DIRECTORS' REPORT

To,
The Members
GSPL India Gasnet Limited

Your Directors have pleasure in presenting the 8th Annual Report together with the Audited Financial Statements, Reports of the Statutory Auditors and Comptroller & Auditor General of India for the year ended on 31st March, 2019.

FINANCIALS

Rs. in Lacs

Particulars	**2018-19**	**2017-18**
Total Income	2580.48	174.34
Total Expenses	6423.52	35.68
Profit /(Loss) Before Tax	(3843.04)	138.66
Tax including Deferred Tax	(1062.59)	48.61
Profit /(Loss) After Tax	(2780.45)	90.05
Transfer to Reserves	-	-

Financials as per Ind-AS

SHARE CAPITAL

During the year under review, the Company has allotted 7,50,00,000 equity shares of Rs. 10 each aggregating to Rs. 75 Crores on rights basis to meet fund requirements for implementing the Project. The shareholding of the Company as on 31st March, 2019 is as follows:

Sr. No.	**Name of the Shareholder**	**No. of shares**	**% holding**
1	Gujarat State Petronet Limited	24,02,50,060	52
2	Indian Oil Corporation Limited	12,01,25,030	26
3	Bharat Petroleum Corporation Limited	5,08,22,128	11
4	Hindustan Petroleum Corporation Limited	5,08,22,128	11
	Total	**46,20,19,346**	**100**

FIXED DEPOSITS

The Company has not accepted/ invited any Fixed Deposits during the year.

DIVIDEND

As the Company has commenced its commercial operations in third quarter and no distributable profit is available, the Board of Directors does not recommend any dividend for the year under review.

OPERATIONS

Your Company is a Special Purpose Vehicle for implementing the following Natural Gas Pipeline Projects:

Sr. No.	Project	Kms. (approx.)
1	Mehsana-Bhatinda Pipeline Project (MBPL)	1834
2	Bhatinda- Jammu-Srinagar Project (BJSPL)	740

The total length of the pipeline is approximately 2600 Kms and the map showing pipeline route is enclosed herewith as **Annexure – I**. As the members are aware that the Company has awarded EPC Contracts for the following sections keeping in view the statutory approvals/ permissions received by the Company.

Project	Section	Kms
MBPL	Barmer-Pali Pipeline	181
MBPL	Palanpur-Pali Pipeline	159
BJSPL	Jalandhar Amritsar Pipeline	101

It is a matter of great pleasure that the above sections were inaugurated by the Hon'ble Prime Minister of India on 30th September, 2018 and have started commercial operations in third quarter of the Financial Year 2018-19. The Company has transported approx. 0.90 MMSCMD of gas and has earned total revenue of Rs 21.60 Crores through transportation of gas till 31st March, 2019.

PROJECT STATUS

The Board also takes this opportunity to inform you that the Petroleum and Natural Gas Regulatory Board (PNGRB) has vide letter dated 5th December 2018 extended the construction period for completion of MBPL till March 2020 and has also approved RDG (Cairn) Connectivity proposal with certain conditions, which has been challenged by the Company before Appellate Tribunal for Electricity (APTEL). The said matter is admitted and pending before APTEL.

Subsequent to the time extension received from PNGRB, the Company has started implementation of various sections of MBPL Project planned under Phase II and has awarded EPC contracts for the following Sections:

Section	Kms
Mainline from IP-01 (Shiv talav, Pali) to IP-02 (Ramawas Khurd, Pali) of MBPL	143.5
Mainline from IP-02 (Ramawas Khurd, Pali) to IP-03 (Harsli,Ajmer) of MBPL	114.8
Mainline from IP-03(Harsli,Ajmer) to IP-04(Nawal Garh, Jhunjhunu) of MBPL	149
Mainline from IP-04 (Nawal Garh, Jhunjhunu) to IP-05 (Ajitpura, Hanuman Garh) of MBPL	134
Mainline from IP-05 (Ajitpura, Hanuman Garh) to Bhatinda RT including NFL Bhatinda and GGSRL Spurlines	184
Spurline from MBPL Mainline IP-05 (Ajitpura, Hanuman Garh) to SV-2004 (Badashpur, Rohtak) of Rohtak-Panipat Spuline	110.2
Spurline from SV-2004 (Badashpur, Rohtak) to Panipat RT of Rohtak - Panipat Spurline	93.8
Total	**929.3**

The Sections to be implemented under Phase-II covering MBPL mainline section from IP-01, Pali to RT- Bathinda along with various spurlines will traverse through the state of Rajasthan, Haryana and Punjab and will cater the gas demands of various industrial customers and city gas networks en-route the Pipeline.

Kick-off meetings with the EPC Contractors have been held and the Project implementation activities have commenced. All the above sections are scheduled to be completed by September, 2020.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Shri P K Yadav has been appointed as Additional Director on the Board of the Company w.e.f. 26th April, 2019. He will hold office upto the date of ensuing Annual General Meeting as per provisions of Section 161 of Companies Act 2013 and the Articles of Association of the Company. It is proposed to regularize his appointment at the ensuing Annual General Meeting.

Smt. Shobhana Desai has ceased to be a Director of the Company from 31st December, 2018 consequent to her resignation from the services of Government of Gujarat. Shri S K Sharma has ceased to be a Director of the Company from 12th April, 2019 pursuant to change in nomination by Indian Oil Corporation Limited. The

Board places on record its appreciation for the services rendered by them during their tenure as Directors on the Board of Company.

Pursuant to provisions of Section 152 of the Companies Act, 2013, Shri Ravindra Agrawal and Shri S K Jha will retire by rotation and being eligible, they have offered themselves for re-appointment. The Board of Directors recommends their re-appointment for approval of the shareholders of the Company.

Shri Ravindra Agrawal, Director holds the charge of Chief Executive Officer of the Company. Shri Neeraj Kumar Singh has been appointed as Chief Financial Officer of the Company.

Mrs. Pooja Ganatra has resigned as the Company Secretary w.e.f. 1st January, 2019. The Company has appointed Ms. Meera Parikh as the Company Secretary w.e.f. 27th May, 2019.

INDEPENDENT DIRECTORS

Shri Chandrasekhar Mani and Dr. Bharatkumar Modi, have ceased to be an Independent Directors w.e.f 29th March, 2019 consequent to expiry of their second term as Independent Directors. The Board places on record its appreciation for the services rendered by them during their tenure as Directors on the Board of Company.

The Ministry of Corporate Affairs has vide notifications dated 5th July, 2017 and 13th July, 2017 exempted Joint venture/Wholly owned Companies/Dormant Companies from the requirement of appointing Independent Directors and constitution of Audit Committee and Nomination & Remuneration Committee. Accordingly, the Company being a Joint Venture Company is exempted from compliance of the said provisions.

However, as a good governance practice and to have deliberations by a larger body at meetings, the Board is desirous of appointing Independent Directors and constitute committees with Independent Directors. The Company, being a Government Company has requested Energy & Petrochemicals Department, Government of Gujarat for appointment of Independent Directors on the Board of Company and the same will be made in due course of time.

BOARD MEETINGS

During the financial year, the Board met six (6) times. The details of the Meetings are as follows:

Sr. No.	Particulars	Date of Meeting
1	33rd Board Meeting	9th April, 2018
2	34th Board Meeting	14th May, 2018
3	35th Board Meeting	11th September, 2018
4	36th Board Meeting	4th January, 2019
5	37th Board Meeting	1st February, 2019
6	38th Board Meeting	6th March, 2019

The attendance of each Director at the Board Meetings held during the FY 2018-19:

Name	Number of Meetings held during the tenure	Number of Meetings attended
Dr. J N Singh, IAS	6	6
Dr T Natarajan, IAS	6	6
Shri S K Sharma	6	2
Shri S K Jha	6	6
Shri H.R Wate (upto 9th July, 2018)	2	2
Shri I.S. Rao (upto 25th June, 2018)	2	2
Shri Mahesh Narain (from 13th August 2018)	4	3
Shri J S Prasad (from 13th August, 2018)	4	3
Shri Manish Seth (upto 8th August 2018)	2	2
Shri Chandrasekhar Mani (upto 29th March 2019)	6	2
Dr. Bharatkumar Modi (upto 29th March 2019)	6	6
Smt. Shobhana Desai (Upto 31st December, 2018)	3	1
Shri Ravindra Agarwal	6	6

STATUTORY & CAG AUDIT

Your Company being a Government Company, the Statutory Auditor is appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, C&AG have appointed M/s. D G S M & Co, Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2018-19.

The Statutory Auditors have carried the Statutory Audit and have issued the Audit Report for FY 2018-19. The said report does not contain any qualification or adverse remark.

C&AG has given NIL Comment Report for the year ended on 31st March, 2019. The NIL Comment Report is enclosed herewith as **Annexure - II**

INTERNAL AUDIT & CONTROL SYSTEMS

The Company has appointed M/s. R S Patel & Co. Chartered Accountants as Internal Auditors for the Financial Year 2018-19. The observations and recommendations of the Internal Auditors are reported to the management for appropriate action on the same.

The Company has adequate internal financial controls commensurate with its size, scale and operations of the Company.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 read with Rules made there under, the Company has appointed M/s. R V Gandhi & Co., Practicing Company Secretary as Secretarial Auditor for the Financial Year 2018-19. The Report on Secretarial Audit carried out is annexed herewith as **Annexure III**. The Report contains observation about non-compliance of the provisions of Companies Act 2013 with regard to appointment of Woman Director. The Company, being a Government Company has requested Energy & Petrochemicals Department, Government of Gujarat to nominate Woman Director on the Board of Company in place of Smt. Shobhana Desai and the same is awaited from the Government of Gujarat. Necessary compliance will be made on receipt of nomination from the Government of Gujarat.

AUDIT COMMITTEE

As mentioned above, the Company being a joint venture is exempted from the requirement of constituting Audit Committee. However, the Company has constituted the Audit Committee and the present constitution of Audit Committee is as follows:

Dr. J N Singh, IAS	Chairman
Shri P K Yadav	Member
Shri Ravindra Agrawal	Member

During the financial year, the Audit Committee met four (4) times. The details of these Meetings are as follows:

Sr. No.	Particulars	Date of Meeting
1	14th Audit Committee	9th April, 2018
2	15th Audit Committee	14th May, 2018
3	16th Audit Committee	11th September, 2018
4	17th Audit Committee	4th January, 2019

The attendance of each Director at the Audit Committee Meetings held during the FY 2018-19:

Name	Number of Meetings held during the tenure	Number of Meetings attended
Shri J N Singh, IAS	4	2
Shri Chandrasekhar Mani*	4	2
Dr. Bharatkumar Modi*	4	4

* Ceased to be member of the Committee w.e.f. 29th March, 2019

The Audit Committee of Directors of the Company at its Meeting held on 30th April, 2019 approved the Annual Accounts for the year ended on 31st March, 2019 and recommended the same for approval of the Board.

NOMINATION AND REMUNERATION COMMITTEE

As mentioned above, the Company being a joint venture is exempted from the requirement of constituting Nomination and Remuneration Committee. However, the Company has constituted the Committee during the year under review as follows:

Shri Ravindra Agarwal	Chairman
Shri S K Sharma	Member
Shri Chandrashekhar Mani	Member*
Dr. Bharatkumar Modi	Member*

* Ceased to be member of the Committee w.e.f. 29th March, 2019

Ministry of Corporate Affairs has vide notification dated 5th June, 2015 exempted government companies from disclosing company's policy on appointment & remuneration of Directors and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013. Your Company being a Government Company is exempted from disclosing the said particulars in Directors' Report

VIGIL MECHANISM

The Company has established a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who use such mechanism, and allows direct access to the chairperson of the Audit Committee in exceptional cases. The same is available on the website www.gspcgroup.com/GIGL.

BOARD EVALUATION

The Company being a joint venture company promoted by government companies viz. GSPL, IOCL, BPCL and HPCL, Directors on the Board are nominated by Promoters in terms of Articles of Association and Joint Venture Agreement.

