DIRECTORS' REPORT

To,
The Members
GSPL India Transco Limited

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

FINANCIALS

Rs. in Lacs

Particulars	**2018-19**	**2017-18**
Total Income	165.48	234.00
Total Expenses	23.94	32.77
Profit Before Tax	141.54	201.23
Tax including Deferred Tax	43.02	66.53
Profit After Tax	98.52	134.70
Transfer to Reserves	-	-

Financials as per Ind-AS

SHARE CAPITAL

The shareholding of the Company as on 31st March, 2019 is as follows:

Sr. No.	**Name of the Shareholder**	**No. of shares**	**% holding**
1	Gujarat State Petronet Limited	19,81,20,000	52.00
2	Indian Oil Corporation Limited	9,90,60,000	26.00
3	Bharat Petroleum Corporation Limited	4,19,10,000	11.00
4	Hindustan Petroleum Corporation Limited	4,19,10,000	11.00
	Total	**38,10,00,000**	**100.00**

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 Mallavaram- Bhopal -Bhilwara - Vijaipur Pipeline Project (MBBVPL). The total length of the pipeline is approximately 1881 Kms. The pipeline will traverse through the State of Andhra Pradesh, Telangana, Maharashtra, Madhya Pradesh, Rajasthan and Gujarat.

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, the Company has awarded EPC Contract for Pipeline and Associated facilities from Kunchanapalle Dispatch Terminal, Andhra Pradesh to Ramagundam Fertilizers & Chemicals Limited's Plant at Ramagundam, Telangana. The map showing the section under implementation is enclosed herewith as **Annexure -I**. The Project is in the advance stage of completion and is scheduled to be commissioned by mid of September, 2019. Further, the Company has also received connectivity from Reliance Gas Transportation Infrastructure Limited and the gas compressor station is ready for use.

For implementing balance sections, the Company has requested PNGRB for time extension of minimum 24 months from the date of receipt of last statutory approvals for commissioning of the Project. However, PNGRB has vide letter dated 21st June, 2019 extended the construction period for completion of MBBVPL till March 2020 and has informed that further extension from March 2020 till September, 2020 shall be considered upon detailed project progress review and subject to certain conditions, which are being reviewed by your Board of Directors. Further, PNGRB vide said letter decided that the 29.5 Kms pipeline being laid from IPS -3 to Ramagundam will be a part of common carrier. The Company has challenged the said decision before Appellate Tribunal for Electricity (APTEL), which is admitted and pending before APTEL.

DIRECTORS & KEY MANAGERIAL PERSONNEL

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

Smt. Shobhana Desai has ceased to be a Director of the Company from 31st December, 2018 consequent to her resignation from the services of Government of Gujarat. Shri S K Sharma has ceased to be a Director of the Company from 12th April, 2019 pursuant to change in nomination by Indian Oil Corporation Limited. The Board places on record its appreciation for the services rendered by them during their tenure as Directors on the Board of Company.

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

Shri N Bose Babu, Director holds the charge of Chief Executive Officer of the Company. Shri Pravin Amin has been appointed as Chief Financial Officer of the Company. Shri Nilesh Patel has been appointed as the Company Secretary.

INDEPENDENT DIRECTORS

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

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

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

BOARD MEETINGS

During the financial year, the Board met five (5) times. The details of the Meetings are as follows:

Sr. No.	Particulars	Date of Meeting
1	32nd Board Meeting	9th April, 2018
2	33rd Board Meeting	14th May, 2018
3	34th Board Meeting	11th September, 2018
4	35th Board Meeting	4th January, 2019
5	36th Board Meeting	6th March, 2019

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

Name	Number of Meetings held during the tenure	Number of Meetings attended
Dr. J N Singh, IAS	5	5
Dr T Natarajan, IAS	5	5
Shri S K Sharma	5	2
Shri S K Jha	5	5
Shri H.R Wate (upto 9th July, 2018)	2	2
Shri I.S. Rao (upto 25th June, 2018)	2	2
Shri Mahesh Narain (from 13th August 2018)	3	2
Shri J S Prasad (from 13th August, 2018)	3	2
Shri Manish Seth (upto 8th August 2018)	2	2
Shri Chandrasekhar Mani (upto 29th March, 2019)	5	2
Dr. Bharatkumar Modi (upto 29th March, 2019)	5	5
Smt. Shobhana Desai (Upto 31st December, 2018)	3	1
Shri N Bose Babu	5	4

