural gas, the fertiliser, CGD and power sectors accounted for around 62.40% of the total gas consumption of 166.1 MMSCMD in 2020-21. CGD accounted for 15.22% of the overall natural gas demand in 2020-21.

Outlook on gas demand

The demand for natural gas looks promising as the Indian government is committed to enhance the role of gas in the country's energy mix from a little over 6 per cent to 15 per cent. Much of the demand growth is expected to be generated from the city gas distribution network and fertiliser units on account of improved domestic gas supply, governmental policy/financial support and expeditious gas infrastructure creation.

Besides, increasing number of liquefaction terminals across the world as well as upcoming/expanding regassification terminals in India, is also likely to enhance market supply, strengthening LNG demand in India. With high affordability and/or higher priority in allocation, sectors such as fertilisers and CGD are expected to catalyse the demand for natural gas across the coming decades.

City gas distribution segment in India

India enjoys a high gas demand potential; the country is likely to emerge as one of the largest consumers of

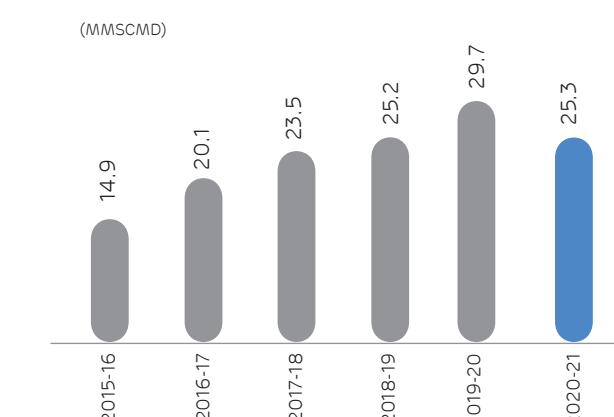
natural gas in the world across the coming years. The Covid-19 pandemic accelerated the transition from the consumption of oil and coal to gas and renewables during the lockdown period. Demand for natural gas in India is expected to grow attractively, catalysed by environmental concerns, operationalisation of Indian Gas Exchange, domestic energy companies investing in infrastructure and the Indian government committed to enhance the role of gas in the country's energy mix from a little over 6 per cent to 15 per cent.

From 2009 onwards, the Indian gas regulator PNGRB granted authorisations to entities for laying, operating and expending CGD infrastructure to would empower them to supply gas to end-users in identified authorised geographical areas (GAs). Until recently, PNGRB granted authorisations to entities to develop CGD infrastructure in ~228 geographical areas through 10 rounds of competitive bidding auctions. Over the years, these auctions generated active participation from private and public players, widening the CGD network to 228 GAs across more than 406 districts. The result is that much of Northern India, Western India and some parts along the coastal line in Southern and Eastern India were covered by the growing CGD infrastructure. Work was in progress in most of the 136 GAs awarded in the last two years, which could sustain higher city gas volumes across the coming decade.

CGD demand trend over past five fiscals

Over 2016-20, CGD gas consumption increased from 14.9 MMSCMD to around 29.7 MMSCMD, based on 18.8% CAGR. For 2020-21 the CGD demand stood at 25.3 MMSCMD, which was around 85% of the 2019-20 demand. Despite the current Covid scenario in 2020-21, there was a significant recovery in the second half of the 2020-21.

CGD demand over 2010-2020



Source: MoPNG and PPAC

For long, CGD remained limited to states like Gujarat and Maharashtra and Delhi, marked by the availability of natural gas resources and pipeline infrastructure. However, following active policy and regulatory support from the government, active investments in LNG terminal capacity and gas pipeline infrastructure as well as demand growth from industrial and commercial consumers, the CGD market has now expanded to other states.

It is expected that the government's active policy support and deepening industrial and CNG penetration will catalyse demand over the medium-to-long term.

Industrial / commercial PNG demand outlook

Industrial PNG was the primary catalyst of CGD demand in India for the past few years. The segment is expected to remain the bulwark for CGD demand on account of supportive regulations along with expanding gas network coverage, especially after the CGD bidding rounds 9 and 10. Despite the current situation there has been a significant increase in the number of Industrial and commercial across the country, which shows that there is a increasing thrust to convert into piped connections. Commercial PNG connections increased from 30,622 in 2019-20 to 32339 in 2020-21. PNG and Industrial connections increased from 10258 in 2019-20 to 11803 in 2020-21. Moreover, the National Green Tribunal (NGT) identified ~100 industrial clusters with critical pollution levels that could add to the overall gas consumption basket once the gas infrastructure has been commissioned in the next few years. This appears promising for the sector, considering the stringent norms prescribed by the government in implementing the ban on polluting fuels. For instance, CGD demand significantly increased in Gujarat following the NGT order to ban coal gasifiers in 2019. As a result, gas consumption in the Morbi region increased to 5.1-5.2 MMSCMD in 2019-20 from 2.9-3 MMSCMD in 2017-18. Lower spot LNG prices accelerated the conversion in the industrial PNG segment in the past two years.

CNG demand outlook

The CNG segment posted 5.6% growth in 2019-20 owing to its cost-advantage over petrol. The conversion of vehicles from petrol to CNG will sustain over time, given the latter's cost advantage. Further, there has been a sharp increase in number of CNG station from 2207 in 2019-20 to 3101 in the fiscal year which shows a growth in number of CNG stations by 40.4% across the nation. This will help in creating an ecosystem across the country, which will boost the demand for CNG. However, there exists a threat from electric vehicles, which could impact CNG growth over the medium-to-long-term, especially in the three-wheeler segment. In the medium term, CNG vehicles penetration will increase owing to a lower cost of purchase, better refuelling timelines as well as availability & beneficial total cost of ownership.

Despite a high adoption of EVs in the two- and three-wheeler segments, a rapid rise in CNG infrastructure

and expanding reach of CGD could ensure healthy demand growth for natural gas offtake across the medium-to-long term.

Domestic PNG demand outlook

The government's decision to limit the use of subsidised LPG cylinders coupled with growing gas infrastructure availability could benefit domestic PNG demand.

In the past, the government restricted a higher penetration of household PNG connections. There is every possibility that the government could make the annual income criteria more stringent to moderate the subsidy burden related to the LPG segment, which could catalyse the size of the PNG segment.

Total household PNG connections, estimated at ~78.2 Lakh in 2020-21, are expected to increase over 500 Lakh in the coming decade due to increasing CGD penetration in new areas and the government's commitment to increase gas consumption. Besides, gas consumption per connection could also increase in line with rising disposable incomes and aspirations.

Investment outlook

Investments in downstream natural gas transmission pipelines, liquefied natural gas (LNG) terminals, and city gas distribution projects remained subdued up to 2016-17, due to declining domestic gas production and surging LNG prices. Investments began picking up only from 2017-2018 onwards following the government's encouragement to infrastructure development and the use of cleaner fuel.

In 9th round CGD bidding, PNGRB offered 86 geographical areas, which included 174 districts across 22 states and Union Territories. The attractive participation in this round led to the award of 50 geographical areas in the CGD bidding round 10.

Investment in overall natural gas infrastructure is expected of over ₹ 4 Lakh Crore in the development of gas supply and distribution infrastructure in the next five years as the government target is of more than doubling the share of the environment-friendly fuel in its energy basket to 15 per cent by 2030. The government is considering providing policy/financial support (such as viability gap funding) to improve the feasibility of new pipelines, which could catalyse investment.

Healthy growth is also expected in CGD investment due to improved domestic gas supply. In February 2014, the government announced a domestic gas allotment to meet the entire demand from the CNG and PNG segments. Since guaranteed domestic gas allocation significantly improves project investment economics, there is an expectation of the government assuring domestic gas supplies to CGD entities in new GAs as well.

The PNGRB proposed 44 new GAs for the upcoming 11th round of CGD bidding, covering districts in Central, Eastern and Southern India. The Pradhan Mantri Urja

Ganga Yojana is expected to increase gas consumption in Eastern states, catalysing the revival of gas-based urea plants, gas supply to industrial units and the development of CGD infrastructure addressing the growing needs of CNG, domestic and industrial PNG consumers.

Benefits of PNG

Affordable: Natural gas continues to be a superior energy choice, marked by cost economy.

Comfortable: Natural gas water heaters recover twice as fast and have more hot water available than an electric model.

Clean: Natural gas is a clean burning fuel with a low environment impact. High-efficiency natural gas furnaces are more environment-friendly than geothermal heat pumps. Natural gas fireplaces can reduce up to 99% pollutants and particles emitted into the air compared to wood.

Useful: Gas is constantly fed into the system so there are no hassles of handling, refilling & changing of cylinders; no storage is required, leading to safe, easy and secure handling. PNG is distributed through pipelines directly to the consumption point.

Cost-effective: Gas generates higher savings over conventional fuel. Pipeline delivery protects against inflation in transportation costs.

Safe: Natural gas appliances have a safety record with the auto shut-off function. The absence of the need to store at the customer's premises ensures consumer safety. PNG, being lighter than air, makes it possible for leaked gas to dissipate and minimise any chance of flammability.

Benefits of CNG

Reduced fuel cost: Compressed Natural Gas (CNG) provides almost 40%-60% savings over conventional fuels like petrol and diesel.

Environmentally friendly: Compressed natural gas (CNG) is one of the cleanest burning transportation fuels. CNG burns cleaner than petroleum-based products because of its lower carbon content. CNG produces the fewest emissions of all fuels and contains significantly less pollutants. CNG produces 20-30% fewer greenhouse gas emissions and 95% fewer tailpipe emissions compared with petroleum products. Because CNG fuel systems are completely sealed, CNG vehicles produce no evaporative emissions.

Reduced maintenance cost: CNG does not contain lead, so spark plug life is extended because there is no fouling. CNG does not dilute or contaminate crankcase oil, so intervals between oil changes and tune-ups are extended. Pipes and mufflers last longer because CNG does not react with metals, which reduces maintenance costs while extending overall engine life.

Performance advantages: CNG is superior to petroleum-based products because natural gas has a high octane rating compared to alternative fuels. CNG vehicles experience less knocking and no vapor locking, since natural gas is already in a gaseous state. CNG vehicles enjoy superior starting even under severe cold or hot weather conditions.

Safety: Compressed natural gas (CNG) storage tanks are stronger and safer than gasoline or diesel tanks, reducing the likelihood of accidental release. If released, CNG disperses quickly into the air instead of on the ground, reducing the risk of fire or ground contamination. Moreover, CNG gives off little to no emissions during refueling.

Growth drivers

Increasing GDP: India witnessed a consistent growth in its GDP after the country went through an economic decline in the first quarter of 2020-21. After a rise from (23.9)% in Q1 to (7.5)% in Q2, the country witnessed a further rise in the GDP with Q3 standing at 0.4%, with a further growth of 1.6% in Q4.

Per capita income: The per capita income in India witnessed a consistent Y-o-Y increase in the 10 years ending 2019-20 and a decline only in 2020-21 (a reality that could soon correct).

Urbanisation: The population in India is expected to increase from 1.38 Billion in 2020 to 1.52 Billion in 2036, with a 70% increase estimated to come out of urban India, strengthening the demand for natural gas.

Automotive industry: The Indian automotive industry emerged as the fifth-largest auto market in 2020 and is expected to reach ₹ 16.16 - 18.18 trillion (USD 251.4-282.8 Billion) by 2026 as there is a growing preference for personal mobility.

Petroleum substitute: The increase in petrol prices towards the end of 2020-21 is expected to strengthen CNG demand, which is priced lower.

LPG price hike: The increasing price hikes in LPG cylinders is expected to increase the demand for LNG. (Source: Trading Economics, The wire, Economic Times, Business Standard, IBEF)

Regulatory and policy support

The Central Government has been encouraging States to adopt or develop take cues from the draft city gas distribution policy and implement the same at the state level. Standardised and documented policy by state administration is expected to bring immense benefits in terms of transparency, responsibility and improved ease of doing business.

PNGRB vide public notices, has clarified that any entity other than the authorised entity can setup LNG station for dispensing of LNG as liquid fuel for the transport sector. The said notices have brought in clarity as regards to the setting up LNG fueling stations as well

as established marketing exclusivity of CGD entities in their geographical area.

PNGRB notified regulations for authorisation of gas exchanges, which is expected to lead to the establishment of multiple gas exchanges, gas marketing hubs that will aid in developing the gas markets in the country.

The Central government took detailed reviews of CGD network development and played an active role in supporting CGD network development.

The government aims to set up Compressed Bio-Gas (CBG) production plants and make available CBG for use in automotive fuels. This will promote a better use of agricultural residue, cattle dung and municipal solid waste while providing additional revenues for farmers.

The Ministry of Petroleum and Natural Gas allocated ₹ 15,944 Crore for 2021-22 (Source: prsindia.org), the allocation remaining unchanged from the revised estimates for 2020-21. Of the total allocation, the subsidy on LPG is the largest component of the Ministry's expenditure, including approximately 87% of the allocation. The next round of city gas bidding is likely to cover over 300 districts with a projected investment outlay of around ₹ 1.2 Lakh Crore. (Source: Money control)

Company overview

Adani Total Gas is in the business of developing city gas distribution networks to supply PNG to the industrial, commercial and residential segments and CNG to the automotive segment. Adani Total Gas has a presence in 19 geographical areas in the states of Gujarat, Haryana, Madhya Pradesh, Uttar Pradesh, Chattisgarh, Karnataka, Tamil Nadu, Rajasthan and Odisha. The Company has a

joint venture (50:50) with Indian Oil Corporation (Indian Oil-Adani Gas Private Limited) and it has a presence in 19 geographic areas in the states of Uttar Pradesh, Punjab, Haryana, Kerala, Uttarakhand, Karnataka, Goa, Bihar, West Bengal and the Union Territory of Daman.

Financial overview

Financial and Operational Performance

The annual sales volume were at 515.13 MMSCM as compared to 582.21 MMSCM. The degrowth was on account of Covid-19 and was majorly in the first half of the year. In the second half of the year the company saw a V-shaped recovery in volume and touched a peak volume of over 2 MMSCMD.

For the year ended 31st March, 2021, revenue stood at 1,784.47 Crore as compared to 1990.90 Crore in 2019-20. Despite the volume impact, with the efficient gas sourcing and cost optimisation, the company was able to grow its profitability. EBITDA grew by 17.14% from ₹ 639.15 Crore to ₹ 748.68 Crore while PAT grew by 8% from ₹ 436.24 Crore in 2019-20 to ₹ 471.95 Crore 2020-21

Infrastructure and Operations Update

- Total number of CNG stations reached at 217, the addition of 102 new CNG stations in 2020-21
- Cumulative steel pipeline network was 705 Km, with 170 kms laid in 2020-21
- Number of domestic customers were 0.48 Million, 40939 customers added in 2020-21
- Number of Industrial and Commercial Customers at 4966, with added 500 customers in 2020-21
- Commissioned 3 CGS in new GAs

Key ratios and margins

Particulars	FY ended 31 st March, 2020	FY ended 31 st March, 2021	Explanation
Debt-equity Ratio	0.27	0.25	NA
Return on Net worth (%)	33.79%	27.50%	NA
Earning Per Share	3.97	4.29	NA
Debtors' Turnover (Times)	26.04	20.57	NA
Inventory Turnover (Times)	24.86	16.50	Due to rise in inventory and lower cost of goods sold
Interest Coverage Ratio (Times)	14.33	16.95	NA
Current Ratio (Times)	0.94	0.28	Cash Balances in form of Fixed Deposits whose original maturity is more than 12 months have been classified as Non- Current Financial Assets
Operating Profit Margin (%)	29.90%	39.50%	Due to lower gas cost and cost optimisation
Net Profit Margin (%)	21.40%	25.80%	NA

Financial and operational performance highlights of the joint venture company Indian Oil Adani Gas Private Limited (IOAGPL)

Indian Oil-Adani Gas Pvt. Ltd. (IOAGPL) is a joint venture company of Indian Oil Corporation Limited (IOC) – a Maharatna Company of Government of India and Adani TOTAL Gas Ltd. (ATGL), a leading city gas distribution company.

IOAGPL was formed to implement City Gas Distribution projects across the country for the distribution of environment friendly fuel (natural gas) through a network of underground pipelines. IOAGPL has authorisations for 19 GAs across India.

The revenue from operation grew by 15% YoY to ₹ 354.28 Crore in 2020-21 from ₹ 309.30 Crore in 2019-20. EBITDA grew 19% YoY from ₹ 62.00 Crore to ₹ 74.48 Crore in 2019-20 to ₹ 74 Crore in 2020-21. Sales volume grew 19% from 93.61 MMSCM in 2019-20 to 111.38 MMSCM in 2020-21

SWOT analysis

Strengths

- Operating in a licensed and regulated sector with 8 years of marketing exclusivity and 25 years of network exclusivity
- Strong parentage and support of stalwart promoters Adani & TOTAL
- The Company comprises an experienced senior management and leadership team
- There is a strong customer-centric focus coupled with digitisation initiatives
- The share of digital payments by value and number of transactions is high
- There is a safety first culture in everything at ATGL
- The company is a member and equity shareholder of the Indian Gas Exchange
- The company enjoys a growth record in financial numbers

Weaknesses

- The Company's operations are restricted to defined geographical boundaries
- Probable delays in project execution due to the non-availability of a single window clearance or delays in permissions

Opportunities

- Indian Gas Exchange will allow market-driven natural gas pricing
- Open access will allow entry into high potential metro cities
- India's energy demand is expected to grow rapidly across the next decade
- There is a growing government focus on building a gas-based Indian economy
- The construction of LNG terminals is expected to cover the entire national coastline
- There is a growing opportunity to diversify into unregulated allied businesses
- The company will leverage the dealer owned-dealer operated and company owned-dealer operated network for fuel retailing following the revision of the fuel retailing policy
- There is the possibility of a consolidation in the sector

- Growing population and shift in consumption preference could catalyze natural gas demand
- There has been a positive sales growth momentum

Threats

- The company's existing geographic areas could be up for open access following the end of marketing exclusivity
- Volatile RLNG prices could affect prospects
- Change in the gas allocation policy by the Government for CNG & PNG (domestic) segment could impact margins
- There is growing competition from alternative fuel sources
- There could be unfavourable regulatory changes regarding natural gas import

'Safety First' culture at ATGL

ATGL is committed to ensure continuity of natural gas supply, safety and reliability of services to customers and committed to demonstrate continual improvement in Quality, Occupational Health, Safety & Environmental (QHSE) management. ATGL institutionalised practices for sustainable development.

'Safety first in everything we do at ATGL' is integral to the ATGL culture. Safety is not just a value but a business pre-condition at ATGL. ATGL believes that all types of injuries, illness and incidents are preventable. Nothing is more important to the company's success than employee safety.

ATGL formulated a business continuity plan, which helped ensure continuity of services during the pandemic period. Structured program was implemented to ensure health & safety of employees, contractors and other stakeholders during the pandemic.

ATGL deepened its responsibility to conduct operations with proper regard for the environment and to the health and safety of all those involved in its operations and the public at large. .

ATGL established its Integrated management system (IMS) and was accredited for the ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and BS OHSAS 18001:2007 Occupational Health and Safety assessment Series. Regular internal and external audits were conducted to verify the adherence and effectiveness of the system and procedure. ATGL determined and provided resources needed for the establishment, implementation, maintenance and continual improvement of the QHSE Management System through process charts, QHSE system procedure and the management program as required.

ATGL also complied with the Adani Group's Occupational Health & Safety Procedures and Safety Management System (SMS). ATGL defined ten 'Life Saving Safety Rules' based on Business specific high risks and a history of past incidents. Rules were framed to target

and reinforce critical behaviors and processes that ensured safety performance, particularly in high risk areas of the business. An awareness on life-saving rules was provided through audio visual training to all employees and contractors.

ATGL conducted HAZOP and QRA studies for its CGD business through PNGRB-approved third parties. It aimed to pro-actively identify hazards and take actions to prevent and mitigate risks.

ATGL implemented a structured training program for different stakeholders. Safety induction training was imparted to all employees and contractors. Safety, technical & operation competency (STOC) training was provided to all contractor employees. Employees and contractors were trained on permit to work, job safety analysis and other critical HSE procedures. PETZL rope access system training was imparted to plumbers engaged in high risk riser jobs at heights.

ATGL established, implemented and maintained processes needed to prepare for and respond to potential emergency situations including actions to address risks and opportunities. ATGL established an Emergency Response and Disaster Management Plan (ERDMP) for all geographical areas. Emergency response drills were periodically conducted; lessons were communicated and corrective actions ensured. An ERDMP Plan was updated and certified as per PNGRB requirements. The company established procedures to ensure that there was an appropriate response to unexpected or accidental incidents. Area Emergency Offices were equipped with resources for timely response to any emergency, working 24x7 with the customer care team. The Emergency Response Management System app was launched to capitalise on digitisation to enhance emergency preparedness.

ATGL encouraged employees and stakeholders to report safety concerns/hazards/near misses and other incidents through a mobile/web-based Incident reporting system. All incident/accidents were promptly and transparently reported. The lessons learnt from the near-miss and incidents were shared with all employees and contractors to ensure similar incident were prevented.

ATGL ensures that its assets performed reliably and safely throughout various stages of their life cycle. This was achieved through risk-based inspections, surveillance and monitoring of the network 24x7 and compliance with respect to PNGRB IMS and T4S regulations. The Integrity Management System (IMS) was in place for all geographical areas. ATGL developed a comprehensive IMS manual in line with PNGRB regulations. Regular audit (once in 3 years) on ISM/T4S was conducted by a third party as per PNGRB and compliance was in place. Asset integrity blueprint was chalked out to ensure that ATGL assets provided business continuity without compromising safety.

ATGL participated in celebrations like National Safety Week, Road Safety Week, Environment Day, Fire Safety Week to enhance safety awareness among employees, contractors and stakeholders.

ATGL increased safety awareness of customers by organising industrial safety awareness programmes, sharing CNG safety tips, and distributing do's and don'ts for domestic safety. Special awareness drives were conducted through the social media and radio.

ATGL achieved its 'Zero fatality' target during the year.

Some highlights of 2020-21 comprised the following:

- Significant training was conducted covering 34518 person-hours for employees and stakeholders. Training in line with need identification-based subjects on critical HSE procedures was imparted.
- ATGL's governance structure comprised Business Safety Council headed by the CEO and the leadership team, driving six safety task forces for enhancing the safety system. A new task force on mechanical integrity and Quality Assurance was formed to take care of process safety requirements. Each task force framed annual key performance indicators and action plan for continual improvement.
- A comprehensive program on contractor HSE assessment and enhancement (Parivartan, a Green Cap program) was launched. Significant improvement in contractor performance was observed during third party HSE capability assessments carried out.
- Contractor safety management was implemented, addressing six steps starting from pre-qualification to post-contract evaluation. Safety Risk Field audit tool was used to check contractor safety compliance on a weekly basis.
- Actions were taken based on Vulnerability Safety Risk Study to minimise risks.
- Digitalisation initiatives were taken comprising ERMS (Emergency Response Management System), mobile app-based contractor training and engagement, vehicle tracking system for logistics safety and camera-based critical job monitoring
- Reward and recognition program was implemented as well as consequence policy for ensuring HSE accountability at each level
- Exchange of best practices and knowledge sharing sessions were conducted with TOTAL
- Third party periodic comprehensive asset integrity audit was completed for all operational assets to improve asset quality/HSE/performance
- Special campaign on Dial before Dig was rolled out to prevent third party damage to assets. Awareness programmes through radio and social media, team building initiatives with other utility companies and corporation bodies comprised few initiatives of this campaign.

- Behavior-based safety program Suraksha Samwaad provided good results to achieve a positive change in people's behavior towards safety.
- HSE SOP and technical standards were standardised for uniformity and ease of implementation across locations
- All incidents/accidents were promptly and transparently reported, investigated and lessons learnt shared through safety alerts & audio visual means.

Development plans for new geographic areas

The Company commenced project activities of developing infrastructural network in the 13 awarded GAs during the 9th bidding round and 2 GAs awarded in the 10th bidding round.

Even as the overall commitment appears ambitious, the company has responded with GA-wise breakdown and a comprehensive strategy directed at meticulous project rollout. The company responded with a multi-pronged strategy for developing a successful implementation action plan, comprising the following:

Focus in advancing market plan: Though the Minimum Work Program is spread over eight years, ground work has been carried out to create a launch pad in the initial three years, a stepping stone for creating the required infrastructure and ecosystem to meet the commitments within the time. The company's focus is to create a steel pipeline infrastructure in the first three years to cater to the technically feasible demand centres.

Focus on Demand Center: Following the ground work to create the launch pad, ATGL will deepen its penetration of the domestic, commercial, industrial and CNG markets. Simultaneously pockets for domestic connection, potential industrial/commercial connections will be identified to enable GA gasification. To meet this, the MDPE network was created in these identified pockets for realising and monetising piped gas consumers across all segments, extending beyond the MWP in search of new markets.

LCNG/LPNG route: Following the 9th & 10th bidding rounds, the GA dynamics have changed from cities to cluster of multiple districts across a single state or multi states. In some of the GAs there have been instances of long-distance tap-offs availability or demand centres which are far off from the entry point of GAs in the GAs, which makes time-consuming and capex-intensive to reach the demand centres and respective charge areas. ATGL judiciously opted to create a virtual pipeline network which can be feasibly fed from the LNG terminals by setting up small LNG stations to cater to CNG and PNG needs faster and cost-effective methods, thereby overcoming the impediments in the absence of connectivity.

CNG rollout: For early CNG rollout, ATGL carried out agreements with the respective OMCs for setting up COLO CNG stations along with the floating of EOIs for setting up a dealer station network across all the

GAs. The network supply capacity was strengthened by setting up mother stations at appropriate CGS location/ LCNG Locations and commission daughter booster stations, expected to advance CNG stations operations till the time taken for reaching of the pipeline network.

Early monetisation: Whereas MWP has its own significance, it will be catalysed by financial acumen. The strategy will focus on early monetisation, establishing market eco-system and optimising cost operations. The project roll out and related activities will be strategised to attain positive financials as early as possible from the commencement of CGS and downstream operations, while progressively shifting focus to RoCE and RoE over eight years. The early monetisation strategy will focus on encashing monetary gains from the existing market and eco system and generate early revenues.

Manpower hiring: Key to this ambitious MWP roll out strategy will be timely manpower requirement. ATGL is better placed in this regard; the Company has experienced and loyal manpower from the CGD background since the company went into this business around 15 years ago. To address new resource requirements, an HR strategy was drawn out for meeting requirements across various functions depending on GA-wise needs. ATGL was able to place experienced hands and leverage its strength at new GAs, which helped in the roll out of the project in all GAs conducting pre-project activities with a timely kick-start of activities.

Regional structures: ATGL carved out all the Geographical Areas in three regions with a combination of GA clusters headed by experienced senior executives from a City Gas Distribution background. The region-based structure helped concentrate efforts, accelerate decision making and spread project risks, resulting in smooth project execution.

Corporate strengthening: From a project execution viewpoint, three key functions were identified for effecting MWP achievement at the corporate level that comprised techno-commercial, project management office and Center of Excellence (Technical), resulting in timely project implementation.

Automation and technology

As a part of ATGL 2.0, the company commenced its digital journey with Project Adani Delight. The project aimed at the digitisation of processes across ATGL functions. The digitalisation comprised the following:

SCADA: The Company enhanced its SCADA system across all City Gate Stations, CNG stations, DRS and Cathodic Protection Transformer Rectifier units. As a management strategy ATGL will operate on all new GAs on SCADA from its inception. For this, ATGL has already initiated strengthening of the SCADA architecture & development of AG&NC (Adani Gas Nerve Centre), which will act as the central command & monitoring centre for all the 19 GAs.

GIS: The pipeline network laid was mapped in Geographic Information System, helping monitor and maintain the pipeline network. Data enhancement activities such as completeness of network mapping, land base updation, incorporating addresses of buildings, accuracy enhancements based on surveys etc. were undertaken continuously. User specific functions such as hyperlinking drawings/documents to features, layers visibility control, functionality to indicate on-going third-party activities and outage manager were introduced in the GIS. The GIS continued to provide useful information of the pipeline network for regular monitoring, repair and maintenance as well as emergency handling.

AMR system for I&C customers: To strengthen the safety of operations and provide improved services to customers in an efficient manner, AGL implemented Automated Meter Reading (AMR) system for all industrial and commercial customers.

My Adani Gas: ATGL launched a mobile application named My Adani Gas. A digital ecosystem/ platform which helps in collaborating with partners and stakeholders such as customers, vendors, contractors and employees. This facilitates PNG domestic customers to upload gas meter readings, identify meter readers, download forms like registration and name change forms, and for CNG customers to locate nearby CNG filling stations. It will provide the platform to collaborate with vendors, acquire new vendors, enable vendors/ contractors for service orders and track progress on service orders and manage their performance.

Emergency Response Management System (ERMS): To manage emergencies like gas escape, leak or fire, effectively and reduce the response time with clear information of all such incidents, ATGL implemented an app called ATGL – ERMS. This app can be used by any internal and external bodies including employees, partners and the public.

Touchless Revenue Management: The company introduced Touchless Revenue Management (TRM) to enhance capabilities in traditional revenue management. As a part of this initiative, the company implemented eNACH (automatic clearing) of payment against invoice generation and digitally signed invoices on Whatsapp. This is a part of the company's Go-Green Go-Digital initiative.

ATGL is on a journey to become a Smart and Digital Utility company. ATGL aims to automate processes and operations, enhancing operational efficiency. The company's Nerve Centre comprises a Central Digital Command Centre for better monitoring, operational control and quick decision-making.

Human resource management

Adani Total Gas Limited is a fast-growing organisation that has become the largest CGD company in India in terms of geographic areas. In the face of this rapid

growth, the company has invested in a high performing culture by recognising and rewarding exemplary performers. At ATGL, we ensure that development and progress are sustainable and all-encompassing for people and the environment in line with the company's philosophy of courage, trust and commitment.

The company promotes inclusiveness, ownership, pride and respect in employees to increase their motivation and engagement. The entire workforce of Adani Total Gas exhibits a One Team spirit and works collectively to address organisational goals.