The Board has carried out the performance evaluation of the individual Directors, the Board as a whole and the statutory Committees of Directors based on the criteria for the evaluation of the performance stipulated in the Policy. The Directors were satisfied with the evaluation result.

QUALITY, HEALTH, SAFETY & ENVIRONMENT

Your Company firmly believes in demonstrating excellence in Quality, Health, Safety and Environment and ensuring safety of all personnel working under our control and promotes harmony with Environment. As a responsible corporate, Your Company endeavors to keep its employees fully aware of HSE aspects through extensive awareness and training.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that,

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates 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, 2019 and of the loss of the company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis; and

(e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RISK MANAGEMENT

The risk associated with the business of the Company, if any, is brought to the notice of Board from time to time. The Board will develop a Risk Management Policy of the Company in future considering the Project requirements.

The Company is implementing the MBPL & BJSPL Projects which requires various approvals, permissions from multiple authorities. Though most of the approvals, permissions have been obtained from various government authorities but the same have been received progressively. Accordingly, keeping in view the progress achieved in obtaining various statutory clearances the Company has implemented the initial phase covering 441 Kms approx. and the said phase has been commissioned in third quarter of the year under review.

The Company has also initiated implementation of Phase II of MBPL Project subsequent to receipt of time extension from PNGRB. The Company is yet to receive time extension for BJSPL Project from PNGRB and accordingly, to avoid any risk the Company has not initiated implementation activities for the said Project. The Company has requested PNGRB on several occasions to provide the time extension for BJSPL Project.

RELATED PARTY TRANSACTIONS

All related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. The Audit Committee has granted omnibus approval for related party transactions and the details of all the transactions entered into with related parties are placed before the Audit Committee for its review. During the year, no material contracts/ arrangements/ transactions requiring disclosure in the AOC – 2 were entered with the Related Parties. However, attention is drawn to the Note No. 32 of the Financial Statements regarding the disclosure of the Related Party Transactions.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

During the year, your Company has not provided any loans, guarantees or investments to any person or body corporate.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Internal Complaints Committee has been constituted at GSPC group level for investigating complaints regarding sexual harassment.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

ANNUAL RETURN

Pursuant to the provisions of the Companies Act, 2013, an extract of the Annual Return in Form MGT -9 is annexed herewith as **Annexure - IV**. Further, the Annual Return of the Company in Form MGT -7 is placed on the website of the company at www.gspcgroup.com/GIGL/investors

DEMATERIALIZATION OF EQUITY SHARES

Equity shares of the Company can be dealt in dematerialised form by all shareholders. For this purpose, the Company has established connectivity with National Securities Depository Limited (NSDL) for dematerialization of equity shares. Demat security (ISIN) code for the equity shares is INE02HC01016.

As on 31st March, 2019, 100% of the equity shares have been dematerialized.

Registrar & Share Transfer Agent (RTA)

The Company has also appointed Registrar & Transfer Agent to facilitate the connectivity between the Company and Depository. Contact details of RTA are as follows:

NSDL Database Management Limited
4th Floor, Trade World A Wing, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013
Phone: 022 4914 2700 / 022-2499 4200
Email: info_ndml@nsdl.co.in

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

No significant or material order has been passed by any Regulator/ Court or Tribunal impacting the going concern status and Company's operations in future.

PARTICULARS OF EMPLOYEES

The Company being a government company is exempted from disclosing the remuneration and other particulars of employees prescribed under the provisions of Section 197 of the Companies Act, 2013 read with Rules made there under.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNIGNS AND OUTGO

CONSERVATION OF ENERGY: NIL
TECHNOLOGY ABSORPTION: NIL

FOREIGN EXCHANGE EARNINGS & OUTGO FOR THE YEAR:

Foreign Exchange earnings - Nil
Foreign Exchange Outgo – Nil

ACKNOWLEDGEMENTS

Your Directors are pleased to place on record their appreciation for the continued guidance and support received from the Promoters viz. Gujarat State Petronet Limited, Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited, and Hindustan Petroleum Corporation Limited, Petroleum & Natural Gas Regulatory Board, Government of India and State Governments and Banks.

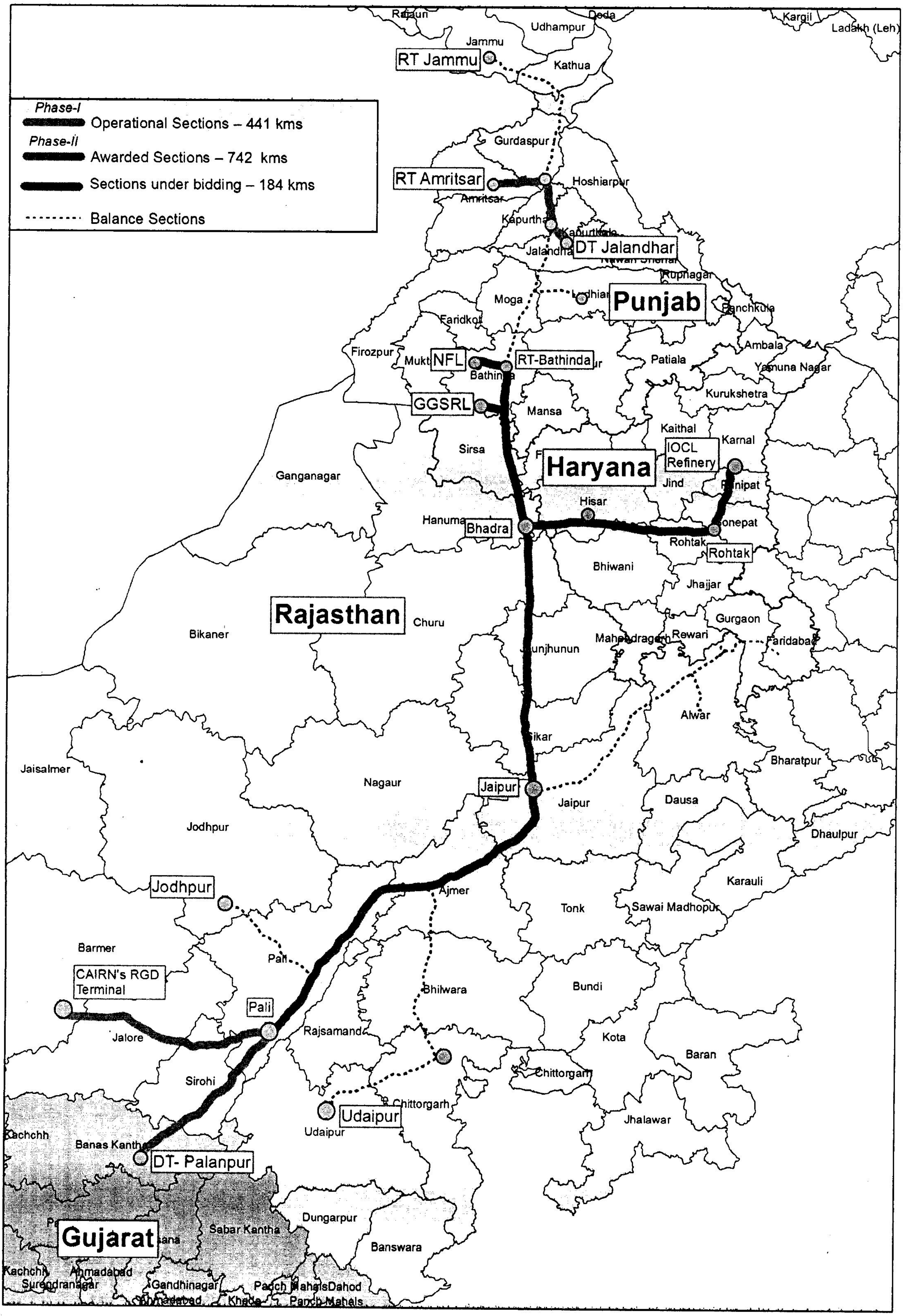
Your Company also place on record sincere appreciation for hard work, dedicated and unstinted efforts of employees at all levels in implementing the Project.

For and on behalf of Board of Directors,

____

Dr. J N Singh, IAS
Chairman
DIN: 00955107
Date: 28th August, 2019
Place: Gandhinagar

Mehsana - Bhatinda & Bhatinda Jammu Natural Gas Pipeline



Confidential

By Regd. Post

कार्यालय

प्रधान महालेखाकार (आ.एवं रा.क्षे.ले.प.), गुजरात

Office of the

Principal Accountant General (E&RSA), Gujarat

No. ES-I, HQ-I/A/cs/ GIGL/2018-19/O.W.-238

21/06/19

To,

The Managing Director,

GSPL India Gasnet Limited,

GSPL Bhavan, Plot No. E-18, GIDC Electronic Estate,

Near K-7 Circle, Sector – 26

Gandhinagar- 382028.

Sub:- Comment of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements **GSPL India Gasnet Limited** for the year ended 31 March 2019.

Sir,

Please find enclosed nil comment certificate of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements **GSPL India Gasnet Limited** for the year ended 31 March 2019 for being placed before the Annual General Meeting of the Company.

Under Section 143(6) of the Companies Act, 2013 the comments of the Comptroller and Auditor General of India are required to be sent by the Company to every person entitled to copies of audited financial statements under Section 136(1) of the Company Act, 2013 and also to be placed before the Annual General Meeting of the Company at the same time and in the same manner as the Statutory Auditors' Report of the Company. The date of placing the Report of the Comptroller and Auditor General of India before the Annual General Meeting may please be intimated to this office.

Six copies of the printed accounts may please be sent to this office for our use and record.

Receipt of this letter with its enclosures may please be acknowledged.

Yours faithfully,

Roopal

Sr. Dy. Accountant General (ES-I)

Encl: As above

लेखापरीक्षा भवन, नवरंगपुरा, अहमदाबाद – 380 009. Audit Bhavan, Navrangpura, Ahmedabad - 380 009.

फोन / Phone : 079-26403713, 26561327, 26405874, 26561282, 26560892

फेक्स / Fax : 079-26561853 E-mail : agaugujarat1@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GSPL INDIA GASNET LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of **GSPL India Gasnet Limited** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 April 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **GSPL India Gasnet Limited** for the year ended 31 March 2019 under Section 143 (6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 143 (6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

21/6/19
(H. K. Dharmadarshi)
Principal Accountant General (E&RSA), Gujarat

Place: Ahmedabad
Date:

R. V GANDHI & Co.,
Practicing Company Secretary
C/3, 204, Anushruti Tower, Nr. Muktidham Jain Derasar,
Thaltej Cross Road, S. G. Highway, Ahmedabad – 380 054.
Mobile : 99792 60360. Phone (O) : 079-2688 2215.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
GSPL India Gasnet Limited
GSPC Bhavan, B/h Udyog Bhavan
Sector-11, Gandhinagar-382 010.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GSPL India Gasnet Limited.** The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the Company's 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provisions listed hereunder 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:

We 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, 2019 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 there-under;

R. V. GANDHI & CO. C.P.No.7120 AHMEDABAD COMPANY SECRETARIES

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under complied with by the Company voluntarily during the period under review as the Government Companies are exempted from the compulsory dematerialization of shares vide MCA Notification No. 43(E) dated 22nd January, 2019.

(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 are not applicable to the Company during the period under review.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') *are not applicable* to the Company during the period under review.

(i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(vi) 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;

(vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

R. V. GANDHI & CO. C.P.No. 7120 AHMEDABAD COMPANY SECRETARIES

I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

(i) Petroleum and Natural Gas Regulatory Board Act, 2006 and rules and regulations made there under.

(ii) Petroleum and Minerals Pipelines (Acquisition of Right of User Inland) Act, 1962

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Company being unlisted is not required to comply with the Listing Agreements of Stock Exchange(s)/ SEBI (LODR) 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 our following observations:

1. The vacancy occurred due to resignation of Women Director on 31.12.2018 is yet to be filled by the Company as required under Section 149(1) of the Companies Act, 2013. The Company, being a Government Company has requested Government of Gujarat to nominate Woman Director on the Board of Company and the same is awaited from the Government of Gujarat.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors as on 31.03.2019. 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 generally sent at least seven days in advance & in case of shorter notice required compliance as per Companies Act, 2013 has been ensured.