STATUTORY & CAG AUDIT

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

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

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

INTERNAL AUDIT & CONTROL SYSTEMS

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

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

SECRETARIAL AUDIT

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

AUDIT COMMITTEE

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

Dr. J N Singh, IAS	Chairman
Shri P K Yadav	Member
Shri N Bose Babu	Member

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

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

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

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

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

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

NOMINATION AND REMUNERATION COMMITTEE

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

Shri N Bose Babu	Chairman
Shri S K Sharma	Member
Shri Chandrashekhar Mani	Member*
Dr. Bharatkumar Modi	Member*

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

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

VIGIL MECHANISM

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

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

The advancement of technology provides fresh challenges in pursuit of quality and the organizations that are able to meet these challenges will only be able to survive. Since the Project is in nascent stage, it is thought fit to adopt the Quality Management System – ISO 9001-2008 (QMS). It is quality management system based on the principles that existence of an organization is dependent upon satisfied customers, continuous improvement of the operations and "prevention is better than cure".

Your Company firmly believes in demonstrating excellence in Quality, Health, Safety and Environment and has framed a Quality Policy highlighting the commitment to implement QMS and ensuring safety of all personnel working under our control and promote harmony with Environment. As a responsible Corporate, Your Company endeavors to keep its employees fully aware of HSE aspects through extensive awareness and training.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that,
(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2019 and of the 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 Board will develop a Risk Management Policy of the Company in future considering the Project requirements.

The Company is implementing the Mallavaram- Bhopal -Bhilwara - Vijaipur Pipeline Project and most of these approvals, permissions have been received from various government authorities. Since these approvals, permissions have been received progressively, the Company has initiated process of implementing sections of the Project where statutory approvals, clearances have been received and has already awarded EPC Contract for Pipeline and Associated facilities from Kunchanapalle Dispatch Terminal, Andhra Pradesh to Ramagundam Fertilizers & Chemicals Limited's Plant at Ramagundam, Telangana, which is in scheduled to be commissioned by mid of September, 2019.

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. 28 of the Financial Statements regarding the disclosure of the Related Party Transactions.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

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

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

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

COMPLIANCE OF SECRETARIAL STANDARDS

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

ANNUAL RETURN

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

DEMATERIALIZATION OF EQUITY SHARES

Equity shares of the Company can be dealt in dematerialized form by all shareholders. For this purpose, the Company has established connectivity with National Securities Depository Limited (NSDL) for dematerialization of equity shares. Demat security (ISIN) code for the equity shares is **INE02GP01010**.

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

Registrar & Share Transfer Agent (RTA)

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

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

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

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

PARTICULARS OF EMPLOYEES

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

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

CONSERVATION OF ENERGY: NIL
TECHNOLOGY ABSORPTION: NIL

FOREIGN EXCHANGE EARNINGS & OUTGO FOR THE YEAR:

Foreign Exchange earnings - Nil
Foreign Exchange Outgo – Nil

ACKNOWLEDGEMENTS

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

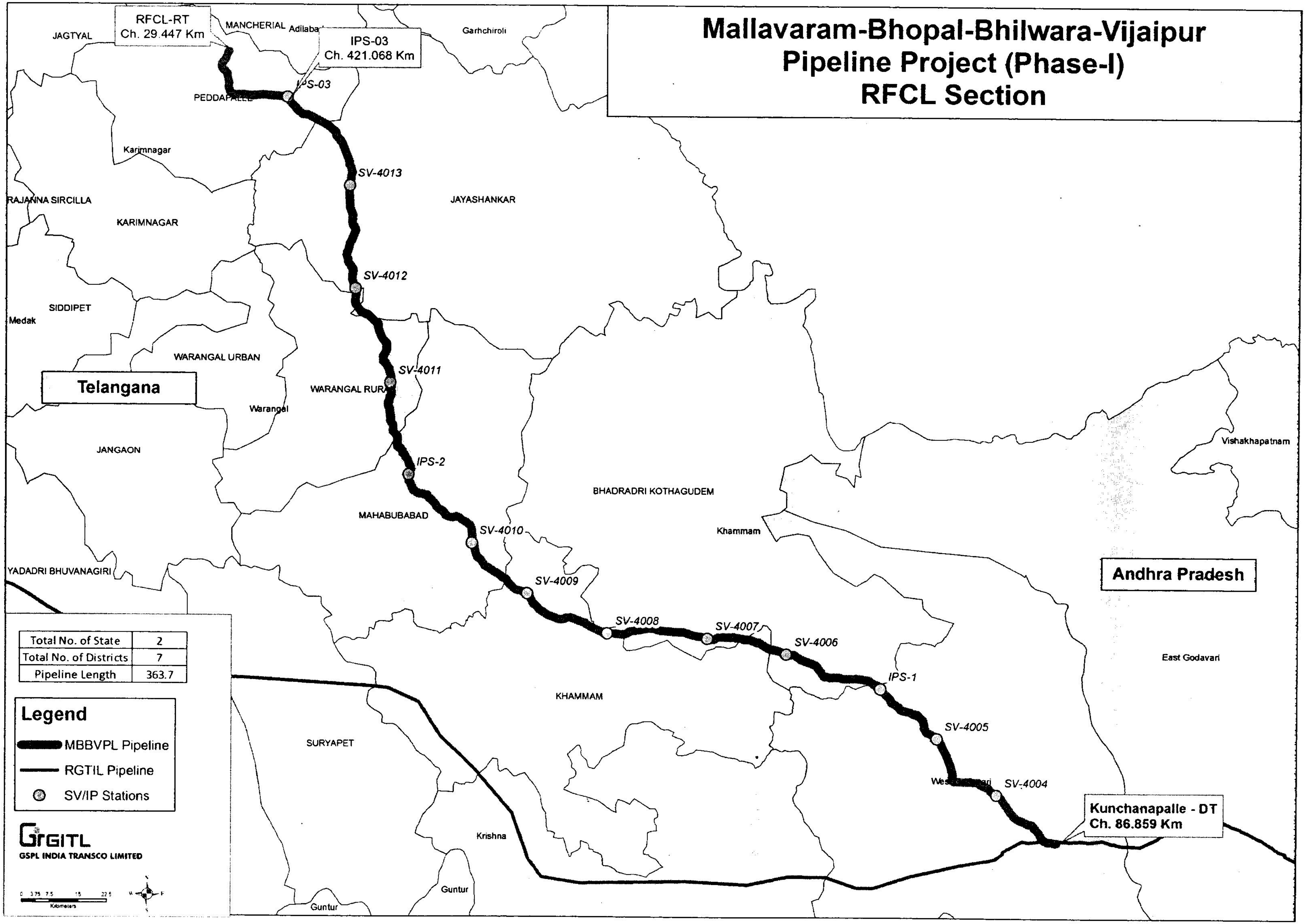
Your Company also place on record sincere appreciation for hard work, dedicated and unstinted efforts of employees at all levels in implementing the Project.

For and on behalf of Board of Directors,

____

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

Mallavaram-Bhopal-Bhilwara-Vijaipur Pipeline Project (Phase-I) RFCL Section



Total No. of State	2
Total No. of Districts	7
Pipeline Length	363.7

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By Regd. Post

सत्यमेव जयते

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

Office of the
Principal Accountant General (E&RSA), Gujarat

No. ES-I, HQ-I/A/cs/ GITL/2018-19/ O.W-283
05/07/19

To,
The Managing Director,
GSPL India Transco Limited,
GSPL Bhavan, Plot No. E-18, GIDC Electronic Estate,
Near K-7 Circle, Sector – 26
Gandhinagar- 382028.

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

Sir,

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

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

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

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

Yours faithfully,

Roopal

Sr. Dy. Accountant General (ES-I)

Encl: As above

लेखापरीक्षा भवन, नवरंगपुरा, अहमदाबाद – 380 009. Audit Bhavan, Navrangpura, Ahmedabad - 380 009.
फोन / Phone : 079-26403713, 26561327, 26405874, 26561282, 26560892
फेक्स / Fax : 079-26561853 E-mail : agaugujarat1@cag.gov.in

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

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

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

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

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

4/7/19
(H. K. Dharmadarshi)
Principal Accountant General (E&RSA), Gujarat

Place: Ahmedabad
Date:

R. V GANDHI & Co.,

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

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

To,
The Members,
GSPL India Transco Limited
GSPC Bhavan, B/h UdyogBhavan
Sector-11, Gandhinagar-382 011

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GSPL India Transco Limited.** The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the period under review.

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

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

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

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

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

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

(vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

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

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

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

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

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

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

(ii) The Company being unlisted is not required to comply with the Listing Agreements of Stock Exchange(s)/ SEBI (LODR) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to our following observations:

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors as on 31.03.2019. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance & in case of shorter notice required compliance as per Companies Act, 2013 has been ensured.

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

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

We further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that

During the audit period the Company has not taken major decisions which require reporting under Companies Act, 2013.

For R V Gandhi & Co.