The company developed best-in-class practices and embraced an effective operating model that helped build competencies in organisation development, performance effectiveness, talent management, learning, development and talent acquisition.

Talent acquisition: The company's talent acquisition strategy is aligned with organisational goals and focused on a competent workforce environment, responsibility, entrepreneurial attitude and collaborative capability.

Learning culture: ATGL invests in rigorous planning and investment in developing technical and behavioural / managerial skills of employees. Using various platforms, including e-learning, the learning culture has been amplified across all employees.

Talent management: The company defines individual and organisational goals and areas of responsibility based on which the performance is evaluated. The entire process is defined, robust and transparent, ensuring fairness. The process starts with a goal setting exercise at the start of the financial year and ends with year-end appraisal.

Risks and concerns

Regulatory regime: The City Gas distribution business is governed by the regulatory regime established by the Petroleum and Natural Gas Regulatory Board (PNGRB). PNGRB has framed various regulations relating to the technical, safety, commercial and business aspects, which the Company needs to abide by at all times. Non-compliance with the regulatory stipulations can have ramifications on the day-to-day business, including continuance of authorisations / operations of the CGD entity. The regulatory regime keeps evolving based on market dynamics and changes in regulations, whenever effected, can have an adverse impact on the Company.

An example of such change was the open access regime under which the CGD entity will have to provide access to its network capacity to third parties desirous of gas marketing in its Geographic Area.

Non-availability of natural gas: Our natural gas supply requirements for CNG and Domestic are met by the allocation of domestic natural gas from the MoPNG at a price determined in accordance with the New Domestic Natural Gas Pricing Guidelines 2014 (Pricing Guidelines). Any increase in the cost price of natural gas or any reduction in allocation amount of domestic

natural gas can have an adverse effect on our business, results and cash flows.

Foreign currency risk: The prices of domestic natural gas and the RLNG we purchase are denominated in United States dollars, while the selling price is in Indian Rupees. In the event that we are unable to pass on the cost of any devaluation of the Indian Rupee to our customers on a timely basis, or at all, our business, results of operations and cash flows could be adversely affected.

Competition from alternative fuels: The Company's customers have an alternative to move towards other fuels with a cost advantage. If such a scenario were to arise it would impact the Company's business. CNG constitutes around 45% of the total sales volume of the Company and is competitive compared to alternative fuels like petrol and diesel. The large scale adoption of electric vehicles or hydrogen are examples of innovative and alternative fuels that could impact our business.

Safety risk: The CGD network and system are designed in line with the T4S (Technical Standards and specifications including Safety Standards) regulations laid down by PNGRB. All the existing networks of ATGL are compliant with T4S regulations and have been certified so by the independent consultants empanelled with PNGRB. All the networks are also compliant with the Emergency Response and Disaster Management Plan regulations of PNGRB.

Robust integrated management systems, risk assessment, work permit system and periodic audits will ensure that adequate controls are in place to minimise risk in construction and operations phase to As Low As Reasonably Practicable (ALARP)

Internal control systems

The Company has strong internal control procedures commensurate with size and operations.

There is a well-established Internal Audit system established through Internal Auditor that consists of professionally qualified accountants, engineers and SAP experienced executives which carries out extensive audit throughout the year, across all functional areas and submits its reports to Management and Audit Committee about the compliance with internal controls and efficiency and effectiveness of operations and key processes risks.

Some key features of the Company's internal controls system comprise:

- Adequate documentation of policies and guidelines.
- Preparation and monitoring of annual budgets for all operating and service functions.
- Internal audit scope with the frequency of audit being decided each year for proper coverage for various areas / functions. The audit plan is formally reviewed

and approved by Audit Committee of the Board.

- The Company has a strong compliance management system.
- The Company has a well-defined delegation of power with authority limits for approving revenue and capex expenditure, which is reviewed and suitably amended on an annual basis
- The Company uses ERP system (SAP) to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information.
- Apart from having all policies, procedures and internal audit mechanism in place, Company periodically engages outside experts to carry out an independent review of the effectiveness of various business processes.
- Internal Audit is carried out in accordance with auditing standards to review design effectiveness of internal control system & procedures to manage risks, operation of monitoring control, compliance with relevant policies & procedure and recommend improvement in processes and procedure.

The Audit Committee of the Board of Directors regularly reviews execution of Audit Plan, the adequacy & effectiveness of internal audit systems, and monitors implementation of internal audit recommendations including those relating to strengthening of company's risk management policies & systems.

The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations, and the protection of the Company's assets. This is to timely identify and manage the Company's risks (operational, compliance-related, economic and financial).

Cautionary statement

Statements on the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations and others may constitute "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ from those expressed or implied. Several factors that could significantly impact the Company's operations include economic conditions affecting demand, supply and price conditions in the domestic and overseas markets, changes in the Government regulations, tax laws and other statutes, climatic conditions and such incidental factors over which the Company does not have any direct control.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Annexure to the Directors' Report

Corporate Governance Report

1. Company's philosophy on corporate governance

Corporate Governance is about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders. The Company is equipped with a robust framework of corporate governance that considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness, equity, transparency, accountability and commitment to values. The framework lays down procedures and mechanisms for enhancing leadership for smooth administration and productive collaboration among employees, value chain, community, investors and the Government.

Courage, Trust and Commitment are the main tenants of our Corporate Governance Philosophy -

- Courage:** We shall embrace new ideas and businesses.
- Trust:** We shall believe in our employees and other stakeholders.
- Commitment:** We shall stand by our promises and adhere to high standard of business.

The Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavor to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth.

The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable.

2. Board of Directors

The "Board", being the trustee of the Company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board provides strategic guidance and independent views to the Company's

senior management while discharging its fiduciary responsibilities.

Composition of the Board

The Company has a balanced board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance. As on 31st March, 2021 board comprises 8 (Eight) Directors out of which 4 (Four) Directors are Non-Executive, Non-Independent and remaining 4 (Four) are Independent Directors. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations as amended from time to time. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned under regulation 16(1)(b) of the SEBI Listing Regulations as amended from time to time and Section 149 of the Companies Act, 2013. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 (seven) Listed Companies. Further, none of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on 31st March, 2021.

The composition of the Board is in conformity with the Regulation 17 of the SEBI Listing Regulations.

The composition of the Board of Directors and the number of Directorships and Committee positions held by them as on 31st March, 2021 are as under:

Name and Designation (DIN) of Director	Category	No. of other Directorships held ¹ (Other than ATGL)	No. of Board Committees ² (other than ATGL) in which Chairman / Member	
			Chairman	Member
Mr. Gautam S. Adani Chairman (DIN: 00006273)	Promoter Non-Executive	5	-	-
Mr. Pranav Adani Director (DIN: 00008457)	Promoter Non-Executive	8	-	2
Mr. Alexis Thelemaque Director (DIN: 00165062)	Non-Executive & Non-Independent	-	-	-
Mr. Jose-Ignacio Sanz Saiz⁴ Director (DIN: 08705604)	Non-Executive & Non-Independent	2	-	1
Mr. Maheswar Sahu Director (DIN: 00034051)	Non-Executive (Independent)	7	-	2
Mr. Naresh Kumar Nayyar Director (DIN: 00045395)	Non-Executive (Independent)	-	-	-
Mrs. Chandra Iyengar Director (DIN: 02821294)	Non-Executive (Independent)	2	-	3
Ms. Gauri Trivedi⁴ Director (DIN: 06502788)	Non-Executive (Independent)	5	1	2

Notes:

1. The Directorships held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Limited Companies, which are not the subsidiaries of Public Limited Companies.
2. Represents Membership / Chairmanship of two Committees viz. Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of the SEBI Listing Regulations.
3. As on 31st March, 2021, none of the Directors of the Company were related to each other.
4. Appointed as an Additional Directors of the Company w.e.f. 5th August, 2020.

Details of name of other listed entities where Directors of the Company are Directors and the category of Directorship as on 31st March, 2021 are as under:

Name of Director	Name of other Listed entities in which the concerned Director is a Director	Category of Directorship
Mr. Gautam S. Adani	Adani Enterprises Limited Adani Ports and Special Economic Zone Ltd. Adani Transmission Ltd. Adani Power Ltd. Adani Green Energy Ltd.	Promoter & Executive Promoter & Executive Promoter & Executive Promoter & Non-Executive Promoter & Non-Executive
Mr. Pranav V. Adani	Adani Enterprises Limited	Promoter & Executive
Mr. Alexis Thelemaque	-	-
Mr. Jose-Ignacio Sanz Saiz	Adani Green Energy Limited	Nominee Director
Mr. Maheswar Sahu	Maruti Suzuki India Limited	Non-Executive & Independent
Mr. Naresh Kumar Nayyar	-	-
Mrs. Chandra Iyengar	Arihant Superstructure Limited	Non-Executive & Independent
Ms. Gauri Trivedi	Adani Power Limited Denis Chem Lab Limited The Sandesh Limited	Non-Executive & Independent Non-Executive & Independent Non-Executive & Independent

Board Meetings and Procedure

The internal guidelines for Board / Committee meetings facilitate the decision making process at the meetings of the Board/Committees in an informed and efficient manner.

Board Meetings are governed by structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with the Senior Management prepares the detailed agenda for the meetings.

Agenda papers and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information are being circulated along with Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. In order to transact some urgent business, which may come up after circulation agenda papers, the same is placed before the Board by way of Table Agenda or Chairman's Agenda. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

Minimum 4 (four) pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are also passed by way of circulation.

Detailed presentations are made at the Board / Committee meetings covering Finance, major business

segments and operations of the Company, global business environment, all business areas of the Company including business opportunities, business strategy and the risk management practices before taking on record the quarterly / half yearly / annual financial results of the Company.

The required information as enumerated in Part A of Schedule II to SEBI Listing Regulations is made available to the Board of Directors for discussions and consideration at every Board Meetings. The Board periodically reviews compliance reports of all laws applicable to the Company as required under Regulation 17(3) of the SEBI Listing Regulations.

The important decisions taken at the Board / Committee meetings are communicated to departments concerned promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board / Committee for noting by the Board / Committee.

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted, all the Board/ Committee meetings in 2020-21 were held through Video Conferencing.

5 (Five) Board Meetings were held during the financial year 2020-21. The Company has held at least one Board meeting in every quarter and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings. Leave of absence was granted to the concerned directors who could not attend the respective board meeting on request. The dates on which the Board Meetings were held during 2020-21 are as follows:

8th May, 2020, 5th August, 2020, 3rd November, 2020, 14th December, 2020 and 3rd February, 2021.

The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting are as under:

Name of Director(s)	Number of Board Meetings held and attended during 2020-21		Attended Last AGM
	Held during the tenure	Attended	
Mr. Gautam S. Adani	5	3	Yes
Mr. Pranav Adani	5	5	Yes
Mr. Alexis Thelemaque	5	5	No
Mr. Jose-Ignacio Sanz Saiz ¹	4	4	N.A.
Mr. Maheswar Sahu	5	5	Yes
Mr. Naresh Kumar Nayyar	5	4	No
Mrs. Chandra Iyengar	5	5	Yes
Ms. Gauri Trivedi ¹	4	4	N.A.

¹ Appointed as Additional Directors of the Company w.e.f. 5th August, 2020.

During the year, the Board of Directors accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors. Hence, the Company is in compliance of condition of clause 10 (j) of schedule V of the SEBI Listing Regulations.

During the year under review, the Board of Directors of the Company has adopted / amended / approved changes in Policy on Board Diversity and Code of internal procedures and conduct for regulating, monitoring and reporting of Trading by Insiders to Comply with the recent amendments in the Companies Act, 2013 and SEBI Listing Regulations. Accordingly, the updated policies are uploaded on website of the Company at <https://www.adanigas.com>

Skills / expertise competencies of the Board of Directors:

The following is the list of core skills / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members :

Business Leadership	Leadership experience including in areas of business development, strategic planning, succession planning, driving change and long-term growth and guiding the Company and its senior management towards its vision and values.
Financial Expertise	Knowledge and skills in accounting, finance, treasury management, tax and financial management of large corporations with understanding of capital allocation, funding and financial reporting processes
Risk Management	Ability to understand and assess the key risks to the organisation, legal compliances and ensure that appropriate policies and procedures are in place to effectively manage risk.
Global Experience	Global mindset and staying updated on global market opportunities, competition experience in driving business success around the world with an understanding of diverse business environments, economic conditions and regulatory frameworks.
Merger & Acquisition	Ability to assess 'build or buy' & timing of decisions, analyze the fit of a target with the company's strategy and evaluate operational integration plans.
Corporate Governance & ESG	Experience in implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the company and protecting stakeholders interest.
Technology & Innovations	Experience or knowledge of emerging areas of technology such as digital, artificial intelligence, cyber security, data centre, data security etc.

In the table below, the specific areas of focus or expertise of individual board members have been highlighted.

Name of Director	Areas of Skills/ Expertise						
	Business Leadership	Financial Expertise	Risk Management	Global Experience	Corporate Governance & ESG	Merger & Acquisition	Technology & Innovation
Mr. Gautam S. Adani	✓	✓	✓	✓	✓	✓	✓
Mr. Pranav V Adani	✓	✓	✓	✓	✓	✓	✓
Mr. Alexis Thelemaque	✓	✓	✓	✓	✓	-	✓
Mr. Jose-Ignacio Sanz Saiz	✓	✓	✓	✓	✓	✓	✓
Mr. Maheswar Sahu	✓	✓	✓	✓	✓	-	✓
Mr. Naresh Kumar Nayyar	✓	✓	✓	✓	✓	✓	✓
Mrs. Chandra Iyengar	✓	-	✓	-	✓	-	-
Ms. Gauri Trivedi	✓	✓	✓	-	✓	-	-

Note - Each Director may possess varied combinations of skills/ expertise within the described set of parameters and it is not necessary that all Directors possess all skills/ expertise listed therein.

Directors' Induction and Familiarisation

All new Independent Directors are taken through a detailed induction and familiarisation program when they join the Board of your Company. The induction program is an exhaustive one that covers the history and culture of the Adani Group, background of the Company and its growth, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions. Key aspects that are covered in these sessions include:

- Industry / market trends
- Company's performance
- Growth Strategy

Confirmation as regards independence of Independent Directors

In the opinion of the Board, both the existing Independent Directors and those who are proposed to be re-appointed at the Annual General Meeting, fulfil the conditions specified in the SEBI Listing Regulations and are independent of the Management.

Notes on Directors appointment / re-appointment

Brief resume(s) of the Directors proposed to be appointed / re-appointed are given in the Explanatory Statement annexed to the Notice convening the Annual General Meeting.

3. Committees of the Board

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles under which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review. As on date, the Board has established the following Committees:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders' Relationship Committee
- D. Corporate Social Responsibility Committee
- E. Risk Management Committee
- F. Securities Transfer Committee

A. Audit Committee

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

Terms of Reference:

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under SEBI Listing Regulations as amended from time to time and Section 177 of the Companies Act, 2013. The brief terms of reference of Audit Committee are as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the

company;

3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by the management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions
 - g) Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
22. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower

including existing loans / advances / investments.

Review of Information by Audit Committee:

1. The Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management.
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
6. Statement of deviations :
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s).
 - b) annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice.

Meetings, Attendance & Composition of the Audit Committee

During the financial year 2020-21, Five meetings of the Audit Committee were held on 8th May, 2020, 5th August, 2020, 3rd November, 2020, 14th December, 2020 and 3rd February, 2021.

The details of the Audit Committee meetings attended by its members during the 2020-21 are given below:

Sr. No	Name	Designation(s)	Category	Number of meetings held during 2020-21	
				Held during the tenure	Attended
1	Mr. Maheswar Sahu	Chairman	Non-Executive & Independent	5	5
2	Mr. Naresh Kumar Nayyar	Member	Non-Executive & Independent	5	4
3	Mrs. Chandra Iyengar	Member	Non-Executive & Independent	5	5
4.	Ms. Gauri Trivedi ¹	Member	Non-Executive & Independent	2	2

1. Appointed as Members of the Audit Committee w.e.f. 3rd November, 2020.

The Audit Committee of the Company comprises of all Independent Directors which enables a complete independent review of financial reporting process and internal control mechanism by the Committee in more transparent way to further strengthen the confidence of all stakeholders especially the minority shareholders.

All members of the Audit Committee have accounting and financial management knowledge and expertise / exposure. The Audit Committee meeting is attended by the Internal Auditors, Statutory Auditors, Chief Financial Officer and Head of Accounts.

The Board of Directors review the Minutes of the Audit Committee Meetings at its subsequent Board Meetings.

Mr. Gunjan Taunk, Company Secretary and Compliance Officer act as a Secretary of the Committee.

The Chairman of the Audit Committee attended the last Annual General Meeting (AGM) held on 26th June, 2020 to answer the shareholders' queries.

B. Nomination and Remuneration Committee

The constitution and terms of reference of Nomination and Remuneration Committee of the Company are in

compliance with provisions of Companies Act, 2013 and the SEBI Listing Regulations.

Terms of reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board of directors;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
5. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The details of the Nomination & Remuneration Committee meetings attended by its members during the 2020-21 are given below:

Sr. No	Name	Designation(s)	Category	Number of meetings held during 2020-21	
				Held during the tenure	Attended
1.	Mr. Maheswar Sahu	Chairman	Non-Executive & Independent	1	1
2.	Mr. Naresh Kumar Nayyar	Member	Non-Executive & Independent	1	1
3.	Mrs. Chandra Iyengar	Member	Non-Executive & Independent	1	1
4.	Mr. Pranav V. Adani	Member	Non-Executive Promoter	1	1
5.	Mr. Alexis Thelemaque ¹	Member	Non-Executive & Non-Independent	1	1
6.	Mr. Jose-Ignacio Sanz Saiz ²	Member	Non-Executive & Non-Independent	NA	NA

1. Ceased as a Member of the Nomination Remuneration Committee w.e.f. 3rd November, 2020.

2. Appointed as a Members of the Nomination Remuneration Committee w.e.f. 3rd November, 2020.

The Quorum of the Committee is of two members.

The Board of Directors review the Minutes of the Nomination & Remuneration Committee Meetings at its subsequent Board Meetings.

Mr. Gunjan Taunk, Company Secretary and Compliance Officer act as a Secretary of the Committee.

The Chairman of the Nomination & Remuneration Committee attended the last Annual General Meeting (AGM) held on 26th June, 2020 to answer the shareholders' queries.

Remuneration Policy

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavors to attract,

6. To recommend / review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
7. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
8. To perform such other functions as may be necessary or appropriate for the performance of its duties.
9. To recommend to the board, all remuneration, in whatever form, payable to senior management.

Meeting, Attendance & Composition of the Nomination & Remuneration Committee

During 2020-21, One meeting of the Nomination & Remuneration Committee was held on 5th August, 2020.

The details of the Nomination & Remuneration Committee meeting attended by its members during the 2020-21 are given below:-

6th August, 2019 approved, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act for a period of 5 years commencing 22nd October, 2018. In addition to commission, Non-Executive Directors are paid ₹ 50,000/- as sitting fees for attending meeting of Board of Directors & Audit Committee and ₹ 25,000/- for attending meeting of Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee and other Committee & actual reimbursement of expenses incurred for attending each meeting of the Board and Committee.

The details of sitting fees and commission paid to Non-Executive and Independent Directors for the Financial Year 2020-21 are as under:

Name of the Directors	Sitting Fees paid during 2020-21		Commission	Total
	Board Meeting	Committee Meeting		
Mr. Maheswar Sahu	2.50	4.75	20.00	27.25
Mr. Naresh Kumar Nayyar	2.00	3.75	20.00	25.75
Mrs. Chandra Iyengar	2.50	3.75	20.00	26.25
Ms. Gauri Trivedi ¹	2.00	1.75	13.10	16.85

1. None of the Non-Executive & Independent Directors are holding any shares of the Company.

During the period under review, no remuneration was paid to Mr. Gautam S. Adani, Mr. Pranav V. Adani, Mr. Alexis Thelemaque and Mr. Jose-Ignacio Sanz Saiz as Directors of the Company.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

ii) Remuneration to Executive Directors.

The remuneration of the Executive Directors is duly approved by the Board of Directors based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organisations and is decided by the Board of Directors.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Executive Directors within the

The Company has also taken a Directors' & Officers' Liability Insurance Policy.

The Executive and Promoter Group Directors are not being paid sitting fees for attending meetings of the Board of Directors and its committees. Other than sitting fees and commission paid to Non-Executive Directors, there were no pecuniary relationships or transactions by the Company with any of the Non-Executive and Independent Directors of the Company. The Company has not granted stock options to Non-Executive and Independent Directors.

limits prescribed under the Companies Act, 2013 and approved by the shareholders.

However, Company does not have any Managing Director/Whole-time Director on its Board. Accordingly, payment of remuneration doesn't arise.

There is no separate provision for payment of severance fees under the resolutions governing the appointment of Executive Chairman, Managing Director and Executive Director.

The Company has not granted stock options to the Managing / Executive Directors or Employees of the Company.

None of the Executive Directors, so long as they function as such shall not be entitled to any sitting fees for attending any meetings of Board or Committees thereof.

Mr. Gautam S. Adani / Mr. Rajesh S. Adani (on behalf of S.B. Adani Family Trust) and Mr. Gautam S. Adani / Mrs. Priti G. Adani (on behalf of Gautam S. Adani Family Trust) hold 40,22,94,988 and 88,36,750 Equity Shares of the Company respectively. Mr. Gautam S. Adani hold 1 Equity Share of the Company.

Except above, none of Directors of the Company holds equity shares of the Company in their individual capacity. The Company does not have any Employees' Stock Option Scheme and there is no separate provision for payment of Severance Fees.

C. Stakeholders' Relationship Committee

The constitution and terms of reference of Stakeholders' Relationship Committee of the Company are in compliance with provisions of Companies Act, 2013 and SEBI Listing Regulations.

Terms of Reference:

- To look into various aspects of interest of shareholders, debenture holders and other security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Reviewing the measures taken for effective exercise of voting rights by shareholders.
- Reviewing of adherence to the service standards adopted in respect of various services being

The details of the Stakeholders' Relationship Committee meetings attended by its members during 2020-21 are given below:

Sr. No	Name	Designation(s)	Category	Number of meetings held during 2020-21	
				Held during the tenure	Attended
1.	Mr. Maheswar Sahu	Chairman	Non-Executive & Independent	4	4
2.	Mr. Naresh Kumar Nayyar	Member	Non-Executive & Independent	4	4
3.	Mr. Pranav V. Adani	Member	Non-Executive Promoter	4	4
4.	Mr. Alexis Thelemaque ¹	Member	Non-Executive & Non-Independent	3	2
5.	Mr. Jose-Ignacio Sanz Saiz ²	Member	Non-Executive & Non-Independent	1	1

1. Ceased as a Member of the Stakeholders' Relationship Committee w.e.f. 3rd November, 2020.

2. Appointed as a Member of the Stakeholders' Relationship Committee w.e.f. 3rd November, 2020.

The Company Secretary is the Compliance Officer of the Company as per requirements of the SEBI Listing Regulations.

The Minutes of the Shareholders' Relationship Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

The Chairman of the Shareholders' Relationship Committee attended the last Annual General Meeting (AGM) held on 26th June, 2020 to answer the shareholders' queries.

Redressal of Investor Grievances

The Company and its Registrar and Share Transfer Agent addresses all complaints, suggestions and grievances expeditiously and replies are sent usually within 7-10 days except in case of dispute over facts or other legal impediments and procedural issues. The Company endeavors to implement suggestions as and when received from the investors.

During the year under review, only 04 investors' complaints were received. There was no unattended or pending investor grievance as on 31st March, 2021.

rendered by the Registrar & Share Transfer Agent.

- Reviewing the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

Composition, Meetings and Attendance of Stakeholders' Relationship Committee

During the financial year 2020-21, four meetings of the Stakeholders' Relationship Committee were held on 8th May, 2020, 5th August, 2020, 3rd November, 2020 and 3rd February, 2021.

Composition, Meetings and Attendance of CSR Committee

During the year under review, two CSR Committee Meetings were held on 8th May, 2020 and 3rd February, 2021. The details of the CSR Committee meetings attended by its members during 2020-21 are given below:

Sr. No	Name	Designation(s)	Category	Number of meetings held during 2020-21	
				Held during the tenure	Attended
1.	Mr. Maheswar Sahu	Chairman	Non-Executive & Independent	2	2
2.	Mrs. Chandra Iyengar	Member	Non-Executive & Independent	2	2
3.	Mr. Pranav V. Adani	Member	Non-Executive Promoter	2	2
4.	Mr. Alexis Thelemaque ¹	Member	Non-Executive & Non-Independent	1	1
5.	Mr. Jose-Ignacio Sanz Saiz ²	Member	Non-Executive & Non-Independent	1	1

1. Ceased as a Member of the CSR Committee w.e.f. 3rd November, 2020.

2. Appointed as a Member of the CSR Committee w.e.f. 3rd November, 2020.

Quorum of the Committee is of two members.

The Board of Directors review the Minutes of the CSR Committee Meetings at subsequent Board Meetings.

Mr. Gunjan Taunk, Company Secretary and Compliance Officer act as a Secretary of the Committee.

The Chairman of the CSR Committee attended the last Annual General Meeting (AGM) held on 26th June, 2020 to answer the shareholders' queries.

CSR Policy

The CSR Policy of the Company is available on its website at <https://www.adanigas.com/investors/corporate-governance>

E. Risk Management Committee:

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of the SEBI Listing Regulations.

The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimisation procedures and the Board shall be

responsible for framing, implementing and monitoring the risk management plan of the Company.

Terms of reference:

- To review the Company's risk governance structure, risk assessment and minimisation procedures and the guidelines, strategies and policies for risk mitigation on short term as well as long term basis.
- To monitor and review the risk management plan of the Company.
- To review the current and expected risk exposures of the organisation, to ensure the same are identified, qualitatively and quantitatively evaluated, analyzed and appropriately managed;
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.
- To review cyber security function of the Company.

Composition, Meetings and Attendance of Risk Management Committee

During the year under review, one Risk Management Committee Meeting was held on 3rd February, 2021.

The details of the Risk Management Committee meeting attended by its members during 2020-21 are given below:

Sr. No	Name	Designation(s)	Category	Number of meetings held during 2020-21	
				Held during the tenure	Attended
1.	Mr. Pranav V. Adani	Chairman	Non-Executive Promoter	1	1
2.	Mr. Maheswar Sahu ¹	Member	Non-Executive & Independent	NA	NA
3.	Mr. Suresh P. Manglani	Member	Executive & Non-Independent	1	1
4.	Mr. Alexis Thelemaque ¹	Member	Non-Executive & Non-Independent	NA	NA

Sr. No	Name	Designation(s)	Category	Number of meetings held during 2020-21	
				Held during the tenure	Attended
5	Mr. Jose-Ignacio Sanz Saiz ²	Member	Non-Executive & Non-Independent	1	1
6	Ms. Gauri Trivedi ²	Member	Non-Executive & Independent	1	1

1. Ceased as Members of the Risk Management Committee w.e.f. 3rd November, 2020.

2. Appointed as Members of the Risk Management Committee w.e.f. 3rd November, 2020.

The Company has a risk management framework to identify, monitor and minimise risks.

The Quorum of the Committee is of two members.

Mr. Gunjan Taunk, Company Secretary and Compliance Officer act as a Secretary of the Committee.

The Chairman of the Risk Management Committee attended the last Annual General Meeting (AGM) held on 26th June, 2020 to answer the shareholders' queries.

F. Securities Transfer Committee

In order to provide efficient and timely services to investors, the Board of Directors has delegated the power of approving transfer/transmission of Company's Securities, issue of duplicate share / debenture certificates, split up / sub-division, and consolidation of shares, issue of new certificates on re-materialisation, sub-division and other related formalities to the Securities Transfer Committee.

No requests for transfers of any Securities are pending as on 31st March, 2021 except those that are disputed and / or sub-judiced.

Whistle Blower Policy:

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism

for employees and directors to report concerns about unethical behaviour. No person has been denied access to the chairman of the audit committee. The said policy is uploaded on the website of the Company at <http://www.adanigas.com>. During the year under review, there were no cases of whistle blower.

Investor Services

M/s. Link Intime India Private Limited are acting as Registrar & Share Transfer Agent of the Company. They have adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster services to the investors.

a) Name, Designation and Address of the Compliance Officer:

Mr. Gunjan Taunk,

Company Secretary and Compliance Officer

Adani Total Gas Limited

"Adani Corporate House",

Shantigram, Near Vaishno Devi Circle,

S G Highway, Khodiyar, Ahmedabad – 382 421

Gujarat, India,

Tel No.(079) 25555 555, 26565 555,

Fax No. (079) 26565 500, 25555 500.

E-mail ID: investor.agl@adani.com

4. General Body Meetings

A) Annual General Meetings

Location, day, date and time of Annual General Meetings (AGMs) and Special Resolutions passed thereat:

Financial Year	Day & Date	Location of Venue / Mode	Time	No. of Special resolutions passed
2017-18	Monday, 6 th August, 2018	Adani House, Near Mithakhali Six Road, Navrangpura, Ahmedabad - 380009	10:30 a.m.	1
2018-19	Tuesday, 6 th August, 2019	H. T. Parekh Hall, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015	11:30 a.m.	2
2019-20	Friday, 26 th June, 2020	through Video Conferencing / Other Audio Visual Means	11:30 a.m.	1

B) Whether special resolutions were put through postal ballot last year, details of voting pattern:

During the year under review, three Special Resolutions were passed through Postal Ballot Process as per following details:-

(I) Special resolution to approve adoption of amended and restated Articles of Association of the Company passed on 10th April, 2020.

The details of the voting pattern in respect of Special Resolution passed under Section 14 of the Companies

Act, 2013, to approve adoption of amended and restated Articles of Association of the Company, are as under:-

Category	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares [3]=[2]/[1]*100	No. of Votes – in favour [4]	No. of Votes –Against [5]	% of Votes in favour on votes polled [6]=[4]/[2]*100	% of Votes against on votes polled [7]=[5]/[2]*100
Promoter and Promoter Group	822664076	822664076	100.00	822664076	0.00	100.00	0.00
Public Institutions	227258498	212278701	93.41	201698845	10579856	95.02	4.98
Public Non Institutions	49887509	258039	0.52	255563	2476	99.04	0.96
Total	1099810083	1035200816	94.13	1024618484	10582332	98.98	1.02

(II) Special resolution to approve Change of Name and consequent alteration in the Memorandum and Articles of Association of the Company passed on 25th December, 2020.