Generally, all decisions at the Board and Committee meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors and Committee of the Board as the case may be.

R. V. GANDHI & CO. C.P.No.7120 AHMEDABAD COMPANY SECRETARIES

We 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.

We further report that

During the audit period the Company has

(i) allotted 7,50,00,000 Equity Shares of Rs. 10 each aggregating to Rs. 75 Crores by passing the Board Resolution dated 25th February, 2019 to the existing shareholders on right basis.

R. V. GANDHI & CO. C.P.No.7120 AHMEDABAD COMPANY SECRETARIES

For R V Gandhi & Co.

(Rashmikant V Gandhi)
Company Secretaries
FCS No. 6807 COP No. 7120

Date: 30/04/2019
Place: Ahmedabad

(This report is to be read with our letter of even date which is annexed as ***Annexure A (Page5)*** ***and*** *forms an integral part of this report.)*

R. V GANDHI & Co.,
Practicing Company Secretary
C/3, 204, Anushruti Tower, Nr. Muktidham Jain Derasar,
Thaltej Cross Road, S. G. Highway, Ahmedabad – 380 054.
Mobile : 99792 60360. Phone (O) : 079-2688 2215.

'Annexure A'

To,
The Members,
GSPL India Gasnet Limited
GSPC Bhavan, B/h UdyogBhavan
Sector-11, Gandhinagar-382 010

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 Statements of the company.*
4. *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.*
5. *The Secretarial Audit report is not an assurance as to the future viability of the Company.*

R. V. GANDHI & CO. C.P.No.7120 AHMEDABAD COMPANY SECRETARIES

For R V Gandhi & Co.

(Rashmikant V. Gandhi)
Company Secretaries
FCS No. 6807, COP No.7120

Date: 30/04/2019
Place: Ahmedabad

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- U40200GJ2011SGC067449

ii) Registration Date: 13th October, 2011

iii) Name of the Company: GSPL India Gasnet Limited

iv) Category / Sub-Category of the Company: Company having Share Capital / State Government Company

v) Address of the Registered office and contact details: GSPC Bhavan, Behind Udhyog Bhavan, Sector 11, Gandhinagar – 382010
Phone No.: 079-23268500/ 600 – Fax. 079-23258506
Email: nilesh.p@gspc.in – Website: www.gspcgroup.com/GIGL

vi) Whether listed company ~~Yes /~~ No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any-
NSDL DATABASE MANAGEMENT LIMITED
4th Floor Trade World A Wing, kamla Mills Compound
Lower Parel (W)
MUMBAI
Maharashtra
400013

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transport And Storage	H2	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	Gujarat State Petronet Limited	L40200GJ1998SGC035188	Holding Company	52%	2(46)
2	Gujarat State Petroleum Corporation Limited	U23209GJ1979SGC003281	Holding Company	-	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters (1) Indian (Bodies Corporates) **Sub-total (A) (1):-**	-	387019346	387019346	100	462019346	-	462019346	100	19.37
(2) Foreign **Sub-total (A) (2):-**									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	387019346	387019346	100	462019346	-	462019346	100	19.37
B. Public Shareholding									
Total Public Shareholding (B) = (B)(1) + (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**-**	**387019346**	**387019346**	**100**	**462019346**	**-**	**462019346**	**100**	**19.37**

ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Gujarat State Petronet Limited	201250060	52	-	240250060	52	-	19.37
2	Indian Oil Corporation Limited	100625030	26	-	120125030	26	-	19.37
3	Bharat Petroleum Corporation Limited	42572128	11	-	50822128	11	-	19.37
4	Hindustan Petroleum Corporation Limited	42572128	11	-	50822128	11	-	19.37
	Total	**387019346**	**100**	**-**	**462019346**	**100**	**-**	**19.37**

iii) Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year Gujarat State Petronet Limited (GSPL): Indian Oil Corporation Limited (IOCL): Bharat Petroleum Corporation Limited (BPCL) Hindustan Petroleum Corporation Limited (HPCL)	 201250060 100625030 42572128 42572128	 52 26 11 11	-	-
	387019346	**100**		
750,00,000 equity shares of Rs. 10 were allotted to promoters GSPL: 39000000(52%) IOCL: 19500000(26%) BPCL: 8250000(11%) HPCL: 8250000(11%)			 240250060 120125030 50822128 50822128	 52 26 11 11
At the End of the year	**-**	**-**	**462019346**	**100**

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NA		NA	
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NA		NA	
	At the End of the year (or on the date of separation, if separated during the year)	NA		NA	

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Shri Ravindra Agrawal				
	At the beginning of the year	10*	-	-	-
	Date wise Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	10	-	10	-
2	Shri Manish Seth				
	At the beginning of the year	10*	-	-	-
	Share Transferred w.e.f. 28/09/2018	(10)	-	-	-
	At the End of the year	Nil	-	Nil	-

*** Beneficial interest in these shares is with Gujarat State Petronet Limited**

Note: 1) None of the other Directors/ KMP hold any shares in the Company

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	3340706984 Nil Nil			3340706984 Nil Nil
Total (i+ii+iii)	3340706984			3340706984
Change in Indebtedness during the financial year • Addition • Reduction	5905386321 Nil			5905386321 Nil
Net Change	5905386321			5905386321
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	9246093305 Nil Nil			9246093305 Nil Nil
Total (i+ii+iii)	9246093305	Nil	Nil	9246093305

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil				Nil
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify..					
5.	Others, please specify					
	Total (A)	Nil				Nil
	Ceiling as per the Act					

B. Remuneration to other Directors:

Category	Particulars of remuneration			Total
	Sitting fees for Board & Committee meetings	Commi-ssion	Other (Specify)- Out of Pocket	
Independent Directors				
Shri Chandrashekhar Mani	30000	-	8000	38000
Dr. Bharatkumar A Modi	75000	-	20000	95000
Other Directors				
Dr J N Singh, IAS	Ref Note 1		16000	
Dr T Natarajan, IAS	Ref Note 1		12000	
Shri Ravindra Agrawal	45000	-	12000	57000
Shri Manish Seth (upto 8.08.2018)	15000	-	4000	19000
Shri S K Sharma	Ref Note 2 15000			
Shri S K Jha	Ref Note 2 45000			
Shri Mahesh Narain (w.e.f. 13.08.2018)	Ref Note 2 22500			
Shri I S Rao (upto 09.07.2018)	Ref Note 2 15000			
Smt. Shobhana Desai	7500		2000	9500
Overall Ceiling as per the Act				

Notes:

1) Sitting fees in respect of Government Officers is deposited in government treasury

2) Sitting fees in respect of Nominee Directors is deposited directly with their respective company.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO*	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-		
2.	Stock Option	N.A	-	-	-
3.	Sweat Equity		-	-	-

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO*	Total
4.	Commission - as % of profit - others, specify...		-	-	-
5.	Others		-	7881038	7881038
	Total		-	7881038	7881038

* M/s. IOCL has deputed CFO as per the Articles of Association. The Company has reimbursed salary & perquisites including GST thereon to IOCL.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil

Type	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY				
Penalty				
Punishment				
Compounding				
B. DIRECTORS				
Penalty				
Punishment				
Compounding				
C. OTHER OFFICERS IN DEFAULT				
Penalty				
Punishment				
Compounding				

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GSPL INDIA GASNET LIMITED

Standalone Ind AS Financial Statements

2018-2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GSPL INDIA GASNET LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of GSPL India Gasnet Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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 March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

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 independence 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.

DGSM & Co. Chartered Accountants FRN : 101606W AHMEDABAD

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of 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 auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or 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 during the course of our 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. 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.

DGSM
& Co.
Chartered Accountants
FRN : 101606W
AHMEDABAD

Auditor's Responsibilities for the Audit of the Standalone 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:

- 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 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.

DGSM
& Co.
Chartered Accountants
FRN : 101606W
AHMEDABAD

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A".

   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, as amended 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 standalone financial statements.

      ii. The Company does not foresee any losses on any long-term contracts entered into by it and accordingly, it has not made any provision for the same. Moreover, the Company has not entered into any derivative contracts.

      iii. The Company was not required to transfer any amount to the Investor Education and Protection Fund during the year.

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& Co.
Chartered Accountants
FRN : 101606W
AHMEDABAD

2. As required under Section 143(5) of the Act, we give in "Annexure B" a report on directions issued by the Comptroller and Auditor – General of India.

3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure C" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For, D G S M & Co.
Chartered Accountant
FRN: 101606W

DGSM
& Co.
Chartered Accountants
FRN : 101606W
AHMEDABAD

CA Abhinav Malaviya
Partner
Membership No. 144245

Place: Gandhinagar
Date : 30/04/2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of GIGL India Gasnet Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GSPL India Gasnet Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

DGSM & Co. Chartered Accountants FRN : 101 AHMEDA

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 judgement, 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 internal financial controls system over financial reporting of the Company.

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.

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.

DGSM
& Co.
Chartered Accountants
FRN : 101606W
AHMEDABAD

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 March 31, 2019, 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.

For, D G S M & Co.
Chartered Accountant
FRN: 101606W

CA Abhinav Malaviya
Partner
Membership No. 144245

Place: Gandhinagar
Date : 30/04/2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of GIGL India Gasnet Limited of even date)

Report on the directions issued by the Comptroller and Auditor – General of India under Sub-section 5 of Section 143 of the Companies Act, 2013 ("the Act")

A. General Directions:

1. Whether the Company has system in place to process all the accounting transactions through IT systems? If yes, the implication of the processing of accounting transaction outside IT system on integrity of the accounts along with financial implications, if any, may be stated.

- The company is using "SAP ECC 6.0" for accounting of all accounting transactions through IT systems.

2. Whether there is any restructuring of existing loan or cases of waiver/write off of debts/loans/interest etc. made by lender to the company due to Company's inability to repay the loan? If yes, the financial impact may be stated.

- The repayment of the loan is not started during the year. There is no restructuring of existing loan or case of waiver/write off of debts/loans/interest etc. due to Company's inability to repay the loan.

3. Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilised as per the terms and conditions? List the case of deviation.

- The Company has not received any fund for specific schemes from Central/State agencies.

B. Sector Specific Sub-directions:

INFRASTRUCTURE SECTOR

1. Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached, under litigation, not put to use or declared surplus? Details may be provided.

- The company has taken adequate measures to prevent encroachment and there is no encroachment to the land owned by the company.

2. Whether the system in vogue for identification of projects to be taken up under Public Private Partnership is in line with the guidelines/ policies of the Government? Comment on deviation if any.

- The company does not have any project to be taken up under Public Private Partnership.

DGSM & Co. Chartered Accountants FRN : 101606W AHMEDABAD

3. Whether system for monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/ losses from contracts, etc., have been properly accounted for in the books.

❖ System for monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/ losses from contracts, etc., have been properly accounted for in the books.

4. Whether funds received/ receivable for specific schemes from central/ State agencies were properly accounted for/utilized? List the cases of deviations.

❖ The Company has not received any fund for specific schemes from central/ State agencies.

5. Whether the bank guarantees have been revalidated in time?

❖ Bank guarantees have been revalidated in a timely manner.

6. Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.

❖ The Confirmation of Balances has been obtained in majority of the cases.

7. The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned.

❖ During the year 2018-19, the company has not abandoned any project.

SERVICE SECTOR

1. Whether Company's pricing policy absorbs all fixed and variable cost of production and overheads allocated at the time of fixation of price?

❖ The company's pricing is determined based on tariff approved by Petroleum and Natural Gas Regulatory Board.

2. Whether Company recovers commission for work executed on behalf of Government / other organisations that is properly recorded in books of accounts? Whether Company has efficient system for billing and collection of revenue.

❖ The Company does not execute work on behalf of Government/other organisations. The Company has efficient system for billing and collection of revenue.

3. Whether Company regularly monitors timely receipt of subsidy from Government and it is properly recorded them in its books?