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

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

Date: 30/04/2019
Place: Ahmedabad

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

R. V GANDHI & Co.,

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

'Annexure A'

To,
The Members,
GSPL India Transco Limited
GSPC Bhavan, B/h UdyogBhavan
Sector-11, Gandhinagar-382 011

Our report of even date is to be read along with this letter.

1. *Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.*
2. *We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.*
3. *We have not verified the correctness and appropriateness of financial Statements of the company.*
4. *The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.*
5. *The Secretarial Audit report is not an assurance as to the future viability of the Company.*

For R V Gandhi & Co.

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

Date: 30/04/2019
Place: Ahmedabad

FORM NO. MGT.9

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- U40200GJ2011SGC067450
ii) Registration Date: 13th October, 2011
iii) Name of the Company: GSPL India Transco Limited
iv) Category / Sub-Category of the Company: Company having share capital / State Government Company.
v) Address of the Registered office and contact details: GSPC Bhavan, Behind Udhyog Bhavan, Sector 11, Gandhinagar – 382010.
Phone No.: 079-23268500/ 600 – Fax. 079-23258506
Email: nilesh.p@gspc.in – Website: www.gspcgroup.com/GITL
vi) Whether listed company ~~Yes /~~ No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any-
NSDL DATABASE MANAGEMENT LIMITED
4th Floor Trade World A Wing, Kamla Mills Compound
Lower Parel (W)
Mumbai
Maharashtra
400013

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	The Company is implementing Mallavaram – Bhopal – Bhilwara Natural Gas Pipeline Project. The Project is yet to commence commercial operations.		-

III. **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

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

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

i) Category-wise Share Holding

Category of Sharehol-ders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promot-ers (1) Indian (Bodies Corporates) **Sub-total (A) (1):-**	-	381000000	381000000	100	381000000	-	381000000	100	0%
(2) Foreign **Sub-total (A) (2):-**	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	381000000	381000000	100	381000000	-	381000000	100	0%
B. Public Shareholding	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by	-	-	-	-	-	-	-	-	-

Category of Sharehol-ders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Dem at	Physical	Total	% of Total Shares	Demat	Phys ical	Total	% of Total Shares	
Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**-**	**381000000**	**381000000**	**100**	**381000000**		**381000000**	**100**	**0%**

ii) Shareholding of Promoters

Sr.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the com-pany	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Gujarat State Petronet Limited	198120000	52	-	198120000	52	-	0
2	Indian Oil Corporation Limited	99060000	26	-	99060000	26	-	0
3	Bharat Petroleum Corporation Limited	41910000	11	-	41910000	11	-	0
4	Hindustan Petroleum Corporation Limited	41910000	11	-	41910000	11	-	0
	Total	**381000000**	**100**	**-**	**381000000**	**100**	**-**	**0**

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year Gujarat State Petronet Limited (GSPL): Indian Oil Corporation Limited (IOCL):			-	-

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Bharat Petroleum Corporation Limited (BPCL) Hindustan Petroleum Corporation Limited (HPCL)				

There is no change in promoter's Shareholding during the year 2018-2019.

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

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

v) Shareholding of Directors and Key Managerial Personnel:

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

* Beneficial interest in these shares is held by Gujarat State Petronet Limited

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

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	- - -	- - -	- - -	
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year • Addition • Reduction	3,13,86,76,035 -	45,31,12,397 -	- -	
Net Change	3,13,86,76,035	45,31,12,397	-	3,59,17,88,432
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	3,13,84,86,671 - 1,89,364	45,00,00,000 - 31,12,397	- -	
Total (i+ii+iii)	**3,13,86,76,035**	**45,31,12,397**	**-**	**3,59,17,88,432**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under	Nil	Nil

	section 17(3) Income- tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
	Total (A)	Nil				Nil
	Ceiling as per the Act					

B. Remuneration to other directors:

Category	Particulars of remuneration (Rs.)			Total
	Sitting fees for Board & Committee meetings	Commi-ssion	Other (Out of pocket)	
Independent Directors				
Shri Chandrashekhar Mani	30000		8000	38000
Dr. Bharatkumar A Modi	67500		18000	85500
Other Directors				
Dr J N Singh, IAS	Ref Note 1		14000	
Dr T Natarajan, IAS	Ref Note 1		10000	
Shri N Bose Babu	30000		8000	38000
Shri Manish Seth	15000		4000	19000
Shri S K Sharma	Ref Note 2 15000			
Shri S K Jha	Ref Note 2 37500			
Shri I S Rao	Ref Note 2 15000			
Smt. Shobhana Desai	7500		2000	9500
Overall Ceiling as per the Act	-	-	-	

Notes:

1) Sitting fee in respect of Government Officers is deposited in government treasury
2) Sitting fee in respect of Nominee Directors is deposited directly with their respective company.