The details of the voting pattern in respect of Special Resolution passed under Section 13 of the Companies Act, 2013, to approve Change of Name and consequent alteration in the Memorandum and Articles of Association of the Company, are as under:-

Category	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares [3]=[2]/[1]*100	No. of Votes – in favour [4]	No. of Votes –Against [5]	% of Votes in favour on votes polled [6]=[4]/[2]*100	% of Votes against on votes polled [7]=[5]/[2]*100
Promoter and Promoter Group	822664076	822664076	100.00	822664076	0.00	100.00	0.00
Public Institutions	227591641	210822384	92.63	210822384	0.00	100.00	0.00
Public Non Institutions	49554366	141831	0.29	137019	4812	96.61	3.39
Total	1099810083	1033628291	93.98	1033623479	4812	100.00	0.00

(III) Special resolution to alter Main Object Clause of Memorandum of Association of the Company passed on 25th December, 2020.

The details of the voting pattern in respect of Special Resolution passed under Section 13 of the Companies Act, 2013, to alter Main Object Clause of Memorandum of Association of the Company, are as under:-

Category	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares [3]=[2]/[1]*100	No. of Votes – in favour [4]	No. of Votes –Against [5]	% of Votes in favour on votes polled [6]=[4]/[2]*100	% of Votes against on votes polled [7]=[5]/[2]*100
Promoter and Promoter Group	822664076	822664076	100.00	822664076	0.00	100.00	0.00
Public Institutions	227591641	210822384	92.63	210822384	0.00	100.00	0.00
Public Non Institutions	49554366	141806	0.29	137261	4545	96.79	3.21
Total	1099810083	1033628266	93.98	1033623721	4545	100.00	0.00

D. Financial Calendar for 2021-22: (tentative schedule, subject to change)

Period	Approval of Quarterly results
Quarter ending 30 th June, 2021 :	1 st week of August, 2021
Quarter and half year ending 30 th September, 2021	4 th week of October, 2021
Quarter ending 31 st December, 2021	1 st week of February, 2022
The year ending 31 st March, 2022.	1 st week of May, 2022

E. Record Date

The Company has fixed Friday, 25th June, 2021 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended 31st March, 2021, if approved at the AGM.

F. Dividend Payment Date

Final dividend of ₹ 0.25 per share (25%) will be paid on or after Tuesday, 13th July, 2021, if approved by the members in the ensuing Annual General Meeting.

G. Dividend Distribution Policy

As per Regulation 43A of the SEBI Listing Regulations, the top 500 listed companies shall formulate a dividend distribution policy. Accordingly, the policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The Dividend

Distribution Policy of the Company is available on the website of the Company at <https://www.adanigas.com>.

H. Listing on Stock Exchanges:

(a) The Equity Shares of the Company are listed with the following stock exchanges

BSE Limited (BSE)
P. J. Towers, Dalal Street, Fort, Mumbai - 400 001

(Stock Code: 542066)

National Stock Exchange of India Limited (NSE)
"Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

(Stock Code: ATGL)

(b) Depositories:

1. National Securities Depository Limited (NSDL)
Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
2. Central Depository Services (India) Limited (CDSL)
A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013.

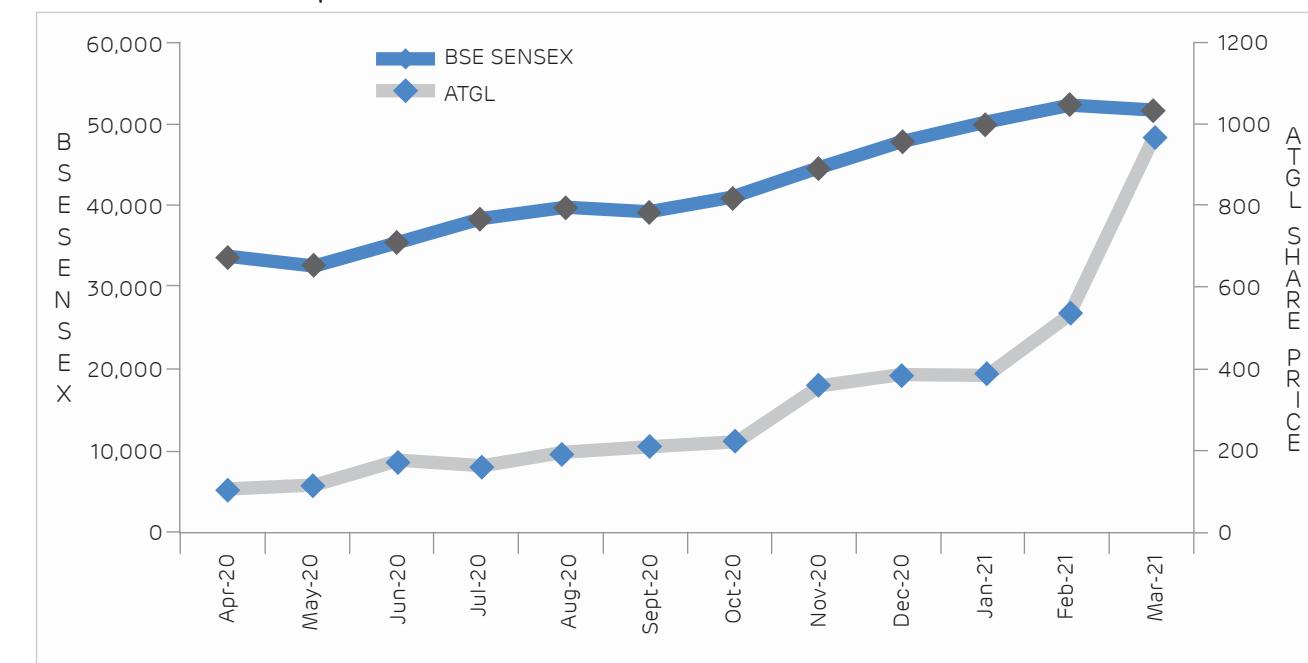
The Shares of the Company are traded compulsorily in Demat Segments. The ISIN allotted to the Company's Equity Shares under the depository system is INE399L01023.

Annual Listing fee has been paid to the BSE & NSE and Annual Custody / Issuer fee for the year 2020-21 will be paid by the Company to NSDL & CDSL on receipt of the invoices.

I. Market Price Data: High, Low during each month in Financial Year 2020-21.**Monthly share price movement during the year 2020-21 at BSE & NSE:**

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of shares)	High (₹)	Low (₹)	Volume (No. of shares)
April, 2020	110.00	85.95	3256479	109.90	85.00	40668502
May, 2020	121.20	96.80	4257859	121.40	96.60	52181042
June, 2020	176.60	116.65	7837149	176.65	116.70	92379877
July, 2020	166.95	142.95	3234284	167.10	143.10	33462106
August, 2020	196.50	152.35	4915316	196.50	151.50	53254866
September, 2020	214.85	168.55	4587140	215.00	168.25	67707179
October, 2020	224.00	180.20	2450204	224.00	180.25	33148960
November, 2020	366.15	212.10	8730939	365.75	212.00	121502975
December, 2020	390.00	315.00	4207216	389.65	315.00	67384297
January, 2021	389.40	340.80	1318914	389.40	341.00	23510282
February, 2021	543.15	374.50	3503500	542.80	376.20	42807268
March, 2021	970.90	517.00	5043006	971.35	516.50	58841365

[Source: This information is compiled from the data available from the websites of BSE and NSE]

J. Performance in comparison to broad-based indices such as BSE Sensex.**K. Registrar and Transfer Agents:**

M/s. Link Intime India Private Limited are appointed as Registrar and Transfer (R&T) Agents of the Company for both Physical and Demat Shares. The address is given below:

M/s. Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai 400 083 Tel No.: +91 22 4918 6270
Contact Person: Mr. Jayprakash VP

Shareholders are requested to correspond directly with the R & T Agent for transfer / transmission of shares, change of address, queries pertaining to their shares, dividend etc.

L. Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. 1st April, 2019, except in case of request received for transmission or transposition of securities.

Further, SEBI has fixed 31st March, 2021 as the cutoff date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Board has delegated the authority for approving transfer, transmission etc to the Securities Transfer Committee.

The Company obtained following certificate(s) from a Practising Company Secretary and submitted the same to the stock exchanges within stipulated time:

1. Certificate confirming due compliance of share transfer formalities by the Company pursuant to Regulation 40(9) of the SEBI Listing Regulations for half year ended 30th September, 2020 and 31st March, 2021 respectively with the Stock Exchanges; and
2. Certificate regarding reconciliation of the share capital audit of the Company on quarterly basis.

All share transfer and other communication regarding share certificates, change of address, dividend etc. should be addressed to R & T Agent of the Company at the address given above.

M. Dematerialisation of Shares and Liquidity:

The Equity Shares of the Company are tradable in compulsory dematerialised segment of the Stock Exchanges and are available in depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The demat security (ISIN) code for the Equity Share is INE399L01023.

As on 31st March, 2021, 109,95,56,535 (constituting 99.98%) were in dematerialised form.

The Company's Equity Shares are frequently traded on the BSE Limited and National Stock Exchange of India Limited.

N. The Distribution of Shareholding as on 31st March, 2021 is as follows:

Number of shares Category	Number of shareholders	Equity Shares held in each category	
		Holders	% of Total
1 to 500	155976	93.99	10873805
501 to 1000	4928	2.97	3874810
1001 to 2000	2370	1.43	3553405
2001 to 3000	821	0.49	2090905
3001 to 4000	438	0.26	1569914
4001 to 5000	311	0.19	1453619
5001 to 10000	577	0.35	4187359
Above 10000	529	0.32	1072206266
TOTAL	165950	100.00	1099810083
			100.00

O. Shareholding Pattern as on 31st March, 2021 is as follows:

Category	No. of Shares held	(%) of total
Promoters and Promoter Group	822663480	74.80
Foreign Portfolio Investors / Institutional Investors / Alternative Investment Fund	210343270	19.12
Mutual Funds/ FIs/ Banks / Insurance Companies	23649435	2.16
N.R.I/ Foreign National/ Foreign Bodies	1203290	0.11
Private Bodies Corporate / NBFC	2876960	0.26
Indian Public and others	37750502	3.43
Clearing Members (Shares in Transit)	1278622	0.12
IEPF Authority	44524	0.00
Total	1099810083	100.00

P. Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity.

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as at 31st March, 2021.

Q. Commodity Price Risk/Foreign Exchange Risk and Hedging:

In the ordinary course of business, the Company is exposed to risks resulting from exchange rate fluctuation and interest rate movements. The Company's risk management activities are subject to the guidance and direction of Management of the Company from time to time, under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Company's Treasury Team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

R. Plant Locations: Not Applicable**S. Address for correspondence:**

The shareholders may address their communications / suggestions / grievances /queries to:

1. Mr. Gunjan Taunk
Company Secretary and Compliance Officer
Adani Total Gas Limited
"Adani Corporate House",
Shantigram, Near Vaishno Devi Circle,
S G Highway, Khodiyar, Ahmedabad 382 421
Tel No. (079) 25555 555, 26565 555.
Fax No. (079) 26565 500, 25555 500.
Email id: investor.agl@adani.com
2. M/s. Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai 400 083 Tel No.: +91 22 4918 6270
Mr. Jayprakash VP
E-mail Id: rnt.helpdesk@linkintime.co.in

T. Credit Rating:

Rating Agency	Facility	Rating/Outlook
ICRA Limited	Long Term Loan	ICRA AA- (Stable)
	Short Term Loan	ICRA A1+

Non-mandatory Requirements:

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

1. Shareholders Right:

The quarterly, half-yearly and annual financial results of your Company are published in newspapers and posted on Company's website www.adanigas.com. The same are also available on the sites of stock

exchanges where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com.

2. Modified opinion(s) audit report:

The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.

3. Separate posts of Chairperson and CEO:

Mr. Gautam S. Adani is the Chairman and Mr. Suresh P. Manglani is Chief Executive Officer of the Company.

4. Reporting of Internal Auditor:

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2021 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2021 which are fraudulent, illegal or violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, efficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that we have indicated to the auditors and the Audit Committee:
 - a) There have been no significant changes in internal control system during the year;
 - b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) There have been no instances of significant fraud of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

Date: 04/05/2021

Place: Ahmedabad

Suresh P Manglani

Chief Executive Officer

Parag Parikh

Chief Financial Officer

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Adani Total Gas Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Adani Total Gas Limited (formerly known as Adani Gas Limited) having CIN L40100GJ2005PLC046553 and having registered office at "Adani Corporate House", Shantigram, Near Vaishno Devi Circle, S G Highway, Khodiyar, Ahmedabad 382421. (herein after referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Gautam S. Adani	00006273	22/10/2018
2.	Mr. Pranav V. Adani	00008457	08/08/2009
3.	Mr. Alexis Thelemaque	08563003	14/01/2020
4.	Mr. Jose-Ignacio Sanz Saiz	08705604	05/08/2020
5.	Mr. Maheswar Sahu	00034051	22/10/2018
6.	Mr. Naresh Kumar Nayyar	00045395	22/10/2018
7.	Mrs. Chandra Iyenger	02821294	22/10/2018
8.	Ms. Gauri Trivedi	06502788	05/08/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 04/05/2021
Place : Ahmedabad

For, Chirag Shah & Associates
Chirag Shah
Partner
FCS No.: 5545
CP No.: 3498
UDIN: F005545C000223862

Compliance Certificate on Corporate Governance

To
The Members of
Adani Total Gas Limited

We have examined the compliance of condition of Corporate Governance by Adani Total Gas Limited (Formerly known as Adani Gas Limited) ("the Company") for the year ended 31st March, 2021 as stipulated in applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, pursuant to the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Chirag Shah & Associates
Chirag Shah
Partner
FCS No.: 5545
CP No.: 3498
UDIN: F005545C000223864

Annexure to the Directors' Report

Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN):

L40100GJ2005PLC046553

2. Name of the Company:

Adani Total Gas Limited
3. Registered Address: "Adani Corporate House", Shantigram, Near Vaishno Devi Circle, S G Highway, Khodiyar, Ahmedabad - 382421, Gujarat, India

4. Website:

www.adanigas.com

5. Email id:

investor.agl@adani.com

6. Financial Year reported:

01.04.2020 to 31.03.2021

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Group	Class	Sub-class	Description
352	3520	35201	Manufacture of gas
352	3520	35201	Distribution of gaseous fuels through mains

As per National Industrial Classification – Ministry of Statistics and Program Implementations.

8. List three key products that the Company manufactures/provides (as in balance sheet):

Supply and Distribution of Natural Gas

9. Total number of locations where business activity is undertaken by the Company:

The total number of locations is as follows:

- Number of international locations: Nil
- Number of national locations: 43 Locations

10. Markets served by the Company:

State and National.

Section B: Financial Details of the Company

1. Paid up capital (₹):

₹ 110.03 Crores

2. Total turnover (₹):

₹ 1,784.47 Crores

3. Total Profit After Taxes (₹):

₹ 471.95 Crores

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:

The Company carries out its CSR activities in the area of education of under privileged students and children belonging to vulnerable and marginalised family. As of now, the Company is expanding to a large number of GAs spread across India. Company is assessing requirement of various CSR based activities in these GAs. Presently Company is arriving out its CSR activities through Adani

Foundation. (Adani Group dedicated entity to focus on CSR and community upliftment initiative). During 2020-21, the Company has contributed ₹ 5.00 Crores to the Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund (PM Cares Fund) for fighting distress situations of COVID-19 and ₹ 2.82 Crores to Adani Foundation towards CSR activities which is 2% of Average Net Profit after Tax of last three Financial Year.

5. List of activities in which expenditure in 4 above has been incurred:

The major CSR activities are in the Sectors of Education, Environment and towards PM Cares Fund.

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

No

2. Do the subsidiary Company / companies participate in the BR initiatives of the parent Company?

Not Applicable.

3. Do any other entity / entities that the Company does business with participate in the BR initiatives of the Company?

No other entity / entities participate in the BR Initiatives of the Company.

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N):

Sr. No	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customers' Relationship
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (The policies are based on the NVG-guidelines in addition to conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000)									
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?									
8	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

All the policies are compliant with respective principles of NVG Guidelines.

<https://www.adanigas.com/investors/corporate-governance>

The policies have been communicated to key internal stakeholders. The communication is an ongoing process to cover all internal & external shareholders.

<https://www.adanigas.com/investors/corporate-governance>

<https://www.adanigas.com/investors/corporate-governance>

NOT APPLICABLE

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options).

SN	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principle									
2	The Company is not at stage where it finds itself in a position to formulate and implement the policies on specified principle									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next six month									
5	It is planned to be done within next one year									
6	Any other reason (please specify)									

3. Governance related to BR:

(i) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The Chief Executive Officer and Board of Directors periodically assess the BR performance of the Company.

(ii) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This report comprises the Company's 3rd Business Responsibility Report as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVG). The Company currently does not publish a separate Sustainability Report.

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company has adopted Code of Conduct for its Directors and Senior Management personnel and in addition to this the Company has adopted Anti-Corruption Compliance Policies, Code of Conduct for Employees and Fraud Prevention Policy. Additionally, this Policies on Code of Conduct for Employees applies to all employees across Adani Total Gas Limited. Further, policies on Anti-Corruption Compliance is extended to Joint Ventures Company, Suppliers and Contractors.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No stakeholder complaints pertaining to the above Codes were received in the past financial year.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Supply and Distribution of Natural Gas to domestic, commercial, industrial and Compressed Natural Gas (CNG) to automotive (vehicles) consumers.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

I. Reduction during sourcing / production / distribution achieved since the previous year through the value chain:

The Primary Business of the Company is supplying and distribution of Natural Gas to its customers through pipeline and CNG Stations that is environment friendly, reliable, safe, and convenient. Gas for CNG and domestic PNG segment is allocated by MOPNG at a price determined by the Government of India for meeting the entire requirement of transportation and PNG domestic sector. The requirement of gas for Commercial and Industrial sector is met through various RLNG (Market Price determined) sources and through domestic gas fields. The Company make continuous efforts to reduce system gas loss. It is also imperative to note that the use of the Company's products by its customers ensures lowering of the carbon footprint, since natural gas is a more

environment friendly fuel than all the other fuels it replaces in all its customer segments.

II. Reduction during usage by consumers (energy, water) achieved since the previous year?

The Company is making continuous efforts to increase the use of Natural Gas. Company always encourages the community to use PNG and CNG over conventional energy resources which generate high emissions. The increase use of Natural Gas reduces the carbon dioxide content in the area. It is evident from the fact that presently, the share of gas in the country's energy mix is just over 6% and Government of India has embarked upon an ambitious target of taking this share to 15% mark by 2025, while the world average is 24%. As mentioned before, natural gas is a more environment friendly fuel than all the fuels it replaces in all its customer segments. Natural gas replaces several polluting fuels and resources like coal, petcoke, wood, rice husk, LPG, petrol, diesel, etc. thereby reducing carbon footprint and contributing towards sustainability

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

There is sustainable source of meeting gas requirements for various segments of the Company. The government has given priority in allocation of gas for transportation and residential households. The Company has firm supply of gas for transportation and residential households from the Government of India to meet its entire customer requirement. The weightage of Natural Gas for CNG constitutes ~50% of the total sales volume of the Company. The Company is sourcing gas both through term contracts (to ensure continuity of supply to its valued customers), on spot basis (to take advantage of short-term variations) and through domestic gas fields for meeting the requirement of commercial and industrial customers based on their requirement from time to time. A substantial portion of the raw material sourced by the Company is transported through the installed pipelines, which are clean and a sustainable mode of transportation. The Company also ensures an early availability of CNG to customers through mobile cascades, in geographical areas where pipeline connectivity is not yet established. The company is working towards replacing liquid fuel based vehicles used for transportation of cascade and personnel movement to CNG fuel.

4. Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

Besides sourcing of gas, the Company procures various materials and services for its day to day operations for which we engage with local suppliers.

The Company's procurement approach is based on tendering mechanism which ensures equal opportunity to all the participants including local communities and small producers. The bids received by the Company from various parties are evaluated based on various techno commercial parameters and job is awarded to the successful bidder. The Company has detailed contract programme manual and contracts are made as per rules, criteria and principles laid down in the manual which includes appropriate clauses and checks to prevent the employment of child labor or forced labour in any form. Our whistle blower policy/vigil policy provides enough mechanism to voice concerns and issues of our suppliers. We also organise various interactive sessions with suppliers, vendors and customers for their feedback and to offer better services

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Nature of the product of Company is such that it can't be recycled.

Principle 3: Business should promote the wellbeing of all employees

1. Please indicate total number of employees:

The Company has a total of 425 employees as of 31st March 2021.

2. Please indicate total number of employees hired on temporary/contractual/casual basis:

The Company has a total 92 employees hired on contractual basis as of 31st March 2021.

3. Please indicate the number of permanent women employees:

The Company has 10 women employees as of 31st March 2021. The Company is working on enhancing its gender diversity ratio in future while ensuring merit-based recruitment.

4. Please indicate the number of permanent employees with disabilities:

The Company has no employee with disabilities as of 31st March 2021. The Company does not discriminate basis the disabilities at the time of recruitment and would be looking to provide suitable opportunity to the persons with disabilities and to contribute towards their well-being.

5. Do you have an employee association that is recognised by the Management?

The Company does not have an employee association.

6. What Percentage of permanent employees who are members of this recognised employee association?

Not applicable.

7. Please indicate the number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and those pending as on the end of the financial year.

There were no complaints of this nature during the financial year.

8. What Percentage of under mentioned employees were given safety and skill up-gradation training in the last year?

"Employee Learning & Development is crucial for organisational success and this is an integral part of whole organisation wide Human Resources Strategy. The organisation has clearly defined Training & Development Policy – which cut across the organisational Vision and Values. The entire employees irrespective of their grade and status have been provided with opportunity to hone their skills & competencies.

A special attention was given to conduct a well-structured Assessment & Development Centres across all categories of employees and through which a detailed Individual Development Plans (IDPs) were prepared. With this outcome the employees were trained reinforcing – Job related Skills; Competencies and desired behavioural improvement etc.

Safety:

Company is having well-structured training program for different stakeholders based on Training need identification. Safety induction training is imparted to all employees & contractors. Safety, Technical & Operation Competency (STOC) training is given to all contractor employees. During 2020-21, Company imparted 34518 man-hours of training to its people & stakeholders.

Skill upgradation:

In the current year the organisation has done a total of 310 courses which involves 10241 Training Hours and 1280 man-days at various grades and level of employees in the organisation.

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the Company mapped its internal and external stakeholders?

Yes, the Company's key stakeholders include employees, suppliers, customers, business partners, regulatory agencies and local communities around its sites of operations.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and the marginalised sections within the local communities around its sites of operations.

3. Special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders:

For over two decades now, the Adani Foundation, through which the Company is carrying out its CSR Activities, has contributed to the holistic development of underprivileged communities. It has been able to envelop people, planet and prosperity in the formulation and execution of its programs. Today, the Foundation reaches out to 3.67 Million people annually in 2,410 villages across 18 states in India by facilitating quality education, enabling the youth with income-generating skills, supporting sustainable and alternative livelihood opportunities from agriculture & animal husbandry, promoting a healthy society and supporting infrastructure development.

In March 2020, the outbreak of coronavirus marked the beginning of an unprecedented time in modern history. As India took decisive steps to contain, test and treat COVID-19 in a proactive manner, the Adani Foundation aligned its foot soldiers to the need of the hour. As the situation continues to evolve, its CSR activities are pivoting their everyday processes, building response mechanisms as well as helping to build back a more resilient and inclusive society. Adani Total Gas Limited has contributed ₹ 7.82 crores towards CSR initiatives in 2020-21, which has been used for implementing the following.

Our Interventions

● Education:

Adani Foundation's resolve to make quality education available and affordable to as many children as possible has taken the form of several cost-free schools as well as subsidised schools across India. As social distancing norms became the new reality, technology driven solutions came to the rescue to facilitate learning before in-person learning became safe again.

Adani Vidya Mandir, Ahmedabad

The Adani Vidya Mandir, Ahmedabad (AVMA) is the first of the Adani Vidya Mandirs and also the first private school in the city to be accredited by NABET under the Quality Council of India (QCI). It provides cost-free quality education along with uniform, books and stationery to meritorious but economically disadvantaged students. Handpicked staff and their continual training ensures the holistic development of the students.

During the pandemic, the AVMA teachers and students readily came out of their comfort zones and grew accustomed to virtual classrooms. Apart from teaching regular subjects, the teachers conducted online prayers, demonstrated experiments, organised celebration of festivals, and periodically assessed every child to giving them confidence, motivation and support. With an average weekly

attendance of 90%, a total of 1122 students of AVMA continued to learn virtually.

● Varanasi Bioconversion Project

Bio-mass sources like agricultural residue, cattle dung, sugarcane press mud, municipal solid waste (segregated organic waste) and sewage treatment plant waste can be used to produce biogas through anaerobic decomposition. The compressed biogas (CBG) can be utilised as a green renewable automotive fuel.

The use of CGB can help bring down dependency on crude oil imports and contribute to the Prime Minister's Swachh Bharat Mission. With this in mind, the Adani Group is sponsoring and funding one such project through its CSR arm Adani Foundation. The project entails development and commissioning of a CBG plant adjoining an existing facility at Shahanshahpur village, Varanasi, which will spur the manufacturing of organic manure and fertiliser in solid and liquid form. It will help enhance farmers' income and rural employment by providing additional jobs for biogas plant operation and maintenance.

The construction has been progressing well on site. In the long run, a biogas plant removes the need for women to forage for fuel for cooking, help in hunger alleviation when the biogas digestate improves crop yields through better soil-quality and reduces the need for crop irrigation – thereby contributing to an overall sustainable development as well as environment protection by reducing the Co2 emissions.

● Covid19 Relief

Adani Foundation acted promptly to contribute to the battle against the coronavirus pandemic in India. Apart from anchoring immediate and comprehensive relief work, the Foundation along with Adani Group has donated an upwards of ₹ 114 crores to central and state governments for PM CARES Fund, the Gujarat CM Relief Fund and Andhra Pradesh CM Relief Fund among others which include ₹ 5 Crores contribution of Adani Total Gas Limited. This monetary aid also includes employee contributions and donations made to NGOs engaged in COVID relief work. The Adani Foundation donated 10,000 PPE kits to the Government of India to safeguard healthcare providers. Together, these contributions helped limit the spread of the coronavirus and mitigate its adverse impacts in the communities which the Foundation serves.

Principle 5: Business should respect and promote human rights

1. Does the Company's policy on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

The Company follows The Human Rights Policy as extended by Adani Group. This policy applies to all direct employee/consultant/associates/trainees etc.

The Company's commitment to follow the basic principles of human rights is embedded in "Code of Conduct" adopted by the Company. The Company adheres to all applicable labor laws and other statutory requirements in order to uphold the human rights within its organisational boundary.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

No stakeholder complaints were received during the last financial year.

Principle 6: Business should respect, protect, and make effort to restore the environment

1. Does the policy pertaining to this Principle cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

Environment policy of the Company does not extend to any other entities.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.

Yes, the Company is committed to addressing the global environmental issues such as climate change and global warming through energy conservation, efficient natural resource utilisation and adoption of cleaner energy sources such as solar power.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company regularly identifies and assesses environmental risk during all stages of its existing and planned projects.

4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so provide details thereof, in about 50 words or so. Also, If Yes, whether any environmental compliance report is filed?

Not Applicable

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc?

Company takes every effort possible to reduce the impact of its operations on the environment. Some of our key initiatives taken in this regard are:

- Application of Digital technology to reduce paperwaste generation.
- Utilisation of energy efficient lighting.
- Continuous efforts are put to maintain the electrical power factor at CNG stations at desired level to achieve efficient use of electric energy.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the emissions / waste generated are within the permissible limits given by CPCB/SPCB.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending

There are no show cause / legal notices received from CPCB/SPCB which are pending as of end of financial year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers of association? If Yes, name only those major ones that your business deals with.

Yes, the Company is a member of the following key associations:

- Natural Gas Society
- Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Confederation of Indian Industry (CII)
- Indian Biogas Association
- Association of CGD Entities

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (Governance and Administration, Economic Reform, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):

Yes, through its membership in the above body, the Company has attended all its meeting and valuable suggestions wherever required.

Principle 8: Business should support inclusive growth and equitable development

1. Does the Company have specified programme / initiatives/ projects in pursuit of the policy related to principle 8? If yes details thereof.

The Company has been pursuing and promoting the societal mission of equitable development and inclusive growth through Adani Foundation, the CSR and sustainability arm of the Adani Group of Companies. Adani Foundation, since its formation in year 1996, has been working in numerous strategic human development areas, benefitting the most deserving members of the society.

Adani Foundation works with a bottom-up approach with the community with an inclusive agenda. Adani Foundation has always endeavoured to work in with the focus on sustainability, transparency and replicability.

Adani Foundation has been working across 2410 villages in 18 states of India, creating meaningful impact in the lives of 3.67 Million individuals a year. Its core areas of focus have been on Education, Community Health, Sustainable Livelihoods Development and Community Infrastructure Development.

2. Are the programmes /projects undertaken through in-house team own foundation /external NGO/ Govt. structure /any other organisation?

Adani Foundation is the CSR, sustainability and community outreach arm of Adani Group. Established in 1996, Adani Foundation aligns its mission with the group philosophy of Growth with Goodness. Adani Foundation is committed to the cause of the deprived and underprivileged with a multi-faceted approach of development.

Adani Foundation has proper operational and functional structures in place. At various strategic project locations across India, the organisation has got both human resource and operational infrastructure for efficient functioning.

In addition, Adani Foundation has partnerships and collaborations with organisations of relevant expertise that include government departments & institutions, non-government think-tanks & agencies, community-based knowledge, among others.

