GSPL INDIA GASNET LIMITED

7th ANNUAL REPORT 2017-18

Board of Directors

Dr. J N Singh, IAS	Chairman
Dr. T Natarajan, IAS	Director
Shri S K Sharma	Director
Shri S K Jha	Director
Shri Mahesh Narain	Director w.e.f. 13-08-2018
Shri J S Prasad	Director w.e.f. 13-08-2018
Smt. Shobhana Desai	Director
Shri Chandrasekhar Mani	Independent Director
Dr. Bharatkumar Modi	Independent Director
Shri Ravindra Agrawal	Director & CEO

Company Secretary
Ms. Pooja Ganatra

Statutory Auditors
M/s. Singhvi & Mehta
Chartered Accountants,
Ahmedabad

Internal Auditors
M/s. R.S.Patel
Chartered Accountants
Ahmedabad

Secretarial Auditors
M/s. K.K.Patel
Practicing Company Secretaries,
Gandhinagar

Registered Office
GSPC Bhavan,
Behind Udyog Bhavan,
Sector-11,Gandhinagar-382010
CIN: U40200GJ2011SGC067449
Website:gspcgroup.com/GIGL
Email: gigl@gspc.in

Corporate office
GSPL Bhavan
GIDC Electronic Estate, Near K7 circle
Sector - 26, Gandhinagar-382 028.

DIRECTORS' REPORT

To,
The Members
GSPL India Gasnet Limited

Your Directors have pleasure in presenting the 7th Annual Report together with the Audited Financial Statements, Reports of the Statutory Auditors and Comptroller & Auditor General of India for the year ended 31st March, 2018.

FINANCIALS

Rs. in Lacs

Particulars	**2017-18**	**2016-17**
Total Income	174.34	178.42
Total Expenses	35.68	17.52
Profit Before Tax	138.66	160.90
Tax including Deferred Tax	48.61	53.20
Profit After Tax	90.05	107.70
Transfer to Reserves	-	-

Financials as per Ind-AS

SHARE CAPITAL

During the year under review, the Company has allotted 11,00,00,000 equity shares of Rs. 10 each aggregating to Rs. 110 Crores on rights basis to meet fund requirements for implementing Project. The shareholding of the Company as on 31st March, 2018 is as follows:

Sr. No.	**Name of the Shareholder**	**No. of shares**	**% holding**
1	Gujarat State Petronet Limited	20,12,50,060	52
2	Indian Oil Corporation Limited	10,06,25,030	26
3	Bharat Petroleum Corporation Limited	42572128	11
4	Hindustan Petroleum Corporation Limited	42572128	11
	Total	**387019346**	**100**

FIXED DEPOSITS

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

DIVIDEND

As the Company is yet to commence commercial operations, no dividend is recommended by the Board of Directors.

PROJECT STATUS

Your Company was incorporated as 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**. Laying of pipeline requires various approvals, clearances, permissions etc. from multiple authorities including ROU, Environment clearance, wildlife & forest clearances, permissions from other authorities etc. There have been inordinate delays in receiving these statutory approvals/ permissions by the Company. Though most of these permissions have now been obtained by the Company, but the same have been received progressively. Accordingly, keeping in view the progress achieved in obtaining various statutory clearances and availability of gas at CAIRN's Raageshwari Deep Gas (RDG) Terminal at Gudamalani, Rajasthan, the Company has awarded EPC Contracts of the following sections. For balance sections, the Company has requested PNGRB for time extension of till March 2020 and issuance of letter of acceptance for MBPL- RGD Connectivity.

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

Project implementation activities like laying of pipelines, civil construction works etc. for all these three sections are in final stages of completion. 100% Engineering & Procurement activities has been completed. Also, the Company has been able to complete approx. 430 kms of welding along these pipelines with completion of 17 out 19 HDDs. Station works are also in final stages of completion. GIGL has also successfully completed hydro- testing and Electro – Geometric Pigging of entire JAPL project. The Company is likely to complete these sections by September, 2018.

As the Members are aware that Petroleum & Natural Gas Regulatory Board (PNGRB) has vide letters dated 4th March, 2016 granted time extension till December, 2017 for completing MBPL and BJSPL Projects and has vide said letters encashed 25% of the Performance Bank Guarantee for both these Projects, which was challenged before the Hon'ble Delhi High Court through writ petition. Hon'ble Delhi High Court has on 29th March, 2016 issued interim directions that no coercive action, including those contemplated in the PNGRB letter dated 4th March, 2016 be undertaken by PNGRB and that no-lien be created on the amounts received by PNGRB through encashment of the Performance Bank Guarantee. Hon'ble Delhi High Court vide its order dated 12th April, 2018 disposed off the writ petition filed by the Company challenging the encashment of PBG by PNGRB. The Hon'ble High Court vide its said order *interalia* granted liberty to avail alternate remedy of filing an appeal under Section 33 of PNGRB Act before the Appellate Tribunal for Electricity (APTEL). Accordingly an Appeal has been filed before APTEL and APTEL has extended the interim protection granted by Hon'ble High Court to the Company and directed PNGRB not to take any coercive steps against the Company.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Shri Chandrasekhar Mani and Dr. Bharatkumar Modi were appointed as an Independent Directors on the Board of the Company for a term of 3 years i.e. upto 30th March, 2018 pursuant to provisions of Section 149 and 152 of the Companies Act, 2013. Shri Chandrasekhar Mani and Dr. Bharat Kumar Modi, being eligible and qualified for re-appointment for a further term, the Board has approved appointment of Shri Chandrasekhar Mani and Dr. Bharatkumar Modi, as an Independent Directors for further term of one year subject to approval of Shareholders. It is therefore proposed to recommend their appointment at the ensuing Annual General Meeting.

Shri Mahesh Narain and Shri J. S. Prasad have been appointed as Additional Directors on the Board of the Company w.e.f. 13th August, 2018. They will hold office upto the date of ensuing Annual General Meeting as per provisions of Section 161 of Companies Act 2013 and Articles 101 of the Articles of Association of the Company. It is proposed to regularize their appointment in the ensuing Annual General Meeting.

Shri I S Rao and Shri H R Wate have ceased to be Directors on the Board of the Company w.e.f. 25th June 2018 and 9th July 2018 respectively pursuant to change in nomination by Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited. Further, Shri Manish Seth has ceased to be Director on the Board of Company w.e.f. 8^{th} August, 2018.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, Dr. J.N.Singh, IAS and Dr. T Natarajan, IAS 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 had been appointed as Chief Financial Officer of the Company and Ms. Pooja Ganatra had been appointed as the Company Secretary.