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO*	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	2415635 27600 00.00	-	2443235
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	--	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others			7934204	7934204
	Total		**2443235**	**7934204**	**10377439**

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil

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

ASHOK CHHAJED
& ASSOCIATES
CHARTERED ACCOUNTANTS
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NR, SWASTIK CHAR RASTA,
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TEL. (OFFICE) : 26402929-30
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ashokchhajedandassociates@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of GSPL INDIA TRANSCO Limited

Report on Standalone Ind AS Financial Statements

Opinion

We have audited the standalone financial statements of **GSPL INDIA TRANSCO Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAS) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ASHOK CHHAJED & ASSOCIATES * AHMEDABAD * CHARTERED ACCOUNTANTS M NO 117743

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act,

ASHOK CHHAJED & ASSOCIATES * CHARTERED ACCOUNTANTS * AHMEDABAD *

2013, we give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

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.

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

b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

d. It is conveyed to us that as per notification no 463 [E] of Ministry of Corporate Affairs dated 5.06.2015, section 164 [2] is not applicable to Government Company.

e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".**

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20 to the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. AS required by section 143 [5] of the Act, we report as under:

1. Report on directions under Section 143 [5] of Companies Act, 2013:

1. Whether the Company has system in place to process all the accounting transactions

ASHOK CHHAJED & ASSOCIATES CHARTERED ACCOUNTANTS M NO 117743 AHMEDABAD through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

Reply:

Company calculates and records adjustments related to many Ind AS in Excel Sheets outside SAP ERP accounting system. It is advisable to configure ERP system to accommodate accounting requirements of all Ind AS.

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

Reply:

It is conveyed to us that there is no restructuring of any loan during the period covered under Audit hence not applicable.

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

Reply:

It is conveyed to us that no funds have been received from Central / State Agencies hence not applicable.

2. Sector Specific Sub-direction under Section 143(5) of the Companies Act, 2013

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.

   Reply:

   It is conveyed to us that due to nature of pipeline project and vast area covered, it is not possible to prevent encroachment everywhere. However, where ever encroachment is noticed necessary steps have been taken including litigation.

ASHOK CHHAJED & ASSOCIATES * AHMEDABAD * CHARTERED ACCOUNTANTS M. NO. 117743

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.

   Reply:

   No project is conveyed to have been taken up under Public Private Partnership hence not applicable.

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.

   Reply:

   Works are being monitored properly.

   During the course of Audit it is noticed that there are many cases of delay in supply / poor performance / inadequate manpower at site etc and liquidated damages for more than Rs. 24 crore are deducted from their payments which are lying / kept in the retention money [Liability account]:

Particulars	Party Name	2016	2017	2018	2019	Grand Total
10000841	SECON	5,98,770				5,98,770
10003336	ABB			41,71,891		41,71,891
10005644	DMS			90,69,503		90,69,503
10006800	SKP PROJEC		79,81,102			79,81,102
10007949	KALPATARU				22,26,76,448	22,26,76,448
Grand Total		**5,98,770**	**79,81,102**	**1,32,41,394**	**22,26,76,448**	**24,44,97,714**

It is conveyed to us that all such cases will be reviewed thoroughly and suitable decisions will be taken in due course of time.

ASHOK CHHAJED & ASSOCIATES
CHARTERED ACCOUNTANTS
M NO 117743
AHMEDABAD

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

Reply:

It is conveyed to us that no funds have been received from Central / State Agencies hence not applicable.

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

Reply:

We have been provided Bank Guarantee Register maintained in Excel and on going through the same we have not come across any cases of expired Bank Guarantees.

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

Reply:

The Company has sent emails to all the parties having the substantial balances, however, in certain cases confirmations are not received from some parties including:

Name	**Nature of Balance**	**Date of sending mail**	**Amount outstanding**
Kalptaru Power Transmission Limited	Creditor	12.04.2019	427431150
Secon Pvt Ltd	Creditor	12.04.2019	16797452

ASHOK CHHAJED & ASSOCIATES
CHARTERED ACCOUNTANTS
M.NO. 117743
AHMEDABAD

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

   Reply:

   It is conveyed to us that project is being implemented in Phased manner however, no part of the project is abandoned.