3. Have you done any impact assessment of your initiative?

Yes, impact assessments of the on-going CSR initiatives; and need & outcome assessments at grassroots level through participatory rural appraisals are conducted at regular intervals to evaluate and continually improve efficiency in programme implementation and outcomes

4. What is the Company's direct monetary contribution to community development projects and details of projects undertaken?

The Company's monetary contribution to community development projects in financial year 2020-21 was ₹ 7.82 Crores. The focus areas of the Company's

community development projects are outlined in response to Question 3 of Principal 4 under Section E.

5. Have you taken steps to ensure that community development initiative is successfully adopted by the community? Please explain in 50 words.

Community members are included in the process of need assessment, inception, execution and utilisation of services related to any development initiative. In addition, efforts are made to involve relevant government agencies and suitable non-government organisations. These inclusive approach help make our initiatives become more sustainable and being adopted by the community.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.

1. What Percentage of customer complaints / consumer cases are pending as on the end of financial year 2020-21?

The Company follows Customer Centric approach and makes all its efforts to attend the complaints in a time bound manner. Out of Total customer complaints, 2.19 % of Customer Complaints and 3 consumer case pending as on end of financial year 2020-21.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The Company does not deal in any Physical Product, Hence this is not applicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as of end of 2020-21?

There are no such pending cases against the Company in a court of law.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

The Company has carried out a formal consumer survey. The overall satisfaction score for ATGL is 80, which reflects "Excellent" satisfaction. The overall satisfaction scores for all segments ranges from 71 to 85. Commercial segment has the highest derived satisfaction.

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of Adani Total Gas Limited
(formerly known as Adani Gas Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Adani Total Gas Limited (formerly known as Adani Gas Limited) ("the Company"), which comprise the balance sheet as at 31st March 2021, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Sr. No. Key Audit Matter

1. Non-responses of external confirmations request perpetrated pursuant to SA 505

COVID-19 has impacted the procedure of external confirmation request. Postal methods have been scrapped in this day and age. We had sent positive external confirmation requests through electronic modes. However, due to suspension of business activities of many confirming parties and non-availability of their responsive staff, there are fewer confirmations received than anticipated. In such events, in accordance with SA, auditors have to revise the assessed risk of material misstatement at the assertion level, and modify the planned audit procedures. SA also directs the auditors to perform alternative audit procedures.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Auditor's Response

Principal Audit Procedures

We revised our assessed risk and have modified our audit procedures to mitigate these risks. We have obtained a reliable assurance pertaining to transactions with confirming parties, in the sense for accurate and complete processing of routine and significant classes of transactions such as revenue, purchases and cash receipts or cash purchases.

We selected samples and tested the effectiveness of controls relating to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions.

We performed alternative audit procedures like follow-up confirmation requests, verification of subsequent payments and receipts to verify part of the balances appearing in the original confirmation requests.

Sr. No.	Key Audit Matter	Auditor's Response
2	Appropriateness of Classification under Contingent Liability	<p>Principal Audit Procedures</p> <p>We have obtained complete details of property tax demands and litigations pending as on 31st March, 2021 from management. An interim relief order obtained by the company from High Court has enabled the company to reclassify its erstwhile provided amount to contingent liability (not provided for).</p> <p>We have assessed the position of previous litigations filed by the company in similar matters for previous years. We assessed company's conclusions through discussions held with their in-house legal counsel and understanding precedents in similar cases. We communicated with the company's legal counsel on the relevant litigation to establish the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations.</p> <p>We also assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.</p>

Information other than the Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the

accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone

financial statements made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) the Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) on the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- g) with respect to the other matters to be included in the Auditor's Report in accordance

with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements;
- ii. the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

3. With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

For SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm's Registration No. 118707W/W100724

Shubham Rohatgi
Partner
Place: Ahmedabad
Date :4th May 2021
Membership No. 183083
UDIN: 21183083AAAACF9436

Annexure – A to the Independent Auditor's Report

RE: Adani Total Gas Limited (formerly known as Adani Gas Limited)

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification
- (c) The title deeds of immovable properties, as disclosed in Note 3 on Property, Plant and Equipment, to the financial statements, are held in the name of the company, except for leasehold lands and construction thereon.

(ii) The inventory, other than stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has granted loans, unsecured, to parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the year-end

(iv) In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly the provisions of Clause 3 (v) of the Order are not applicable.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the company's products/ services to which the said rules are made applicable and are of the opinion that prima facie the prescribed cost records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, sales tax / value added tax, goods and services tax, excise duty, duty of customs, entry tax, cess and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of applicable statutory dues as referred to above were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no material dues of provident fund, employees' state insurance and wealth tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of service tax, income tax, excise duty, sales tax / value added tax and Municipal Corporation Tax have not been deposited by the Company on account of disputes.

Name of Statute	Nature of the dues	Forum where dispute is pending	Amount (*) (in Crores)	Amount paid under protest (₹ in Crores)	Period to which the amount relates
Central Excise Act, 1944	Excise Duty	Assessing Authority	13.47	0.22	2006-07 to 2015-16
		High Court	6.32	3.16	2006-07 & 2007-08
Finance Act, 1994	Service Tax	Assessing Authority	1.21	Nil	2008-09 to 2013-14
		Appellate Tribunal	1.47	0.47	2005-06
Sales Tax Act	Sales Tax / VAT	Appellate Authority up to Commissioner's Level	0.10	0.00#	2008-09 to 2012-13
		Appellate Tribunal	6.75	Nil	2009-10
Municipal Corporation	Property Tax	Supreme Court	36.27	36.27	2010-11 to 2020-21
		High Court	11.69	Nil	2012-13 to 2020-21
Income Tax Act, 1961	Income Tax	Assessing Authority	0.30	0.25	2008-09 & 2012-13
		Appellate Authority up to Commissioner's Level	1.36	Nil	2016-17 to 2018-19
		Appellate Tribunal	1.02	0.10	2014-15 & 2015-16

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

(#) Figures below ₹50,000

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it has not defaulted in repayment of loans or borrowings from Banks and Financial Institutions. The Company has not taken any loan from government and has not issued any debentures.
- (ix) Based upon the audit procedures performed, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and as per the information and explanations given by the management, the Funds raised through term loans have been applied for the purpose they were raised.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clause 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are

in compliance with section 177 and 188 of Companies Act 2013 and all the details of such related party transactions have been disclosed in Standalone Financial Statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any fully or partly convertible debenture during the year under review. Accordingly the provisions of Clause 3(xiv) of the Order are not applicable.

(xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clause 3(xv) of the Order are not applicable.

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3(xvi) of the Order are not applicable.

For SHAH DHANDHARIA & CO LLP

Chartered Accountants

Firm's Registration No. 118707W/W100724

Shubham Rohatgi

Partner

Membership No. 183083

Place: Ahmedabad
Date : 4th May 2021

UDIN: 21183083AAAACF9436

Annexure – B to the Independent Auditor's Report

RE: Adani Total Gas Limited (formerly known as Adani Gas Limited)

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

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

Opinion

We have audited the internal financial controls over financial reporting of Adani Total Gas Limited (formerly known as Adani Gas Limited) ("the Company") as of 31st March, 2021 in conjunction with our audit of the Financial Statements of the company for the year ended on that date.

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

Management's Responsibilities for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing,

issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For SHAH DHANDHARIA & CO LLP

Chartered Accountants

Firm's Registration No. 118707W/W100724

Shubham Rohatgi

Partner

Membership No. 183083

UDIN: 21183083AAAACF9436

Place: Ahmedabad

Date :4th May 2021

Balance Sheet as at 31st March, 2021

Particulars	Notes	(₹ in Crores)	
		As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	1,263.74	1,098.19
(b) Right of Use Assets	3	79.90	66.83
(c) Capital Work-In-Progress	4	696.48	342.06
(d) Goodwill		25.49	25.49
(e) Other Intangible Assets	3	10.17	7.50
(f) Financial Assets			
(i) Investment	5	435.94	291.00
(ii) Other Financial Assets	6	395.82	27.19
(g) Income Tax Assets (net)	7	11.05	15.82
(h) Other Non - Current Assets	8	80.35	53.61
Total Non - Current Assets		2,998.94	1,927.69
Current Assets			
(a) Inventories	9	52.01	41.30
(b) Financial Assets			
(i) Trade Receivables	10	103.68	61.17
(ii) Cash and Cash Equivalents	11	10.23	88.62
(iii) Bank balances other than (ii) above	12	0.64	0.85
(iv) Loans	13	0.20	311.48
(v) Other Financial Assets	14	30.92	25.39
(c) Other Current Assets	15	25.63	29.26
Total Current Assets		223.31	558.07
Total Assets		3,222.25	2,485.76
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	109.98	109.98
(b) Other Equity	17	1,842.44	1,370.34
Total Equity		1,952.42	1,480.32
LIABILITIES			
Non - Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	307.93	297.55
(ii) Lease Liabilities	19	37.47	21.20
(iii) Other Financial Liabilities	20	1.12	1.18
(b) Provisions	21	4.58	4.15
(c) Deferred Tax Liabilities (Net)	22	110.49	90.27
Total Non - Current Liabilities		461.59	414.35
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	122.76	57.26
(ii) Lease Liabilities	24	3.37	4.05
(iii) Trade Payables	25		
i. Total outstanding dues of micro and small enterprises		5.88	2.76
ii. Total outstanding dues of creditors other than micro and small enterprises		109.64	79.85
(iv) Other Financial Liabilities	26	541.93	432.33
(b) Other Current Liabilities	27	18.20	9.75
(c) Provisions	28	6.46	5.09
Total Current Liabilities		808.24	591.09
Total Liabilities		1,269.83	1,005.44
Total Equity and Liabilities		3,222.25	2,485.76

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

As per our attached report of even date

For and on behalf of the Board
ADANI TOTAL GAS LIMITEDFor SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm Registration Number : 118707W/W100724SHUBHAM ROHATGI
Partner
Membership No. 183083
Place : AhmedabadDate : 4th May, 2021GAUTAM S. ADANI
Chairman
DIN 00006273
Place : AhmedabadSURESH P MANGANI
Chief Executive Officer
Place : MumbaiGUNJAN TAUNK
Company Secretary
Place : Ahmedabad
Date : 4th May, 2021JOSÉ-IGNACIO SANZ SAIZ
Director
DIN 08705604
Place : ParisPARAG PARIKH
Chief Financial Officer
Place : AhmedabadStatement of Profit and Loss for the year ended 31st March, 2021

Particulars	Notes	(₹ in Crores)	
		For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
INCOME			
Revenue from Operations	29	1,784.47	1,990.90
Other Income	30	44.36	44.39
Total Income		1,828.83	2,035.29
EXPENSES			
Cost of Natural Gas and Traded Items	31	770.70	1,059.63
Changes In Inventories	32	(1.08)	0.34
Excise Duty on Sale of Compressed Natural Gas		88.87	116.35
Employee Benefits Expenses	33	51.52	47.46
Finance Costs	34	40.48	41.05
Depreciation and Amortisation Expenses	3	62.52	50.70
Other Expenses	35	170.14	172.36
Total Expenses		1,183.15	1,487.89
Profit/(Loss) for the year before Exceptional Items & Tax		645.68	547.40
Less: Exceptional items	36	14.47	-
Profit/(Loss) before tax		631.21	547.40
Tax Expense:			
Current Tax		138.54	121.12
Adjustment of earlier years		0.55	1.42
Deferred Tax		20.17	(11.38)
Total Tax Expenses		159.26	111.16
Profit/(Loss) for the year		471.95	436.24
Other Comprehensive Income			
Items that will be reclassified to Profit & Loss		-	-
Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plan		0.20	(1.48)
(b) Income tax relating to these items		(0.05)	0.37
Total Other Comprehensive Income		0.15	(1.11)
Total Comprehensive Income for the year		472.10	435.13
Earnings Per Equity Share (EPS) (Face Value ₹ 1 Per Share)			
Basic and Diluted EPS (₹)	41	4.29	3.97
The accompanying notes are an integral part of the financial statements.			
As per our attached report of even date		For and on behalf of the Board	
		ADANI TOTAL GAS LIMITED	
For SHAH DHANDHARIA & CO LLP		GAUTAM S. ADANI	JOSÉ-IGNACIO SANZ SAIZ
Chartered Accountants		Chairman	Director
Firm Registration Number : 118707W/W100724		DIN 00006273	DIN 08705604
		Place : Ahmedabad	Place : Paris
SHUBHAM ROHATGI		SURESH P MANGANI	PARAG PARIKH
Partner		Chief Executive Officer	Chief Financial Officer
Membership No. 183083		Place : Mumbai	Place : Ahmedabad
Place : Ahmedabad			
GUNJAN TAUNK		Company Secretary	
Partner		Place : Ahmedabad	
Membership No. 183083			
Place : Ahmedabad			
Date : 4 th May, 2021		Date : 4 th May, 2021	

Statement of Changes in Equity

for the year ended 31st March, 2021

A. Equity Share Capital

Particulars	No. of Shares	(₹ in Crores)
Balance as at 1 st April, 2019	1,09,98,10,083	109.98
Changes in equity share capital during the year	-	-
Balance as at 31 st March, 2020	1,09,98,10,083	109.98
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2021	1,09,98,10,083	109.98

B. Other Equity

Particulars	Reserve and Surplus		Total Other Equity	(₹ in Crores)
	Capital Reserve	Retained Earnings		
Balance as at 1 st April, 2019	146.21	855.29	1,001.50	
Adjustments				
Add : Profit for the year	-	436.24	436.24	
Less: Dividends on equity shares	-	(54.99)	(54.99)	
Less: Tax on Dividend	-	(11.30)	(11.30)	
Other Comprehensive Income				
Remeasurement of defined benefit plan	-	(1.11)	(1.11)	
Balance as at 31st March, 2020	146.21	1,224.13	1,370.34	
Balance as at 1 st April 2020	146.21	1,224.13	1,370.34	
Adjustments				
Add : Profit for the year	-	471.95	471.95	
Less: Dividends on equity shares	-	-	-	
Less: Tax on Dividend	-	-	-	
Other Comprehensive Income				
Remeasurement of defined benefit plan	-	0.15	0.15	
Balance as at 31st March, 2021	146.21	1,696.23	1,842.44	

As per our attached report of even date

For SHAH DHANDHARIA & CO LLP

Chartered Accountants
Firm Registration Number : 118707W/W100724

SHUBHAM ROHATGI

Partner
Membership No. 183083
Place : Ahmedabad

Date : 4th May, 2021

For and on behalf of the Board
ADANI TOTAL GAS LIMITED

GAUTAM S. ADANI
Chairman
DIN 00006273
Place : Ahmedabad

SURESH P MANGLANI
Chief Executive Officer
Place : Mumbai

GUNJAN TAUNK
Company Secretary
Place : Ahmedabad

JOSÉ-IGNACIO SANZ SAIZ
Director
DIN 08705604
Place : Paris

PARAG PARIKH
Chief Financial Officer
Place : Ahmedabad

Statement of Cash Flow

for the year ended 31st March, 2021

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020	(₹ in Crores)
A CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax	631.21	547.40	
Adjustment for:			
Depreciation and amortisation expenses	62.52	50.70	
Finance Costs	40.48	41.05	
Interest Income	(28.48)	(31.88)	
(Gain)/Loss from Sale of Current Investments	(0.57)	(6.51)	
(Gain)/Loss on sale of Property, plant and equipment	(0.04)	(0.02)	
Allowance for Credit Losses	(0.43)	(0.40)	
Liabilities No Longer Required	(9.81)	(0.05)	
Write-off for Doubtful Debt, Loans & Advances	0.08	0.32	
Amortisation of ancillary cost of borrowing	0.32	0.32	
Exceptional Item	14.47	-	
Operating Profit before Working Capital Changes	709.75	600.93	
Adjustment for:			
(Increase)/Decrease in Trade and Other Receivables	(43.01)	13.96	
(Increase)/Decrease in Inventories	(10.71)	2.66	
(Increase)/Decrease in Other Financial Assets	(13.55)	(18.23)	
(Increase)/Decrease in Other Non Financial Assets	(3.85)	(18.55)	
Increase/(Decrease) in Trade Payables	48.24	(18.14)	
Increase/(Decrease) in Provisions	2.00	1.11	
Increase/(Decrease) in Other Financial Liabilities	100.49	62.18	
Increase/(Decrease) in Other Non Financial Liabilities	(1.54)	(0.41)	
Cash Generated From Operations	787.82	625.51	
Direct Tax (Paid)/ Refund	(134.32)	(133.11)	
Net Cash from Operating Activities	(A) 653.50	492.40	
B CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment and Intangible Assets (including Capital Work in Progress and capital advances)	(606.43)	(441.89)	
Sale / Disposal of Property, Plant & Equipment / Intangible Assets	0.09	0.35	
Investment in Deposits	(354.89)	-	
Interest received	23.88	31.74	
Purchase of Non Current Investments	(144.94)	(105.50)	
Gain on sale of Current Investments	0.57	6.51	
Loans (given to) / received back from Related Party	311.22	47.80	
Net Cash from / (used in) Investing Activities	(B) (770.50)	(460.99)	
C CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from Non - Current borrowings	75.00	-	
Repayment of Non - Current borrowings	(55.56)	(48.53)	
Repayment of Lease Liabilities	(5.52)	(3.05)	
Proceeds / (Repayment) of Current Borrowings	65.50	57.26	
Finance Cost Paid	(40.81)	(41.43)	
Dividend Paid (including dividend distribution tax)	-	(66.29)	
Net Cash from / (used in) Financing Activities	(C) 38.61	(102.04)	
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C) (78.39)	(70.63)	
Cash and cash equivalents at the beginning of the year	88.62	159.25	
Cash and cash equivalents at the end of the year	10.23	88.62	

Statement of Cash Flow

for the year ended on 31st March, 2021

Notes to Cash flow Statement :

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

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Cash and Cash Equivalents (Refer note 11)	10.23	88.62
	10.23	88.62

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

3 Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

As at 31st March, 2021

Particular	As at 1 st April, 2020	Cash Flows	Amortisation of ancillary cost of borrowing	(₹ in Crores)	
				As at 31 st March, 2021	As at 31 st March, 2021
Non - Current borrowings	297.55	10.06	0.32	307.93	
Current maturity of Non-Current borrowings	48.21	9.38	-	57.59	
Current borrowings	57.26	65.50	-	122.76	
Total	403.02	84.94	0.32	488.28	

As at 31st March, 2020

Particular	As at 1 st April, 2019	Cash Flows	Amortisation of ancillary cost of borrowing	(₹ in Crores)	
				As at 31 st March, 2020	As at 31 st March, 2020
Non - Current borrowings	345.76	(48.53)	0.32	297.55	
Current maturity of Non-Current borrowings	48.21	-	-	48.21	
Current borrowings	-	57.26	-	57.26	
Total	393.97	8.73	0.32	403.02	

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For SHAH DHANDHARIA & CO LLP

Chartered Accountants

Firm Registration Number : 118707W/W100724

SHUBHAM ROHATGI

Partner

Membership No. 183083

Place : Ahmedabad

Date : 4th May, 2021

For and on behalf of the Board
ADANI TOTAL GAS LIMITED

GAUTAM S. ADANI

Chairman

DIN 00006273

Place : Ahmedabad

SURESH P MANGLANI
Chief Executive Officer

Place : Mumbai

GUNJAN TAUNK
Company Secretary
Place : Ahmedabad

Date : 4th May, 2021

JOSÉ-IGNACIO SANZ SAIZ

Director

DIN 08705604

Place : Paris

PARAG PARIKH

Chief Financial Officer

Place : Ahmedabad

Notes to financial statements

for the year ended 31st March, 2021

1 Corporate Information

Adani Total Gas Limited ("ATGL" 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 Corporate House", Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382 421. The name of the Company has changed from Adani Gas Limited to "Adani Total Gas Limited" w.e.f. 1st January, 2021. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. ATGL 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 ₹ 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 uncertainty

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

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 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,

Notes to financial statements

for the year ended 31st March, 2021

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. These conditions include changes resulting from market and economic environment, including internal and external factors such as the Company's market capitalisation, 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.

Notes to financial statements

for the year ended 31st March, 2021

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 recognised 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 recognised on sale of gas to customers from CNG stations. Gas Transportation Income is recognised 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.

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

Notes to financial statements

for the year ended 31st March, 2021

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

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 capitalised to the assets. Other indirect expenses are capitalised 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 capitalised in the asset's carrying amount or recognised 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

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 use. Capital work in progress includes assets pending installation and not available for its intended use and capital inventory.

f Intangible Assets

Recognition and measurement

Intangible assets are recorded at the consideration paid for acquisition and are amortised 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

Notes to financial statements

for the year ended 31st March, 2021

life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation 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: (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

Notes to financial statements

for the year ended 31st March, 2021

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.

Financial Liabilities

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

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 amortised 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 (₹), 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 recognised 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 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

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for the year ended 31st March, 2021

For the purpose of presentation of defined benefit plans, the allocation between current and non-current 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 capitalisation.

i 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, 2021 as determined by Chief Operational Decision Maker, in accordance with Ind-AS 108 "Operating Segment".

m 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.

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, 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 realise 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 recognised as deferred tax liability/ asset. The deferred tax account is used solely for reversing timing difference as and when crystallised.

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

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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 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 in the 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.

t Recent Pronouncements

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1st April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Notes to financial statements

for the year ended 31st March, 2021

Balance Sheet:

- i) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current
- ii) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- iii) Specified format for disclosure of shareholding of promoters.
- iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of

details of where it has been used.

- vi) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- i) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to financial statements for the year ended 31st March, 2021

3 PROPERTY, PLANT & EQUIPMENTS, INTANGIBLE ASSETS and RIGHT OF USE ASSETS

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	Total	Land Building Computer Total				
Year Ended 31st March, 2020												(₹ in Crores)				
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	-	-	-	-	-	-	-
Transfer	-	(43.52)	-	-	-	-	-	-	(43.52)	-	-	(0.12)	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	-	-	-	-	-	-	-
Transfer	-	(1.96)	-	-	-	-	-	-	(1.96)	-	-	(0.12)	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	988.88	1,098.19	7.50	-	7.50	61.58	3.90	1.35	66.83
Year Ended 31st March, 2021												(₹ in Crores)				
Gross Carrying Value																
Opening Gross Carrying Amount	43.82	-	61.78	5.27	10.35	0.23	9.31	1,239.49	1,370.25	15.88	-	15.88	65.41	4.81	1.43	71.65
Addition during the Year	14.12	-	24.66	0.46	3.46	-	0.02	179.06	221.78	5.90	-	5.90	15.21	2.69	-	17.90
Deduction during the Year	-	-	-	-	0.30	0.04	0.72	0.10	0.16	-	-	-	-	-	-	-
Closing Gross Carrying Value	57.94	-	86.44	5.73	13.51	0.19	8.61	1,418.45	1,590.87	21.78	-	21.78	80.62	7.50	1.43	89.55
Accumulated Depreciation																
Opening 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	
Depreciation during the year	-	1.34	0.75	2.46	0.02	0.71	50.91	56.19	3.23	-	3.23	3.12	1.42	0.29	4.83	
Deduction during the Year	-	-	-	-	0.30	0.03	0.72	0.06	1.11	-	-	-	-	-	-	
Closing Accumulated Depreciation	-	6.88	4.48	7.02	0.18	7.11	301.46	327.13	11.61	-	11.61	6.95	2.33	0.37	9.65	
Net Carrying Amount	57.94	-	79.56	1.25	6.49	0.01	1.50	1,116.99	1,263.74	10.17	-	10.17	73.67	5.17	1.06	79.90

Notes:

a) For charges created on aforesaid assets, refer note 18 & 23

Notes to financial statements for the year ended 31st March, 2021

4 Capital Work-in-progress

	As at 31 st March, 2021	As at 31 st March, 2020
Capital Work in Progress	696.48	342.06
Total	696.48	342.06

Notes: Includes expenditure directly attributable to construction period of ₹106.96 Crores (31st March, 2020 : ₹61.66 Crores) and capital inventory of ₹299.38 Crores (31st March, 2020 : ₹160.58 Crores)

5 Non - Current Investments

	As at 31 st March, 2021	As at 31 st March, 2020
Unquoted Equity Shares		
In Equity Shares of Joint Venture measured at Cost (fully paid)		
43,22,50,000 Shares (P.Y. : 29,10,00,000 Shares) of ₹10 each of Indian Oil-Adani Gas Private Limited	432.25	291.00
In Equity Shares of Company measured at FVTOCI (fully paid)		
36,93,750 Shares (P.Y. : NIL) of ₹10 each of Indian Gas Exchange Limited	3.69	-
Total	435.94	291.00
Aggregate value of unquoted investments	435.94	291.00

6 Other Non - Current Financial Assets (Unsecured, considered good)

	As at 31 st March, 2021	As at 31 st March, 2020
Security Deposits	40.72	27.19
Balances held as Margin Money	315.10	-
Fixed Deposits (original maturity more than twelve months)	40.00	-
Total	395.82	27.19

Note: Balances held as Margin Money is against credit facilities.

7 Income Tax Assets (Net)

	As at 31 st March, 2021	As at 31 st March, 2020
Advance Payment of Income Tax (net of provisions)	11.05	15.82
Total	11.05	15.82

8 Other Non - Current Assets

	As at 31 st March, 2021	As at 31 st March, 2020
Capital advances	66.95	47.69
Balance with Government Authorities	13.40	5.92
Total	80.	

Notes to financial statements

for the year ended 31st March, 2021

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

	₹ in Crores	
	As at 31 st March, 2021	As at 31 st March, 2020
Stock of Natural Gas	2.05	0.97
Stores and spares	49.96	40.33
Total	52.01	41.30

Note: For charges created on aforesaid assets, refer note 18 & 23

10 Trade Receivables

	₹ in Crores	
	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured, considered good	103.68	61.17
Unsecured, credit impaired	0.45	0.88
	104.13	62.05
Allowances for Expected Credit Losses	(0.45)	(0.88)
Total	103.68	61.17

Note: i) For charges created on aforesaid assets, refer note 18 & 23

ii) Refer note 45 for balances with related party

iii) The Company considers for impairment on its receivables from customers. The risk of recovery is reduced to the extent of security deposits already collected and held as collaterals.

11 Cash and Cash equivalents

	₹ in Crores	
	As at 31 st March, 2021	As at 31 st March, 2020
Balances with banks		
- In current accounts	10.23	19.62
- Deposit with original maturity of less than 3 months	-	69.00
Total	10.23	88.62

12 Bank balances other than Cash and Cash equivalents

	₹ in Crores	
	As at 31 st March, 2021	As at 31 st March, 2020
Balances held as Margin Money	0.58	0.80
Fixed Deposits (with original maturity for more than three months)	0.03	0.03
Earmarked balances in unclaimed dividend accounts	0.03	0.02
Total	0.64	0.85

Notes to financial statements

for the year ended 31st March, 2021

13 Current Loans (Unsecured, considered good)

	₹ in Crores	
	As at 31 st March, 2021	As at 31 st March, 2020
Loans to related parties	-	311.22
Loan to employees	0.20	0.26
Total	0.20	311.48

Note: Refer note 45 for Related Party Balances

14 Other Current Financial Assets (Unsecured, considered good)

	₹ in Crores	
	As at 31 st March, 2021	As at 31 st March, 2020
Interest accrued but not due on deposits	4.64	0.04
Contract Asset - Unbilled Receivable (refer note 46)	16.93	16.97
Other Receivables	9.35	8.38
Total	30.92	25.39

Note: Refer note 45 for Related Party Balances

15 Other Current Assets

	₹ in Crores	
	As at 31 st March, 2021	As at 31 st March, 2020
Advance for supply of goods or services	6.24	2.39
Balances with Government authorities	3.22	8.62
Prepaid Expenses	16.17	18.25
Total	25.63	29.26

Note: Refer note 45 for Related Party Balances

16 Equity Share Capital

	₹ in Crores	
	As at 31 st March, 2021	As at 31 st March, 2020
Authorised Share Capital		
5,09,95,00,000 (P.Y. - 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 (P.Y. - 1,09,98,10,083) Fully paid up Equity shares of ₹ 1/- each	109.98	109.98
Total	109.98	109.98

Notes to financial statements

for the year ended 31st March, 2021

16 Equity Share Capital (Contd.)

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

	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	(₹ in Crores)	No. of Shares	(₹ in Crores)
At the beginning of the year	1,099,810,083	109.98	1,099,810,083	109.98
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,099,810,083	109.98	1,099,810,083	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 ensuing Annual General Meeting, except in case of interim dividend.

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

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity shares of ₹1 each fully paid				
Mr. Gautam S. Adani/Mr. Rajesh S. Adani (on behalf S. B. Adani Family Trust)	402,294,988	36.58%	402,295,584	36.58%
Total Holdings SAS	411,331,740	37.40%	411,331,740	37.40%

17 Other Equity

	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
(A) Capital Reserve		
Balance as at the beginning/end of the year	146.21	146.21
	146.21	146.21
(B) Retained Earnings		
Opening Balance	1,224.13	855.29
Add: Profit for the year	471.95	436.24
Add: Other Comprehensive Income/(Loss)	0.15	(1.11)
Less: Dividend on Equity Shares	-	(54.99)
Less: Tax on Dividend	-	(11.30)
Total	1,696.23	1,224.13
	1,842.44	1,370.34

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 Total 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.

Notes to financial statements

for the year ended 31st March, 2021

17 Other Equity (Contd.)

b) Retained Earnings

The portion of profits not distributed among the shareholders are termed as retained earnings (free reserves). The Company may utilise 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

	As at 31 st March, 2021	As at 31 st March, 2020
Secured borrowings		
Term Loans from Banks (refer note a & b)	307.88	297.50
Unsecured borrowings		
10% Cumulative Redeemable Preference Share (refer note c)	0.05	0.05
Total	307.93	297.55

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.

b) Repayment terms:

- Long Term Rupee Term Loan of ₹156.30 Crores is repayable in 4 Quarterly Instalments of ₹6.51 Crores each from Q1 F.Y. 22 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 @ 7.25% and is payable on monthly basis.
- Long Term Rupee Term Loan of ₹89.25 Crores is repayable at 5 Quarterly Instalments of ₹3.57 Crores each from Q1 F.Y. 22 to Q1 F.Y. 23, 10 Quarterly Instalments of ₹5.71 Crores each from Q2 F.Y. 23 to Q3 F.Y. 25, 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 @ 7.35% and is payable on monthly basis.
- Long Term Rupee Term Loan of ₹53.30 Crores is repayable in 6 Quarterly Instalments of ₹2.05 Crores each from Q1 F.Y.22 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 @ 7.10% and is payable on monthly basis.
- Long Term Rupee Term Loan of ₹67.96 Crores is repayable in 29 Quarterly Instalments of ₹2.34 Crores each from Q1 F.Y.22 to Q1 F.Y. 29, and said loan carries interest rate equal to the benchmark rate, presently @ 7.95% and is payable on monthly basis.
- For current maturities of non-current borrowings, 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.