INDEPENDENT DIRECTORS

Shri Chandrasekhar Mani and Dr. Bharatkumar Modi, Independent Directors on the Board of the Company have given declaration that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

BOARD MEETINGS

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

Sr. No.	Particulars	Date of Meeting
1	29^{th} Board Meeting	12^{th} May, 2017
2	30^{th} Board Meeting	4^{th} July,2017
3	31^{st} Board Meeting	1^{st} November, 2017
4	32^{nd} Board Meeting	13^{th} December, 2017

The attendance of each Director at the Board Meetings held during the FY 2017 – 18:

Name	Number of Meetings held during the tenure	Number of Meetings attended
Dr. J N Singh, IAS	4	3
Dr T Natarajan, IAS	4	4
Shri R K Tiku (upto 31^{st} July 2017)	2	2
Shri S K Jha (w.e.f. 17^{th} April 2017)	4	3
Shri S K Sharma(w.e.f 1^{st} August 2017)	2	1

Shri H.R Wate	4	2
Shri I.S. Rao	4	3
Shri Ravindra Agarwal	4	4
Shri Manish Seth	4	4
Shri Chandrasekhar Mani	4	3
Dr. Bharatkumar Modi	4	4
Smt. Shobhana Desai	4	2

STATUTORY & CAG AUDIT

Your Company being a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, C&AG have appointed M/s. Singhvi & Mehta, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for the Financial Year 2017 - 18.

C&AG has given NIL Comment Report for the year ended on 31st March, 2018. 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 2017 - 18. 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. K K Patel and Associates, Practicing Company Secretary as Secretarial Auditor for the Financial Year 2017 - 18. The Report on Secretarial Audit carried out is annexed herewith as **Annexure III**. There are no observations in the Secretarial Audit Report.

AUDIT COMMITTEE

The Company has constituted the Audit Committee and the present constitution of Audit Committee is as follows:

Dr. J N Singh, IAS	Chairman
Shri Chandrasekhar Mani	Member
Dr. Bharatkumar Modi	Member

During the financial year, the Audit Committee met two (2) times. The details of these Meetings are as follows:

Sr. No.	Particulars	Date of Meeting
1	12th Audit Committee	12th May, 2017
2	13th Audit Committee	1st November, 2017

The attendance of each Director at the Audit Committee Meetings held during the FY 2017 – 18:

Name	Number of Meetings held during the tenure	Number of Meetings attended
Shri J N Singh, IAS	2	1
Shri Chandrasekhar Mani	2	1
Dr. Bharatkumar Modi	2	2

The Audit Committee of Directors of the Company at its Meeting held on 14th May, 2018 approved the Annual Accounts for the year ended on 31st March, 2018 and recommended the same for approval of the Board.

NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted Nomination and Remuneration Committee of Directors of the Company. The present constitution of Nomination and Remuneration Committee is as follows:

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

The Meeting of the Committee was held on 12th May, 2017, wherein, all the Members were present.

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, 2018 and of the profit 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 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 recently awarded EPC Contracts for initial phase covering 441 Kms approx. and the construction work is under progress. The Board will develop a Risk Management Policy of the Company in future considering the Project requirements.

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. 27 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.

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 Section 92(3) of the Companies Act, 2013, Annual Return of the Company is placed on the website of the company at www.gspcgroup.com/GIGL/investors

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,

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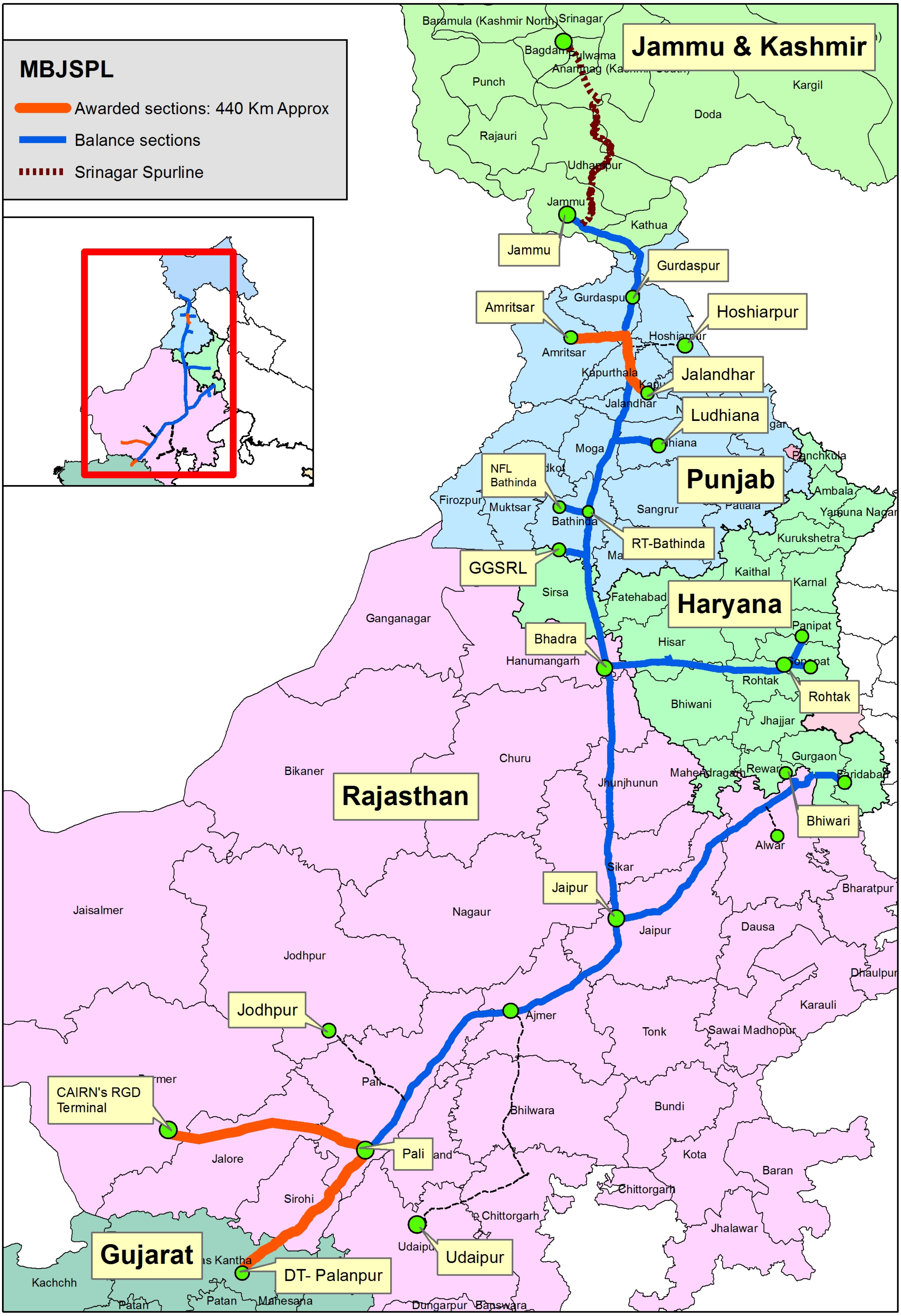
Dr. J N Singh, IAS
Chairman
DIN: 00955107

Date: 11th September, 2018
Place: Gandhinagar

MBJSPL Pipeline network



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/A/cs/GSPL(Gasnet)/2017-18/OW 598
30/07/18

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 of GSPL India Gasnet Limited for the year ended 31 March 2018.