For Ashok Chhajed & Associates
Chartered Accountants
FRN: 100641W

Partner
Naresh Bahroo
MN: 117743

ASHOK CHHAJED & ASSOCIATES CHARTERED ACCOUNTANTS M.NO 117743 AHMEDABAD

Place: Gandhinagar

Date: 30.04.2019

Annexure A to the Auditors' Report of even date

The Annexure referred to in our report to the members of GSPL INDIA TRANSCO LIMITED on accounts of the Company for the year Ended on 31st March, 2019.

On the basis of such checks as we considered appropriate and according to the information & explanation given to us during the course of our audit, we report that:

i. Fixed Assets:

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

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. Discrepancies between the book records and the physical inventory have been dealt with appropriately in books of accounts.

(c) According to information and explanation given to us and on the basis of our examination of the records of the company, immovable properties shown in the balance sheet are in the name of the Company.

ii. In respect of its Inventories:

Company holds very negligible project inventory balance of which is confirmed by concerned officials as on 31.03.2019.

iii. Loans & Advances:

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.

iv. Loans, Investment & Guarantees:

According to information and 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 anybody 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.

ASHOK CHHAJED & ASSOCIATES
CHARTERED ACCOUNTANTS
M NO 117743
AHMEDABAD

v. Fixed Deposits:

According to the information and explanation given to us, the Company has not accepted any deposits thereof directive issued by the Reserve Bank of India and the provisions of Section 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.

vi. 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.

vii. Statutory dues:

a. The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other statutory dues 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 GST, cess etc as on 31.03.2019.

viii. Default in payment of dues:

In our opinion and according to information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution.

ix. Fund raised by Public issue / follow on offer / term loan

The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or funds from term loans are used for the purposes for which they have been obtained.

x. Frauds:

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

ASHOK CHHAJED & ASSOCIATES
CHARTERED ACCOUNTANTS
M NO 117743
AHMEDABAD

xi. Managerial Remuneration:

In our opinion and according to the information and explanations given to us, Section 197 of the Companies Act is not applicable to the Company.

xii. Nidhi Company:

The Company is not a Nidhi Company and hence reporting is not applicable.

xiii. Transactions with related parties:

We have not come across any cases of violation of section 177 and 188 of Companies Act, 2013. Disclosures have been made in accordance with applicable Indian Accounting Standards.

xiv. Preferential allotment / Private placement of share / issue of debenture:

During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting is not applicable to the Company.

xv. Non-Cash transactions with Directors:

In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.

xvi. NBFC Registration:

The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

Place: Gandhinagar

Date: 30.04.2019

For, Ashok Chhajed & Associates
Chartered Accountants
FRN: 100641W

Naresh Bahroo
(Partner)
M. no.: 117743

"Annexure B" to the Independent Auditor's Report of even date

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

We have audited the internal financial controls over financial reporting of GSPL INDIA TRANSCO LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the 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 laying down 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 Act

Auditors' Responsibility

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

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

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

ASHOK CHHAJED & ASSOCIATES
CHARTERED ACCOUNTANTS
M.NO. 117743
AHMEDABAD

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, the **following material weakness/es has / have been identified.**

a. **Company calculates and records adjustments related to many Ind AS in Excel Sheets outside SAP ERP Accounting system.**

   It is advisable to configure ERP system to accommodate accounting requirements of all Ind AS.

b. The ERP system itself does not reflect correct due dates of payments to facilitate determination of Current and Non Current Assets and Liabilities.

   It is advisable to mention proper due date against each transaction and get the same verified from Internal Auditors.

In our opinion, except for the effects/possible effects of the material weakness described herein above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019.

We have considered the material weakness/es identified and reported above in determining the nature, timing, and extent of audit tests applied in my / our audit of the March 31, 2019 standalone financial statements of the Company, and the material weakness does not affect our opinion on the standalone financial statements of the Company.