Notes to financial statements

for the year ended 31st March, 2021

19 Non - Current Lease Liabilities

	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Lease Liabilities (Refer note 47)	37.47	21.20
Total	37.47	21.20

20 Other Non - Current Financial Liabilities

	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Retention Money	1.12	1.18
Total	1.12	1.18

21 Non - Current Provisions

	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Provision for Employee Benefits	4.58	4.15
Provision for compensated absences (Refer note 43)	4.58	4.15
Total	4.58	4.15

22 Deferred Tax Liabilities (net)

	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Deferred Tax Liabilities		
Property, Plant & Equipment and Other Intangible assets	127.38	101.38
Gross Deferred Tax Liabilities	127.38	101.38
Deferred Tax Assets		
Employee Benefit Liability	3.36	3.49
Allowance for credit losses	0.11	0.22
Lease Liability net of Lease Assets	10.28	2.99
Others	3.14	4.41
Gross Deferred Tax Assets	16.89	11.11
Net Deferred Tax Liabilities	110.49	90.27

Notes to financial statements

for the year ended 31st March, 2021

22 Deferred Tax Liabilities (net) (Contd.)

a. Movement in Deferred Tax Liability (net) for the year ended 31st March 2021:

Particulars	As at 1 st April, 2020	Recognised in profit and loss	Recognised in OCI	As at 31 st March, 2021
Tax effect of items constituting deferred tax liabilities:				
Difference between book base and tax base of property, plant & equipment and Intangible Assets	101.38	26.00	-	127.38
Total	101.38	26.00	-	127.38
Tax effect of items constituting deferred tax asset:				
Employee Benefit Liability	3.49	(0.08)	(0.05)	3.36
Allowance for credit losses	0.22	(0.11)	-	0.11
Lease Liability net of Lease Assets	2.99	7.29	-	10.28
Others	4.41	(1.27)	-	3.14
Total	11.11	5.83	(0.05)	16.89
Net Deferred Tax Liability	90.27	20.17	0.05	110.49

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

Particulars	As at 1 st April, 2019	Recognised in profit and loss	Recognised in OCI	As At 31 st 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	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

23 Current Borrowings

	As at 31 st March, 2021	As at 31 st March, 2020
Secured Borrowings		
Trade Credits From Banks (refer note - a)	44.85	57.26
Bank Overdraft Facilities (refer note - b & c)	77.91	-
Total	122.76	57.26

Notes:

- a) Trade credits from Banks aggregating to ₹ 44.85 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 moveable fixed assets, both present and future of the borrower.

Notes to financial statements

for the year ended 31st March, 2021

23 Current Borrowings (Contd.)

- b) Bank Overdraft aggregating to ₹ 36.10 Crore are secured by way of lien against FD with bank.
- c) Bank Overdraft aggregating to ₹ 41.81 Crore are secured by First charge by way of hypothecation over all type of inventories, receivables, book debt and revenue, present & future, located or pertaining to Ahmedabad, Vadodara, Khurja and Faridabad. Second charge by way of hypothecation over all present and future movable Plant and Machinery and other movable assets of the Company at Ahmedabad, Vadodara, Khurja and Faridabad.

24 Current Lease Liabilities

	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Lease Liabilities (Refer note 47)	3.37	4.05
Total	3.37	4.05

25 Trade Payables

	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Trade Payables		
i. Total outstanding dues of micro and small enterprises	5.88	2.76
ii. Total outstanding dues of creditors other than micro and small enterprises	109.64	79.85
Total	115.52	82.61

Disclosures required under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006
(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	5.88	2.76
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.

Notes to financial statements

for the year ended 31st March, 2021

26 Other Current Financial Liabilities

	As at 31 st March, 2021	As at 31 st March, 2020
Current maturities of non current borrowings (Secured) (refer note 18)	57.59	48.21
Interest accrued but not due on borrowings	2.26	2.59
Unclaimed Dividend	0.03	0.02
Security Deposit from Customers	352.80	313.51
Security Deposit from Contractors	0.64	1.03
Other payables		
- Retention money payable	47.79	29.33
- Capital Creditors	80.82	37.64
Total	541.93	432.33

27 Other Current Liabilities

	As at 31 st March, 2021	As at 31 st March, 2020
Revenue received in advance		
Contract Liability - Advances from Customers (Refer Note 46)	0.22	0.88
Statutory Liabilities	17.98	8.87
Total	18.20	9.75

28 Current Provisions

	As at 31 st March, 2021	As at 31 st March, 2020
Provision for Employee Benefits		
Provision for Gratuity (Refer note 43)	5.10	4.05
Provision for compensated absences (Refer note 43)	1.36	1.04
Total	6.46	5.09

29 Revenue from Operations

	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Revenue from Contract with Customers		
Sale of Goods		
CNG Sales	739.01	947.56
PNG Sales	1,023.75	1,017.00
Sale of Services		
Connection Income	7.21	9.73
Transportation Income	2.53	3.65
Other Operating Revenues	11.97	12.96
Total	1,784.47	1,990.90

Notes to financial statements

for the year ended 31st March, 2021

30 Other Income

	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Interest Income		
Inter Corporate Loans	0.87	30.22
Bank Deposits	26.73	1.46
Others	0.88	0.20
Foreign Exchange Fluctuation Gain	-	0.28
Net Gain on Sale of Current Investments	0.57	6.51
Net Gain on Sale of Property, plant and equipment	0.04	0.02
Liabilities no longer required written back	9.81	0.05
Sale of Stores and Spares	0.02	-
Corporate Guarantee Income	3.53	3.53
Other non-operating income	1.91	2.12
Total	44.36	44.39

31 Cost of Natural Gas and Traded Items

	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Cost of Natural Gas	770.70	1,059.63
Total	770.70	1,059.63

32 Changes in Inventories

	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Opening Stock of Finished Goods / Stock in Trade	0.97	1.31
Less: Closing Stock of Finished Goods / Stock in Trade	2.05	0.97
Total	(1.08)	0.34

33 Employee Benefits Expense

	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Salaries, wages and Bonus	45.46	41.91
Contribution to Provident and Other Funds	3.75	2.73
Staff Welfare Expenses	2.31	2.82
Total	51.52	47.46

Notes to financial statements

for the year ended 31st March, 2021

34 Finance costs

	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Interest on		
Term Loan	30.58	32.91
Security Deposit	4.71	4.12
Income Tax	0.29	1.08
Finance lease liabilities	1.51	1.00
Others	0.69	0.02
Other Borrowing Costs		
Bank and Other Finance Charges	2.70	1.92
Total	40.48	41.05

35 Other Expenses

	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Consumption of stores and spare parts	7.90	10.75
Job Work Charges	6.32	0.35
Power and fuel	27.10	35.39
Transportation Charges	22.24	5.65
Security Expenses	3.64	2.73
Facilitation Fees	0.64	0.58
Commission & Brokerage	1.02	1.76
Rent	5.65	10.61
Repairs and Maintenance		
Plant and Machinery	35.29	26.40
Buildings	0.75	1.19
Others	3.25	1.84
Insurance Expenses	1.11	0.67
Rates and Taxes	5.77	14.30
Fines & Penalties	-	6.41
Legal and Professional Expenses	23.21	25.20
Travelling and Conveyance Expenses	2.84	8.98
Advertisement and Business Promotion Expenses	2.28	3.28
Office Expenses	1.12	1.21
Communication & IT Expenses	9.60	7.44
Printing and Stationery Expenses	0.90	1.02
Donations	0.05	-
Corporate Social Responsibility Expenses (Refer note 42)	7.82	5.21
Directors' Sitting Fees	0.27	0.34
Commission to Non Executive Directors	0.86	0.43
Payment to Auditors		
Statutory Audit Fees	0.14	0.13
Others	0.01	0.01
Write-off for Doubtful Debt, Loans & Advances	0.08	0.32
Allowances for Credit Losses	(0.43)	(0.40)
Miscellaneous Expenses	0.71	0.56
Total	170.14	172.36

Notes to financial statements

for the year ended 31st March, 2021

36 Exceptional Items

	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Service Tax liability on gas connection income (refer note - a)	9.99	-
Project Write Off (refer note- b)	4.48	-
Total	14.47	-

Notes:

- a) During the year, the Company received an order dated 28th August, 2020 from the Hon'ble Supreme Court of India with respect to Service Tax liability on gas connection income pertaining to FY 2008-09. Pursuant to the order, the Company has recognised and paid ₹9.99 Crores towards Service Tax Liability including interest and penalty thereon.
- b) The Company has written off ₹4.48 Crore towards expenditure incurred for a GA that was bid by the Company, pursuant to the order received for withdrawal of contempt petition from Hon'ble Supreme Court.

37 Income Tax

- a. The major components of income tax expense for the years ended 31st March, 2021 and 31st March, 2020 are:
- (₹ in Crores)

Income Tax Expense :	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Current Tax		
Current Income Tax Charge	139.09	122.54
Total (a)	139.09	122.54
Deferred Tax		
In respect of current year origination and reversal of temporary differences	20.17	(11.38)
Total (b)	20.17	(11.38)
Total (a+b)	159.26	111.16

- b. Reconciliation of Income Tax Expense with Accounting Profit

	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Profit before Tax as per statement of Profit and Loss	631.21	547.40
Tax at companies domestic tax rate	158.86	137.77
Tax Effect of :		
Expenses not deductible for tax purposes	2.69	2.17
Change in Tax Rate	-	(28.54)
Adjustment of earlier years	0.55	1.42
Others	(2.85)	(1.67)
Income Tax recognised in statement of profit and loss account at effective rate	159.26	111.16

Notes to financial statements

for the year ended 31st March, 2021

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

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(i) Contingent Liabilities :		
a) Pending labour matters contested in various courts	0.99	0.99
b) Cases pending in Consumer Forums	0.77	0.02
c) Cases pending in MACT	0.10	0.10
d) In respect of Service tax, Excise Duty and VAT	29.31	27.33
e) In respect of Income Tax	2.68	2.17
f) Special Civil Suits	0.25	0.25
g) Property Tax	11.69	-
h) Stamp Duty under Gujarat Stamp Act	0.37	-
Total	46.16	30.86

i) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

j) Gas suppliers have submitted a claim of ₹70.92 Crores pertaining to earlier years (FY 2013-14 to FY 2019-20) 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 ("HSV") has raised demand notes of ₹39.18 crores against plot of lands allotted by HSV 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.

l) OMCs namely IOCL, HPCL and BPCL vide letters dated 26th October, 2020, 20th November, 2020, 15th December, 2020, 16th December, 2020 and 15th March, 2021 have communicated their proposal on the revision of trade discount they wish to make applicable to various geographies of the Company as per the recommendation of the aforesaid study they had undertaken through a third party. The Company had suitably taken up with the OMCs and replied vide letters dated 25th February, 2021 and 05th March, 2021, that any revision in the trade discount must be mutually discussed and agreed between OMCs and the Company. The issue is pending further discussions with the OMCs. As the issue is applicable to the CGD entities at large, the Company is hopeful of arriving at amicable resolution of the subject issue and as such the quantification of any additional liability is not ascertainable at this stage.

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(ii) Commitments :		
a) Estimated amount of contract on capital account to be executed and note provided for (net of advance)	631.24	337.12
b) Corporate Guarantee on behalf of JV Company	3,533.46	3,533.46
Total	4,164.70	3,870.58

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

for the year ended 31st March, 2021

39 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):

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Opening Balances	61.66	26.07
Employee Benefits Expense	31.95	29.17
Finance Cost	6.67	6.44
Operating and Other Expenses	27.97	28.17
Project Expenses	2.96	1.37
	131.21	91.22
Less:		
Project Write Off	2.98	-
Capitalisations	21.27	29.56
Closing Balances	106.96	61.66

40 Financial Instruments and Risk Review:

A) Accounting Classification and Fair Value Hierarchy

Financial Assets and Liabilities

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

Fair Value Hierarchy

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

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

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

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

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

As at 31st March, 2021

Particulars	Refer Note	(₹ in Crores)		
		Fair Value through OCI (Level-2)	Amortised cost	Total
Financial Assets				
Cash and cash equivalents	11	-	10.23	10.23
Other Bank balances	12	-	0.64	0.64
Investments	5	3.69	-	3.69
Trade Receivables	10	-	103.68	103.68
Loans	13	-	0.20	0.20
Other Financial Assets	6, 14	-	426.74	426.74
Total		3.69	541.49	545.18

Notes to financial statements

for the year ended 31st March, 2021

40 Financial Instruments and Risk Review: (Contd.)

(₹ in Crores)

Particulars	Refer Note	Fair Value through OCI (Level-2)	Amortised cost	Total
Financial Liabilities				
Borrowings	18, 23, 26	-	488.28	488.28
Lease Liability	19, 24	-	40.84	40.84
Trade Payables	25	-	115.52	115.52
Other Financial Liabilities	20, 26	-	485.46	485.46
Total		-	1,130.10	1,130.10

As at 31st March, 2020

(₹ in Crores)

Particulars	Refer Note	Fair Value through OCI (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

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.

B) 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.

i) 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.

Notes to financial statements

for the year ended 31st March, 2021

40 Financial Instruments and Risk Review: (Contd.)

a) 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 however the year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Total Borrowings	488.23	402.97

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

Particulars	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Impact on profit before tax for the year	2.44	2.01

b) 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 31 st March, 2021		As at 31 st March, 2020	
		Forex	₹ in Crore	Forex	₹ in Crore
Trade Payables	USD	37,993	0.28	116,100	0.88
Trade Payables	EUR	132,660	1.18	-	-

For every 5% depreciation / appreciation in the exchange rate between the Indian Rupee and the Foreign Currency, would have affected the Company's profit from Continuing Operation for the year as follows:

Particulars	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
USD Sensivity	0.01	0.04
EUR Sensivity	0.06	-

Notes to financial statements

for the year ended 31st March, 2021

40 Financial Instruments and Risk Review: (Contd.)

c) Price risk

Risk arising on account of fluctuations in price of natural gas is mitigated by ability to pass on the fluctuations in prices to customers over period of time. The Company monitors movements in the prices closely on regular basis.

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.

ii) 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.

Movement in expected credit loss allowance on trade receivables

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Opening Balance of Credit Losses	0.88	1.28
Changes during the year	(0.43)	(0.40)
Closing Balance of Credit Losses	0.45	0.88

iii) 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:

As at 31 st March, 2021	Refer Note	Less than 1 year	1 to 5 year	More than 5 Years	Total
Borrowings	18, 23, 26	180.66	287.87	21.09	489.62
Trade Payables	25	115.52	-	-	115.52
Lease Liability	19, 24	5.80	21.29	50.91	78.00
Other Non Current Financial Liabilities	20	-	1.12	-	1.12
Other Current Financial Liabilities	26	484.34	-	-	484.34

Notes to financial statements

for the year ended 31st March, 2021

40 Financial Instruments and Risk Review: (Contd.)

As at 31 st March, 2020	Refer Note	Less than 1 year	₹ in Crores)		
			1 to 5 year	More than 5 Years	Total
Borrowings	18, 23, 26	105.79	285.10	13.81	404.70
Trade Payables	25	82.61	-	-	82.61
Lease Liability	19, 24	4.23	14.22	25.31	43.76
Other Non Current Financial Liabilities	20	-	1.18	-	1.18
Other Current Financial Liabilities	26	384.12	-	-	384.12

iv) Capital Management

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

The Company 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	₹ in Crores)	
		As at 31 st March, 2021	As at 31 st March, 2020
Net debt (total debt less cash and cash equivalents) (A)	18,23,26,12 and 13	477.41	313.55
Total capital (B)	16 and 17	1,952.42	1,480.32
Total capital and net debt C=(A+B)		2,429.83	1,793.87
Gearing ratio (A/C)		20%	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 period and year ended 31st March, 2021 and 31st March, 2020 respectively.

41 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 31 st March, 2021	
		For the year ended 31 st March, 2020	
Basic and Diluted EPS			
Net Profit after tax attributable to Equity Shareholders	(₹ in Crores)	471.95	436.24
Weighted Average Number of Equity Shares for basic and diluted EPS	No	1,099,810,083	1,099,810,083
Nominal Value of equity share	₹	1	1
Basic and Diluted EPS	₹	4.29	3.97

Notes to financial statements

for the year ended 31st March, 2021

42 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 ₹7.82 Crores (31st March, 2020 : ₹5.21 Crores) as per requirement of Section 135 of Companies Act, 2013 and had spent ₹7.82 Crores (31st March, 2020 : ₹5.21 Crores) for the year.

Particular	Amount contributed	Amount yet to be contributed	₹ in Crores)	
			Total	
a) Construction/acquisition of any assets	-	-	-	-
b) On purpose other than (a) above	7.82	-	7.82	7.82
Total	7.82	-	7.82	7.82

43 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:

Particulars	₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Provident Fund	1.75	1.47
Super Annuation Fund	0.02	0.04
Total	1.77	1.51

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 1st September, 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.

Notes to financial statements for the year ended 31st March, 2021

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.
(₹ in Crores)	
Particulars	As at 31st March, 2021
	As at 31st March, 2020
i. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation	
Liability at the beginning of the Year	10.77
Current Service Cost	1.26
Past Service Cost	-
Interest Cost	0.71
Employee Transfer in / transfer out (net)	(0.20)
Benefit paid	(1.25)
Re-measurement (or Actuarial) (gain) / loss arising from:	
change in demographic assumptions	(0.18)
change in financial assumptions	-
experience variance (i.e. Actual experience vs assumptions)	(0.05)
Present Value of Defined Benefits Obligation at the end of the Year	11.06
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	6.74
Investment Income	0.45
Return on plan asset excluding amount recognised in net interest expenses	(0.04)
Employers Contributions	0.06
Benefit paid	(1.25)
Fair Value of Plan assets at the end of the Year	5.96
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	11.06
Fair Value of Plan assets at the end of the Year	5.96
Net Asset / (Liability) recognised in balance sheet as at the end of the year	(5.10)
iv. Gratuity Cost for the Year	
Current service cost	1.26
Interest cost	0.71
Expected return on plan assets	-
Actuarial Gain / (Loss)	-
Past service cost-vested benefit recognised during the year	-
Investment income	(0.45)
Net Gratuity cost	1.52

Notes to financial statements for the year ended 31st March, 2021

Particulars	(₹ in Crores)			
	As at 31st March, 2021	As at 31st March, 2020		
v. Other Comprehensive income				
Actuarial (gains) / losses				
Change in demographic assumptions	(0.18)	(0.64)		
Change in financial assumptions	-	1.25		
Experience variance (i.e. Actual experience vs assumptions)	(0.05)	0.44		
Actuarial (gain)/loss arising because of change in effect of asset ceiling	-	-		
Return on plan assets, excluding amount recognised in net interest expense	0.04	0.42		
Components of defined benefit costs recognised in other comprehensive income	(0.19)	1.47		
vi. Actuarial Assumptions				
Discount Rate (per annum)	6.70%	6.70%		
Annual Increase in Salary Cost	8.00%	8.00%		
Mortality Rate During employment	IALM(2012-14)	IALM(2012-14)		
Attrition Rate	7.45%	5.67%		
vii. Sensitivity Analysis				
Significant actuarial assumptions for the determination 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:				
Particulars	(₹ in Crores)			
	As at 31st March, 2021	As at 31st March, 2020		
Decrease	Increase	Decrease	Increase	
Discount Rate (- / + 1%)	12.00	10.23	11.86	9.83
Salary Growth Rate (- / + 1%)	10.23	11.98	9.84	11.82
Attrition Rate (- / + 50%)	11.47	10.76	11.12	10.51
Mortality Rate (- / + 10%)	11.06	11.05	10.77	10.77

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 ₹ 6.39 Crore.

Notes to financial statements

for the year ended 31st March, 2021

c) Maturity Profile of Defined Benefit Obligation

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (31st March 2020: 10 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	0.78
2 to 5 years	4.33
6 to 10 years	5.49
More than 10 years	10.48

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, 2021 is ₹5.94 Crores (31st March 2020: ₹ 5.20 Crores).

44 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, 2021, the Company has invested a sum of ₹ 432.25 Crores (31st March, 2020: ₹ 291 Crores).

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

Particulars	(₹ in Crores)	
	2020-21	2019-20
Country of Incorporation	India	India
% of ownership interest	50%	50%
Current Assets	185.25	167.53
Non Current Assets	1,702.00	1,343.74
Current Liabilities	260.09	209.13
Non Current Liabilities	777.29	739.04
Income	358.20	311.53
Profit/(Loss) for the year	(18.25)	0.15
Other Comprehensive Income	(0.09)	0.01
Total Comprehensive Income	(18.34)	0.17
Contingent Liabilities	-	0.27
Capital Commitments	538.66	414.99

Notes to financial statements

for the year ended 31st March, 2021

45 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, 2021 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	: Adani Enterprises Limited Adani Total Private 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 Electricity Mumbai Limited Maharashtra Eastern Grid Power Transmission Co.Ltd Adani Power Jharkhand Limited Adani Ports and Special Economic Zone Limited Total Adani Fuel Management Private Limited
Entities (with whom transactions are done)	

Directors/ Key Management Personnel

: Mr. Gautam S. Adani, Chairman
Mr. Pranav V. Adani, Director
Mr. Alexis Thelemaque, Director
Mr. José-Ignacio Sanz Saiz, Director
Mr. Maheswar Sahu, Independent Director
Mr. Naresh Kumar Nayyar, Independent Director
Mrs. Chandra Iyengar, Independent Director
Ms. Gauri Trivedi, Independent Director
Mr. Suresh P. Mangalani, CEO
Mr. Parag Parikh, CFO
Mr. Gunjan Taunk, Company Secretary

Terms and conditions of transactions with related parties

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

Notes to financial statements

for the year ended 31st March, 2021

45 Related party transactions (Contd.)

- iv) Reimbursement to associate entity includes amount of cost allocation of remuneration to some of the Key Management Personnel
- v) All above figures are net of taxes wherever applicable.

b. Transactions with Related Parties

(* Denotes amount less than ₹50,000)

Sr No.	Related Party	Nature of Transaction	(₹ in Crores)	
			For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
1	Adani Enterprises Limited	Loan Given	-	27.20
		Loan Received back	311.22	75.00
		Services Availed	6.82	8.27
		Transfer-in of Employee Liabilities	0.06	0.02
		Transfer-out of Employee Liabilities	-	0.05
		Receipt of Interest on Loan	0.54	30.22
2	Adani Total Private Limited	Purchase of Natural Gas	203.45	-
		Services Availed	2.65	-
3	Adani Power (Mundra) Limited	Services Availed	-	*
4	Adani Foundation	Donation	2.82	5.21
5	Karnavati Aviation Private Limited	Services Availed	-	3.00
6	Shantikrupa Estates Private Limited	Services Availed	21.49	6.33
7	Adani Township & Real Estate Company Private Limited	Services Availed	-	*
8	Adani Ports and Special Economic Zone Limited	Rent Expense	1.76	1.74
		Services Availed	0.58	0.61
		Transfer-out of Employee Liabilities	*	-
		Transfer-in of Employee Liabilities	-	0.05
9	Adani Infra (India) Limited	Transfer-in of Employee Liabilities	-	0.17
10	Total Adani Fuel Management Private Limited	Services Rendered	0.15	-
		Reimbursement of Expenses	2.38	-
11	Adani Power Limited	Transfer-out of Employee Liabilities	0.02	-
12	Adani Agri Fresh Limited	Services Availed	-	*
13	Adani Institute for Education and Research	Services Availed	0.01	0.12
14	Adani Green Energy Limited	Transfer-in of Employee Liabilities	-	0.11
15	Adani Wind Energy (GJ) Limited	Transfer-in of Employee Liabilities	-	0.01
16	Adani Estate Management Private Limited	Services Availed	-	*
		Purchase of Asset	35.82	-
17	Belvedere Golf And Country Club Private Limited	Services Availed	0.01	-
18	Adani Electricity Mumbai Limited	Transfer-out of Employee Liabilities	0.59	-

Notes to financial statements

for the year ended 31st March, 2021

45 Related party transactions (Contd.)

(* Denotes amount less than ₹50,000)

Sr No.	Related Party	Nature of Transaction	(₹ in Crores)	
			For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
19	Maharashtra Eastern Grid Power Transmission Co.Ltd	Transfer-in of Employee Liabilities	0.18	-
20	Adani Power Jharkhand Limited	Transfer-in of Employee Liabilities	*	-
21	IndianOil-Adani Gas Private Limited	Loan Given Loan Received back Interest Income Purchase of Capital Inventory Sale of Capital Inventory Sale of Natural Gas Purchase of Natural Gas Services Rendered Services Availed Corporate Guarantee Commission Investment in Equity	7.00 7.00 0.34 0.12 0.02 1.01 1.42 6.67 1.70 3.53 141.25	4.00 - - - - 2.87 0.26 5.93 0.01 3.53 105.50
22	Mr. Suresh P Manglani	Short-term Benefits	2.89	2.87
23	Mr. Parag Parikh	Short-term Benefits	2.48	1.62
24	Mr. Gunjan Taunk	Short-term Benefits	0.03	-
25	Mr. Maheswar Sahu	Director Sitting Fees Commission	0.07 0.20	0.11 0.12
26	Mrs. Chandra Iyengar	Director Sitting Fees Commission	0.06 0.20	0.09 0.12
27	MS. Gauri Trivedi	Director Sitting Fees Commission	0.04 0.13	-
28	Mr. Naresh Kumar Nayyar	Director Sitting Fees Commission	0.06 0.20	0.09 0.12

c. Balances With Related Parties

(* Denotes amount less than ₹50,000)

Sr No.	Related Party	Nature of Balances	(₹ in Crores)	
			As at 31 st March, 2021	As at 31 st March, 2020
1	Adani Enterprises Limited	Trade Payables Other Current Financial Assets Current Loans	1.38 - -	1.19 0.02 311.22
2	Adani Ports and Special Economic Zone Limited	Trade Payables Other Non - Current Financial Assets	0.55 0.43	0.59 0.43
3	Adani Power (Mundra) Limited	Other Current Financial Assets Other Current Financial Assets	- 0.02	0.05 0.01
4	Adani Estate Management Private Limited	Trade Payables	- -	* *
5	Adani Power Limited	Trade Payables	0.02	-

Notes to financial statements

for the year ended 31st March, 2021

45 Related party transactions (Contd.)

c. Balances With Related Parties

(* Denotes amount less than ₹50,000)

Sr No.	Related Party	Nature of Balances	(₹ in Crores)	
			As at 31 st March, 2021	As at 31 st March, 2020
6	Adani Total Private Limited	Trade Payables	27.16	-
7	Total Adani Fuel Management Private Limited	Other Current Financial Assets	2.48	-
8	Adani Green Energy Limited	Other Current Financial Assets	0.11	0.11
9	Adani Wind Energy (GJ) Limited	Other Current Financial Assets	-	0.01
10	Adani Infra (India) Limited	Other Current Financial Assets	-	0.17
11	Adani Electricity Mumbai Limited	Trade Payables	0.59	-
12	Maharashtra Eastern Grid Power Transmission Co.Ltd	Other Current Financial Assets	0.18	-
13	Adani Power Jharkhand Limited	Other Current Financial Assets	*	-
14	Karnavati Aviation Private Limited	Trade Payables	-	0.26
15	Shantikrupa Estates Private Limited	Trade Payables	0.34	0.30
		Other Non Current Assets	1.53	4.59
16	IndianOil-Adani Gas Private Limited	Other Current Financial Assets	6.82	9.46
		Trade Receivables	0.06	0.66
		Trade Payables	0.92	0.29
		Other Current Financial Liabilities	-	4.72
		Corporate Guarantee	3,533.46	3,533.46

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.

Name of Entity	Closing Balance as at 31 st March, 2021	Maximum amount outstanding during the year
Adani Enterprises Limited	-	311.22
Current Year		311.22
Previous Year		359.02
Indian Oil-Adani Gas Private Limited	-	7.00
Current Year		-
Previous Year		-

46 Contract Balances

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

Particulars	Refer note	(₹ in Crores)	
		As at 31 st March, 2021	As at 31 st March, 2020
Trade receivables	10	103.68	61.17
Contract assets	14	16.93	16.97
Contract liabilities	27	0.22	0.88

Notes to financial statements

for the year ended 31st March, 2021

46 Contract Balances (Contd.)

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.

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

Particulars	(₹ in Crores)
Contract assets reclassified to receivables	16.97
Contract liabilities recognised as revenue during the year	0.88

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

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Revenue as per contracted price	1,784.47	1,990.90
Adjustments	-	-
Discounts		
Revenue from contract with customers	1,784.47	1,990.90

47 Leases

The Company has lease contracts for land, buildings and Servers used in its operations. Leases of these items are generally have lease terms between 1 to 99 years. Generally, the Company is restricted from assigning and subleasing the leased assets.

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 recognised as an expense on a straight line basis over the lease term.