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 of GSPL India Gasnet Limited for the year ended 31 March 2018 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 Companies 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,

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 2018

The preparation of financial statements of **GSPL India Gasnet Limited** for the year ended 31 March 2018 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 14 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of **GSPL India Gasnet Limited** for the year ended 31 March 2018. 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 audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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

31/7/18
(H. K. Dharmadarshi)
Pr. Accountant General (E&RSA), Gujarat

Place: Ahmedabad
Date: 31 JUL 20

GSPL INDIA GASNET LIMITED

Standalone Ind AS Financial Statements

2017-2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GSPL INDIA GASNET LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **GSPL INDIA GASNET LIMITED** ("the company"), which comprises the Balance Sheet as at 31stMarch, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herewith after referred to as" standalone Ind AS financial statements")

Management's Responsibility for the Standalone Ind AS Financial Statements

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

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.
We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

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

Report on other Legal and Regulatory Requirements

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

2. As required by section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss, the statement of Cash Flows and statement of changes in equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule issued thereunder;
   e) On the basis of written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch, 2018, 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 Report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note No. 19 to the standalone Ind AS financial statements;
   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
   iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealing in specified bank notes during the period from 08th November, 2016 to 30th December, 2016 and these are in accordance with books of account maintained by Company. Refer Note No. 32 to the standalone Ind AS financial statements.

3. As required by section 143(5) of the Act, we report as under:

<u>(i) Report on Directions under Section 143(5) of Companies Act, 2013:</u>

1. Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title / lease deeds are not available?

The Company has clear title / lease deeds for freehold and leasehold properties.

2. Whether there are any cases of waiver/ write off of debts/ loan/ interest etc. if yes, the reasons there for and the amount involved.

There are no such cases of waiver of debts / loan / interest etc.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Govt. or other authorities.

The Company does not own any inventory lying with third party. Further company has not received any asset as gift / grant from Govt. or other authorities.

<u>(ii) Report on Sector Specific Sub-directions under Section 143(5) of Companies Act, 2013:</u>

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.

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 have not received/ receivable 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.
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 2017-18, the company has not abandoned any project.

FOR SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FRN 02464W

(KALURAM GURJAR)
PARTNER
M. NO. 130095

PLACE: GANDHINAGAR
DATED:14TH MAY, 2018

SINGHVI & MEHTA AHMEDABAD CHARTERED ACCOUNTANTS

"Annexure A" to the Independent Auditor's Report

The annexure referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the standalone Ind AS financial statements of **GSPL INDIA GASNET LIMITED** for the year ended 31st March, 2018, we report that:

FIXED ASSETS

1 (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to information provided by the management, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed.

(c) According to information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the company.

INVENTORIES

2 The Company does not hold any physical inventories during the year. Accordingly, clause (ii) of paragraph 3 of "the Order" is not applicable to the Company.

LOANS & ADVANCES

3 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. Accordingly, clause (iii)(a) , (iii)(b) & (iii)(c) of paragraph 3 of "the Order" is not applicable to the Company.

LOANS, INVESTMENT & GUARANTEES

4 According to information & explanation given to us, company has not given any loan or provided any guarantee to any person specified under section 185 of Companies Act 2013.

Further, company has not made any investment nor given any loan or provided any guarantee to any body corporate as specified under section 186 of Companies Act 2013. Therefore, clause (iv) of paragraph 3 of "the order" is not applicable to the company.

FIXED DEPOSITS

5 According to the information and explanations given to us, the Company has not accepted any deposits therefore directive issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, clause (v) of paragraph 3 of "the Order" is not applicable to the Company.

6 COST AUDIT RECORDS

The Central Government has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013. Since Company has not commenced its commercial operations, clause (vi) of paragraph 3 of "the Order" is not applicable to the Company.

STATUTORY DUES

7 (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed applicable statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable with the appropriate authorities.

(b) According to the information and explanation given to us there are no disputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess.

DEFAULT IN PAYMENT OF DUES

8 According to the records of the Company examined by us and the information and explanations given to us, the Company does not have 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 Order" is not applicable to the Company.

FUND RAISED BY PUBLIC ISSUE/ FOLLOW ON OFFER / TERM LOAN

9 The Company has not raised money by way of public issue / follow on offer or through term loan. Therefore, clause (ix) of paragraph 3 of "the order" is not applicable to the company.

FRAUD

10 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or any fraud on the company by it's officers / employees has been noticed or reported during the year.

MANAGERIAL REMUNERATION

11 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 paragraph 3 of the order is not applicable to the company.

SINGHVI & MEHTA AHMEDABAD

NIDHI COMPANY

12 The company is not a Nidhi Company as defined under section 406 of Companies Act, 2013. Therefore, clause (xii) of paragraph 3 of the order is not applicable to the company.

TRANSACTIONS WITH RELATED PARTY

13 As per the information and explanation given to us, all transactions with related parties are in compliance with the provision of section 177 and section 188 of Companies Act, 2013. Details of such transaction have been disclosed in the standalone Ind AS Financial statements as required by the applicable accounting standards.

PREFERETIAL ALLOTMENT / PRIVATE PLACEMENT OF SHARE / ISSUE OF DEBENTURE

14 During the year company has not made any preferential allotment or private placement of shares nor have issued any fully or partly convertible debenture as required under section 42 of Companies Act 2013. Therefore, clause (xiv) of paragraph 3 of the order is not applicable to the company.

NON CASH TRANSACTIONS WITH DIRECTORS

15 As per the information and explanation given to us, company has not entered in to any non cash transactions with directors or persons connected with him. Therefore, clause (xv) of paragraph 3 of "the order" is not applicable to the company

NBFC REGISTRATION

16 The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as NBFC. Therefore, clause (xvi) of paragraph 3 of "the order" is not applicable to the company.