❖ The Company has not received any subsidy from Government.

DGSM
& Co.
Chartered Accountants
FRN : 101606W
AHMEDABAD

4. Whether interest earned on parking of funds received for specific projects from Government was properly accounted for?

❖ The Company has not received any fund for specific projects from Government.

5. Whether Company has entered into Memorandum of Understanding with its Administrative Ministry, if so, whether the impact thereof has been properly dealt with in financial statements?

❖ The Company has not entered into Memorandum of Understanding with its Administrative Ministry.

For, D G S M & Co.
Chartered Accountant
FRN: 101606W

D G S M & Co. Chartered Accountants FRN : 101606W AHMEDABAD

CA Abhinav Malaviya
Partner
Membership No. 144245

Place: Gandhinagar
Date : 30/04/2019

ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of GIGL India Gasnet Limited of even date)

Report on the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act

1. In respect of its Fixed Asset:

   a. The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets shown in the Balance Sheet.

   b. As per information and explanation given to us, all the assets have been physically verified by the management at the end of the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   c. The title deeds of immovable properties are held in the name of the company.

2. In respect of its Inventories:

   a. As explained to us, inventories were physically verified at the year-end by the Management.

   b. In our opinion and according to the information and explanations given to us, procedure of physical verification of inventory followed by the Company is reasonable and adequate in relation to the size of the Company and nature of business.

   c. The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification by management.

3. In respect of Loans & Advances:

   As per the information and explanation provided to us, the company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of Clause (iii) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company for the year under audit.

DGSM & Co.
Chartered Accountants
FRN : 101606W
AHMEDABAD

4. In respect of Loans, Investment, Guarantees & Securities:

As per the information and explanation provided to us, the company has not granted any loans to any person other than the employees of the company nor has made any investment or provided guarantees or securities. Therefore, the provisions of clause (iv) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company for the year under audit.

5. In respect of Deposits:

According to the information and explanations given to us, the company has not accepted any deposits within the meaning of Section 73 to 76 of the Companies Act, 2013. Accordingly, the provisions of clause (v) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

6. In respect of Cost Audit Records:

As informed to us, the Central Government has prescribed the maintenance of the cost records under section 148 (1) (d) of the Companies Act, 2013. However, since the turnover of the Company is below the threshold limit specified under Rule 3 of the Companies (Cost records and Audit) Rules, 2014, the Company is not required to maintain cost records. Accordingly, the provisions of clause (vi) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company for the year under audit.

7. In respect of Statutory Dues:

a. The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, GST, Cess and other statutory dues applicable to it to the appropriate authorities.

b. There were no disputed amount payable in respect of Provident Fund, Employees State Insurance, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, GST, Cess and other Statutory dues in arrears as at 31st March, 2019 for a period of more than Six months from the date became payable.

8. In respect of Default in payment of dues:

According to the information and explanations given to us, the company has not defaulted in payment of dues to any financial institution or bank or government or debenture holders as at the balance sheet date. Accordingly, clause (viii) of the paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company for the year under audit.

DGSM
& Co.
Chartered Accountants
FRN : 101606W
AHMEDABAD

9. In respect of Funds raised by public issue/ follow on offer/ term loan:

According to the information and explanations given to us, the Company has not raised any money way of initial public offer or further public offer. However, the Company has raised money by way of term loan from consortium lenders. The said money has been applied for the purpose for which they were raised.

10. In respect of Fraud:

In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11. In respect of Managerial Remuneration:

The company has not provided/paid any managerial remuneration as specified under section 197 of the Companies Act, 2013 during the year. Therefore, clause (xi) of the paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company for the year under audit.

12. In respect of Nidhi Company:

The company is not a Nidhi Company as defined under section 406 of the Companies Act, 2013. Therefore, clause (xii) of the paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

13. In respect of Related Party Transactions:

All transactions with related parties are in compliance section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. In respect of Preferential Allotment/ Private Placement of Share/ Issue of Debenture:

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause (xiv) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company for the year under audit.

15. <u>In respect of Non Cash Transactions with Directors:</u>

In our opinion and according to the information and explanations given to us, during the year, the company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company for the year under audit.

16. <u>In respect of NBFC Registration:</u>

In our opinion and according to information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as NBFC.

For, D G S M & Co.
Chartered Accountant
FRN: 101606W

DGSM & Co. Chartered Accountants FRN : 101606W AHMEDABAD

CA Abhinav Malaviya
Partner
Membership No. 144245

Place: Gandhinagar
Date : 30/04/2019

Standalone Ind AS Financial Statements

GSPL INDIA GASNET LIMITED

CIN: U40200GJ2011SGC067449

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lacs)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	131,528.23	8,191.12
Capital Work-In-Progress	3	10,585.75	71,365.26
Other Intangible Assets	4	5,592.44	4,258.50
Financial Assets			
Loans	5	720.11	652.95
Other Financial Assets	6	276.67	311.91
Deferred Tax Assets (Net)	18	1,085.85	20.41
Other Non-Current Assets	7	337.63	426.61
Total Non-Current Assets		**150,126.68**	**85,226.76**
Current Assets			
Inventories	8	2,390.48	-
Financial Assets			
Trade Receivables	9	265.73	-
Cash and Cash Equivalents	10	2,536.43	5,296.27
Other Bank Balances	10	72.48	10.43
Loans	5	23.59	31.21
Other Financial Assets	6	43.60	28.13
Other Current Assets	7	1,054.05	933.35
Total Current Assets		**6,386.36**	**6,299.39**
Total Assets		**156,513.04**	**91,526.15**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	46,201.93	38,701.93
Other Equity	12	(2,128.18)	659.65
Total Equity		**44,073.75**	**39,361.58**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	92,460.93	33,407.07
Other Financial Liabilities	15	134.60	-
Provisions	16	417.29	201.24
Other Non-Current Liabilities	17	840.48	-
Total Non-Current Liabilities		**93,853.30**	**33,608.31**
Current Liabilities			
Financial Liabilities			
Trade Payables	14		
Total outstanding dues of micro enterprises and small enterprises		43.07	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		455.13	-
Other Financial Liabilities	15	17,243.24	18,016.71
Other Current Liabilities	17	707.15	452.22
Provisions	16	137.40	86.74
Current Tax Liabilities (net)		-	0.59
Total Current Liabilities		**18,585.99**	**18,556.26**
Total Liabilities		**112,439.29**	**52,164.57**
Total Equity and Liabilities		**156,513.04**	**91,526.15**
Significant Accounting Policies	2		

The accompanying notes are integral part of the Financial Statements.

As per our report of even date attached

For DGSM & Co.
Chartered Accountants
Firm Registration No. 101606W

DGSM & Co.
Chartered Accountants
FRN 101606W
AHMEDABAD

Abhinav

Abhinav Malaviya
Partner
Membership No. 144245
Place: Gandhinagar
Date: 30th April, 2019

For and on behalf of the Board of Directors

Dr J.N.Singh, IAS
Chairman
DIN: 00955107

Ravindra Agrawal
CEO & Director
DIN: 00157236

Singhiyk.

N. K. Singh
CFO

Place: Gandhinagar
Date: 30th April, 2019

Standalone Ind AS Financial Statements

GSPL INDIA GASNET LIMITED

CIN: U40200GJ2011SGC067449

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31ST MARCH, 2019

(₹ in Lacs)

Particulars	Notes	2018-19	2017-18
INCOME			
Revenue From Operations	19	2,164.47	-
Other Income	20	416.01	174.34
Total Income (A)		**2,580.48**	**174.34**
EXPENSES			
Employee Benefit Expenses	21	322.11	-
Finance Costs	22	3,228.10	-
Depreciation and Amortisation Expenses	23	2,377.09	-
Other Expenses	24	496.22	35.68
Total Expenses (B)		**6,423.52**	**35.68**
Profit Before Tax (A-B)		**(3,843.04)**	**138.66**
Tax Expenses			
Current Tax	18	-	57.64
Deferred Tax	18	(1,062.59)	(9.03)
Profit After Tax for the Period		**(2,780.45)**	**90.05**
Other Comprehensive Income			
Remeasurements of post-employment benefit obligations		(10.23)	-
Income tax relating to these items		2.85	-
Other Comprehensive Income for the Period, net of tax		**(7.38)**	**-**
Total Comprehensive Income for the Period		**(2,787.83)**	**90.05**
Earning/(Loss) per Equity Share (EPS) for Profit for the Period			
(Face Value of ₹ 10)	25		
Basic (₹)		(0.71)	0.03
Diluted (₹)		(0.71)	0.03
Significant Accounting Policies	2		

The accompanying notes are integral part of the Financial Statements.

As per our report of even date attached

For DGSM & Co.
Chartered Accountants
Firm Registration No. 101606W

DGSM & Co. Chartered Accountants FRN : 101606W AHMEDABAD

Abhinav Malaviya
Partner
Membership No. 144245
Place: Gandhinagar
Date: 30th April, 2019

For and on behalf of the Board of Directors,

Dr J.N.Singh, *IAS*
Chairman
DIN: 00955107

Ravindra Agrawal
CEO & Director
DIN: 00157236

N. K. Singh
CFO

Place: Gandhinagar
Date: 30th April, 2019

GSPL INDIA GASNET LIMITED

CIN: U40200GJ2011SGC067449

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED ON 31st MARCH, 2019

(₹ in Lacs)

Particulars	2018-19	2017-18
Cash Flow from Operating Activities		
Profit before Taxes	(3,843.04)	138.66
Adjustments for:		
Interest Income	(393.82)	(173.42)
Depreciation and amortisation	2,377.09	-
Employee benefit expenses	16.44	-
Other Non-cash items	(11.88)	-
Finance Cost	3,217.48	-
Operating Profit before Working capital change	**1,362.27**	**(34.76)**
Change in Working capital		
(Increase)/Decrease in Financial Assets	(347.50)	-
(Increase)/Decrease in Other Assets	(2,647.06)	-
Increase/(Decrease) in liabilities	1,997.47	-
Cash generated from operations		
Less: Taxes Paid	(111.84)	-
Net Cash Flow from Operating Activities (A)	**253.34**	**(34.76)**
Cash Flow from Investing Activities		
Interest Received	385.95	165.23
Taxes Paid	-	(56.13)
Investment in Fixed Deposits	(20.05)	183.11
(Increase)/Decrease in Financial Assets	-	(48.73)
(Increase)/Decrease in Other Assets	-	3,028.27
Increase/(Decrease) in liabilities	-	-
Acquisition of Propery, plant & Equipments and Change in CWIP	(63,690.94)	(44,168.28)
Net Cash Flow from Investing Activities (B)	**(63,325.04)**	**(40,896.53)**
Cash Flow from Financing Activities		
Proceeds from issue of Equity Share Capital	7,500.00	11,000.00
Proceeds from Long Term Borrowings	59,338.44	34,444.96
Transaction Costs Paid		-
Interest and Other Finance Charges paid	(6,526.58)	(319.27)
Net Cash Flow from Financing Activities (C)	**60,311.86**	**45,125.68**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)	**(2,759.84)**	**4,194.40**
Cash and Cash Equivalents at the beginning of the period	**5,296.27**	**1,101.87**
Cash and Cash Equivalents at the end of the period	**2,536.43**	**5,296.27**
Notes to Statement of Cash Flows		
Cash and cash equivalent includes-		
Cash and Cheques on Hand	0.21	0.17
Balances with Scheduled Banks		
in Current Accounts	735.63	1,790.31
in Fixed Deposit Accounts	1,800.59	3,505.79
	2,536.43	**5,296.27**

Previous period's figures have been rearranged/regrouped wherever necessary, to confirm to this year's classification.