The weighted average incremental borrowing rate applied to lease liabilities is 9.75%.

i) The movement in Lease liabilities during the year

Particulars	(₹ in Crores)
As at 31 st March, 2021	
As at 31 st March, 2020	
Opening Balance	25.25
Additions during the year	17.90
Finance costs incurred during the year	3.21
Payments of Lease Liabilities	5.52
Closing Balance (refer note 19 & 24)	40.84
	25.25

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

Particulars	(₹ in Crores)
As at 31 st March, 2021	
As at 31 st March, 2020	
Opening Gross Carrying Value	71.65
Addition to Right of use assets on account of transition to Ind AS 116	-
Addition to Right of use assets during the year	17.90
Right of use assets as at end of the year	89.55
	43.64
	13.36
	14.65
	71.65

Notes to financial statements

for the year ended 31st March, 2021

47 Leases (Contd.)

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

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Accumulated Depreciation		
Opening Value of Accumulated Depreciation	4.82	2.08
Depreciation charged for the year	4.83	2.74
	9.65	4.82

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

Particulars	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
(i) Expenses related to Short Term Lease & Low Asset Value Lease	5.65	2.37
(ii) Lease Expenses	-	-
Total	5.65	2.37

iv) Amounts recognised in statement of cash flows

Particulars	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Total cash outflow for leases	5.52	3.05

v) Maturity analysis of lease liabilities

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	5.80	4.23
One to five years	21.29	14.22
More than five years	50.91	25.31
Total undiscounted lease liabilities	78.00	43.76
Balances of Lease Liabilities		
Non-Current lease liabilities	37.47	21.20
Current lease liabilities	3.37	4.05
Total Lease Liability	40.84	25.25

48 Other Disclosures

- a) Petition against the company was filed before PNGRB alleging violation of certain provisions pertaining to works in petitioner's authorised Geographical Area. Correspondingly, a Special Leave petition is filed by the company before Hon'ble Supreme Court of India challenging the authorisation coupled with constitutional validity of Regulation 18 of the Petroleum and Natural Gas Regulatory Board (Authorising 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.

Notes to financial statements

for the year ended 31st March, 2021

48 Other Disclosures (Contd.)

- b) Security Deposit include amount of ₹2.09 Crore and interest due thereon of ₹2.24 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.
- c) The Company had signed a Definitive Agreement on 3rd November, 2020 for acquisition of 3 Geographical Areas namely Ludhiana, Jalandhar and Kutch (East). The matter is currently sub-judice and is yet to be consummated.

49 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 45).

50 The Operational Performance of the Company has improved during the Year and company has crossed the highest Pre-Covid monthly Sales Volume. The Company has taken into account the possible impacts of COVID-19 in preparation of these financial statements including but not limited to assessment of going concern assumption, recoverable values of financial assets and expects to recover the carrying amount of these assets. The Company has also considered the current economic conditions relating to the CGD industry and is continuously and closely monitoring the developments. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements.

51 The Board of Directors at its meeting held on 4th May, 2021 have recommended the payment of final dividend of ₹ 0.25 per equity share of the face value of ₹ 1 each for the financial year 2020-21. This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.

52 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 4th May, 2021, there are no subsequent events to be recognised or reported that are not already disclosed.

53 Approval of financial statements

The financial statements were approved for issue by the board of directors on 4th May, 2021.

As per our attached report of even date	For and on behalf of the Board	
	ADANI TOTAL GAS LIMITED	
For SHAH DHANDHARIA & CO LLP Chartered Accountants Firm Registration Number : 118707W/W100724	GAUTAM S. ADANI Chairman DIN 00006273 Place : Ahmedabad	JOSÉ-IGNACIO SANZ SAIZ Director DIN 08705604 Place : Paris
SHUBHAM ROHATGI Partner Membership No. 183083 Place : Ahmedabad	SURESH P MANGLANI Chief Executive Officer Place : Mumbai	PARAG PARIKH Chief Financial Officer Place : Ahmedabad
	GUNJAN TAUNK Company Secretary Place : Ahmedabad	Date : 4 th May, 2021

Independent Auditor's Report

To the Members of Adani Total Gas Limited
(formerly known as Adani Gas Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Adani Total Gas Limited (formerly known as Adani Gas Limited) ("the Parent" or "the Company"), and its jointly controlled entity (the Parent and its jointly controlled entity together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2021, the Consolidated statement of Profit and Loss (including other comprehensive income), the Consolidated statement of changes in equity and the Consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to below in the Other Matter section below, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31st March, 2021, the Consolidated profit and total comprehensive income,

Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Non-responses of external confirmations request perpetrated pursuant to SA 505	<p>Principal Audit Procedures</p> <p>COVID-19 has impacted the procedure of external confirmation request. Postal methods have been scrapped in this day and age. We had sent positive external confirmation requests through electronic modes. However, due to suspension of business activities of many confirming parties and non-availability of their responsive staff, there are fewer confirmations received than anticipated.</p> <p>In such events, in accordance with SA, auditors have to revise the assessed risk of material misstatement at the assertion level, and modify the planned audit procedures. SA also directs the auditors to perform alternative audit procedures.</p> <p>We revised our assessed risk and have modified our audit procedures to mitigate these risks. We have obtained a reliable assurance pertaining to transactions with confirming parties, in the sense for accurate and complete processing of routine and significant classes of transactions such as revenue, purchases and cash receipts or cash purchases.</p> <p>We selected samples and tested the effectiveness of controls relating to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions.</p> <p>We performed alternative audit procedures like follow-up confirmation requests, verification of subsequent payments and receipts to verify part of the balances appearing in the original confirmation requests.</p>

Sr. No.	Key Audit Matter	Auditor's Response
2	Appropriateness of Classification under Contingent Liability	<p>Principal Audit Procedures</p> <p>The company has material uncertain legal positions in relation to property tax matters which involve significant judgment to determine the possible outcome of the litigation and the nature of its classification.</p> <p>During the year, the company has made reversal of erstwhile provided amount and has reclassified this amount of demand of property tax as contingent liability.</p> <p>There is significant judgment and complexity involved in ascertaining the possible outcome of the legal position. Therefore, we have identified reclassification of demand of property tax to contingent liability as a key audit matter.</p> <p>We have obtained complete details of property tax demands and litigations pending as on 31st March, 2021 from management. Ad-interim relief order obtained by the company from High Court has enabled the company to reclassify its erstwhile provided amount to contingent liability (not provided for).</p> <p>We have assessed the position of previous litigations filed by the company in similar matters for previous years. We assessed company's conclusions through discussions held with their in-house legal counsel and understanding precedents in similar cases. We communicated with the company's legal counsel on the relevant litigation to establish the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations.</p> <p>We also assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.</p>

Information other than the Financial Statements and Auditor's Report thereon

The Parent Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements, Standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information, compare with the financial statement of the jointly controlled entity audited by the other auditors, to the extent it relates to these entities and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information so far as it relates to the jointly controlled entity, is traced from its financial statements audited by the other auditors. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the

Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Board of Directors of the company, as aforesaid.

In preparing the Consolidated financial statements, Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern,

disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company and its jointly controlled entity has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the Consolidated Financial statements, which have been audited by other auditors, such other auditors remain responsible for the financial information provided to us. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The accompanying consolidated financial statements include the Parent's share of Net loss after tax of ₹ 9.13 Crores for the year ended 31st March 2021, in respect of Indian Oil – Adani Gas Private Limited, a jointly controlled entity which have been audited by other auditors, whose financial statements, other financial

information and auditor's report have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity is based solely on the reports of the other auditors. Our opinion on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate financial statements of jointly controlled entity, referred in the Other Matters paragraph above we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of other auditors;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
 - d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2021 taken on record by the Board of Directors and the reports of the other auditors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls,
2. With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 - i. the Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements – Refer Note 38 to the Consolidated financial statements;
 - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group.
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements – Refer Note 38 to the Consolidated financial statements;
 - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group.

refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company and auditor's report on separate financial statement of its jointly controlled entity. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

2. With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 - i. the Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements – Refer Note 38 to the Consolidated financial statements;
 - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the current period is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

For SHAH DHANDHARIA & CO LLP
Chartered Accountants

Firm's Registration No. 118707W/W100724

Shubham Rohatgi
Partner

Place: Ahmedabad
Date :4th May 2021
Membership No. 183083
UDIN: 21183083AAAACG3027

Annexure – A to the Independent Auditor's Report

RE: Adani Total Gas Limited (formerly known as Adani Gas Limited)

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

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

Opinion

We have audited the internal financial controls over financial reporting of Adani Total Gas Limited ("the Parent Company") as of 31st March, 2021 in conjunction with our audit of the Consolidated Financial Statements of the company for the year ended on that date. In our opinion, to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors referred to in the Other Matters paragraph below, the Parent and its jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021 based on the criteria for internal control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibilities for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the jointly controlled entity, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent Company and its jointly controlled entity.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one jointly controlled entity, is based on the corresponding report of the auditors of the jointly controlled entity.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For SHAH DHANDHARIA & CO LLP
Chartered Accountants

Firm's Registration No. 118707W/W100724

Shubham Rohatgi
Partner

Membership No. 183083
UDIN: 21183083AAAACG3027

Place: Ahmedabad
Date : 4th May 2021

Consolidated Balance Sheet as at 31st March, 2021

Particulars	Notes	(₹ in Crores)	
		As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	1,263.74	1,098.19
(b) Right of Use Assets	3	79.90	66.83
(c) Capital Work-In-Progress	4	696.48	342.06
(d) Goodwill		25.49	25.49
(e) Other Intangible Assets	3	10.17	7.50
(f) Investments accounted using Equity method	5 (a)	413.64	281.56
(g) Financial Assets	5 (b)	3.69	-
(i) Investment			
(ii) Other Financial Assets	6	395.82	27.19
(h) Income Tax Assets (net)	7	11.05	15.82
(i) Other Non - Current Assets	8	80.35	53.61
Total Non - Current Assets		2,980.33	1,918.25
Current Assets			
(a) Inventories	9	52.01	41.30
(b) Financial Assets			
(i) Trade Receivables	10	103.68	61.17
(ii) Cash and Cash Equivalents	11	10.23	88.62
(iii) Bank balances other than (ii) above	12	0.64	0.85
(iv) Loans	13	0.20	311.48
(v) Other Financial Assets	14	30.92	25.39
(c) Other Current Assets	15	25.63	29.26
Total Current Assets		223.31	558.07
Total Assets		3,203.64	2,476.32
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	109.98	109.98
(b) Other Equity	17	1,823.83	1,360.90
Total Equity		1,933.81	1,470.88
LIABILITIES			
Non - Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	307.93	297.55
(ii) Lease Liabilities	19	37.47	21.20
(iii) Other Financial Liabilities	20	1.12	1.18
(b) Provisions	21	4.58	4.15
(c) Deferred Tax Liabilities (Net)	22	110.49	90.27
Total Non - Current Liabilities		461.59	414.35
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	122.76	57.26
(ii) Lease Liabilities	24	3.37	4.05
(iii) Trade Payables	25	5.88	2.76
i. Total outstanding dues of micro and small enterprises		109.64	79.85
ii. Total outstanding dues of creditors other than micro and small enterprises		541.93	432.33
(iv) Other Financial Liabilities	26	18.20	9.75
(b) Other Current Liabilities	27	6.46	5.09
(c) Provisions	28	808.24	591.09
Total Current Liabilities		1,269.83	1,005.44
Total Liabilities		3,203.64	2,476.32
The accompanying notes are an integral part of the financial statements.			

As per our attached report of even date

For and on behalf of the Board
ADANI TOTAL GAS LIMITEDFor SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm Registration Number : 118707W/W100724GAUTAM S. ADANI
Chairman
DIN 00006273
Place : AhmedabadSHUBHAM ROHATGI
Partner
Membership No. 183083
Place : AhmedabadSURESH P MANGLANI
Chief Executive Officer
Place : MumbaiDate : 4th May, 2021GUNJAN TAUNK
Company Secretary
Place : Ahmedabad
Date : 4th May, 2021JOSÉ-IGNACIO SANZ SAIZ
Director
DIN 08705604
Place : ParisPARAG PARIKH
Chief Financial Officer
Place : AhmedabadConsolidated Statement of Profit and Loss for the year ended 31st March, 2021
(₹ in Crores)

Particulars	Notes	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
INCOME			
Revenue from Operations	29	1,784.47	1,990.90
Other Income	30	44.36	44.39
Total Income		1,828.83	2,035.29
EXPENSES			
Cost of Natural Gas and Traded Items	31	770.70	1,059.63
Changes In Inventories	32	(1.08)	0.34
Excise Duty on Sale of Compressed Natural Gas		88.87	116.35
Employee Benefits Expenses	33	51.52	47.46
Finance Costs	34	40.48	41.05
Depreciation and Amortisation Expenses	3	62.52	50.70
Other Expenses	35	170.14	172.36
Total Expenses		1,183.15	1,487.89
Profit/(Loss) for the year before Exceptional Items & Tax		645.68	547.40
Less: Exceptional items	36	14.47	-
Profit/(Loss) before tax		631.21	547.40
Tax Expense:			
Current Tax		138.54	121.12
Adjustment of earlier years		0.55	1.42
Deferred Tax		20.17	(11.38)
Total Tax Expenses		159.26	111.16
Profit for the year before share of profit / (loss) from joint venture		471.95	436.24
Share of profit / (loss) from joint venture		(9.13)	0.08
Profit for the year		462.82	436.32
Other Comprehensive Income			
Items that will be reclassified to Profit & Loss		-	-
Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plan		0.14	(1.47)
(b) Income tax relating to these items		(0.03)	0.37
Total Other Comprehensive Income		0.11	(1.10)
Total Comprehensive Income for the year		462.93	435.22
Earnings Per Equity Share (EPS) (Face Value ₹ 1 Per Share)			
Basic and Diluted EPS (₹)	41	4.21	3.97
The accompanying notes are an integral part of the financial statements.			
As per our attached report of even date		For and on behalf of the Board ADANI TOTAL GAS LIMITED	
For SHAH DHANDHARIA & CO LLP		GAUTAM S. ADANI	JOSÉ-IGNACIO SANZ SAIZ
Chartered Accountants		Chairman	Director
Firm Registration Number : 118707W/W100724		DIN 00006273	DIN 08705604
Place : Ahmedabad		Place : Ahmedabad	Place : Paris
SHUBHAM ROHATGI		SURESH P MANGLANI	PARAG PARIKH
Partner		Chief Executive Officer	Chief Financial Officer
Membership No. 183083		Place : Mumbai	Place : Ahmedabad
Place : Ahmedabad			
GUNJAN TAUNK		GUNJAN TAUNK	
Company Secretary		Company Secretary	
Place : Ahmedabad		Place : Ahmedabad	
Date : 4 th May, 2021		Date : 4 th May, 2021	

Consolidated Statement of Changes in Equity for the year ended 31st March, 2021

A. Equity Share Capital		No. of Shares	(₹ in Crores)
Particulars			
Balance as at 1 st April, 2019		1,09,98,10,083	109.98
Changes in equity share capital during the year		-	-
Balance as at 31 st March, 2020		1,09,98,10,083	109.98
Changes in equity share capital during the year		-	-
Balance as at 31 st March, 2021		1,09,98,10,083	109.98
B. Other Equity		(₹ in Crores)	
Particulars	Reserve and Surplus		Total Other Equity
	Capital Reserve	Retained Earnings	
Balance as at 1 st April, 2019	146.21	845.76	991.97
<u>Adjustments</u>			
Add : Profit for the year	-	436.32	436.32
Less: Dividends on equity shares	-	(54.99)	(54.99)
Less: Tax on Dividend	-	(11.30)	(11.30)
<u>Other Comprehensive Income</u>			
Remeasurement of defined benefit plan	-	(1.10)	(1.10)
Balance as at 31 st March, 2020	146.21	1,214.69	1,360.90
Balance as at 1 st April 2020	146.21	1,214.69	1,360.90
<u>Adjustments</u>			
Add : Profit for the year	-	462.82	462.82
Less: Dividends on equity shares	-	-	-
Less: Tax on Dividend	-	-	-
<u>Other Comprehensive Income</u>			
Remeasurement of defined benefit plan	-	0.11	0.11
Balance as at 31 st March, 2021	146.21	1,677.62	1,823.83

As per our attached report of even date

For and on behalf of the Board
ADANI TOTAL GAS LIMITED

For SHAH DHANDHARIA & CO LLP

Chartered Accountants

Firm Registration Number : 118707W/W100724

GAUTAM S. ADANI

Chairma

DIN 000

Place : Ahmedab

JOSÉ-IGNACIO SANZ SAIZ

Direc

DIN 08705604

SHUBHAM ROHATGI

Partners

Membership No. 183083

Place : Ahmedabad

SURESH P MANGANI

Chief Executive

Place : Mumbai

PARAG PARIKH

Chief Financial Officer

Place : Ahmedab

Date : 4th May, 2021

GUNJAN TAUNK
Company Secretary
Place : Ahmedabad
Date : 4th May, 2021

Consolidated Statement of Cash Flow for the year ended 31st March, 2021

Particulars	For the year ended 31 st March, 2021		For the year ended 31 st March, 2020 (₹ in Crores)
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020	
A CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax	631.21	547.40	
Adjustment for:			
Depreciation and amortisation expenses	62.52	50.70	
Finance Costs	40.48	41.05	
Interest Income	(28.48)	(31.88)	
(Gain)/Loss from Sale of Current Investments	(0.57)	(6.51)	
(Gain)/Loss on sale of Property, plant and equipment	(0.04)	(0.02)	
Allowance for Credit Losses	(0.43)	(0.40)	
Liabilities No Longer Required	(9.81)	(0.05)	
Write-off for Doubtful Debt, Loans & Advances	0.08	0.32	
Amortisation of ancillary cost of borrowing	0.32	0.32	
Exceptional Item	14.47		
Operating Profit before Working Capital Changes	709.75	600.93	
Adjustment for:			
(Increase)/Decrease in Trade and Other Receivables	(43.01)	13.90	
(Increase)/Decrease in Inventories	(10.71)	2.66	
(Increase)/Decrease in Other Financial Assets	(13.55)	(18.23)	
(Increase)/Decrease in Other Non Financial Assets	(3.85)	(18.55)	
Increase/(Decrease) in Trade Payables	48.24	(18.14)	
Increase/(Decrease) in Provisions	2.00	1.11	
Increase/(Decrease) in Other Financial Liabilities	100.49	62.18	
Increase/(Decrease) in Other Non Financial Liabilities	(1.54)	(0.41)	
Cash Generated From Operations	787.82	625.51	
Direct Tax (Paid)/ Refund	(134.32)	(133.11)	
Net Cash from Operating Activities	(A) 653.50	492.40	
B CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment and Intangible Assets (including Capital Work in Progress and capital advances)	(606.43)	(441.89)	
Sale / Disposal of Property, Plant & Equipment / Intangible Assets	0.09	0.35	
Investment in Deposits	(354.89)		
Interest received	23.88	31.74	
Purchase of Non Current Investments	(144.94)	(105.50)	
Gain on sale of Current Investments	0.57	6.51	
Loans (given to) / received back from Related Party	311.22	47.80	
Net Cash from / (used in) Investing Activities	(B) (770.50)	(460.99)	
C CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from Non - Current borrowings	75.00		
Repayment of Non - Current borrowings	(55.56)	(48.53)	
Repayment of Lease Liabilities	(5.52)	(3.05)	
Proceeds / (Repayment) of Current Borrowings	65.50	57.20	
Finance Cost Paid	(40.81)	(41.43)	
Dividend Paid (including dividend distribution tax)	-	(66.29)	
Net Cash from / (used in) Financing Activities	(C) 38.61	(102.04)	
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C) (78.39)	(70.63)	
Cash and cash equivalents at the beginning of the year	88.62	159.25	
Cash and cash equivalents at the end of the year	10.23	88.62	

Consolidated Statement of Cash Flow

for the year ended on 31st March, 2021

Notes to Cash flow Statement :

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

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Cash and Cash Equivalents (Refer note 11)	10.23	88.62
	10.23	88.62

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

3 Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Particular	(₹ in Crores)			
	As at 1 st April, 2020	Cash Flows	Amortisation of ancillary cost of borrowing	As at 31 st March, 2021
Non - Current borrowings	297.55	10.06	0.32	307.93
Current maturity of Non-Current borrowings	48.21	9.38	-	57.59
Current borrowings	57.26	65.50	-	122.76
Total	403.02	84.94	0.32	488.28

Particular	(₹ in Crores)			
	As at 1 st April, 2019	Cash Flows	Amortisation of ancillary cost of borrowing	As at 31 st March, 2020
Non - Current borrowings	345.76	(48.53)	0.32	297.55
Current maturity of Non-Current borrowings	48.21	-	-	48.21
Current borrowings	-	57.26	-	57.26
Total	393.97	8.73	0.32	403.02

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm Registration Number : 118707W/W100724

SHUBHAM ROHATGI
Partner
Membership No. 183083
Place : Ahmedabad

Date : 4th May, 2021

For and on behalf of the Board
ADANI TOTAL GAS LIMITED

GAUTAM S. ADANI
Chairman
DIN 00006273
Place : Ahmedabad

SURESH P MANGANI
Chief Executive Officer
Place : Mumbai

GUNJAN TAUNK
Company Secretary
Place : Ahmedabad
Date : 4th May, 2021

JOSÉ-IGNACIO SANZ SAIZ
Director
DIN 08705604
Place : Paris

PARAG PARIKH
Chief Financial Officer
Place : Ahmedabad

Notes to Consolidated financial statements

for the year ended 31st March, 2021

1 Corporate Information

Adani Total Gas Limited ("ATGL" or "the Group") 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 Corporate House", Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382 421. The name of the Company has changed from Adani Gas Limited to "Adani Total Gas Limited" w.e.f. 1st January, 2021. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. ATGL 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 Consolidated financial statements of the Group 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 Consolidated 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 ₹ 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 Group'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 Group 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 Group 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) Principles of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and equity accounting of its investment in a joint venture.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

The consolidated financial statements have been prepared on the following basis.

Joint Venture - Equity Accounting

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint venture are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of post acquisition profits or

Notes to Consolidated financial statements

for the year ended 31st March, 2021

losses and that of other comprehensive income of the joint venture. Distributions received from a joint venture reduce the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

After application of the equity method, at each reporting date, the Group determines whether there is objective evidence that the investment

The Company has included its below joint venture in these consolidated financial statements.

Sr. No	Name of Company/ Firm	Country of Incorporation	Relationship	Shareholding as at	
				31 st March 2021	31 st March 2020
1	Indian Oil-Adani Gas Private Limited	India	Joint Venture	50% by ATGL	50% by ATGL

IV) Use of Estimates and Judgments

The preparation of Consolidated 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 uncertainty

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

in the joint venture is impaired. If there exists such evidence, the Group determines extent of impairment and then recognises the loss in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss.

The Company has included its below joint venture in these consolidated financial statements.

Sr. No	Name of Company/ Firm	Country of Incorporation	Relationship	Shareholding as at	
				31 st March 2021	31 st March 2020
1	Indian Oil-Adani Gas Private Limited	India	Joint Venture	50% by ATGL	50% by ATGL

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 Group'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 Group uses market observable data to the extent available. Where such Level 1 inputs are not available, the Group 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

Notes to Consolidated financial statements

for the year ended 31st March, 2021

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 Group. 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 Group 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 counterparties 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 Group assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include changes resulting from market and economic environment, including internal and external factors such as the Group's market capitalisation, significant changes in the Group'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

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

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

Notes to Consolidated financial statements

for the year ended 31st March, 2021

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 Group 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 Group considers recovery of excise duty flows to the Group 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 Group on its own account, revenue includes excise duty.

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

Revenue on sale of natural gas is recognised 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 recognised on sale of gas to customers from CNG stations. Gas Transportation Income is recognised in the same period in which the related volumes of gas are delivered to the customers.

Other Income

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 Group'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 Group 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.

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 Group 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 Group'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 Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs obligations under the contract. The same is disclosed as "Advance from Customers" under Other Current Liabilities.

d Property, Plant & Equipments

Recognition and measurement

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 capitalised to the assets. Other indirect expenses are capitalised 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 capitalised in the asset's carrying amount or recognised 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

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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

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 use. Capital work in progress includes assets pending installation and not available for its intended use and capital inventory.

f Intangible Assets

Recognition and measurement

Intangible assets are recorded at the consideration paid for acquisition and are amortised over their estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Group for its use. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation 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 Consolidated 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 Group 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".

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for the year ended 31st March, 2021

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 Group. 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:

- (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 Consolidated Statement of Profit and Loss. For equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. If the Group 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 Consolidated 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 Consolidated Statement of Profit and Loss.

In addition, the Group 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 Group 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 Group 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 Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and Loss on disposal of that financial asset.

Impairment of financial assets

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

Notes to Consolidated financial statements

for the year ended 31st March, 2021

The Group follows 'Simplified Approach' for recognition of impairment loss allowance on all trade receivables or contractual receivables. Under the simplified approach, the Group 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 Consolidated Statement of Profit and Loss.

B) Financial Liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group 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.

Financial Liabilities

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

1) At amortised cost

This is the category most relevant to the Group. After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated 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 Consolidated 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 Group'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 Consolidated Statement of Profit and Loss.

Derecognition of financial liability

The Group derecognises financial liabilities when, and only when, the Group'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 Consolidated 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 amortised 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 Consolidated financial statements are presented in Indian Rupee (₹), 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

Notes to Consolidated financial statements

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rates on the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Consolidated 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 recognised in the Consolidated 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 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 Group 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 Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated 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 current and non-current 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 Group has no obligation, other than the contribution payable to the provident fund. The Group 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 Group 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 Consolidated 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 Group 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 capitalisation.

l Segment reporting

The Group 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, 2021 as determined by Chief Operational Decision Maker, in accordance with Ind-AS 108 "Operating Segment".

m Leases

At inception of a contract, the Group 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 Group 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 Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group 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 Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

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 Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, 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 Group operates and generates taxable income.

Current tax items, relating to items recognised outside the Consolidated Statement of Profit

Notes to Consolidated financial statements

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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 Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise 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 recognised as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallised.

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 Consolidated Statement of Profit and Loss is recognised outside Consolidated 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 Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group 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

Notes to Consolidated financial statements

for the year ended 31st March, 2021

(or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated 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 Group 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 Group. 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 in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position.

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

t) Recent Pronouncements

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1st April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- i) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current
- ii) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- iii) Specified format for disclosure of shareholding of promoters.
- iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- vi) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- i) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Notes to Consolidated financial statements for the year ended 31st March, 2021

3 PROPERTY, PLANT & EQUIPMENTS, INTANGIBLE ASSETS and RIGHT OF USE ASSETS

PARTULARS	Property, Plant & Equipments								Intangible Assets				Right of Use Leases Assets				
	Freehold Land	Leasehold Land	Building	Office Equipments	Computer	Vehicles	Furniture	Plant & Machinery	Computer Software	Total	Computer Software	Right of Use of Land	Total	Land	Building	Computer	Total
Year Ended 31st March, 2020																	
Gross Carrying Value																	
Opening Gross Carrying	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	
Amount																	
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	-	-	-	-	-	-	-	
Transfer	-	(43.52)	-	-	-	-	-	-	(43.52)	-	(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	-	-	-	-	-	-	-	
Transfer	-	(1.96)	-	-	-	-	-	-	(1.96)	-	(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	988.88	1,098.19	7.50	-	7.50	61.58	3.90	1.35	66.83	
Year Ended 31st March, 2021																	
Gross Carrying Value																	
Opening Gross Carrying	43.82	-	61.78	5.27	10.35	0.23	9.31	1,239.49	1,370.25	15.88	-	15.88	65.41	4.81	1.43	71.65	
Amount																	
Addition during the Year	14.12	-	24.66	0.46	3.46	-	0.02	179.06	221.78	5.90	-	5.90	15.21	2.69	-	17.90	
Deduction during the Year	-	-	-	-	0.30	0.04	0.72	0.10	1.16	-	-	-	-	-	-	-	
Closing Gross Carrying Value	57.94	-	86.44	5.73	13.51	0.19	8.61	1,418.45	1,590.87	21.78	-	21.78	80.62	7.50	1.43	89.55	
Accumulated Depreciation																	
Opening 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	
Depreciation during the year	-	-	1.34	0.75	2.46	0.02	0.71	50.91	56.19	3.23	-	3.23	3.12	1.42	0.29	4.83	
Deduction during the Year	-	-	-	-	-	0.30	0.03	0.72	0.06	1.11	-	-	-	-	-	-	
Closing Accumulated Depreciation	-	-	6.88	4.48	7.02	0.18	7.11	301.46	327.13	11.61	-	11.61	6.95	2.33	0.37	9.65	
Net Carrying Amount	57.94	-	79.56	1.25	6.49	0.01	1.50	1,116.99	1,263.74	10.17	-	10.17	73.67	5.17	1.06	79.90	

Notes:

a) For charges created on aforesaid assets, refer note 18 & 23

Notes to Consolidated financial statements for the year ended 31st March, 2021

4 Capital Work-in-progress

	As at 31 st March, 2021	As at 31 st March, 2020
Capital Work in Progress	696.48	342.06
Total	696.48	342.06

Notes: Includes expenditure directly attributable to construction period of ₹106.96 Crores (31st March, 2020 : ₹61.66 Crores) and capital inventory of ₹299.38 Crores (31st March, 2020 : ₹160.58 Crores)

5 a) Investments accounted using Equity Method

	As at 31 st March, 2021	As at 31 st March, 2020
Unquoted Equity Shares		
In Equity Shares of Joint Venture measured at Cost (fully paid)		
43,22,50,000 Shares (P.Y. : 29,10,00,000 Shares) of ₹ 10 each of Indian Oil-Adani Gas Private Limited	413.64	281.56
Total	413.64	281.56
Aggregate value of unquoted investments	413.64	281.56

5 b) Other Investments

	As at 31 st March, 2021	As at 31 st March, 2020
Unquoted Equity Shares		
In Equity Shares of Company measured at FVTOCI (fully paid)		
36,93,750 Shares (P.Y. : NIL) of ₹ 10 each of Indian Gas Exchange Limited	3.69	-
Total	3.69	-

6 Other Non - Current Financial Assets (Unsecured, considered good)

	As at 31 st March, 2021	As at 31 st March, 2020
Security Deposits		
Balances held as Margin Money		
Fixed Deposits (original maturity more than twelve months)		
Total	395.82	27.19

Note: Balances held as Margin Money is against credit facilities.