FOR SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FRN 02464W

(KALURAM GURJAR)
PARTNER
M. NO. 130095

SINGHVI & MEHTA AHMEDABAD CHARTERED ACCOUNTANTS

PLACE: GANDHINAGAR
DATED:14TH MAY, 2018

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Ind As Financial Statements of GSPL INDIA GASNET LIMITED

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

We have audited the internal financial controls over financial reporting of **GSPL INDIA GASNET LIMITED** ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS 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 standalone Ind As 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 standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FRN 02464W

PLACE: GANDHINAGAR
DATED:14TH MAY,2018

(KALURAM GURJAR)
PARTNER
M. NO. 130095

SINGHVI & MEHTA AHMEDABAD CHARTERED ACCOUNTANTS

Standalone Ind AS Financial Statements

GSPL INDIA GASNET LIMITED

CIN: U40200GJ2011SGC067449

BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lacs)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	8,191.12	6,160.21
Capital Work-In-Progress	3	71,365.26	13,467.75
Other Intangible Assets	4	4,258.50	1,817.19
Financial Assets			
Loans	5	105.82	110.05
Other Financial Assets	6	859.04	524.33
Deferred Tax Assets (Net)	14	20.41	11.38
Other Non-Current Assets	7	426.61	4,362.71
Total Non-Current Assets		**85,226.76**	**26,453.62**
Current Assets			
Financial Assets			
Cash and Cash Equivalents	8	5,296.27	1,101.87
Other Bank Balances	8	10.43	487.22
Loans	5	28.40	23.72
Other Financial Assets	6	30.94	15.50
Other Current Assets	7	933.35	1,064.92
Total Current Assets		**6,299.39**	**2,693.23**
Total Assets		**91,526.15**	**29,146.85**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	38,701.93	27,701.93
Other Equity	10	659.65	569.60
Total Equity		**39,361.58**	**28,271.53**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	11	33,407.07	-
Provisions	13	201.24	128.09
Total Non-Current Liabilities		**33,608.31**	**128.09**
Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	12	18,016.71	629.38
Other Current Liabilities	15	452.22	54.15
Provisions	13	86.74	63.70
Current Tax Liabilities (net)		0.59	-
Total Current Liabilities		**18,556.26**	**747.23**
Total Liabilities		**52,164.57**	**875.32**
Total Equity and Liabilities		**91,526.15**	**29,146.85**
Significant Accounting Policies	2		

The accompanying notes are integral part of the Financial Statements.

As per our report of even date attached

For Singhvi & Mehta
Chartered Accountants
Firm Registration No. 02464W

SINGHVI & MEHTA AHMEDABAD CHARTERED ACCOUNTANTS

Kaluram Gurjar
Partner
Membership No. 130095
Place: Gandhinagar
Date:

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

Pooja Ganatra
Company Secretary

Place: Gandhinagar
Date:

GSPL INDIA GASNET LIMITED

GSPL INDIA GASNET LIMITED

CIN: U40200GJ2011SGC067449

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31st MARCH, 2018

(₹ in Lacs)

Particulars	Notes	2017-18	2016-17
INCOME			
Other Income	16	174.34	178.42
Total Income (A)		**174.34**	**178.42**
EXPENSES			
Other Expenses	17	35.68	17.52
Total Expenses (B)		**35.68**	**17.52**
Profit Before Tax (A-B)		**138.66**	**160.90**
Tax Expenses			
Current Tax	14	57.64	58.99
Deferred Tax	14	(9.03)	(5.79)
Profit After Tax for the Period		**90.05**	**107.70**
Other Comprehensive Income		-	-
Other Comprehensive Income for the Period, net of tax		-	-
Total Comprehensive Income for the Period		**90.05**	**107.70**
Earning per Equity Share (EPS) for Profit for the Period			
(Face Value of ₹ 10)	18		
Basic (₹)		0.03	0.04
Diluted (₹)		0.03	0.04
Significant Accounting Policies	2		

The accompanying notes are integral part of the Financial Statements.

As per our report of even date attached

For Singhvi & Mehta
Chartered Accountants
Firm Registration No. 02464W

Kaluram Gurjar
Partner
Membership No. 130095
Place: Gandhinagar
Date:

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

Pooja Ganatra
Company Secretary

Place: Gandhinagar
Date:

Place: Gandhinagar
Date:

GSPL INDIA GASNET LIMITED

CIN: U40200GJ2011SGC067449

STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE PERIOD ENDED ON 31 MARCH 2018

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 2016	**212,019,346**	**21,201.93**
Add: New shares allotted during the year	65,000,000	6,500.00
As at 31 March 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**

B. Other Equity

(₹ in Lacs)

Particulars	Reserves & Surplus	Total Other Equity
	Retained earnings	
Balance at April 1, 2016	**461.90**	**461.90**
Profit for the year	107.70	107.70
Total comprehensive income for the year	**107.70**	**107.70**
Balance at March 31, 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 31 March, 2018	**659.65**	**659.65**

As per our report of even date attached

For Singhvi & Mehta
Chartered Accountants
Firm Registration No. 02464W

SINGHVI & MEHTA * CHARTERED ACCOUNTANTS * AHMEDABAD

Kaluram Gurjar
Partner
Membership No. 130095
Place: Gandhinagar
Date:

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

Pooja Ganatra
Company Secretary

GSPL INDIA GASNET LIMITED *

Place: Gandhinagar
Date:

GSPL INDIA GASNET LIMITED

CIN: U40200GJ2011SGC067449

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED ON 31st MARCH, 2018

(₹ in Lacs)

Particulars	2017-18	2016-17
Cash Flow from Operating Activities		
Profit before Taxes	138.66	160.90
Adjustments for:		
Interest Income	(173.42)	(178.42)
Net Cash Flow from Operating Activities (A)	**(34.76)**	**(17.52)**
Cash Flow from Investing Activities		
Interest Received	165.23	170.21
Taxes Paid	(56.13)	(59.67)
Investment in Fixed Deposits	183.11	(62.11)
(Increase)/Decrease in Financial Assets	(48.73)	(188.79)
(Increase)/Decrease in Other Assets	3,028.27	(2,523.30)
Acquisition of Propery, plant & Equipments and Change in CWIP	(44,168.28)	(4,261.65)
Net Cash Flow from Investing Activities (B)	**(40,896.53)**	**(6,925.31)**
Cash Flow from Financing Activities		
Proceeds from issue of Equity Share Capital	11,000.00	6,500.00
Proceeds from Long Term Borrowings (Refer Note 11)	34,444.96	-
Interest paid	(319.27)	-
Net Cash Flow from Financing Activities (C)	**45,125.68**	**6,500.00**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)	**4,194.40**	**(442.83)**
Cash and Cash Equivalents at the beginning of the period	**1,101.87**	**1,544.70**
Cash and Cash Equivalents at the end of the period	**5,296.27**	**1,101.87**
Notes to Statement of Cash Flows		
Cash and cash equivalent includes-		
Cash and Cheques on Hand	0.17	0.02
Balances with Scheduled Banks		
in Current Accounts	1,790.31	106.30
in Fixed Deposit Accounts	3,505.79	995.55
	5,296.27	**1,101.87**

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 Singhvi & Mehta
Chartered Accountants
Firm Registration No. 02464W

SINGHVI & MEHTA AHMEDABAD CHARTERED ACCOUNTANTS

Kaluram Gurjar
Partner
Membership No. 130095
Place: Gandhinagar
Date:

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

Pooja Ganatra
Company Secretary

Place: Gandhinagar
Date:

GSPL INDIA GASNET LIMITED

Notes to Standalone Ind AS financial statements for the year ended 31st March, 2018

1. **Corporate information**

GSPL India Gasnet Limited ('the Company') was incorporated on 13th October 2011 under the Companies Act, 1956 as a subsidiary of Gujarat State Petronet Limited (GSPL). 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 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 14th May 2018.