As per our report of even date attached

For DGSM & Co.
Chartered Accountants
Firm Registration No. 101606W

DGSM & Co. Chartered Accountants FRN . 101606W AHMEDABAD

Abhinav Malaviya
Partner
Membership No. 144245
Place: Gandhinagar
Date: 30th April, 2019

For and on behalf of the Board of Directors

Dr J.N.Singh, IAS
Chairman
DIN: 00955107

Ravindra Agrawal
CEO & Director
DIN: 00157236

N. K. Singh
CFO

Place: Gandhinagar
Date: 30th April, 2019

GSPL INDIA GASNET LIMITED

CIN: U40200GJ2011SGC067449

STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE PERIOD ENDED ON 31 MARCH 2019

A. Equity Share Capital

Particulars	Number of Shares	Amount ₹ in Lacs
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
Equity shares of ₹ 10/- each fully paid up		
As at 1 April 2017	**277,019,346**	**27,701.93**
Add: New shares allotted during the year	110,000,000	11,000.00
As at 31 March 2018	**387,019,346**	**38,701.93**
Add: New shares allotted during the year	75,000,000	7,500.00
As at 31 March 2019	**462,019,346**	**46,201.93**

B. Other Equity

(₹ in Lacs)

Particulars	Reserves & Surplus	Total Other Equity
	Retained earnings	
Balance at April 1, 2017	**569.60**	**569.60**
Profit for the year	90.05	90.05
Total comprehensive income for the year	**90.05**	**90.05**
Balance at March 31, 2018	**659.65**	**659.65**
Profit for the year	(2,780.45)	(2,780.45)
Items of OCI recognised directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax	(7.38)	(7.38)
Total comprehensive income for the year	**(2,787.83)**	**(2,787.83)**
Balance at 31 March, 2019	**(2,128.18)**	**(2,128.18)**

Purpose of reserve:

Retained earnings: The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in full.

As per our report of even date attached

For DGSM & Co.
Chartered Accountants
Firm Registration No. 02464W

DGSM & Co. Chartered Accountants FRN . 101606W AHMEDABAD

Abhinav Malaviya
Partner
Membership No. 144245
Place: Gandhinagar
Date: 30th April, 2019

For and on behalf of the Board of Directors,

Dr J.N.Singh, IAS
Chairman
DIN: 00955107

Ravindra Agrawal
CEO & Director
DIN: 00157236

Singh 1/4/19.
N. K. Singh
CFO

Place: Gandhinagar
Date: 30th April, 2019

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

1. Corporate information

GSPL India Gasnet Limited (GIGL, or 'the Company') was incorporated on 13th October 2011 under the Companies Act, 1956 as a subsidiary of Gujarat State Petronet Limited (GSPL). GSPL India Gasnet Limited is a Government Company u/s 2(45) of Companies Act, 2013. On 30th April, 2012, a joint venture agreement was executed between Gujarat State Petronet Limited (GSPL), Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL). The shareholding pattern is GSPL (52%), IOCL (26%), BPCL (11%) and HPCL (11%). The Company is primarily engaged in transmission of natural gas through pipeline from supply points to demand centres. The Company is developing a natural gas pipeline for transmission of natural gas from Mehsana in Gujarat to Bhatinda in Punjab and Srinagar in Jammu & Kashmir.

Authorization of financial statements

The Standalone Financial Statements were authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 30th April 2019.

2. Significant Accounting Policies

(a) Basis of preparation

The Standalone Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant Provisions of Companies Act, 2013 and Rules thereunder (as amended from time to time).

The financial statements are prepared on accrual basis of accounting under historical cost convention except for certain financial assets and liabilities measured at fair value.

The preparation and presentation of the financial statements requires the management to make estimates, judgments and assumptions that affect the amount reported in the financial statements and notes thereto. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that may have significant effect on the amounts recognized in the financial statements are as below:

- Useful lives of property, plant and equipment and intangible assets
- Measurement of Defined Benefit Obligations and actuarial assumptions
- Provisions and contingencies
- Provision for expected credit losses
- Current tax and Deferred tax asset / liabilities recognition

- Identification of performance obligations under contract with customers
- Timing of revenue recognition based on when the performance obligations are satisfied under contracts with customers

All values are rounded to the nearest rupees in Lacs, except where otherwise indicated.

(b) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost (net of recoverable taxes), less accumulated depreciation and accumulated impairment losses, if any.

The cost of an Property, Plant and Equipment comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and borrowing costs for assets that necessarily take a substantial period of time to get ready for their intended use. Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Capital Work-in-progress (CWIP) includes expenditure that is directly attributable to the acquisition/construction of assets, which are yet to be commissioned, and project inventory.

On transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets like software, licenses, Right-of-Use of land (ROU) and Right of Way (ROW) permissions which are expected to provide future enduring economic benefits are capitalized as Intangible Assets.

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

(d) Investment properties

Investment properties comprise portions of free hold or lease hold land and office buildings that are held for rental or for capital appreciation or both. An Investment property generates cash flow largely independently of the other assets held by an entity.

Property used in production or supply of goods or services and also held to earn rentals / capital appreciation is accounted separately as investment property only if portion of property held to earn rental / capital appreciation can be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Further property with provision of ancillary services to the occupants is treated as investment property if the services are insignificant to the arrangement as a whole. Investment property shall be recognised as an asset when and only when: (a) it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and (b) the cost of the investment property can be measured reliably.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed as and when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

(e) Depreciation and Amortisation

Depreciation on gas transmission pipeline(s) is provided using straight line method (SLM) and on other items of property, plant and equipment using written down value method (WDV) based on the useful life prescribed in Schedule II to the Companies Act 2013.

The residual values are not more than 5% of the original cost of the item of property, plant and equipment.

Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal. An item of property, plant and equipment costing up to ₹ 5000/- are depreciated fully in the year of purchase / capitalisation.

Land on finance lease is amortised over the period of lease.

In case of Intangible Assets, software is amortized at 40% on written down value method.

Right of Use (RoU) is indefinite in nature hence it is not amortised. However, the same is tested for impairment annually. Moreover, Right of Way (ROW) is amortised over 30 years on straight line method starting from the date of commissioning of the respective pipeline as the same is inextricably linked and dependent on useful life of gas transmission pipeline(s).

(f) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

Finance Lease

Leases are classified as finance leases (including those for land), if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Finance leases as lessee:

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets.

Finance leases as lessor:

All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts are adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

The Company has given assets on lease to employees at concessional rate where the ownership of the asset transfers to the employees at the end of the lease term. The control over the asset is transferred to the employee since inception while legal ownership is retained by the Company. These are classified as finance leases, accordingly, the Company, has derecognised the items of PPE given to employees and recognised the same as receivable from employees. The difference between the cost of the asset and present value or (absolute value if the present value is not material) of the consideration to be received from the employee over the lease term and at the time of transfer of ownership in the future is recognised as an employee cost over the period.

Operating lease as lessee

Leases (including those for land) which are not classified as finance leases are considered as operating lease. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term unless either:

(i) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or

(ii) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Operating lease as lessor

Lease income from operating lease (excluding amount for services such as insurance and maintenance) is recognised in the statement of profit and loss on a straight-line basis over the lease term, unless either:

A. Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the Company are not on that basis; or
B. The payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases. If payments to the Company vary because of factors other than general inflation, then this condition is not met.

(g) Borrowing costs

The Company capitalises borrowing costs that are directly attributable to the acquisition or construction of qualifying assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. For borrowing cost capitalisation, the capital cost of a particular project is identified against a borrowing in terms of period of construction and the borrowing cost for the relevant period is added to the capital cost till the particular project is capitalised and thereafter the borrowing cost is charged to the statement of profit and loss. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the statement of profit and loss.

(h) Financial instruments

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

Financial assets

Initial recognition and measurement

A financial asset is recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Subsequent measurement

For purpose of subsequent measurement, financial assets are classified into:

A. Financial assets measured at amortised cost;
B. Financial assets measured at fair value through other comprehensive income (FVTOCI); and
C. Financial assets measured at fair value through profit or loss (FVTPL).

The Company classifies its financial assets in the above mentioned categories based on:

1. The Company's business model for managing the financial assets, and
2. The contractual cash flows characteristics of the financial asset.

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

(i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets measured at fair value through other comprehensive income (FVTOCI):
A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(i) The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and
(ii) The asset's contractual cash flows represent SPPI.

Financial assets measured at fair value through profit or loss (FVTPL):
A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized 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').

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

A. The contractual rights to the cash flows from the financial asset have expired, or
B. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
    (i) The Company has transferred substantially all the risks and rewards of the asset, or
    (ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
(ii) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities measured at fair value through profit or loss (such as derivative items) and financial liabilities measured at amortised cost (such as loans and borrowings) as appropriate.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liability includes loans & borrowings as well as trade and other payables.

Subsequent measurement

A. Financial liabilities measured at amortised cost
B. Financial liabilities subsequently measured at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loan and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses on EIR amortisation and derecognition are recognised in profit or loss. 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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of loan to the extent it is probable that some or all of the loan facility will be drawn down. The facility fee and related payments are accounted for as a transaction cost under Ind AS 109. The said facility fee is deferred and treated as a transaction cost when draw-down occurs; it is not amortised prior to the draw-down.

This category generally applies to interest-bearing loans and borrowings.

Trade and other payables

These amounts represent liability for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest (EIR) method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when, there is a legally enforceable right to offset the recognised amount and there is intention either to settle on net basis or to realise the assets and to settle the liabilities simultaneously.

(i) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. . An impairment loss is charged to the statement of profit and loss in the year in which an asset or CGU is identified as impaired.

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.

(j) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(k) Inventory

Inventories including stock of stores, spares, consumables and line pack gas not meant for sale in ordinary course of business are valued at weighted moving average cost.

(l) Revenue Recognition

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is then allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent.

Revenue from transmission of gas through pipeline is recognized net of GST on fortnightly basis when it can be reliably measured and it is reasonable to expect ultimate collection.

All other revenues are recognised when it can be reliably measured and it is reasonable to expect ultimate collection. Interest income is recognised using effective interest rate (EIR) method.

(m) Employee benefits

Short term employee benefits
Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which related services are rendered.

Post-employment benefits and other long term employee benefits:
The liability in respect of gratuity benefits being defined benefit schemes, payable in future, are determined by actuarial valuation carried out using projected unit credit method as on the balance sheet date and actuarial gains/(losses) for the year after adjustment of planned assets, if any, are charged to the Other Comprehensive Income. The Company is in the process of creating fund for Gratuity and Superannuation for employees. Post-Employment benefits in the form of Super Annuation are recognised as expense on estimated basis. Moreover, the liability in respect of leave encashment being other long term employee benefits, payable in future, are also determined by actuarial valuation carried out using projected unit credit method as on the balance sheet date and actuarial gains/(losses) are charged as employee benefit expenses in the Statement of Profit and Loss for the year.

Retirement benefits in the form of provident fund which is a defined contribution scheme are accrued in accordance with statutes and deposited with respective authority/agency and charged to the Statement of Profit and Loss account for the year, in which the contributions to the respective funds accrue.

(n) Taxation

Current Tax

The current income tax charge is calculated on the basis of the Income Tax Laws enacted or substantively enacted at the end of the reporting period.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and tax 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.

Deferred taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in financial statements, deferred tax amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses, and unused tax credits only if it is probable that future taxable amounts will be available to utilise those temporary differences, losses, and credits.

Any tax credit available such as MAT Credit Entitlement is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

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

The carrying amount of deferred tax assets is reviewed at each reporting date. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(o) Earnings Per Share

Basic EPS is computed by dividing net profit after taxes for the year by weighted average number of equity shares outstanding during the financial year, adjusted for bonus share elements in equity shares issued during the year and excluding treasury shares, if any.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(p) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liability is disclosed by way of notes to accounts in the case of:

A. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
B. A present obligation arising from the past events, when no reliable estimate is possible;
C. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not recognized in the financial statements but are disclosed by way of notes to accounts unless the possibility of an outflow of economic resources is considered remote.

Contingent assets are not recognized in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

(q) Foreign currency transactions

The Company's presentation and functional currency is INR. Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing at the time of transaction. Monetary assets and liabilities denominated in foreign currencies at year-end are reported at exchange rate prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates prevailing at the time of the initial transactions. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

(r) Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

The Board of Directors (BoD) of the Company assesses the financial performance and position of the Company, and makes strategic decisions; hence the Board of Directors are CODM. Refer note 33 for segment information.