7 Income Tax Assets (Net)

	As at 31 st March, 2021	As at 31 st March, 2020
Advance Payment of Income Tax (net of provisions)	11.05	15.82
Total	11.05	15.82

Notes to Consolidated financial statements

for the year ended 31st March, 2021

8 Other Non - Current Assets

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Capital advances	66.95	47.69
Balance with Government Authorities	13.40	5.92
Total	80.35	53.61

Note: Refer note 45 for Related Party Balances

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

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Stock of Natural Gas	2.05	0.97
Stores and spares	49.96	40.33
Total	52.01	41.30

Note: For charges created on aforesaid assets, refer note 18 & 23

10 Trade Receivables

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured, considered good	103.68	61.17
Unsecured, credit impaired	0.45	0.88
	104.13	62.05
Allowances for Expected Credit Losses	(0.45)	(0.88)
Total	103.68	61.17

Note: i) For charges created on aforesaid assets, refer note 18 & 23
 ii) Refer note 45 for balances with related party
 iii) The Group considers for impairment on its receivables from customers. The risk of recovery is reduced to the extent of security deposits already collected and held as collaterals.

11 Cash and Cash equivalents

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Balances with banks		
- In current accounts	10.23	19.62
- Deposit with original maturity of less than 3 months	-	69.00
Total	10.23	88.62

Notes to Consolidated financial statements

for the year ended 31st March, 2021

12 Bank balances other than Cash and Cash equivalents

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Balances held as Margin Money	0.58	0.80
Fixed Deposits (with original maturity for more than three months)	0.03	0.03
Earmarked balances in unclaimed dividend accounts	0.03	0.02
Total	0.64	0.85

13 Current Loans (Unsecured, considered good)

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Loans to related parties	-	311.22
Loan to employees	0.20	0.26
Total	0.20	311.48

Note: Refer note 45 for Related Party Balances

14 Other Current Financial Assets (Unsecured, considered good)

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Interest accrued but not due on deposits	4.64	0.04
Contract Asset - Unbilled Receivable (refer note 46)	16.93	16.97
Other Receivables	9.35	8.38
Total	30.92	25.39

Note: Refer note 45 for Related Party Balances

15 Other Current Assets

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Advance for supply of goods or services	6.24	2.39
Balances with Government authorities	3.22	8.62
Prepaid Expenses	16.17	18.25
Total	25.63	29.26

Note: Refer note 45 for Related Party Balances

16 Equity Share Capital

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Authorised Share Capital		
5,09,95,00,000 (P.Y. - 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 (P.Y. - 1,09,98,10,083) Fully paid up Equity shares of ₹ 1/- each	109.98	109.98
Total	109.98	109.98

Notes to Consolidated financial statements

for the year ended 31st March, 2021

16 Equity Share Capital (Contd.)

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

	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	(₹ in Crores)	No. of Shares	(₹ in Crores)
At the beginning of the year	1,099,810,083	109.98	1,099,810,083	109.98
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,099,810,083	109.98	1,099,810,083	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 ensuing Annual General Meeting, except in case of interim dividend.

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

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity shares of ₹1 each fully paid				
Mr. Gautam S. Adani/Mr. Rajesh S. Adani (on behalf S. B. Adani Family Trust)	402,294,988	36.58%	402,295,584	36.58%
Total Holdings SAS	411,331,740	37.40%	411,331,740	37.40%

17 Other Equity

	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
(A) Capital Reserve		
Balance as at the beginning/end of the year	146.21	146.21
	146.21	146.21
(B) Retained Earnings		
Opening Balance	1,214.69	845.76
Add: Profit for the year	462.82	436.32
Add: Other Comprehensive Income/(Loss)	0.11	(1.10)
Less: Dividend on Equity Shares	-	(54.99)
Less: Tax on Dividend	-	(11.30)
	1,677.62	1,214.69
Total	1,823.83	1,360.90

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 Total 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.

Notes to Consolidated financial statements

for the year ended 31st March, 2021

17 Other Equity (Contd.)

b) Retained Earnings

The portion of profits not distributed among the shareholders are termed as retained earnings (free reserves). The Company may utilise 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

	As at 31 st March, 2021	As at 31 st March, 2020
Secured borrowings		
Term Loans from Banks (refer note a & b)	307.88	297.50
Unsecured borrowings		
10% Cumulative Redeemable Preference Share (refer note c)	0.05	0.05
Total	307.93	297.55

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 Group 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.

b) Repayment terms:

- Long Term Rupee Term Loan of ₹156.30 Crores is repayable in 4 Quarterly Instalments of ₹6.51 Crores each from Q1 F.Y. 22 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 @ 7.25% and is payable on monthly basis.
- Long Term Rupee Term Loan of ₹89.25 Crores is repayable at 5 Quarterly Instalments of ₹3.57 Crores each from Q1 F.Y. 22 to Q1 F.Y. 23, 10 Quarterly Instalments of ₹5.71 Crores each from Q2 F.Y. 23 to Q3 F.Y. 25, 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 @ 7.35% and is payable on monthly basis.
- Long Term Rupee Term Loan of ₹53.30 Crores is repayable in 6 Quarterly Instalments of ₹2.05 Crores each from Q1 F.Y.22 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 @ 7.10% and is payable on monthly basis.
- Long Term Rupee Term Loan of ₹67.96 Crores is repayable in 29 Quarterly Instalments of ₹2.34 Crores each from Q1 F.Y.22 to Q1 F.Y. 29, and said loan carries interest rate equal to the benchmark rate, presently @ 7.95% and is payable on monthly basis.
- For current maturities of non-current borrowings, 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.

Notes to Consolidated financial statements

for the year ended 31st March, 2021

19 Non - Current Lease Liabilities

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Lease Liabilities (Refer note 47)	37.47	21.20
Total	37.47	21.20

20 Other Non - Current Financial Liabilities

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Retention Money	1.12	1.18
Total	1.12	1.18

21 Non - Current Provisions

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Provision for Employee Benefits		
Provision for compensated absences (Refer note 43)	4.58	4.15
Total	4.58	4.15

22 Deferred Tax Liabilities (net)

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Deferred Tax Liabilities		
Property, Plant & Equipment and Other Intangible assets	127.38	101.38
Gross Deferred Tax Liabilities	127.38	101.38
Deferred Tax Assets		
Employee Benefit Liability	3.36	3.49
Allowance for credit losses	0.11	0.22
Lease Liability net of Lease Assets	10.28	2.99
Others	3.14	4.41
Gross Deferred Tax Assets	16.89	11.11
Net Deferred Tax Liabilities	110.49	90.27

Notes to Consolidated financial statements

for the year ended 31st March, 2021

22 Deferred Tax Liabilities (net) (Contd.)

a. Movement in Deferred Tax Liability (net) for the year ended 31st March 2021:

Particulars	As at 1 st April, 2020	Recognised in profit and loss	Recognised in OCI	As at 31 st March, 2021
Tax effect of items constituting deferred tax liabilities:				
Difference between book base and tax base of property, plant & equipment and Intangible Assets	101.38	26.00	-	127.38
Total	101.38	26.00	-	127.38
Tax effect of items constituting deferred tax asset:				
Employee Benefit Liability	3.49	(0.08)	(0.05)	3.36
Allowance for credit losses	0.22	(0.11)	-	0.11
Lease Liability net of Lease Assets	2.99	7.29	-	10.28
Others	4.41	(1.27)	-	3.14
Total	11.11	5.81	(0.03)	16.89
Net Deferred Tax Liability	90.27	20.19	0.03	110.49

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

Particulars	As at 1 st April, 2019	Recognised in profit and loss	Recognised in OCI	As At 31 st 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

23 Current Borrowings

	As at 31 st March, 2021	As at 31 st March, 2020
Secured Borrowings		
Trade Credits From Banks (refer note - a)	44.85	57.26
Bank Overdraft Facilities (refer note - b & c)	77.91	-
Total	122.76	57.26

Notes:

- a) Trade credits from Banks aggregating to ₹44.85 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.

Notes to Consolidated financial statements

for the year ended 31st March, 2021

23 Current Borrowings (Contd.)

- b) Bank Overdraft aggregating to ₹36.10 Crore are secured by way of lien against FD with bank.
- c) Bank Overdraft aggregating to ₹41.81 Crore are secured by First charge by way of hypothecation over all type of inventories, receivables, book debt and revenue, present & future, located or pertaining to Ahmedabad, Vadodara, Khurja and Faridabad. Second charge by way of hypothecation over all present and future movable Plant and Machinery and other movable assets of the Group at Ahmedabad, Vadodara, Khurja and Faridabad.

24 Current Lease Liabilities

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Lease Liabilities (Refer note 47)	3.37	4.05
Total	3.37	4.05

25 Trade Payables

	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Trade Payables		
i. Total outstanding dues of micro and small enterprises	5.88	2.76
ii. Total outstanding dues of creditors other than micro and small enterprises	109.64	79.85
Total	115.52	82.61

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

Particulars	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	5.88	2.76
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 Group. 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 Group 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.

Notes to Consolidated financial statements

for the year ended 31st March, 2021

26 Other Current Financial Liabilities

	As at 31 st March, 2021	As at 31 st March, 2020
Current maturities of non current borrowings (Secured) (refer note 18)	57.59	48.21
Interest accrued but not due on borrowings	2.26	2.59
Unclaimed Dividend	0.03	0.02
Security Deposit from Customers	352.80	313.51
Security Deposit from Contractors	0.64	1.03
Other payables		
- Retention money payable	47.79	29.33
- Capital Creditors	80.82	37.64
Total	541.93	432.33

27 Other Current Liabilities

	As at 31 st March, 2021	As at 31 st March, 2020
Revenue received in advance		
Contract Liability - Advances from Customers (Refer Note 46)	0.22	0.88
Statutory Liabilities	17.98	8.87
Total	18.20	9.75

28 Current Provisions

	As at 31 st March, 2021	As at 31 st March, 2020
Provision for Employee Benefits		
Provision for Gratuity (Refer note 43)	5.10	4.05
Provision for compensated absences (Refer note 43)	1.36	1.04
Total	6.46	5.09

29 Revenue from Operations

	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Revenue from Contract with Customers		
Sale of Goods		
CNG Sales	739.01	947.56
PNG Sales	1,023.75	1,017.00
Sale of Services		
Connection Income	7.21	9.73
Transportation Income	2.53	3.65
Other Operating Revenues	11.97	12.96
Total	1,784.47	1,990.90

Notes to Consolidated financial statements

for the year ended 31st March, 2021

30 Other Income

	₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Interest Income		
Inter Corporate Loans	0.87	30.22
Bank Deposits	26.73	1.46
Others	0.88	0.20
Foreign Exchange Fluctuation Gain	-	0.28
Net Gain on Sale of Current Investments	0.57	6.51
Net Gain on Sale of Property, plant and equipment	0.04	0.02
Liabilities no longer required written back	9.81	0.05
Sale of Stores and Spares	0.02	-
Corporate Guarantee Income	3.53	3.53
Other non-operating income	1.91	2.12
Total	44.36	44.39

31 Cost of Natural Gas and Traded Items

	₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Cost of Natural Gas	770.70	1,059.63
Total	770.70	1,059.63

32 Changes in Inventories

	₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Opening Stock of Finished Goods / Stock in Trade	0.97	1.31
Less: Closing Stock of Finished Goods / Stock in Trade	2.05	0.97
Total	(1.08)	0.34

33 Employee Benefits Expense

	₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Salaries, wages and Bonus	45.46	41.91
Contribution to Provident and Other Funds	3.75	2.73
Staff Welfare Expenses	2.31	2.82
Total	51.52	47.46

Notes to Consolidated financial statements

for the year ended 31st March, 2021

34 Finance Costs

	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Interest on		
Term Loan	30.58	32.91
Security Deposit	4.71	4.12
Income Tax	0.29	1.08
Finance lease liabilities	1.51	1.00
Others	0.69	0.02
Other Borrowing Costs		
Bank and Other Finance Charges	2.70	1.92
Total	40.48	41.05

35 Other Expenses

	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Consumption of stores and spare parts	7.90	10.75
Job Work Charges	6.32	0.35
Power and fuel	27.10	35.39
Transportation Charges	22.24	5.65
Security Expenses	3.64	2.73
Facilitation Fees	0.64	0.58
Commission & Brokerage	1.02	1.76
Rent	5.65	10.61
Repairs and Maintenance		
Plant and Machinery	35.29	26.40
Buildings	0.75	1.19
Others	3.25	1.84
Insurance Expenses	1.11	0.67
Rates and Taxes	5.77	14.30
Fines & Penalties	-	6.41
Legal and Professional Expenses	23.21	25.20
Travelling and Conveyance Expenses	2.84	8.98
Advertisement and Business Promotion Expenses	2.28	3.28
Office Expenses	1.12	1.21
Communication & IT Expenses	9.60	7.44
Printing and Stationery Expenses	0.90	1.02
Donations	0.05	-
Corporate Social Responsibility Expenses (Refer note 42)	7.82	5.21
Directors' Sitting Fees	0.27	0.34
Commission to Non Executive Directors	0.86	0.43
Payment to Auditors		
Statutory Audit Fees	0.14	0.13
Others	0.01	0.01
Write-off for Doubtful Debt, Loans & Advances	0.08	0.32
Allowances for Credit Losses	(0.43)	(0.40)
Miscellaneous Expenses	0.71	0.56
Total	170.14	172.36

Notes to Consolidated financial statements

for the year ended 31st March, 2021

36 Exceptional Items

	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Service Tax liability on gas connection income (refer note - a)	9.99	-
Project Write Off (refer note - b)	4.48	-
Total	14.47	-

Notes:

- a) During the year, the Group received an order dated 28th August, 2020 from the Hon'ble Supreme Court of India with respect to Service Tax liability on gas connection income pertaining to FY 2008-09. Pursuant to the order, the Group has recognised and paid ₹9.99 Crores towards Service Tax Liability including interest and penalty thereon.
- b) The Group has written off ₹4.48 Crore towards expenditure incurred for a GA that was bid by the Group, pursuant to the order received for withdrawal of contempt petition from Hon'ble Supreme Court.

37 Income Tax

- a. The major components of income tax expense for the years ended 31st March, 2021 and 31st March, 2020 are:
- (₹ in Crores)

Income Tax Expense :	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Current Tax		
Current Income Tax Charge	139.09	122.54
Total (a)	139.09	122.54
Deferred Tax		
In respect of current year origination and reversal of temporary differences	20.17	(11.38)
Total (b)	20.17	(11.38)
Total (a+b)	159.26	111.16

- b. Reconciliation of Income Tax Expense with Accounting Profit

	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Profit before Tax as per statement of Profit and Loss	631.21	547.40
Tax at companies domestic tax rate	158.86	137.77
Tax Effect of :		
Expenses not deductible for tax purposes	2.69	2.17
Change in Tax Rate	-	(28.54)
Adjustment of earlier years	0.55	1.42
Others	(2.85)	(1.67)
Income Tax recognised in statement of profit and loss account at effective rate	159.26	111.16

Notes to Consolidated financial statements

for the year ended 31st March, 2021

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

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(i) Contingent Liabilities :		
a) Pending labour matters contested in various courts	0.99	0.99
b) Cases pending in Consumer Forums	0.77	0.02
c) Cases pending in MACT	0.10	0.10
d) In respect of Service tax, Excise Duty and VAT	29.31	27.33
e) In respect of Income Tax	2.68	2.17
f) Special Civil Suits	0.25	0.25
g) Property Tax	11.69	-
h) Stamp Duty under Gujarat Stamp Act	0.37	-
Total	46.16	30.86

- i) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- j) Gas suppliers have submitted a claim of ₹70.92 Crores pertaining to earlier years (FY 2013-14 to FY 2019-20) for use of allocated gas for other than specified purpose. The Group 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 Group is not liable to pay any such claim. The Group has already taken up the matter with concerned entities/authorities to withdraw the claim.
- k) Haryana Shehri Vikas Pradhikaran ("HSV") has raised demand notes of ₹39.18 Crores against plot of lands allotted by HSV to the Group for CNG gas stations. Presently the Group does not have any basis of the computation of the claim. The Group is regularly paying all the lease rentals and has made a requisite provision on the basis of the allotment letter. The Group 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.
- l) OMCs namely IOCL, HPCL and BPCL vide letters dated 26th October, 2020, 20th November, 2020, 15th December, 2020, 16th December, 2020 and 15th March, 2021 have communicated their proposal on the revision of trade discount they wish to make applicable to various geographies of the Group as per the recommendation of the aforesaid study they had undertaken through a third party. The Group had suitably taken up with the OMCs and replied vide letters dated 25th February, 2021 and 05th March, 2021, that any revision in the trade discount must be mutually discussed and agreed between OMCs and the Company. The issue is pending further discussions with the OMCs. As the issue is applicable to the CGD entities at large, the Company is hopeful of arriving at amicable resolution of the subject issue and as such the quantification of any additional liability is not ascertainable at this stage.

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(ii) Commitments :		
a) Estimated amount of contract on capital account to be executed and note provided for (net of advance)	631.24	337.12
b) Corporate Guarantee on behalf of JV Company	3,533.46	3,533.46
Total	4,164.70	3,870.58

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 Consolidated financial statements

for the year ended 31st March, 2021

39 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):

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Opening Balances	61.66	26.07
Employee Benefits Expense	31.95	29.17
Finance Cost	6.67	6.44
Operating and Other Expenses	27.97	28.17
Project Expenses	2.96	1.37
	131.21	91.22
Less:		
Project Write Off	2.98	-
Capitalisations	21.27	29.56
Closing Balances	106.96	61.66

40 Financial Instruments and Risk Review:

A) Accounting Classification and Fair Value Hierarchy

Financial Assets and Liabilities

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

Fair Value Hierarchy

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

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

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

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

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

As at 31st March, 2021

Particulars	Refer Note	(₹ in Crores)		
		Fair Value through OCI (Level-2)	Amortised cost	Total
Financial Assets				
Cash and cash equivalents	11	-	10.23	10.23
Other Bank balances	12	-	0.64	0.64
Investments	5	3.69	-	3.69
Trade Receivables	10	-	103.68	103.68
Loans	13	-	0.20	0.20
Other Financial Assets	6, 14	-	426.74	426.74
Total		3.69	541.49	545.18

Notes to Consolidated financial statements

for the year ended 31st March, 2021

40 Financial Instruments and Risk Review: (Contd.)

(₹ in Crores)

Particulars	Refer Note	Fair Value through OCI (Level-2)	Amortised cost	Total
Financial Liabilities				
Borrowings	18, 23, 26	-	488.28	488.28
Lease Liability	19, 24	-	40.84	40.84
Trade Payables	25	-	115.52	115.52
Other Financial Liabilities	20, 26	-	485.46	485.46
Total			1,130.10	1,130.10

As at 31st March, 2020

(₹ in Crores)

Particulars	Refer Note	Fair Value through OCI (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

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.

B) Financial Instruments and Financial Risk Review

In the ordinary course of business, the Group 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 Group's senior management oversees the management of these risks.

The Group'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 Group. The Management ensures appropriate risk governance framework for the Group through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Group's policies and risk objectives., the Group is mainly exposed to risks resulting from interest rate risk, credit risk and liquidity risk.

i) 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.

Notes to Consolidated financial statements

for the year ended 31st March, 2021

40 Financial Instruments and Risk Review: (Contd.)

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

The Group'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 Group 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 Group'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 however the year end balances are not necessarily representative of the average debt outstanding during the year

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Total Borrowings	488.23	402.97

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

Particulars	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Impact on profit before tax for the year	2.44	2.01

b) 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 Group 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 group'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 31 st March, 2021		As at 31 st March, 2020	
		Forex	₹ in Crore	Forex	₹ in Crore
Trade Payables	USD	37,993	0.28	116,100	0.88
Trade Payables	EUR	132,660	1.18	-	-

For every 5% depreciation / appreciation in the exchange rate between the Indian Rupee and the Foreign Currency, would have affected the Group's profit from Continuing Operation for the year as follows:

Particulars	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
USD Sensivity	0.01	0.04
EUR Sensivity	0.06	-

Notes to Consolidated financial statements

for the year ended 31st March, 2021

40 Financial Instruments and Risk Review: (Contd.)

c) Price risk

Risk arising on account of fluctuations in price of natural gas is mitigated by ability to pass on the fluctuations in prices to customers over period of time. The Group monitors movements in the prices closely on regular basis.

The Group'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 Group 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 Group. There are no other significant terms and conditions associated with the use of guarantee.

ii) 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 Group. 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 Group's treasury team in accordance with the Group'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.

Movement in expected credit loss allowance on trade receivables

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Opening Balance of Credit Losses	0.88	1.28
Changes during the year	(0.43)	(0.40)
Closing Balance of Credit Losses	0.45	0.88

iii) Liquidity Risk

Liquidity risk refers the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The Group 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 Group'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:

As at 31 st March, 2021	Refer Note	(₹ in Crores)			Total
		Less than 1 year	1 to 5 year	More than 5 Years	
Borrowings	18, 23, 26	180.66	287.87	21.09	489.62
Trade Payables	25	115.52	-	-	115.52
Lease Liability	19, 24	5.80	21.29	50.91	78.00
Other Non Current Financial Liabilities	20	-	1.12	-	1.12
Other Current Financial Liabilities	26	484.34	-	-	484.34

Notes to Consolidated financial statements

for the year ended 31st March, 2021

40 Financial Instruments and Risk Review: (Contd.)

As at 31 st March, 2020	Refer Note	Less than 1 year	₹ in Crores)		
			1 to 5 year	More than 5 Years	Total
Borrowings	18, 23, 26	105.79	285.10	13.81	404.70
Trade Payables	25	82.61	-	-	82.61
Lease Liability	19, 24	4.23	14.22	25.31	43.76
Other Non Current Financial Liabilities	20	-	1.18	-	1.18
Other Current Financial Liabilities	26	384.12	-	-	384.12

iv) Capital Management

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

The Parent 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	₹ in Crores)	
		As at 31 st March, 2021	As at 31 st March, 2020
Net debt (total debt less cash and cash equivalents) (A)	18,23,26,12 and 13	477.41	313.55
Total capital (B)	16 and 17	1,933.81	1,470.88
Total capital and net debt C=(A+B)		2,411.22	1,784.43
Gearing ratio (A/C)		20%	18%

Management monitors the return on capital, as well as the level of dividends to equity shareholders. In order to achieve this overall objective, the Parent 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 period and year ended 31st March, 2021 and 31st March, 2020 respectively.

41 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 31 st March, 2021	For the year ended 31 st March, 2020
Basic and Diluted EPS			
Net Profit after tax attributable to Equity Shareholders	(₹ in Crores)	462.82	436.32
Weighted Average Number of Equity Shares for basic and diluted EPS	No	1,099,810,083	1,099,810,083
Nominal Value of equity share	₹	1	1
Basic and Diluted EPS	₹	4.21	3.97

Notes to Consolidated financial statements

for the year ended 31st March, 2021

42 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Group. The CSR activities of the Group are generally being carried out through Adani Foundation a Charitable Trust set up by the Group, whereby funds are allocated from the Group. The Charitable Trust carries out the CSR activities as specified in Schedule VII to the Companies Act, 2013 on behalf of the Group. During the year, Group was required to spend CSR expense of ₹7.82 Crores (31st March, 2020 : ₹5.21 Crores) as per requirement of Section 135 of Companies Act, 2013 and had spent ₹7.82 Crores (31st March, 2020 : ₹5.21 Crores) for the year.

Particular	Amount contributed	Amount yet to be contributed	Total
a) Construction/acquisition of any assets	-	-	-
b) On purpose other than (a) above	7.82	-	7.82
Total	7.82	-	7.82

43 The Group 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 Group for this year.

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

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Provident Fund	1.75	1.47
Super Annuation Fund	0.02	0.04
Total	1.77	1.51

b) Defined Benefit Obligations :

The Group 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 1st September, 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 Parent 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.

Notes to Consolidated financial statements

for the year ended 31st March, 2021

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.
(₹ in Crores)	
Particulars	As at 31st March, 2021
	As at 31st March, 2020
i. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation	
Liability at the beginning of the Year	10.77
Current Service Cost	1.26
Past Service Cost	-
Interest Cost	0.71
Employee Transfer in / transfer out (net)	(0.20)
Benefit paid	(1.25)
Re-measurement (or Actuarial) (gain) / loss arising from:	
change in demographic assumptions	(0.18)
change in financial assumptions	-
experience variance (i.e. Actual experience vs assumptions)	(0.05)
Present Value of Defined Benefits Obligation at the end of the Year	11.06
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	6.74
Investment Income	0.45
Return on plan asset excluding amount recognised in net interest expenses	(0.04)
Employers Contributions	0.06
Benefit paid	(1.25)
Fair Value of Plan assets at the end of the Year	5.96
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	11.06
Fair Value of Plan assets at the end of the Year	5.96
Net Asset / (Liability) recognised in balance sheet as at the end of the year	(5.10)
iv. Gratuity Cost for the Year	
Current service cost	1.26
Interest cost	0.71
Expected return on plan assets	-
Actuarial Gain / (Loss)	-
Past service cost-vested benefit recognised during the year	-
Investment income	(0.45)
Net Gratuity cost	1.52
	1.42

Notes to Consolidated financial statements

for the year ended 31st March, 2021

Particulars	(₹ in Crores)			
	As at 31st March, 2021	As at 31st March, 2020		
v. Other Comprehensive income				
Actuarial (gains) / losses				
Change in demographic assumptions	(0.18)	(0.64)		
Change in financial assumptions	-	1.25		
Experience variance (i.e. Actual experience vs assumptions)	(0.05)	0.44		
Actuarial (gain)/loss arising because of change in effect of asset ceiling	-	-		
Return on plan assets, excluding amount recognised in net interest expense	0.04	0.42		
Components of defined benefit costs recognised in other comprehensive income	(0.19)	1.47		
vi. Actuarial Assumptions				
Discount Rate (per annum)	6.70%	6.70%		
Annual Increase in Salary Cost	8.00%	8.00%		
Mortality Rate During employment	IALM(2012-14)	IALM(2012-14)		
Attrition Rate	7.45%	5.67%		
vii. Sensitivity Analysis				
Significant actuarial assumptions for the determination 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:				
Particulars	(₹ in Crores)			
	As at 31st March, 2021	As at 31st March, 2020		
Decrease	Increase	Decrease	Increase	
Discount Rate (- / + 1%)	12.00	10.23	11.86	9.83
Salary Growth Rate (- / + 1%)	10.23	11.98	9.84	11.82
Attrition Rate (- / + 50%)	11.47	10.76	11.12	10.51
Mortality Rate (- / + 10%)	11.06	11.05	10.77	10.77

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 Group 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 Group's best estimate of Contribution during the next year is ₹6.39 Crore.

Notes to Consolidated financial statements

for the year ended 31st March, 2021

c) Maturity Profile of Defined Benefit Obligation

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (31 March 2020: 10 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	0.78
2 to 5 years	4.33
6 to 10 years	5.49
More than 10 years	10.48

ix. Risk Exposure and Asset Liability Matching

Through its defined benefit plan of Gratuity, the Group is exposed to its number of risks, viz. asset volatility, changes in return on assets, inflation risks and life expectancy. The Group 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, 2021 is ₹5.94 Crores (31st March 2020: ₹5.20 Crores).

44 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 Parent 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, 2021, the Company has invested a sum of ₹432.25 Crores (31st March, 2020: ₹291 Crores).

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

Particulars	(₹ in Crores)	
	2020-21	2019-20
	IndianOil-Adani Gas Private Limited	
Country of Incorporation	India	India
% of ownership interest	50%	50%
Current Assets	185.25	167.53
Non Current Assets	1,702.00	1,343.74
Current Liabilities	260.09	209.13
Non Current Liabilities	777.29	739.04
Income	358.20	311.53
Profit/(Loss) for the year	(18.25)	0.15
Other Comprehensive Income	(0.09)	0.01
Total Comprehensive Income	(18.34)	0.17
Contingent Liabilities	-	0.27
Capital Commitments	538.66	414.99

Notes to Consolidated financial statements

for the year ended 31st March, 2021

45 Related party transactions

a. List of related parties and relationship

The Management has identified the following entities and individuals as related parties of the Parent Company for the year ended 31st March, 2021 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	: Adani Enterprises Limited Adani Total Private 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 Electricity Mumbai Limited Maharashtra Eastern Grid Power Transmission Co.Ltd Adani Power Jharkhand Limited Adani Ports and Special Economic Zone Limited Total Adani Fuel Management Private Limited
Entities (with whom transactions are done)	

Directors/ Key Management Personnel	: Mr. Gautam S. Adani, Chairman Mr. Pranav V. Adani, Director Mr. Alexis Thelemaque, Director Mr. José-Ignacio Sanz Saiz, Director Mr. Maheswar Sahu, Independent Director Mr. Naresh Kumar Nayyar, Independent Director Mrs. Chandra Iyengar, Independent Director Ms. Gauri Trivedi, Independent Director Mr. Suresh P. Mangalani, CEO Mr. Parag Parikh, CFO Mr. Gunjan Taunk, Company Secretary
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Terms and conditions of transactions with related parties

- The Group 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)(ii) of Ind AS-24 "Related Party Disclosures", normal dealings of Group with related parties by virtue of public utilities are excluded from the purview of Related Party Disclosures.
- Outstanding balances of related parties at the year-end are unsecured.
- 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 Group as a whole and hence individual figures cannot be identified.