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.

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, 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 prospectively.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most 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
- Provisions and contingencies
- Provision for expected credit losses

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

SINGHVI & MEHTA AHMEDABAD CHARTERED ACCOUNTANTS

(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. 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.

Revenue expenses exclusively attributable to projects incurred during construction period are capitalized.

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.

Transition to Ind AS
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. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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.

Transition to Ind AS
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.

SINGHVI & MEHTA
AHMEDABAD
CHARTERED ACCOUNTANTS

(d) Depreciation and Amortisation

Depreciation on gas transmission pipeline(s) is provided on straight line method (SLM) over estimated useful life. Depreciation on other items of property, plant and equipment is provided on written down value method (WDV) as per useful life prescribed in Schedule II to the Companies Act, 2013 except on Mobile instruments, which are depreciated over useful life of two years on WDV basis based on technical assessment.

Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal. Fixed Assets costing up to ₹ 5000/- are depreciated fully in the year of purchase / capitalisation.

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

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, RoU is indefinite in nature and 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). Further, software is amortised at 40% on written down value method.

(e) 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.

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AHMEDABAD
CHARTERED ACCOUNTANTS

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 or 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.

(f) 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.

SINGHVI & MEHTA
AHMEDABAD
CHARTERED ACCOUNTANTS

(g) Financial instruments

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

Financial assets

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.

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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.

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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 other payables.

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.

Other payables

These amounts represent liability for goods and services provided to the Company prior to the end of financial year which are unpaid. Other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Non-Current other payables 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.

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(h) 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.

(i) 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.

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(j) Inventory

Inventories including project inventory, 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.

(k) Revenue Recognition

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.

Interest income is recognised using effective interest rate (EIR) method.

(l) Employee benefits

Short term employee benefits

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

Post-employment benefits and Other long term employee benefits

Liability towards long term defined employee benefits such as gratuity is determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method. Actuarial gains/losses arising on defined benefit plans are recognised in Capital Work in Progress (CWIP). Post Employment benefits in the form of Super Annuation are recognised as expense on estimated basis. The Company is in the process of creating fund for Gratuity and Superannuation for employees. The Company pays for Defined Contribution Plan such as provident fund and the Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses in the year in which contributions to respective funds accrue. Liability towards other long term employee benefits such as leave encashment is determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method and corresponding impact is recognised as employee benefit expenses.

Employee benefits expenses including actuarial gain and losses are transferred to Capital Work in Progress (CWIP) in the period of recognition.

(m) 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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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.

(n) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

(o) 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.

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.

(p) 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.

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(q) 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 28 for segment information.

(r) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a remaining maturity at the date of purchase of three months or less and which are subject to an insignificant risk of changes in value.

(s) 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.

In line with the amendments to Ind AS 7 Statement of Cash flows (effective from April 1, 2017), the Company has provided disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The adoption of amendment did not have any material impact on the financial statements.

(t) Standard issued not yet effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on 28th March, 2018) which are effective for annual periods beginning after 1 April 2018. The Company intends to adopt these standards or amendments from the effective date.

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Ind AS 115 Revenue from contract with customers

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

Based on the preliminary assessment, the Company does not expect any significant impacts on transition to Ind AS 115. 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 finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options to be considered.

Amendments to existing Ind AS

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

- Ind AS 40 - Investment Property – The amendment lays down the principle regarding the transfer of asset to, or from, investment property.
- Ind AS 21 - The Effects of Changes in Foreign Exchange Rates – The amendment lays down principles to determine the date of transaction when a company recognizes a non-monetary prepayment asset or deferred income liability.
- Ind AS 12 – Income Taxes – The amendments explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps.

(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 financial statements.

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3 PROPERTY, PLANT AND EQUIPMENT

Property, plant & equipment as at 31st March, 2018

(₹ in Lacs)

Particulars	Gross Carrying Amount				Accumulated Depreciation*				Net Carrying Amount	
	Cost As on 1-Apr-17	Additions/ Adjustments during the year	Deduction during the during the year	Balance As on 31-Mar-18	Balance As on 1-Apr-17	Additions during the year*	Deduction during the year	Balance As on 31-Mar-18	As on 31-Mar-18	As on 31-Mar-17
Land- Free Hold	4,565.46	2,079.62	-	6,645.08	-	-	-	-	6,645.08	4,565.46
Land- Lease Hold (Finance Lease)	1,519.57	-	-	1,519.57	22.15	15.40	-	37.55	1,482.02	1,497.42
Building	174.78	6.52	-	181.30	93.03	39.45	-	132.48	48.82	81.75
Computers	7.99	1.67	-	9.66	5.35	0.99	-	6.34	3.32	2.64
Electrical Installation & Equipment	2.59	0.37	-	2.96	1.18	0.40	-	1.58	1.38	1.41
Furniture & Fittings	12.20	0.20	-	12.40	4.89	2.00	-	6.89	5.51	7.31
Office Equipments	0.82	3.32	-	4.14	0.53	1.32	-	1.85	2.29	0.29
Vehicles	8.36	-	-	8.36	4.43	1.23	-	5.66	2.70	3.93
Total Property, Plant and Equipment	**6,291.77**	**2,091.70**	**-**	**8,383.47**	**131.56**	**60.79**	**-**	**192.35**	**8,191.12**	**6,160.21**
Previous Year	**5,462.08**	**829.69**	**-**	**6,291.77**	**54.35**	**77.21**	**-**	**131.56**	**6,160.21**	**-**
Capital Work In Progress									**71,365.26**	**13,467.75**

* Depreciation amounting to ₹ 60.79 Lacs (31 March 2017: ₹ 77.21 Lacs) has been transferred to Capital Work in Progress.