(s) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Company considers all highly liquid investments such as short term fixed deposits with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(t) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(u) Events occurring after the Reporting Date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in Director's Report.

(v) Standards issued but not yet effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on 30th March, 2019) which are effective for annual period beginning after 1st April, 2019. The Company intends to adopt these standards or amendments from the effective date.

Ind AS 116 – Leases:

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting largely unchanged from the existing standard – i.e. lessors continue to classify leases as finance or operating leases.

Based on the preliminary assessment, the Company does not expect any significant impacts on transition to Ind AS 116. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalised based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

Amendments to existing Ind AS:

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

1. Amendment to Ind AS 12 Income Taxes
2. Amendment to Ind AS 19 Employee Benefits
3. Amendment to Ind AS 23 Borrowing Costs
4. Amendment to Ind AS 28 Investments in Associate and Joint Ventures
5. Amendment to Ind AS 103 Business Combinations
6. Amendment to Ind AS 109 Financial Instruments
7. Amendment to Ind AS 111 Joint Arrangements

(w) Transition to New standards:

Ind AS 115 Revenue from Contracts with Customers

During comparative period, revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Ind AS 115 was issued by MCA on 28th March 2018. It supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exception, to all revenue arising from contracts with its customers. Under Ind AS 115, revenue is recognised when a customer obtains control of goods or services.

On transition date i.e. 1st April 2018, the Company has adopted Ind AS 115 using cumulative effect method. Accordingly, the comparative information i.e. information for the year ended 31 March 2018, has not been restated.

The Company did not have any impact of transition to Ind AS 115 as on 1st April, 2018 and for the year ended 31st March 2019.

3 Property, plant & equipment as at 31st March, 2019

(₹ in Lacs)

Particulars	Gross Carrying Amount				Accumulated Depreciation*				Net Carrying Amount	
	Cost As on 1-Apr-18	Additions/ Adjustments during the year	Deduction during the during the year	Balance As on 31-Mar-19	Balance As on 1-Apr-18	Additions during the year*	Deduction during the year	Balance As on 31-Mar-19	As on 31-Mar-19	As on 31-Mar-18
Land- Free Hold	6,645.08	869.79	-	7,514.87	-	-	-	-	7,514.87	6,645.08
Land- Lease Hold (Finance Lease)	1,519.57	3.18	-	1,522.75	37.55	15.41	-	52.96	1,469.79	1,482.02
Building	181.30	8,108.67	-	8,289.97	132.48	336.81	-	469.29	7,820.68	48.82
Plant & Machinery	-	111,256.99	-	111,256.99	-	1,586.21	-	1,586.21	109,670.78	-
Computers	9.66	40.15	-	49.81	6.34	6.87	-	13.21	36.60	3.32
Communication Equipment	-	2,856.57	-	2,856.57	-	168.81	-	168.81	2,687.76	-
Electrical Installation & Equipment	2.96	2,593.17	-	2,596.13	1.58	274.39	-	275.97	2,320.16	1.38
Furniture & Fittings	12.40	-	-	12.40	6.89	1.45	-	8.34	4.06	5.51
Office Equipments	4.14	0.47	-	4.61	1.85	1.08	-	2.93	1.68	2.29
Vehicles	8.36	-	-	8.36	5.66	0.85	-	6.51	1.85	2.70
Total Property, Plant and Equipment	**8,383.47**	**125,728.99**	**-**	**134,112.46**	**192.35**	**2,391.88**	**-**	**2,584.23**	**131,528.23**	**8,191.12**
Previous Year	**6,291.77**	**2,091.70**	**-**	**8,383.47**	**131.56**	**60.79**	**-**	**192.35**	**8,191.12**	**6,160.21**
Capital Work In Progress									**10,585.75**	**71,365.26**

(i) The lease term in respect of land acquired under finance leases is 99 years.

(ii) Contractual Obligations: Refer Note 27 for disclosure of contractual commitments for the acquisition /construction of property, plant and equipment.

4 Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount				Accumulated Amortisation*				Net Carrying Amount	
	Cost As on 1-Apr-18	Additions/ Adjustments during period	Deduction during the during period	Balance As on 31-Mar-19	Balance As on 1-Apr-18	Additions during the period*	Deduction during the period	Balance As on 31-Mar-19	As on 31-Mar-19	As on 31-Mar-18
Others										
Computer Software	58.96	11.76	-	70.72	33.95	12.16	-	46.11	24.61	25.01
Right of Use / Right of Way**	4,233.49	1,338.48	-	5,571.97	-	4.14	-	4.14	5,567.83	4,233.49
Total Intangible Assets	**4,292.45**	**1,350.24**	**-**	**5,642.69**	**33.95**	**16.30**	**-**	**50.25**	**5,592.44**	**4,258.50**
Previous Year	**1,840.07**	**2,452.38**	**-**	**4,292.45**	**22.88**	**11.07**	**-**	**33.95**	**4,258.50**	**1,817.19**

(i) Right of Use

Right of Use (RoU) in land is a right acquired under the law and the Company has unrestricted right of entry for laying, operation and maintenance of the pipeline for indefinite period. Hence, Right of Use has an indefinite life and hence it is not amortised; however, the same is tested for impairment annually. Moreover, Right of Way (RoW) is amortised over 30 years on straight line method as the same is inextricably linked and dependent on useful life of gas transmission pipeline(s).

** Includes RoU of ₹ 3,662.22 Lacs (31st March 2018: ₹ 2,360.54 Lacs).

* Depreciation/Amortisation amounting to ₹ 31.08 Lacs (FY 2017-18 : ₹ 71.86 Lacs) has been transferred to Capital Work in Progress.

5 LOANS

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current		
Security deposit given (Unsecured - considered good)	602.59	547.13
Loans Receivables		
Housing building advance to employees		
Secured, considered good	43.63	68.56
Unsecured, considered good	68.06	27.32
Other loans and advances to employees		
Unsecured, considered good	5.83	9.94
Total Non-Current Loans	**720.11**	**652.95**
Current		
Security deposit given (Unsecured - considered good)	2.62	2.81
Loans Receivables		
Housing building advance to employees		
Secured, considered good	2.86	4.45
Unsecured, considered good	5.80	3.21
Other loans and advances to employees		
Unsecured, considered good	12.31	20.74
Total Current Loans	**23.59**	**31.21**

6 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current		
Margin money deposit - Bank Guarantees	264.05	306.05
Receivable from employees (Unsecured - considered good)	12.62	5.86
Total Non-Current Other Financial Assets	**276.67**	**311.91**
Current		
Receivable from employees (Unsecured - considered good)	4.07	1.69
Others (Unsecured - considered good)	39.53	26.44
Total Current Other Financial Assets	**43.60**	**28.13**

7 OTHER ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current		
Capital advances	129.81	27.37
Unamortised transaction costs on borrowings	45.08	366.59
Advance income tax and TDS (net of provision)	111.25	-
Prepaid expenses	0.65	5.94
Deferred employee cost	50.84	26.71
Total Non-Current Other Assets	**337.63**	**426.61**
Current		
Unamortised transaction costs on borrowings	1.94	16.54
Balances with Government Authorities	82.47	2.94
Payment under protest	880.00	880.00
Prepaid expenses	50.97	13.51
Advances to suppliers	0.97	0.75
Deferred employee cost	37.67	18.62
Other	0.03	0.99
Total Current Other Assets	**1,054.05**	**933.35**

8 INVENTORIES

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Line Pack Gas	2,390.48	-
Total Inventories	**2,390.48**	-

9 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good	265.73	-
Total Trade Receivables	**265.73**	-

Trade receivables from related parties:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade receivables from related parties (Refer Note 32)	265.73	-

10 CASH AND OTHER BANK BALANCES

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash and Cash Equivalents		
Balances with banks		
In current accounts	735.63	1,790.31
Fixed deposit with original maturity of less than 3 months	1,800.59	3,505.79
Cash on hand	0.21	0.17
Total Cash and Cash Equivalents	**2,536.43**	**5,296.27**
Other Bank Balances		
Margin money deposit - bank guarantees	72.48	10.43
Total Bank Balance other than Cash and Cash Equivalents	**72.48**	**10.43**

11 EQUITY SHARE CAPITAL

Particulars	Number of Shares	Amount ₹ in Lacs
AUTHORISED SHARE CAPITAL		
Equity shares of ₹ 10/- each		
As at 1 April 2017	**2,000,000,000**	**200,000.00**
Increase/(decrease) during the year	-	-
As at 31 March 2018	**2,000,000,000**	**200,000.00**
Increase/(decrease) during the year	-	-
As at 31 March 2019	**2,000,000,000**	**200,000.00**

Reconciliation of the number of shares outstanding

Particulars	Number of Shares	Amount ₹ in Lacs
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
Equity shares of ₹ 10/- each fully paid up		
As at 1 April 2017	**277,019,346**	**27,701.93**
Add: New shares allotted during the year	110,000,000	11,000.00
As at 31 March 2018	**387,019,346**	**38,701.93**
Add: New shares allotted during the year	75,000,000	7,500.00
As at 31 March 2019	**462,019,346**	**46,201.93**

Rights, Preferences, and Restrictions attached to Equity Shares

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the events of liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholder(s) holding more than 5% equity shares in the Company

Particulars	As at 31st March, 2019	As at 31st March, 2018
Number of Equity Shares		
Gujarat State Petronet Limited (including Nominee Shareholders)	240,250,060	201,250,060
Indian Oil Corporation Limited	120,125,030	100,625,030
Bharat Petroleum Corporation Limited	50,822,128	42,572,128
Hindustan Petroleum Corporation Limited	50,822,128	42,572,128
% Holding in Equity Shares		
Gujarat State Petronet Limited (including Nominee Shareholders)	52.00%	52.00%
Indian Oil Corporation Limited	26.00%	26.00%
Bharat Petroleum Corporation Limited	11.00%	11.00%
Hindustan Petroleum Corporation Limited	11.00%	11.00%

12 OTHER EQUITY

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Retained Earnings	(2,128.18)	659.65
Total Other Equity	**(2,128.18)**	**659.65**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Retained Earnings		
Opening balance	659.65	569.60
Add:		
Profit during the period	(2,780.45)	90.05
Remeasurement of post employment benefit obligation, net of tax	(7.38)	-
Closing balance	**(2,128.18)**	**659.65**

13 BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured		
Term loan from banks	92,460.93	33,407.07
Non-Current Borrowings	**92,460.93**	**33,407.07**

Term loan from banks and financial institutions are secured by first pari-passu charge on all immovable and movable properties other than current assets and property, plant and equipment as well as by second pari passu charge on current assets of the Company.

Terms of Repayment of Term Loans#

(₹ in Lacs)

Rate of Interest	No. of Quarterly Installments	Outstanding at 31st March 2019	2020-2029	2030-2038
SBI 1 Year MCLR + 0.75%	68	92,460.93	93,954.00	353,446.00

Repayment schedule includes amount of loan sanctioned and yet to be drawn.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

(₹ in Lacs)

Particulars	2018-19	2017-18
Opening Balnce on Balance Sheet Date	33,407.07	-
Changes from financing cash flows		
Proceeds from Borrowings	59,338.44	34,444.96
Interest and Finance Charges Paid	(6,510.20)	(319.27)
Total Cash Flow from Financing Activities	**52,828.24**	**34,125.69**
Liability related other changes	6,225.62	(718.62)
Closing Balnce on Balance Sheet Date	**92,460.93**	**33,407.07**

14 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total outstanding dues of micro enterprises and small enterprises	43.07	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	455.13	-
Total Trade Payables	**498.20**	**-**

Information in respect Micro, Small and Medium Enterprises Development Act, 2006; Company had sought confirmation from the vendors whether they fall in the category of Micro/Small/Medium Enterprises. Based on the information available, the required disclosures are given below:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Principal amount remaining unpaid at the end of the period	230.33	14.57
Interest due thereon remaining unpaid at the end of the period	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid at the end of the period	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management.