Notes to Consolidated financial statements

for the year ended 31st March, 2021

45 Related party transactions (Contd.)

- iv) Reimbursement to associate entity includes amount of cost allocation of remuneration to some of the Key Management Personnel
- v) All above figures are net of taxes wherever applicable.

b. Transactions with Related Parties

(* Denotes amount less than ₹50,000)

Sr No.	Related Party	Nature of Transaction	(₹ in Crores)	
			For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
1	Adani Enterprises Limited	Loan Given	-	27.20
		Loan Received back	311.22	75.00
		Services Availed	6.82	8.27
		Transfer-in of Employee Liabilities	0.06	0.02
		Transfer-out of Employee Liabilities	-	0.05
		Receipt of Interest on Loan	0.54	30.22
		Purchase of Natural Gas	203.45	-
2	Adani Total Private Limited	Services Availed	2.65	-
3	Adani Power (Mundra) Limited	Services Availed	-	*
4	Adani Foundation	Donation	2.82	5.21
5	Karnavati Aviation Private Limited	Services Availed	-	3.00
6	Shantikrupa Estates Private Limited	Services Availed	21.49	6.33
7	Adani Township & Real Estate Company Private Limited	Services Availed	-	*
8	Adani Ports and Special Economic Zone Limited	Rent Expense	1.76	1.74
		Services Availed	0.58	0.61
		Transfer-out of Employee Liabilities	*	-
		Transfer-in of Employee Liabilities	-	0.05
9	Adani Infra (India) Limited	Transfer-in of Employee Liabilities	-	0.17
10	Total Adani Fuel Management Private Limited	Services Rendered	0.15	-
		Reimbursement of Expenses	2.38	-
11	Adani Power Limited	Transfer-out of Employee Liabilities	0.02	-
12	Adani Agri Fresh Limited	Services Availed	-	*
13	Adani Institute for Education and Research	Services Availed	0.01	0.12
14	Adani Green Energy Limited	Transfer-in of Employee Liabilities	-	0.11
15	Adani Wind Energy (GJ) Limited	Transfer-in of Employee Liabilities	-	0.01
16	Adani Estate Management Private Limited	Services Availed	-	*
		Purchase of Asset	35.82	-
17	Belvedere Golf And Country Club Private Limited	Services Availed	0.01	-
18	Adani Electricity Mumbai Limited	Transfer-out of Employee Liabilities	0.59	-
19	Maharashtra Eastern Grid Power Transmission Co.Ltd	Transfer-in of Employee Liabilities	0.18	-

Notes to Consolidated financial statements

for the year ended 31st March, 2021

45 Related party transactions (Contd.)

Sr No.	Related Party	Nature of Transaction	(₹ in Crores)	
			For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
20	Adani Power Jharkhand Limited	Transfer-in of Employee Liabilities	*	-
21	IndianOil-Adani Gas Private Limited	Loan Given	7.00	-
		Loan Received back	7.00	-
		Interest Income	0.34	-
		Purchase of Capital Inventory	0.12	4.00
		Sale of Capital Inventory	0.02	-
		Sale of Natural Gas	1.01	2.87
		Purchase of Natural Gas	1.42	0.26
		Services Rendered	6.67	5.93
		Services Availed	1.70	0.01
		Corporate Guarantee Commission	3.53	3.53
		Investment in Equity	141.25	105.50
22	Mr. Suresh P Manglani	Short-term Benefits	2.89	2.87
23	Mr. Parag Parikh	Short-term Benefits	2.48	1.62
24	Mr. Gunjan Taunk	Short-term Benefits	0.03	-
25	Mr. Maheswar Sahu	Director Sitting Fees	0.07	0.11
		Commission	0.20	0.12
26	Mrs. Chandra Iyengar	Director Sitting Fees	0.06	0.09
		Commission	0.20	0.12
27	MS. Gauri Trivedi	Director Sitting Fees	0.04	-
		Commission	0.13	-
28	Mr. Naresh Kumar Nayyar	Director Sitting Fees	0.06	0.09
		Commission	0.20	0.12

c. Balances With Related Parties

(* Denotes amount less than ₹ 50,000)

Sr No.	Related Party	Nature of Balances	(₹ in Crores)	
			As at 31 st March, 2021	As at 31 st March, 2020
1	Adani Enterprises Limited	Trade Payables	1.38	1.19
		Other Current Financial Assets	-	0.02
		Current Loans	-	311.22
2	Adani Ports and Special Economic Zone Limited	Trade Payables	0.55	0.59
		Other Non - Current Financial Assets	0.43	0.43
		Other Current Financial Assets	-	0.05
3	Adani Power (Mundra) Limited	Other Current Financial Assets	0.02	0.01
		Trade Payables	-	*
4	Adani Estate Management Private Limited	Trade Payables	-	*
5	Adani Power Limited	Trade Payables	0.02	-
6	Adani Total Private Limited	Trade Payables	27.16	-

Notes to Consolidated financial statements

for the year ended 31st March, 2021

45 Related party transactions (Contd.)

c. Balances With Related Parties

(* Denotes amount less than ₹ 50,000)

Sr No.	Related Party	Nature of Balances	(₹ in Crores)	
			As at 31 st March, 2021	As at 31 st March, 2020
7	Total Adani Fuel Management Private Limited	Other Current Financial Assets	2.48	-
8	Adani Green Energy Limited	Other Current Financial Assets	0.11	0.11
9	Adani Wind Energy (GJ) Limited	Other Current Financial Assets	-	0.01
10	Adani Infra (India) Limited	Other Current Financial Assets	-	0.17
11	Adani Electricity Mumbai Limited	Trade Payables	0.59	-
12	Maharashtra Eastern Grid Power Transmission Co.Ltd	Other Current Financial Assets	0.18	-
13	Adani Power Jharkhand Limited	Other Current Financial Assets	*	-
14	Karnavati Aviation Private Limited	Trade Payables	-	0.26
15	Shantikrupa Estates Private Limited	Trade Payables	0.34	0.30
		Other Non Current Assets	1.53	4.59
16	IndianOil-Adani Gas Private Limited	Other Current Financial Assets	6.82	9.46
		Trade Receivables	0.06	0.66
		Trade Payables	0.92	0.29
		Other Current Financial Liabilities	-	4.72
		Corporate Guarantee	3,533.46	3,533.46

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.

Name of Entity	Closing Balance as at 31 st March, 2021	Maximum amount outstanding during the year
Adani Enterprises Limited		
Current Year	-	311.22
Previous Year	311.22	359.02
Indian Oil-Adani Gas Private Limited		
Current Year	-	7.00
Previous Year	-	-

46 Contract Balances

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

Particulars	Refer note	(₹ in Crores)	
		As at 31 st March, 2021	As at 31 st March, 2020
Trade receivables	10	103.68	61.17
Contract assets	14	16.93	16.97
Contract liabilities	27	0.22	0.88

Notes to Consolidated financial statements

for the year ended 31st March, 2021

46 Contract Balances (Contd.)

The contract assets primarily relate to the Group'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 Group issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers.

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

Particulars	(₹ in Crores)
Contract assets reclassified to receivables	16.97
Contract liabilities recognised as revenue during the year	0.88

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

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Revenue as per contracted price	1,784.47	1,990.90
Adjustments	-	-
Discounts		
Revenue from contract with customers	1,784.47	1,990.90

47 Leases

The Group has lease contracts for land, buildings and Servers used in its operations. Leases of these items generally have lease terms between 1 to 99 years. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group 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 recognised as an expense on a straight line basis over the lease term.

The weighted average incremental borrowing rate applied to lease liabilities is 9.75%.

i) The movement in Lease liabilities during the year

Particulars	(₹ in Crores)
As at 31 st March, 2021	
As at 31 st March, 2020	
Opening Balance	25.25
Additions during the year	17.90
Finance costs incurred during the year	3.21
Payments of Lease Liabilities	5.52
Closing Balance (refer note 19 & 24)	40.84
	25.25

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

Particulars	(₹ in Crores)
As at 31 st March, 2021	
As at 31 st March, 2020	
Opening Gross Carrying Value	71.65
Addition to Right of use assets on account of transition to Ind AS 116	-
Addition to Right of use assets during the year	17.90
Right of use assets as at end of the year	89.55
	43.64
	13.36
	14.65
	71.65

Notes to Consolidated financial statements

for the year ended 31st March, 2021

47 Leases (Contd.)

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

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Accumulated Depreciation		
Opening Value of Accumulated Depreciation	4.82	2.08
Depreciation charged for the year	4.83	2.74
	9.65	4.82

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

Particulars	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
(i) Expenses related to Short Term Lease & Low Asset Value Lease	5.65	2.37
(ii) Lease Expenses	-	-
Total	5.65	2.37

iv) Amounts recognised in statement of cash flows

Particulars	(₹ in Crores)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Total cash outflow for leases	5.52	3.05

v) Maturity analysis of lease liabilities

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	5.80	4.23
One to five years	21.29	14.22
More than five years	50.91	25.31
Total undiscounted lease liabilities	78.00	43.76
Balances of Lease Liabilities		
Non-Current lease liabilities	37.47	21.20
Current lease liabilities	3.37	4.05
Total Lease Liability	40.84	25.25

Notes to Consolidated financial statements

for the year ended 31st March, 2021

48 Additional information of net assets and share in profit or loss contributed by the Parent Company and its Joint Venture as required under Schedule III of the Companies Act, 2013.

Particulars	Net Assets i.e. Total Assets less Total Liabilities		Share in Profit & Loss	
	As % of consolidated Net Assets	₹ in Crores	As % of consolidated Profit or Loss	₹ in Crores
Adani Total Gas Limited	101%	1,952.42	102%	471.95
Joint Ventures				
IndianOil - Adani Gas Private Limited	-1%	(18.62)	-2%	(9.13)
Total	100%	1,933.80	100%	462.82

Particulars	Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Other Comprehensive Income	₹ in Crores	As % of consolidated Total Comprehensive Income	₹ in Crores
Adani Total Gas Limited	136%	0.15	102%	472.10
Joint Ventures				
IndianOil - Adani Gas Private Limited	-36%	(0.04)	-2%	(9.17)
Total	100%	0.11	100%	462.93

49 Other Disclosures

- Petition against the Group was filed before PNGRB alleging violation of certain provisions pertaining to works in petitioner's authorised Geographical Area. Correspondingly, a Special Leave petition is filed by the Group before Hon'ble Supreme Court of India challenging the authorisation coupled with constitutional validity of Regulation 18 of the Petroleum and Natural Gas Regulatory Board (Authorising 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.
- Security Deposit include amount of ₹2.09 Crore and interest due thereon of ₹2.24 Crore are outstanding for a substantial period of time. The Group has been actively negotiating for recovery, periodic confirmation of balances are taken and the management is reasonably confident of recovery against the same.
- The Group had signed a Definitive Agreement on 3rd November, 2020 for acquisition of 3 Geographical Areas namely Ludhiana, Jalandhar and Kutch (East). The matter is currently sub-judice and is yet to be consummated.

50 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 45).

- The Operational Performance of the Group has improved during the Year and Group has crossed the highest Pre-Covid monthly Sales Volume. The Group has taken into account the possible impacts of COVID-19 in preparation of these financial statements including but not limited to assessment of going concern assumption, recoverable values of financial assets and expects to recover the carrying amount of these assets. The Group has also considered the current economic conditions relating to the CGD industry and is continuously and closely monitoring the developments. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements.

Notes to Consolidated financial statements

for the year ended 31st March, 2021

52 The Board of Directors at its meeting held on 4th May, 2021 have recommended the payment of final dividend of ₹0.25 per equity share of the face value of ₹1 each for the financial year 2020-21. This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.

53 Events occurring after the Balance sheet Date

The Group 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 4th May, 2021, there are no subsequent events to be recognised or reported that are not already disclosed.

54 Approval of financial statements

The financial statements were approved for issue by the board of directors on 4th May, 2021.

As per our attached report of even date

For SHAH DHANDHARIA & CO LLP
Chartered Accountants

Firm Registration Number : 118707WW/100724

SHUBHAM ROHATGI
Partner
Membership No. 183083
Place : Ahmedabad

Date : 4th May, 2021

For and on behalf of the Board

ADANI TOTAL GAS LIMITED

GAUTAM S. ADANI
Chairman
DIN 00006273
Place : Ahmedabad

SURESH P MANGLANI
Chief Executive Officer
Place : Mumbai

GUNJAN TAUNK
Company Secretary
Place : Ahmedabad

Date : 4th May, 2021

JOSÉ-IGNACIO SANZ SAIZ
Director
DIN 08705604
Place : Paris

PARAG PARIKH
Chief Financial Officer
Place : Ahmedabad

GUNJAN TAUNK
Company Secretary
Place : Ahmedabad
Date : 4th May, 2021

Form No. AOC - 1

Salient features of the financial statement of Joint Venture as per Companies Act, 2013

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, related to Joint Venture)

JOINT VENTURES

Sr. No.	Name of Joint Venture	Latest Audited Balance Sheet Date	Share held by the company at the year end		Extent of Holding %	Description of Significant Influence	Reason why not Consolidated	Networth Attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for the Year	
			No. of Shares	Amount of Investment					Considered in Consolidation	Not Considered in Consolidation
1	Indian Oil Adani Gas Pvt Ltd	31/3/2021	432,250,000	432.25	50%	Note-A	N.A.	413.62	(9.17)	-

NOTE-A

There is a significant influence due to percentage (%) of shareholding.

For and on behalf of the Board
ADANI TOTAL GAS LIMITED

GAUTAM S. ADANI
Chairman
DIN 00006273
Place : Ahmedabad

SURESH P MANGLANI
Chief Executive Officer
Place : Mumbai

GUNJAN TAUNK
Company Secretary
Place : Ahmedabad
Date : 4th May, 2021

JOSÉ-IGNACIO SANZ SAIZ
Director
DIN 08705604
Place : Paris

PARAG PARIKH
Chief Financial Officer
Place : Ahmedabad

NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of Adani Total Gas Limited (formerly known as Adani Gas Limited) will be held on Monday, 12th July, 2021 at 11.00 a.m. through Video Conferencing / Other Audio Visual Means to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To declare dividend on Preference Shares.
4. To appoint a Director in place of Mr. Alexis Thelemaque (DIN: 08563003), who retires by rotation and being eligible offers, himself for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Jose-Ignacio Sanz Saiz (DIN: 08705604), who was appointed as an Additional Director (Non-Executive, Non-Independent) of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 ("Act") and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules framed there under, read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Ms. Gauri Trivedi (DIN: 06502788), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Act and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director (Non-Executive) of the

Company to hold office for a period up to August, 2025."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained for Petroleum Products of the Company for the financial year ending 31st March, 2022, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges, consent of the members be and is hereby accorded for ratification/ approval of material related party transaction(s) as set out in the explanatory statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors thereof be and is hereby authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

For and on behalf of the Board

Gunjan Taunk
Company Secretary

Date : 4th May, 2021
Place : Ahmedabad

Regd. Office:
"Adani Corporate House",
Shantigram, Near Vaishno Devi Circle,
S. G Highway, Khodiyar,
Ahmedabad - 382421
Gujarat, India.
CIN : L40100GJ2005PLC046553

NOTES:

1. In view of the continuing COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 5th May, 2020 and Circular No. 02/2021 dated 13th January, 2021 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 16th Annual General Meeting (AGM) of the members be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note No. 17 and available at the Company's website www.adanigas.com.
2. The helpline number regarding any query / assistance for participation in the AGM through VC/ OAVM is 1800-1020-990.
3. Information regarding appointment/re-appointment of Directors and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
4. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company/ RTA (if shares held in physical form). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G /15H, to avail the benefit of non-deduction of tax at source can be uploaded on the link <https://linkintime.co.in/formsreg/submit-form-15g-15h.html> or email to adanigasdivtax@linkintime.co.in on or before 30th June, 2021. Shareholder are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
7. Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF/ JPG Format) by e-mail to our RTA on adanigasdivtax@linkintime.co.in or uploaded on the link <https://linkintime.co.in/formsreg/submit-form-15g-15h.html>. The aforesaid declarations and documents need to be submitted by the shareholders on or before 30th June, 2021.
8. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated 12th May, 2020, the Notice of AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2020-21 has been uploaded on the website of the Company at www.adanigas.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
9. The Company has fixed Friday, 25th June, 2021 as the "Record Date" for determining entitlement of members to receive dividend for the financial year 2020-21, if approved at the AGM. Those members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Record Date shall be entitled for the dividend which will be paid on or after Tuesday, 13th July, 2021, subject to applicable TDS.
10. Members seeking any information with regard to accounts are requested to write to the Company atleast 10 days before the meeting so as to enable the management to keep the information ready.
11. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of

- the Company. In case shares held in dematerialised form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
11. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders holding shares in the physical form. The shareholders, who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.
12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
13. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
14. Process and manner for members opting for voting through Electronic means:
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020, 5th May, 2020 and 13th January, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as e-voting during AGM will be provided by NSDL.

- Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Monday, 5th July, 2021, shall be entitled to avail the facility of remote e-voting as well as e-voting during AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
 - A person who has acquired the shares and has become a member of the Company after the despatch of the Notice of the AGM and prior to the Cut-off date i.e. Monday, 5th July, 2021, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting during AGM by following the procedure mentioned in this part.
 - The remote e-voting will commence on Tuesday, 8th July, 2021 at 9.00 a.m. and will end on Sunday, 11th July, 2021 at 5.00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. Monday, 5th July, 2021, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
 - Once the vote on a resolution is cast by the member, he/ she shall not be allowed to change it subsequently or cast the vote again.
 - The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Monday, 5th July, 2021.
 - The Company has appointed CS Ravi Kapoor, Practising Company Secretary (Membership No. FCS: 2587; CP No: 2407), to act as the Scrutiniser for conducting the remote e-voting process as well as the e-voting during AGM, in a fair and transparent manner.
 - Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode
- In terms of SEBI Circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

(A) Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com/. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cDSLindia.com/myeasi/home/login or www.cDSLindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cDSLindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cDSLindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

(B) The procedure and instructions for remote e-voting are, as follows:

- Step 1: Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Step 2: Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- Step 3: A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Step 4: Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

Step 5: Your password details are given below:

- (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - (c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
- Step 6: If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com/.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com/.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 - Step 7: After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - Step 8: Now, you will have to click on "Login" button.
 - Step 9: After you click on the "Login" button, Home page of e-Voting will open.
 - Step 10: After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 - Step 11: Select "EVEN" of company for which you wish to cast your vote.
 - Step 12: Now you are ready for e-Voting as the Voting page opens.
 - Step 13: Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 - Step 14: Upon confirmation, the message "Vote cast successfully" will be displayed.
 - Step 15: You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - Step 16: Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
 - ix. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to ravi@ravics.com with a copy marked to evoting@nsdl.co.in.
 - x. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com/ or call on toll free no.: 1800-1020-990 or send a request at evoting@nsdl.co.in.
 - 15. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

- a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor.agl@adani.com.
 - b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor.agl@adani.com.
 - c) Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.
16. The instructions for members for e-Voting on the day of the AGM are as under:-
- a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 - b) Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
 - c) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 - d) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
17. Instructions for members for attending the AGM through VC/OAVM are as under:
- a) Member will be provided with a facility to attend the AGM through VC/OAVM or view the live webcast of AGM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
 - b) Members are encouraged to join the Meeting through Laptops for better experience.
 - c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - e) For ease of conduct, members who would like to ask questions may send their questions in advance atleast (7) days before AGM mentioning their name, demat account number / folio number, email id, mobile number at investor.agl@adani.com and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
 - f) Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
18. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.adanigas.com within forty eight hours of the passing of the Resolutions at the 16th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

Contact Details:

Company:	Adani Total Gas Limited "Adani Corporate House ", Shantigram, Nr. Vaishno Devi Circle, S G Highway, Khodiyar, Ahmedabad-382421, Gujarat, India CIN: L40100GJ2005PLC046553 E-mail IDs: investor.agl@adani.com
Registrar and Transfer Agent:	Link Intime India Private Limited C-101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai 400 083 Tel No.: +91 22 4918 6270
e-Voting Agency:	National Securities Depository Limited E-mail ID: evoting@nsdl.co.in Phone : +91 22 2499 4890
Scrutiniser:	CS Ravi Kapoor Practising Company Secretary E-mail ID: ravi@ravics.com

Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND / OR REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

For Item No. 5:

The Board of Directors at its meeting held on 5th August, 2020 had appointed Mr. Jose-Ignacio Sanz Saiz as an Additional Director (Non-Executive, Non-Independent) of the Company. According to the provisions of Section 161 of the Companies Act 2013, he holds office as Director only up to the date of the ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, a notice has been received from a member signifying its intention to propose the appointment of Mr. Jose-Ignacio Sanz Saiz as a Director.

Mr. José-Ignacio Sanz Saiz is a graduate in Industrial Engineering at the Polytechnic University of Madrid, Spain. He has 27 years of experience in the energy industry and he has worked in different parts of the world. He started his career in the UK, working in R&D projects. He joined the TotalEnergies Group in Spain in 2000 and has held various positions in the Gas & Power and in the Exploration & Production branches. He has been Managing Director of the G&P affiliate TOTAL LNG USA in Houston and of the TOTAL E&P affiliates in Bolivia, United States and Australia.

Brief resume and other details of Mr. José-Ignacio Sanz Saiz are provided in annexure to the Notice pursuant to the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standards on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. José-Ignacio Sanz Saiz is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Board of Directors recommends the said resolution for your approval.

Mr. José-Ignacio Sanz Saiz is deemed to be interested in the said resolution as it relates to his appointment.

None of the other Directors or key managerial personnel or their relatives is, in anyway, concerned or interested in the said resolution.

For Item No. 6:

The Board of Directors at its meeting held on 5th August, 2020 had appointed Ms. Gauri Trivedi as an Additional Director (Non-Executive, Independent) of the Company. According to the provisions of Section 161 of the Companies Act 2013, she holds office as Director only up to the date of the ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, a notice has been received from a member signifying its intention to propose the appointment of Ms. Gauri Trivedi as a Director.

Ms. Gauri Trivedi have given declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, she fulfils the conditions specified in the Act read with the rules made thereunder for appointment as Independent Director and she is independent of the management.

Ms. Gauri Trivedi is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Ms. Gauri Trivedi as an Independent Director is now being placed before the Members for their approval.

The terms and conditions for appointment of Ms. Gauri Trivedi as an Independent Director of the Company shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

Brief resume and other details of Ms. Gauri Trivedi are provided in annexure to the Notice pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standards on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board of Directors recommends the said resolution for your approval.

Ms. Gauri Trivedi is deemed to be interested in the respective resolutions as it relates to her appointment.

None of the other Directors or key managerial personnel or their relatives is, in anyway, concerned or interested in the said resolution.

For Item No. 7:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. N D Birla & Co., Practising Cost Accountants as the cost auditors of the Company to conduct the audit of the cost records for maintaining Petroleum Product of the Company for the financial year 2021-22, at a fee of ₹ 1,35,000/- plus applicable taxes and reimbursement of out of pocket expenses, as remuneration for cost audit services for the 2021-22.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2022.

The Board of Directors recommends the above resolution for your approval.

None of the Directors or any key managerial personnel or any relative is, in anyway, concerned or interested in the above resolution.

The Company has entered into following material related party transactions with the related parties during the year under review:

Name of Related Parties	Relationship	Nature of Transactions	Transaction value for the period ended 31 st March, 2021
			(₹ in Crores)
Adani Enterprises Limited	Entity under Common Control	Loan received back	311.22
Adani Total Private Limited	Entity under Common Control	Purchase of Natural Gas	203.45

Rationale for the transaction with Adani Enterprises Limited: The Company has received back the loans as per terms of the loan agreement.

Rationale for the transaction with Adani Total Private Limited: Your Company has entered into long-term agreement with Adani Total Private Limited for a period of up to 3 years w.e.f. 1st January, 2021 till 31st December, 2023 for supply of Natural Gas to cater to the demand of its existing/ upcoming Geographical Areas (GAs) for a Contract Value of ₹ 1,500 Crores for respective period.

The related party transaction entered by the Company are in the ordinary course of business and at arms' length basis and as per the Company's policy on Related Party Transactions.

For Item No. 8:

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with rules made thereunder and in terms of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), consent of members by way of an ordinary resolution is required for ratification/ approval of material related party transactions entered into by the Company with related parties.

As per Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, related parties of the Company shall abstain from voting on said resolution.

The Board of Directors recommends the above resolution for your approval.

Except Mr. Gautam S. Adani and Mr. Pranav V Adani and their relatives, none of the other Directors or key managerial personnel or their relatives is, in anyway, concerned or interested in the said resolution.

For and on behalf of the Board

Gunjan Taunk
Company Secretary

Date : 4th May, 2021

Place : Ahmedabad

Regd. Office:

"Adani Corporate House",
Shantigram, Near Vaishno Devi Circle,
S. G Highway, Khodiyar,
Ahmedabad - 382421
Gujarat, India.
CIN : L40100GJ2005PLC046553

Annexure to Notice

Details of Directors seeking Appointment / Re-appointment

Name of Director	Age, Date of Birth (No. of Shares held)	Qualification	Nature of expertise in specific functional areas	Name of the companies in which he/ she holds directorship as on 31.03.2021	Name of committees in which he/she holds membership/ chairmanship as on 31.03.2021
Mr. Alexis Thelemaque	52 years 07.09.1968 (Nil)	Graduate in Business Administration and Marketing	He is graduate in Business Administration and Marketing. He has 28 years of experience in the energy industry. He has experience in working in different part of the world. He started his career in Kenya in the lubricants and special fluids business in 1991. He joined TotalEnergies Group in France in 1993 and held various diversified portfolios including operational and management positions in retail, B2B activities and corporate communications within the Total Group France.	• Adani Total Gas Limited ^{^^} • Total Oil India Private Limited • South Asia LPG Company Private Limited • Total Adani Fuels Marketing Private Limited • Indian Oil Total Private Limited • Premier LP Gas Limited (Bangladesh)	• South Asia LPG Company Private Limited • Audit Committee (Member)
Mr. Jose-Ignacio Sanz Saiz	52 years 09.05.1968 (Nil)	Graduate in Industrial Engineering	He is a graduate in Industrial Engineering at the Polytechnic University of Madrid, Spain. He has 27 years of experience in the energy industry and he has worked in different parts of the world. He started his career in the UK, working in R&D projects. He joined the TOTAL Group in Spain in 2000 and has held various positions in the Gas & Power and in the Exploration & Production branches. He has been Managing Director of the G&P affiliate TOTAL LNG USA in Houston and of the TOTAL E&P affiliates in Bolivia, United States and Australia.	• Adani Total Gas Limited ^{^^} • Adani Green Energy Limited ^{^^} • Adani Green Energy Twenty Three Limited • Total Project India Private Limited • Indian Oil – Adani Gas Private Limited	• Adani Total Gas Limited ^{^^} • Stakeholders' Relationship Committee (Member) • Nomination & Remuneration Committee (Member) • Risk Management Committee (Member) • Corporate Social Responsibility Committee (Member) • Adani Green Energy Limited ^{^^} • Audit Committee (Member) • Nomination & Remuneration Committee (Member)

Name of Director	Age, Date of Birth (No. of Shares held)	Qualification	Nature of expertise in specific functional areas	Name of the companies in which he/she holds directorship as on 31.03.2021	Name of committees in which he/she holds membership/ chairmanship as on 31.03.2021
Ms. Gauri Trivedi	60 years 18.05.1960 (Nil)	M.A. (Political Science), M. Phil (Soviet Studies), Doctorate in Philosophy	She is having qualification of M.A. (Political Science) from JNU, Delhi, M. Phil (Soviet Studies), JNU, Delhi, Doctorate in Philosophy from Institute of Social & Economic Change, Bangalore and Institute of Development Studies, Mysore and PGPPM from Indian Institute of Management (IIM), Bangalore. She had held number of administrative posts in Karnataka including Assistant Commissioner, Joint Director (Commerce and Industry), Chief Secretary/ Director (Rural Development and Panchayati Raj), Deputy Commissioner (Excise), Joint Registrar of Cooperative Societies. She had also been Managing Director (HESCOM), a power distribution company, Managing Director (Karnataka State Food & Civil Supplies Corporation), Secretary to Government, Revenue Department, Govt. of Karnataka and Secretary to the Governor of Karnataka.	<ul style="list-style-type: none"> Adani Total Gas Limited^{^^} Adani Power Limited^{^^} Denis Chem Lab Limited^{^^} The Sandesh Limited^{^^} Udupi Power Corporation Limited Bajaj Energy Limited 	<ul style="list-style-type: none"> Adani Total Gas Limited Audit Committee (Member) Risk Management Committee (Member) Adani Power Limited Stakeholders Relationship Committee (Chairman) Denis Chem Lab Limited Audit Committee (Member) Nomination & Remuneration Committee (Member) Udupi Power Corporation Limited Audit Committee (Member)

^{^^}Listed Companies.

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the Corporate Governance Report.

Notes

Abbreviations

CAGR	Compound annual growth rate	MMSCM	Million Metric Standard Cubic Meter
CGD	City Gas Distribution	MMSCMD	Million Metric Standard Cubic Meter Per day
CNG	Compressed Natural Gas	MoHUA	Ministry of Housing and Urban Affairs
CPCB	Central Pollution Control Board	MTC	Medical Treatment Case
CPWD	Central Public Works Department of India	OHSAS	Occupational Health and Safety Assessment Series
CSR	Corporate Social Responsibility	OMC	Oil Marketing Companies
DGFASLI	Directorate General Factory Advice Service and Labour Institutes	PAT	Profit After Tax
DIPP	Department of Industrial Policy and Promotion	PCB	Pollution Control Board
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation	PESO	The Petroleum and Explosives Safety Organisation
EPS	Earnings Per Share	PM	Particulate Matter
ERDMP	Emergency Response and Disaster Management Plan	PNG	Pipe Natural Gas
FAC	First Aid Case	PNGRB	Petroleum and Natural Gas Regulatory Board
FAT	Fatality	QHSE	Quality, Health, Safety and Environment Management
GA	Geographical Area	RMC	Risk Management Committee
GHG	Greenhouse gases	RWC	Restricted Workday Case
GW	Giga-Watt	SCM	Standard Cubic Meter
IEA	International Energy Agency	SRC	Stakeholder Relationship Committee
IMS	Integrated Management System	STOC	Safety, Technical & Operation Competency
ISO	International Organisation for Standardisation	TNI	Training Needs Identification
LNG	Liquefied natural gas	TRIFR	Total Recordable Injury Frequency Rate
LTIFR	Lost Time Injury Frequency Rate	TRIIFR	Total Recordable occupational illness' frequency rate

Disclaimer:

This Report may contain certain forward looking statements relating to the future business, development and economic performance. Such Statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressure; (2) legislative and regulatory developments; (3) global, macro-economic and political trends; (4) fluctuations in currency exchange rates and general market conditions; (5) delay or inability in obtaining approval from authorities; (6) technical developments; (7) litigations; (8) adverse publicity and news coverage, which could cause actual developments and results to differ materially from the statements made in this presentation.

Adani Total Gas Limited assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.



Gas

Adani Total Gas Limited

Registered Office

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Shantigram, Near Vaishno Devi Circle,
S G Highway, Khodiyar,
Ahmedabad 382 421, Gujarat, India

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