(i) During the year, the Company has reversed Cenvat Credit of Rs.1360.78 Lacs with the introduction of GST Law. Accordingly CENVAT Credit availed since it's incorporation has been added to cost / expenditure to that extent.

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

(iii) **Contractual Obligations:** Refer to Note 20 for disclosure of contractual commitments for the acquisition /construction of property, plant and equipment.

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4 OTHER INTANGIBLE ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Computer Software		
Cost or deemed cost		
Balance at the beginning of the Year	37.53	37.17
Add: Addition during the Year	21.43	0.36
Closing Gross Carrying Amount	**58.96**	**37.53**
Accumulated Amortisation		
Balance at the beginning of the Year	22.88	13.29
Add: Addition during the Year	11.07	9.59
Closing Accumulated Amortisation	**33.95**	**22.88**
Net Carrying Amount	**25.01**	**14.65**

(₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Right of Use / Right of Way		
Cost or deemed cost		
Balance at the beginning of the Year	1,802.54	1,513.84
Add: Addition during the Year	2,430.95	288.70
Closing Gross Carrying Amount	**4,233.49**	**1,802.54**
Accumulated Amortisation		
Balance at the beginning of the Year	-	-
Add: Addition during the Year	-	-
Closing Accumulated Amortisation	-	-
Net Carrying Amount	**4,233.49**	**1,802.54**
Total Net Carrying Amount of Other Intangible Assets	**4,258.50**	**1,817.19**

5 LOANS

(₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non-Current		
Housing building advance to employees		
Secured, considered good	68.56	67.48
Unsecured, considered good	27.32	27.87
Other loans and advances to employees		
Unsecured, considered good	9.94	14.70
Total Non-Current Loans	**105.82**	**110.05**
Current		
Housing building advance to employees		
Secured, considered good	4.45	4.45
Unsecured, considered good	3.21	3.21
Other loans and advances to employees		
Unsecured, considered good	20.74	16.06
Total Current Loans	**28.40**	**23.72**

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6 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non-Current		
Margin money deposit - Bank Guarantees	306.05	12.37
Security deposit given (Unsecured - considered good)	547.13	511.74
Receivable from employees (Unsecured - considered good)	5.86	0.22
Total Non-Current Other Financial Assets	**859.04**	**524.33**
Current		
Security deposit given (Unsecured - considered good)	2.81	1.20
Receivable from employees (Unsecured - considered good)	1.69	1.12
Others	26.44	13.18
Total Current Other Financial Assets	**30.94**	**15.50**

7 OTHER ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non-Current		
Capital advances	27.37	1,936.24
Unamortised transaction costs on borrowings	366.59	1,167.66
Balances with Government Authorities	-	1,254.02
Advance income tax and TDS (net of provision)	-	0.97
Prepaid expenses	5.94	-
Deferred employee cost	26.71	3.82
Total Non-Current Other Assets	**426.61**	**4,362.71**
Current		
Unamortised transaction costs on borrowings	16.54	44.91
Balances with Government Authorities	2.94	0.37
Payment under protest	880.00	1,002.88
Prepaid expenses	13.51	8.55
Advances to suppliers	0.75	0.75
Deferred employee cost	18.62	7.46
Other	0.99	-
Total Current Other Assets	**933.35**	**1,064.92**

8 CASH AND OTHER BANK BALANCES

(₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Cash and Cash Equivalents		
Balances with banks		
In current accounts	1,790.31	106.30
Fixed deposit with original maturity of less than 3 months	3,505.79	995.55
Cash on hand	0.17	0.02
Total Cash and Cash Equivalents	**5,296.27**	**1,101.87**
Other Bank Balances		
Margin money deposit - bank guarantees	10.43	487.22
Total Bank Balance other than Cash and Cash Equivalents	**10.43**	**487.22**

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9 EQUITY SHARE CAPITAL

Particulars	Number of Shares	Amount ₹ in Lacs
AUTHORISED SHARE CAPITAL		
Equity shares of ₹ 10/- each		
As at 1 April 2016	**2,000,000,000**	**200,000.00**
Increase/(decrease) during the year	-	-
As at 31 March 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**

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 2016	**212,019,346**	**21,201.93**
Add: New shares allotted during the year	65,000,000	6,500.00
As at 31 March 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**

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, 2018	As at 31st March, 2017
Number of Equity Shares		
Gujarat State Petronet Limited (including Nominee Shareholders)	201,250,060	144,050,060
Indian Oil Corporation Limited	100,625,030	72,025,030
Bharat Petroleum Corporation Limited	42,572,128	30,472,128
Hindustan Petroleum Corporation Limited	42,572,128	30,472,128
% 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%

10 OTHER EQUITY

(₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Retained Earnings	659.65	569.60
Total Other Equity	**659.65**	**569.60**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Retained Earnings		
Opening balance	569.60	461.90
Add:		
Profit during the period	90.05	107.70
Closing balance	**659.65**	**569.60**

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.

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11 BORROWINGS*

(₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Secured		
Term loan from banks	33,407.07	-
Total Borrowings (A)	**33,407.07**	**-**
Current Maturities of Borrowings		
Secured		
Term loan from banks	-	-
Current Maturities of Borrowings (B)	**-**	**-**
Non-Current Borrowings (A-B)	**33,407.07**	**-**

* Refer note 31 - Financial instruments, fair values and risk measurements

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

Maturity Profile and Rate of Interest of Term Loans#

(₹ in Lacs)

Rate of Interest	No. of Installment	Outstanding at 31st March 2018	2019-2028	2029-2038
SBI 1 Year MCLR + 0.75%	68	33,407.07	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	2017-18
Balance as at 1st April, 2017	-
Changes from financing cash flows	
Proceeds from Borrowings	34,444.96
Others	
Unamortised Transaction cost on Borrowings	(1,037.89)
Interest capitalised	319.27
Interest paid	(319.27)
Baalnce as at 31st March, 2018	**33,407.07**

12 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current		
Other payables (including for capital goods and services) [Refer Note 25 for details due to micro , small and medium enterprises]	18,016.71	629.38
Total Current Other Financial Liabilities	**18,016.71**	**629.38**

13 PROVISIONS

(₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non-Current		
Provision for Employee Benefits		
Provision for gratuity	94.85	46.24
Provision for leave salary	106.39	81.85
Total Non-Current Provisions	**201.24**	**128.09**
Current		
Provision for Employee Benefits		
Provision for gratuity	3.09	0.78
Provision for leave travel allowance	7.30	6.06
Provision for superannuation benefits	72.17	53.68
Provision for leave salary	4.18	3.18
Total Current Provisions	**86.74**	**63.70**

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14 INCOME TAX EXPENSES

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

(₹ in Lacs)