Place: Gandhinagar

Date: 30.04.2019

For Ashok Chhajed & Associates
Chartered Accountants
FRN: 100641W

Naresh Bahroo
(Partner)
M. no.: 117743

ASHOK CHHAJED & ASSOCIATES
CHARTERED ACCOUNTANTS
M NO. 117743
AHMEDABAD

GITL

GSPL India Transco Limited

CIN: U40200GJ2011SGC067450

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lacs)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	3,341.40	3,363.41
Capital Work-In-Progress	3	64,402.82	19,292.87
Other Intangible Assets	4	7,186.29	5,419.23
Financial Assets			
Loans	5	1,672.79	1,656.74
Other Financial Assets	6	162.91	352.06
Deferred Tax Assets (Net)	15	25.94	22.92
Other Non-Current Assets	7	5,439.76	7,760.34
Total Non-Current Assets		**82,231.91**	**37,867.57**
Current Assets			
Inventories	8	4.30	-
Financial Assets			
Cash and Cash Equivalents	9	1,266.21	2,113.98
Other Bank Balances	9	305.84	2,277.99
Loans	5	80.97	46.42
Other Financial Assets	6	6.01	10.83
Other Current Assets	7	656.78	588.65
Total Current Assets		**2,320.11**	**5,037.87**
Total Assets		**84,552.02**	**42,905.44**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	38,100.00	38,100.00
Other Equity	11	803.20	704.68
Total Equity		**38,903.20**	**38,804.68**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	31,384.87	-
Net Employee Benefit Liabilities	14	323.74	195.25
Total Non-Current Liabilities		**31,708.61**	**195.25**
Current Liabilities			
Financial Liabilities			
Borrowings	12	4,531.12	-
Other Financial Liabilities	13	8,919.15	3,741.88
Net Employee Benefit Liabilities	14	82.81	58.43
Other Current Liabilities	16	407.13	105.20
Total Current Liabilities		**13,940.21**	**3,905.51**
Total Liabilities		**45,648.82**	**4,100.76**
Total Equity and Liabilities		**84,552.02**	**42,905.44**
Significant Accounting Policies	2		

The accompanying notes are integral part of the Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors,

For Ashok Chhajed & Associates
Chartered Accountants
Firm Registration No.100641W

Naresh Bafna
Partner
Membership No. 117743
Place: Gandhinagar
Date: 30-04-2019

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

N. Bose Babu
CEO & Director
DIN: 03617497

Pravin M Amin
Chief Financial Officer

Nilesh Patel
Company Secretary

Place: Gandhinagar
Date: 30-04-2019

GITL

GSPL India Transco Limited

CIN: U40200GJ2011SGC067450

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

(₹ in Lacs)

Particulars	Notes	2018-19	2017-18
INCOME			
Other Income - Interest Income	17	165.48	234.00
Total Income (A)		**165.48**	**234.00**
EXPENSES			
Other Expenses	18	23.94	32.77
Total Expenses (B)		**23.94**	**32.77**
Profit Before Tax (A-B)		**141.54**	**201.23**
Tax Expenses			
Current Tax	15	46.04	77.37
Deferred tax	15	(3.02)	(10.84)
Profit After Tax for the Period		**98.52**	**134.70**
Other Comprehensive Income		-	-
Other Comprehensive Income for the Period, net of tax		-	-
Total Comprehensive Income for the Period		**98.52**	**134.70**
Earning per Equity Share (EPS) for Profit for the Period (Face Value of ₹ 10)	19		
Basic (₹)		0.03	0.05
Diluted (₹)		0.03	0.05
Significant Accounting Policies	2		

The accompanying notes are integral part of the Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors,

For Ashok Chhajed & Associates
Chartered Accountants
Firm Registration No.100641W

ASHOK CHHAJED & ASSOCIATES CHARTERED ACCOUNTANTS M.NO. 117743 AHMEDABAD

Naresh Bahroo
Partner
Membership No. 117743
Place: Gandhinagar
Date: 30-04-2019

GSPL INDIA TRANSCO LIMITED GANDHINAGAR

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

N. Bose Babu
CEO & Director
DIN: 03617497

Pravin M Amin
Chief Financial Officer

Nilesh Patel
Company Secretary

Place: Gandhinagar
Date: 30-04-2019

GITL

GSPL India Transco Limited

CIN: U40200GJ2011SGC067450

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

A. Equity Share Capital

Particulars	Number of Shares	Amount ₹ in Lacs
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
Equity shares of ₹ 10/- each fully paid up		
As at 1 April 2017	**20,50,00,000**	**20,500.00**
Add: New shares allotted during the year	17,60,00,000	17,600.00
As at 31 March 2018	**38,10,00,000**	**38,100.00**
Add: New shares allotted during the year	-	-
As at 31 March 2019	**38,10,00,000**	**38,100.00**

B. Other Equity

(₹ in Lacs)

Particulars	Reserves & Surplus Retained earnings	Total Other Equity
Balance at April 1, 2017	**569.98**	**569.98**
Profit for the year	134.70	134.70
Total comprehensive income for the year	**134.70**	**134.70**
Balance at March 31, 2018	**704.68**	**704.68**
Profit for the year	98.52	98.52
Total comprehensive income for the year	**98.52**	**98.52**
Balance at 31 March, 2019	**803.20**	**803.20**