15 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current		
Security deposit from customers	134.60	-
Total Non-Current Other Financial Liabilities	**134.60**	**-**
Current		
Other payables (including for capital goods and services)		
Total outstanding dues of micro enterprises and small enterprises	187.26	14.57
Total outstanding dues of creditors other than micro enterprises and small enterprises	17,053.43	18,002.14
Earnest money deposit	2.55	-
Total Current Other Financial Liabilities	**17,243.24**	**18,016.71**

16 PROVISIONS

Particulars	As at 31st March, 2019	As at 31st March, 2018
(₹ in Lacs)		
Non-Current		
Provision for Employee Benefits		
Provision for gratuity	239.65	94.85
Provision for leave salary	177.64	106.39
Total Non-Current Provisions	**417.29**	**201.24**
Current		
Provision for Employee Benefits		
Provision for gratuity	7.34	3.09
Provision for leave travel allowance	9.74	7.30
Provision for superannuation benefits	113.41	72.17
Provision for leave salary	6.91	4.18
Total Current Provisions	**137.40**	**86.74**

17 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current		
Revenue Received in Advance	840.48	-
Total Non-Current Liabilities	**840.48**	**-**
Current		
Revenue Received in Advance	35.64	-
Other Statutory Liability	671.51	452.22
Total Current Liabilities	**707.15**	**452.22**

18 INCOME TAX EXPENSES

Income tax expense in the statement of profit and loss comprises:

(₹ in Lacs)

Particulars	2018-19	2017-18
Current tax expenses		
Current tax on profits for the year	-	57.64
Total Current Tax Expenses	**-**	**57.64**
Deferred Tax Expenses		
Decrease/(Increase) in deferred tax assets	(3,321.77)	(9.03)
(Decrease)/Increase in deferred tax liabilities	2,259.18	-
Total Deferred Tax Expenses	**(1,062.59)**	**(9.03)**
Total Income Tax Expenses	**(1,062.59)**	**48.61**

Tax Items of Other Comprehensive Income

(₹ in Lacs)

Particulars	2018-19	2017-18
Deferred tax related to items recognised in OCI during the year:		
Net (loss)/gain on remeasurements of defined benefit plans	(2.85)	-
Income tax charged to OCI	**(2.85)**	**-**

(ii) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate:

(₹ in Lacs)

Particulars	2018-19	2017-18
Accounting Profit before income tax expenses	**(3,843.04)**	**138.66**
Tax at the Indian tax rate of 27.82% (2016-17 - 33.063%)	**(1,069.13)**	**45.85**
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Impact of change in Tax Rate	3.24	2.76
Others	0.46	-
Income Tax Expenses at the effective income tax rate of 27.724% (2017-18: 35.057%)	**(1,065.44)**	**48.61**

Deferred tax assets (net) relates to the following:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liabilities		
Property, plant and equipment and Intangible Assets	1632.15	-
Financial liabilities measured at amortised cost	627.02	-
Total Deferred Tax Liabilities (A)	**2,259.17**	-
Deferred Tax Assets		
Provisions for employee benefits	120.05	-
Financial liabilities measured at amortised cost	243.73	-
Unabsorbed depreciation and losses	2979.89	-
Preliminary expenditure u/s 35AD	1.35	1.77
Other Expenses	-	18.64
Total Deferred Tax Assets (B)	**3,345.02**	**20.41**
Net Deferred Tax Assets (B-A)	**1,085.85**	**20.41**

(i) Movements in Deferred Tax Assets (net)

(₹ in Lacs)

Particulars	Property, plant and equipment	Financial liabilities measured at amortised cost	Provisions for employee benefits	Unabsorbed depreciation and losses	Preliminary expenditure u/s 35AD	Other Expenses	Total
At 1 April 2017	-	-	-	-	**2.01**	**9.37**	**11.38**
Charged/(credited)							
- to profit or loss	-	-	-	-	(0.24)	9.27	**9.03**
- to other comprehensive income	-	-	-	-	-	-	-
At 31 March 2018	-	-	-	-	**1.77**	**18.64**	**20.41**
Charged/(credited)							
- to profit or loss	(1,632.15)	(383.29)	117.20	2,979.89	(0.42)	(18.64)	**1,062.59**
- to other comprehensive income	-	-	2.85	-	-	-	**2.85**
At 31 March 2019	**(1,632.15)**	**(383.29)**	**120.05**	**2,979.89**	**1.35**	-	**1,085.85**

19 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	2018-19	2017-18
Revenue from contracts with customers		
Revenue from Transportation of Gas (net)	2,160.22	-
Other Operating Revenues	4.25	-
Total Revenue from Operations	**2,164.47**	**-**

Revenue from transportation of gas is recognised at an amount invoiced to the customers in the period in which the services are rendered. Normally, the Company receives payment within 30 days.

20 OTHER INCOME

(₹ in Lacs)

Particulars	2018-19	2017-18
Interest income		
Interest on Fixed deposits with banks	385.95	165.23
Other Interest Income	7.87	8.19
Other Non-Operating Income	22.19	0.92
Total Other Income	**416.01**	**174.34**

21 EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	2018-19	2017-18
Salaries and wages		
Salaries and allowances	254.22	-
Leave salary	12.03	-
Contribution to provident and other funds		
Contribution to provident fund	16.90	-
Contribution to super annuation scheme	5.78	-
Group gratuity expenses	22.94	-
Staff welfare expenses	10.24	-
Total Employee Benefit Expenses	**322.11**	**-**

22 FINANCE COSTS

(₹ in Lacs)

Particulars	2018-19	2017-18
Interest on:		
- Borrowings	3,186.12	-
- Others	0.08	
Unwinding of transaction cost incurred on borrowing	27.72	
Other borrowing costs (includes bank charges, etc.)	14.18	-
Total Finance Costs	**3,228.10**	**-**

23 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	2018-19	2017-18
Depreciation for property, plant and equipment	2,366.90	-
Amortisation for intangible assets	10.19	-
Total Depreciation and Amortisation Expenses	**2,377.09**	**-**

24 OTHER EXPENSES

(₹ in Lacs)

Particulars		2018-19	2017-18
(A) Operation & Maintenance Expenses			
Maintenance Contracts		17.01	-
Payment to Outsourced Persons		8.29	-
Security Service Charges		64.00	-
Power & Fuel		24.55	-
Repairs & Maintenance - Machinery		0.16	-
Vehicle Hiring Charges		32.58	-
	(A)	**146.59**	-
(B) Other Office & Administrative Expenses			
Bandwidth and Website Maintenance		2.67	-
Business Promotion Expense		249.15	-
Director Sitting Fees		3.75	2.44
HSE Expenses		0.30	-
Insurance Expenses		21.40	-
Legal & Professional Expenses		25.07	24.84
Other Expenses		5.63	4.78
Postage, Telephone & Courier Expenses		0.80	-
Rates & Taxes		5.13	0.16
Recruitment & Training		2.05	-
Rent & Utility Charges		20.86	-
Stationery and Printing		0.81	-
Statutory Audit Fees		1.51	1.51
Travelling Expenses - Directors		0.76	0.58
Travelling Expense - Other		9.74	1.37
	(B)	**349.63**	**35.68**
Total Other Expenses (A+B)		**496.22**	**35.68**

25 EARNING PER SHARE

Particulars	2018-19	2017-18
Profit attributable to equity holders for (₹ in Lacs):		
Basic earnings	(2,780.45)	90.05
Adjusted for the effect of dilution	(2,780.45)	90.05
Weighted average number of Equity Shares for:		
Basic EPS	394,211,127	343,731,675
Adjusted for the effect of dilution	394,211,127	343,731,675
Earnings Per Share (₹):		
Basic	(0.71)	0.03
Diluted	(0.71)	0.03

26 CONTINGENT LIABILITIES

(₹ in Lacs)

Sr No	Particulars	As at 31st March, 2019	As at 31st March, 2018
A	**Claims against company not acknowledged as debts**	1,472.37	907.63
	Claims against company not acknowledged as debts include ₹ 880.00 Lacs (Previous Year: ₹ 880.00 Lacs) paid to PNGRB under protest.		
	PNGRB has encashed the Performance Bank Guarantee amounting to ₹ 880 Lacs. The Company has challenged the same in Delhi High Court. As the matter is sub-judice at Appellate Tribunal For Electricity (APTEL), payment of ₹ 880 Lacs has been disclosed as "Payment Under Protest".		
B	**Guarantees excluding financial guarantees**		
	Outstanding Bank Guarantees	3,130.41	3,057.65

27 COMMITMENTS

Sr No	Particulars	As at 31st March, 2019	As at 31st March, 2018
A	**Capital Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	250,839.19	54,530.23
B	**Other Commitments**	-	-

28 PAYMENT TO AUDITORS

Particulars	2018-19	2017-18
For statutory audit	1.51	1.51
For other services	-	0.50
For reimbursement of expenses	0.15	0.15
Total	**1.66**	**2.16**

29 In the opinion of management, any of the assets other than items of Property, Plant and Equipment and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

30 The balances confirmations are obtained in majority of the cases for trade receivables, trade payables, loans & advances and deposits. Provision for all liabilities is adequate in opinion of the Company.

31 DISCLOSURES FOR EMPLOYEE BENEFITS AS PER INDIAN ACCOUNTING STANDARD -19

Assumptions used for valuation: In arriving at the valuation for gratuity & leave encashment following assumptions were used:

Particulars	2018-19		2017-18	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Type	Unfunded	Unfunded	Unfunded	Unfunded
Mortality	Indian Assured Lives Mortality (2006-08) Ult.		Indian Assured Lives Mortality (2006-08) Ult.	
Withdrawal rate	5% at younger age reducing to 1% at old age		5% at younger age reducing to 1% at old age	
Retirement Age				
Discount Rate Current Period	7.60%	7.60%	7.65%	7.65%
Rate of Return on Plan Assets Current Period	NA	NA	NA	NA
Salary escalation Current Period	7.00%	7.00%	7.00%	7.00%

The following table sets out status of gratuity plan and leave salary as required under Indian Accounting Standard 19 on "Employee Benefit".

Particulars	2018-19		2017-18	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in benefit obligation				
Opening defined benefit obligation	97.94	110.57	47.02	85.03
Interest Cost	8.11	8.30	3.45	6.17
Transfer of Obligations	16.35	25.87	21.41	-
Current Service Cost	23.42	23.61	13.95	16.77
Past Service Cost*	62.47	-	14.21	-
Benefit Paid	(3.22)	(2.55)	-	(0.08)
Actuarial Loss / (gain) on Obligations	41.92	18.74	(2.10)	2.68
Liability at the end of the period	**246.99**	**184.54**	**97.94**	**110.57**
Change in Fair Value of Plan Assets	-	-	-	-
Actual Gain / loss recognized				
Actuarial (gain) / loss on obligations				
Due to change in financial assumptions	1.70	1.28	(3.23)	(3.83)
Due to change in experience adjustment	40.21	17.46	1.13	6.51
Actuarial (gain) / loss on Plan Assets	-	-	-	-
Net Actuarial (gain) / loss recognized during year	**41.91**	**18.74**	**(2.10)**	**2.68**
Amount recognized in Balance Sheet				
Liability at the end of the period	246.99	184.54	97.94	110.57
Fair Value of Plan Asset at the end of the period	-	-	-	-
Net Amount recognized in Balance Sheet	**246.99**	**184.54**	**97.94**	**110.57**
Expense recognized				
Current Service cost	23.42	23.61	13.95	16.77
Past Service Cost	62.47	-	14.21	-
Interest cost	8.11	8.30	3.45	6.17
Expected return on Plan Asset	-	-	-	-
Net Actuarial Loss / (gain) recognized	41.92	18.74	(2.10)	2.68
Net Expense recognized during the year	**135.92**	**50.65**	**29.51**	**25.62**
Current liability	7.34	6.91	3.09	4.18
Non-current liability	239.65	177.64	94.85	106.39
Total Liability	**246.99**	**184.55**	**97.94**	**110.57**

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Expected cashflows based on past service liability

The expected cashflows during the next financial year based on past service liability are as under:

1. For gratuity - ₹ 7.34 lacs (P.Y. ₹ 3.09 lacs)
2. For leave salary - ₹ 6.91 lacs (P.Y. ₹ 4.18 lacs)

Sensitivity analysis - Gratuity	2018-19		2017-18	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	230.73	264.87	91.92	104.55
Salary growth rate (0.5% movement)	264.89	230.57	102.54	93.31
Withdrawl rate (10% movement)	246.83	247.13	98.36	97.53

Sensitivity analysis - Leave Salary	2018-19		2017-18	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	172.34	198.01	103.45	118.43
Salary growth rate (0.5% movement)	198.02	172.22	118.45	103.38
Withdrawl rate (10% movement)	184.99	184.08	110.87	110.26

A description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters.Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

32 RELATED PARTY DISCLOSURES

GSPL India Gasnet Limited is a joint venture between Gujarat State Petronet Limited (GSPL), Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL). The shareholding pattern is GSPL(52%), IOCL(26%), BPCL(11%) and HPCL (11%).