Particulars	2017-18	2016-17
Current taxes	57.64	58.99
Deferred Taxes	(9.03)	(5.79)
Income Tax Expenses	**48.61**	**53.20**

Deferred tax assets (net) relates to the following: (₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Liabilities		
	-	-
Total Deferred Tax Liabilities (A)	-	-
Deferred Tax Assets		
Preliminary expenditure u/s 35AD	1.77	2.01
Other Expenses	18.64	9.37
Total Deferred Tax Assets (B)	**20.41**	**11.38**
Net Deferred Tax Assets (B-A)	**20.41**	**11.38**

(i) Movements in Deferred Tax Assets (net) (₹ in Lacs)

Particulars	Other Expenses	Preliminary expenditure u/s 35AD	Total
At 1 April 2016	**3.57**	**2.01**	**5.58**
Charged/(credited)			
- to profit or loss	5.80	-	**5.80**
- to other comprehensive income	-	-	-
At 31 March 2017	**9.37**	**2.01**	**11.38**
Charged/(credited)			
- to profit or loss	9.27	(0.24)	**9.03**
- to other comprehensive income	-	-	-
At 31 March 2018	**18.64**	**1.77**	**20.41**

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

Particulars	2017-18	2016-17
Accounting Profit before income tax expenses	138.66	160.90
Tax at the Indian tax rate of 33.063% (2016-17 - 33.063%)	**45.85**	**53.20**
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:	-	-
Impact of change in Tax Rate	2.76	-
Adjustments for the current tax of prior periods	-	-
Income Tax Expenses at the effective income tax rate of 35.057% (2016-17: 33.063%)	**48.61**	**53.20**

15 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current		
Other Statutory Liability	452.22	54.15
Total Current Non-Financial Liabilities	**452.22**	**54.15**

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16 OTHER INCOME

(₹ in Lacs)

Particulars	2017-18	2016-17
Interest income		
Interest on Fixed deposits with banks	165.23	170.21
Interest Income - House Building Advance	8.19	8.21
Other Non-Operating Income	0.92	-
Total Other Income	**174.34**	**178.42**

17 OTHER EXPENSES

(₹ in Lacs)

Particulars	2017-18	2016-17
Director Sitting Fees	2.44	3.03
Statutory Audit Fees	1.51	1.52
Rates & Taxes	0.16	0.74
Legal & Professional Expenses	24.84	10.73
Miscellaneous Expenses	4.78	0.80
Travelling Expenses	1.37	0.43
Travelling Expenses - Directors	0.58	0.27
Total Other Expenses	**35.68**	**17.52**

18 EARNING PER SHARE

Particulars	2017-18	2016-17
Profit attributable to equity holders for (₹ in Lacs):		
Basic earnings	90.05	107.70
Adjusted for the effect of dilution	90.05	107.70
Weighted average number of Equity Shares for:		
Basic EPS	343,731,675	248,827,565
Adjusted for the effect of dilution	343,731,675	248,827,565
Earnings Per Share (₹):		
Basic	0.03	0.04
Diluted	0.03	0.04

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19 CONTINGENT LIABILITIES

Sr No	Particulars	As at 31st March, 2018	As at 31st March, 2017
A	**Claims against company not acknowledged as debts**	907.63	1,101.29
	Claims against company not acknowledged as debts include ₹880.00 Lacs (Previous Year: ₹880.00 Lacs) paid to PNGRB under protest and ₹ Nil (Previous Year: 122.88 Lacs) paid to various other authorities 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 Delhi High Court, payment of ₹880 Lacs has been disclosed as "Payment Under Protest".		
B	**Guarantees excluding financial guarantees**		
	Outstanding Bank Guarantees	3,057.65	2,938.56

20 COMMITMENTS

Sr No	Particulars	As at 31st March, 2018	As at 31st March, 2017
A	**Capital Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	54,530.23	104,650.93
B	**Other Commitments**	-	-

21 PAYMENT TO AUDITORS

(₹ in Lacs)

Particulars	2017-18	2016-17
For statutory audit	1.51	1.51
For other services	0.50	-
For reimbursement of expenses	0.15	0.15
Total	**2.16**	**1.66**

22 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.

23 The balances of sundry debtors, creditors, loans & advances and deposits are subject to confirmation. Provision for all liabilities is adequate in opinion of the Company.

24 During the year, the Company is in pre-operation stage. Hence, revenue from operations is Nil for the year.

25 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, 2018	As at 31st March, 2017
Principal amount remaining unpaid	14.57	3.10
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 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	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

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.

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26 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	2017-18		2016-17	
	Gratuity	Leave Salary	Gratuity	Leave Salary
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	7.65%	7.65%	7.40%	7.40%
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	2017-18		2016-17	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in benefit obligation				
Opening defined benefit obligation	47.02	85.03	29.59	52.51
Interest Cost	3.45	6.17	2.39	4.16
Transfer of Obligations	21.41	-	-	-
Current Service Cost	13.95	16.77	11.48	14.49
Past Service Cost	14.21	-	-	-
Benefit Paid	-	(0.08)	-	-
Actuarial Loss / (gain) on Obligations	(2.10)	2.68	3.56	13.87
Liability at the end of the period	**97.94**	**110.57**	**47.02**	**85.03**
Table showing change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning	-	-	-	-
Adjustment to Opening fund	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Contributions	-	-	-	-
Benefit Paid	-	-	-	-
Actuarial gain /(loss) on Plan Assets	-	-	-	-
Fair Value of Plan Assets at the end of the period	-	-	-	-
Actual Gain / loss recognized				
Actuarial (gain) / loss on obligations	(2.10)	2.68	3.56	13.87
Actuarial (gain) / loss on Plan Assets	-	-	-	-
Net Actuarial (gain) / loss recognized during year	**(2.10)**	**2.68**	**3.56**	**13.87**
Amount recognized in Balance Sheet				
Liability at the end of the period	97.94	110.57	47.02	85.03
Fair Value of Plan Asset at the end of the period	-	-	-	-
Net Amount recognized in Balance Sheet	**97.94**	**110.57**	**47.02**	**85.03**
Expense recognized				
Current Service cost	13.95	16.77	11.48	14.49
Past Service Cost	14.21	-	-	-
Interest cost	3.45	6.17	2.39	4.16
Expected return on Plan Asset	-	-	-	-
Net Actuarial Loss / (gain) recognized	(2.10)	2.68	3.56	13.87
Net Expense recognized during the year	**29.51**	**25.62**	**17.43**	**32.52**
Current liability	3.09	4.18	0.78	3.18
Non-current liability	94.85	106.39	46.24	81.85
Total Liability	**97.94**	**110.57**	**47.02**	**85.03**

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:

Sensitivity analysis - Gratuity	2017-18		2016-17	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	91.92	104.55	44.29	50.02
Salary growth rate (0.5% movement)	102.54	93.31	49.00	45.15

Sensitivity analysis - Leave Salary	2017-18		2016-17	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	103.45	118.43	79.37	91.30
Salary growth rate (0.5% movement)	118.45	103.38	91.29	79.32

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27 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	2017-18	2016-17
Gujarat State Petronet Ltd. (entity with joint control of the Company)		
Expenditure Reimbursement Paid	230.29	210.76
Expenditure Reimbursement Received	125.56	182.67
Connectivity Charges Paid	177.00	-
Purchase of Material	0.29	-
Rent Expense	55.27	52.42
Rent Income	0.38	-
Investment in Equity Shares by GSPL	5,720.00	3,380.00
Indian Oil Corporation Ltd. (entity with joint control of the Company)		
Engineering Consultancy Expenses	188.05	176.13
Expenditure Reimbursement Paid	68.95	53.48
Pipeline Crossing Charges Paid	-	2.99
Security Deposit Paid	-	10.18
Sitting Fees#	0.47	0.57
Investment in Equity Shares by IOCL	2,860.00	1,690.00
Bharat Petroleum Corporation Ltd. (entity with joint control of the Company)		
Sitting Fees#	0.21	0.29
Investment in Equity Shares by BPCL	1,210.00	715.00
Hindustan Petroleum Corporation Ltd. (entity with joint control of the Company)		
Pipeline Crossing Charges Paid	-	1.44
Investment in equity shares by HPCL	1,210.00	715.00
Gujarat State Petroleum Corporation Ltd. (Other related parties)		
Expenditure Reimbursement Paid	123.01	13.98
GSPL India Transco Ltd. (Other related parties)		
Purchase of Assets	-	0.38
Sale of Assets	-	0.45
Expenditure Reimbursement Paid	-	0.63
Expenditure Reimbursement Received	-	0.30
Key Managerial Personnels		
Sitting Fees#	2.24	2.07

* 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.

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

Name of Related Party	31-Mar-18	31-Mar-17
Gujarat State Petronet Ltd. (entity with joint control of the Company)		
Account Receivable	5.39	13.18
Account Payable	23.23	22.58
Indian Oil Corporation Ltd. (entity with joint control of the Company)		
Account Receivable	61.30	61.30
Account Payable	59.07	47.24
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	15.43	5.79

28 SEGMENT INFORMATION

The Company has not started commercial operations and will primarily be engaged in 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.

29 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 Rs.4,474 crore with a consortium of 14 banks with Punjab National Bank as the Lead Bank. During the year, the company has started availing disbursement of loan.

30 As per Indian Accounting Standard 23 on "Borrowing Costs", the Company has capitalised Borrowing Costs to the tune of ₹ 319.27 Lacs (Previous Year: Nil).

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31 FINANCIAL INSTRUMENTS, FAIR VALUE AND RISK MEASUREMENTS

A. Financial instruments by category and their fair value

(₹ 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	-	-	105.82	105.82	-	105.82	-	105.82
- Current	-	-	28.40	28.40	-	-	-	-
Cash and Cash Equivalents	-	-	5,296.27	5,296.27	-	-	-	-
Other Bank Balances	-	-	10.43	10.43	-	-	-	-
Other financial assets								
- Non-current	-	-	859.04	859.04	-	859.04	-	859.04
- Current	-	-	30.94	30.94	-	-	-	-
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**

(₹ in Lacs)

As at 31 March 2017	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	-	-	110.05	110.05	-	110.05	-	110.05
- Current	-	-	23.72	23.72	-	-	-	-
Cash and Cash Equivalents	-	-	1,101.87	1,101.87	-	-	-	-
Other Bank Balances	-	-	487.22	487.22	-	-	-	-
Other financial assets								
- Non-current	-	-	524.33	524.33	-	524.33	-	524.33
- Current	-	-	15.50	15.50	-	-	-	-
Total financial assets	**-**	**-**	**2,262.69**	**2,262.69**	**-**	**634.38**	**-**	**634.38**
Financial liabilities								
Non-current Borrowings	-	-	-	-	-	-	-	-
Other financial liabilities								
- Current	-	-	629.38	629.38	-	-	-	-
Total financial liabilities	**-**	**-**	**629.38**	**629.38**	**-**	**-**	**-**	**-**

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).

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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.

Credit risk on cash and cash equivalents is limited as the Company makes investment in deposits with banks only.

(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 a Rupee Loan Facility Agreement for Term Loan of ₹ 4,474 crore. However, the Company had access to the undrawn variable rate borrowing facility, having expiry beyond one year amounting to ₹ 4129.55 Crores as on 31st March, 2018 (31st March, 2017: ₹ 4474 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-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**

(₹ in Lacs)

31-Mar-17	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 Months
Non-derivative financial liabilities				
Non current Borrowings	-	-	-	-
Current financial liabilities	629.38	629.38	629.38	-
Total	**629.38**	**629.38**	**629.38**	**-**

(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.

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 by the amnount shown in sensitivity analysis as below:

(₹ in Lacs)

Particulars	50 bp Increase	50 bp decrease
31st March 2018		
Non current - Borrowings	(172.22)	172.22
Current - Long term borrowings	-	-
Total	**(172.22)**	**172.22**
31st March 2017		
Non current - Borrowings	-	-
Current - Long term borrowings	-	-
Total	-	-

The Company do not use derivative financial instruments for trading, speculative or other purposes.

SINGHI & MEHTA AHMEDABAD CHARTERED ACCOUNTANTS

32 DISCLSOURE ON SPECIFIED BANK NOTES (SBNs)

During the year 2016-17, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(In ₹)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	30,000.00	322.00	30,322.00
(+) Permitted receipts	-	26,530.00	26,530.00
(-) Permitted payments	-	10,500.00	10,500.00
(-) Amount deposited in Banks	30,000.00	-	30,000.00
Closing cash in hand as on December 30, 2016	-	**16,352.00**	**16,352.00**

** For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.*

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has been made for the financial year 2016-17. However, the same has not been disclosed for financial year 2017-18 since the requirement does pertain to financial year 2016-17 only.

33 As at the balance sheet date, 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.

34 Previous year figures have been reclassified or regrouped wherever necessary.

As per our report of even date attached

For Singhvi & Mehta
Chartered Accountants
Firm Registration No. 02464W

Kaluram Gurjar
Partner
Membership No. 130095
Place: Gandhinagar
Date:

SINGHVI & MEHTA
AHMEDABAD
CHARTERED ACCOUNTANTS

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

Pooja Ganatra
Company Secretary

Place: Gandhinagar
Date:

GSPL INDIA GASNET LIMITED