Transactions* with related parties during the year as per Indian Accounting Standard - 24 on "Related Party Disclosures" are as follows:

(₹ in Lacs)

Name of Related Party, relationship & nature of transactions	2018-19	2017-18
Gujarat State Petronet Ltd. (entity with joint control of the Company)		
Expenditure Reimbursement Paid	490.88	230.29
Expenditure Reimbursement Received	79.78	125.56
Connectivity Charges Paid	-	177.00
Purchase of Material	122.18	0.29
Rent Expense	55.62	55.27
Rent Income	1.81	0.38
Purchase of Assets	0.47	-
Pipeline Crossing charges received	11.44	-
Gas transmission Income	2,424.34	-
Security Deposit received	1,016.96	-
Investment in Equity Shares by GSPL	3,900.00	5,720.00
Indian Oil Corporation Ltd. (entity with joint control of the Company)		
Engineering Consultancy Expenses	136.64	188.05
Expenditure Reimbursement Paid	78.81	68.95
Pipeline Crossing Charges Paid	1.66	-
Security Deposit Paid	9.45	-
Sitting Fees#	0.71	0.47
Investment in Equity Shares by IOCL	1,950.00	2,860.00
Bharat Petroleum Corporation Ltd. (entity with joint control of the Company)		
Sitting Fees#	0.44	0.21
Investment in Equity Shares by BPCL	825.00	1,210.00
Hindustan Petroleum Corporation Ltd. (entity with joint control of the Company)		
Pipeline Crossing Charges Paid	1.77	-
Investment in equity shares by HPCL	825.00	1,210.00
Gujarat State Petroleum Corporation Ltd. (Other related parties)		
Expenditure Reimbursement Paid	123.84	123.01
Expenditure Reimbursement Received	-	-
Purchase of Assets	2.88	-
Purchase of Line Pack Gas	2,390.48	-
Gas transmission Income	0.13	-
Guj Info Petro Ltd. (Other related parties)		
Facility Management Services Received	1.03	-
Key Managerial Personnels		
Sitting Fees#	4.15	2.24

* The above related party transactions are inclusive of all taxes, wherever applicable, and are made on terms equivalent to those that prevail in arm's length transactions. All outstanding balances are unsecured.

Sitting Fees includes GST/Service Tax paid under reverse charge mechanism, wherever applicable.

Details of Outstanding Balance with Related Parties: (₹ in Lacs)

Name of Related Party	31-Mar-19	31-Mar-18
Gujarat State Petronet Ltd. (entity with joint control of the Company)		
Account Receivable	733.10	5.39
Account Payable	327.63	23.23
Indian Oil Corporation Ltd. (entity with joint control of the Company)		
Account Receivable	70.75	61.30
Account Payable	19.06	59.07
Hindustan Petroleum Corporation Ltd. (entity with joint control of the Company)		
Account Receivable	1.00	1.00
Gujarat State Petroleum Corporation Ltd. (Other related parties)		
Account Payable	9.18	15.43
Guj Info Petro Ltd. (Other related parties)		
Account Payable	0.94	-

33 SEGMENT INFORMATION

The Company primarily operates in the single segment of natural gas transportation business, which involves transportation of natural gas from sources of supply to end customers. The Board of Directors of the Company allocate the resources and assess the performance of the Company, thus are the Cheif Operating Decision Maker (CODM). The CODM monitors the results of the business as a once, hence no separate segment needs to be disclosed.

Revenues of ₹ 2,160.22 Lacs (P.Y.: ₹ NIL) are derived from single major customer (accounting for 10% or more of the Company's revenue individually).

34 Reclassification of comparative figures

Below reclassifications have been made to the comparative period's financial statements to:
- enhance comparability and ensure consistency with the current year's financial statements;
- ensure compliance with the Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013.

The Company believes that such presentation is more relevant for understanding of the Company's performance. However, this does not have any impact on the profit, equity and cash flow statement for the comparative period.

Items of balance sheet before and after reclassification as at 31 March 2018: (₹ in Lacs)

Sr No	Particulars	Before Reclassification	Reclassification	After Reclassification
1	**Security deposits reclassified from other financial assets to loans:**			
	Other financial assets (Note 6)			
	Non-current	859.04	(547.13)	311.91
	Current	30.94	(2.81)	28.13
	Loans (Note 5)			
	Non-current	105.82	547.13	652.95
	Current	28.40	2.81	31.21

35 FINANCIAL INSTRUMENTS, FAIR VALUE AND RISK MEASUREMENTS

A. Financial instruments by category and their fair value

As at 31 March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Loan								
- Non-current	-	-	720.11	720.11	-	720.11	-	720.11
- Current	-	-	23.59	23.59	-	-	-	-
Cash and Cash Equivalents	-	-	2,536.43	2,536.43	-	-	-	-
Other Bank Balances	-	-	72.48	72.48	-	-	-	-
Trade receivables	-	-	265.73	265.73	-	-	-	-
Other financial assets								
- Non-current	-	-	276.67	276.67	-	276.67	-	276.67
- Current	-	-	43.60	43.60	-	-	-	-
Total financial assets	**-**	**-**	**3,938.61**	**3,938.61**	**-**	**996.78**	**-**	**996.78**
Financial liabilities								
Borrowings								
- Non-current	-	-	92,460.93	92,460.93	-	92,460.93	-	92,460.93
Trade payables	-	-	498.20	498.20	-	-	-	-
Other financial liabilities								
- Non-current	-	-	134.60	134.60	-	134.60	-	134.60
- Current	-	-	17,243.24	17,243.24	-	-	-	-
Total financial liabilities	**-**	**-**	**110,336.97**	**110,336.97**	**-**	**92,595.53**	**-**	**92,595.53**

(₹ in Lacs)

As at 31 March 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Loan								-
- Non-current	-	-	652.95	652.95	-	652.95	-	652.95
- Current	-	-	31.21	31.21	-	-	-	-
Cash and Cash Equivalents	-	-	5,296.27	5,296.27	-	-	-	-
Other Bank Balances	-	-	10.43	10.43	-	-	-	-
Other financial assets								
- Non-current	-	-	311.91	311.91	-	311.91	-	311.91
- Current	-	-	28.13	28.13	-	-	-	-
Total financial assets	**-**	**-**	**6,330.90**	**6,330.90**	**-**	**964.86**	**-**	**964.86**
Financial liabilities								
Non-current Borrowings	-	-	33,407.07	33,407.07	-	33,407.07	-	33,407.07
Other financial liabilities								
- Current	-	-	18,016.71	18,016.71	-	-	-	-
Total financial liabilities	**-**	**-**	**51,423.78**	**51,423.78**	**-**	**33,407.07**	**-**	**33,407.07**

Fair value hierarchy

Level I - Quoted prices in active markets for identical assets or liabilities such as quoted price for an equity security on Security Exchanges.

Level II - Inputs 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 III - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

B. Financial risk management

The Company's activities expose it to variety of financial risks such as credit risk, liquidity risk, and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

Trade receivables

The Company's exposure to credit Risk is the exposure that Company has on account of services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial and Commercial. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

Age of Receivables (₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Not Due	265.73	-
0-3 Months	-	-
3-6 Months	-	-
6-12 Months	-	-
More than 1 Year	-	-

All of the above receivables are from related parties and hence, the Company does not forsee any credit risk.

Other financial assets

Other financial assets includes loan to employees, security deposits, cash and cash equivalents, other bank balance, advances to employees etc.

• Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating.

• Company has given security deposit to various government authorities (like Municipal corporation, Nagarpalika, Grampanchayat, Road & building division and Irrigation department -of Government of Gujarat, credit worthy companies etc.) for the permission related to work of executing / laying pipeline network in their premises / jurisdiction. Being government authorities, the Company does not have exposure to any credit risk.

• Loan and advances to employees (for housing advances) are majorly secured in nature and hence the Company does not have exposure to any credit risk.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal sources of liquidity are cash and cash equivalents. The Company has signed Rupee Loan Facility Agreement for Term Loan of Rs.4,474 crore. However, the Company had access to the undrwan variable rate borrowing facility amounitng to ₹ 3,536.17 Crores as on 31st March, 2018 (31st March, 2017: ₹ 4,129.55 Crores).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(₹ in Lacs)

31-Mar-19	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 Months
Non-derivative financial liabilities				
Borrowings				
- Non-current	92,460.93	92,460.93	-	92,460.93
Trade payables	498.20	498.20	498.20	-
Other financial liabilities				
- Non-current	134.60	1,018.96	-	1,018.96
- Current	17,243.24	17,243.24	17,243.24	-
Total	**110,336.97**	**111,221.33**	**17,741.44**	**93,479.89**

(₹ in Lacs)

31-Mar-18	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 Months
Non-derivative financial liabilities				
Non current Borrowings	33,407.07	33,407.07	-	33,407.07
Current financial liabilities	18,016.71	18,016.71	18,016.71	
Total	**51,423.78**	**51,423.78**	**18,016.71**	**33,407.07**

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Company does not have any foreign exchange risk as at 31st March, 2019.
Interest rate risk includes risk that the future cash flows of floating interest bearing borrowings fluctuate because of fluctuation in the interest rates. The cash flows of the Company is sensitive to higher/lower interest expense from borrowing as a result of change on interest rates. A reasonable possible change of 50 basis points (bp) in interest rates at the reporting date would have impact (before tax) by the amnount shown in sensitivity analysis as below:

Particulars	50 bp Increase	50 bp decrease
31st March 2019		
Non current - Borrowings	(462.30)	462.30
Total	**(462.30)**	**462.30**
31st March 2018		
Non current - Borrowings	(167.04)	167.04
Total	**(167.04)**	**167.04**

The functional currency of the Company is Indian Rupees. The Company do not have derivative financial instruments.

36 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company has signed Rupee Loan Facility Agreement for Term Loan of ₹ 4,474 crore with a consortium of 14 banks with Punjab National Bank as the Lead Bank.

37 As per Indian Accounting Standard 23 - Borrowing Costs, the Company has capitalised Borrowing Costs to the tune of ₹ 3324.08 Lacs (Previous Year: ₹ 319.27 Lacs). The borrowing cost is capitalized at rate(s) applicable to specific loan(s) used for specific project(s).

38 As at the balance sheet date, the Company has reviewed the carrying amounts of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss has been provided.

39 Previous year figures have been reclassified or regrouped wherever necessary. Refer Note 30 for reclassification of comparative figures.

As per our report of even date attached

For DGSM & Co.
Chartered Accountants
Firm Registration No. 101606W

DGSM & Co. Chartered Accountants FRN : 101606W AHMEDABAD

Abhinav Malaviya
Partner
Membership No. 144245
Place: Gandhinagar
Date: 30th April, 2019

For and on behalf of the Board of Directors,

Dr J.N.Singh, *IAS*
Chairman
DIN: 00955107

Ravindra Agrawal
CEO & Director
DIN: 00157236

Singh N.K.
N. K. Singh
CFO

Place: Gandhinagar
Date: 30th April, 2019