Purpose of Reserves:

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

As per our report of even date attached

For and on behalf of the Board of Directors,

For Ashok Chhajed & Associates
Chartered Accountants
Firm Registration No.100641W

Naresh Bahroo
Partner
Membership No. 117743
Place: Gandhinagar
Date: 30-04-2019

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

Pravin M Amin
Chief Financial Officer

N. Bose Babu
CEO & Director
DIN: 03617497

Nilesh Patel
Company Secretary

Place: Gandhinagar
Date: 30-04-2019

GITL

GSPL India Transco Limited

CIN: U40200GJ2011SGC067450

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

(₹ in Lacs)

Particulars	2018-19	2017-18
Cash Flow from Operating Activities		
Profit before Taxes	141.54	201.23
Adjustments for:		
Interest Income	(165.48)	(234.00)
Net Cash Flow from Operating Activities (A)	**(23.94)**	**(32.77)**
Cash Flow from Investing Activities		
Interest Received	155.37	225.23
Other Income	1.07	-
Taxes paid	(117.24)	(83.51)
Investment in Fixed Deposits	2,166.26	(2,060.60)
Acquisition of Property, Plant and Equipment and Change in CWIP	(39,992.57)	(9,260.09)
(Increase)/Decrease in Other Assets	2,247.73	(5,645.60)
(Increase)/Decrease in Financials Assets	(50.74)	(16.83)
(Increase)/Decrease in Inventories	(4.30)	-
Net Cash Flow from Investing Activities (B)	**(35,594.42)**	**(16,841.40)**
Cash Flow from Financing Activities		
Proceeds from issue of Equity Share Capital	-	17,600.00
Proceeds from Term Loan from Banks	31,571.25	-
Proceeds from Loan from Financial Institutions	4,500.00	-
Transaction costs paid	(192.35)	
Interest paid	(1,108.31)	-
Net Cash Flow from Financing Activities (C)	**34,770.59**	**17,600.00**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)	**(847.77)**	**725.83**
Cash and Cash Equivalents at the beginning of the period	**2,113.98**	**1,388.15**
Cash and Cash Equivalents at the end of the period	**1,266.21**	**2,113.98**
<u>**Notes to Statement of Cash Flows**</u>		
Cash and cash equivalent includes-		
Cash and Cheques on Hand	0.02	0.05
Balances with Scheduled Banks		
in Current Accounts	1,266.19	90.51
in Deposit Accounts	-	2,023.42
	1,266.21	**2,113.98**

Reconciliation of movements of cash flows arising from financing activities:

Particulars	Borrowings	Total
Balance as at 1 April 2018	-	-
Cash Flow from Financing Activities		
Proceeds from Term Loan from Banks	31,571.25	31,571.25
Proceeds from Loan from Financial Institutions	4,500.00	4,500.00
Transaction costs paid	(192.35)	(192.35)
Interest & Financial Charges paid	(1,108.31)	(1,108.31)
Total Cash Flow from Financing Activities	**34,770.59**	**34,770.59**
Liability realted other changes	1,145.40	1,145.40
Balance as at 31 March 2019	**35,915.99**	**35,915.99**

As per our report of even date attached

For and on behalf of the Board of Directors,

For Ashok Chhajed & Associates
Chartered Accountants
Firm Registration No. 100648W

Naresh Bahroo
Partner
Membership No. 117743
Place: Gandhinagar
Date: 30-04-2019

Ashok Chhajed & Associates
Chartered Accountants
M.NO. 117743
Ahmedabad

GSPL India Transco Limited
Gandhinagar

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

N. Bose Babu

N. Bose Babu
CEO & Director
DIN: 03617497

Pravin M Amin
Chief Financial Officer

Nilesh Patel
Company Secretary

Place: Gandhinagar
Date: 30-04-2019

1. Corporate information

GSPL India Transco 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 Mallavaram in Andhra Pradesh to Bhilwara in Rajasthan.

Authorization of financial statements

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

2. Significant Accounting Policies

(a) Basis of preparation

The 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 there under as amended from time to time.

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

The preparation and presentation of the financial statements requires the management to make estimates, judgments and assumptions that affect the amount reported in the financial statements and notes thereto. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are 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 and actuarial assumptions.
- Provisions and contingencies
- Provision for expected credit losses
- Current tax and deferred tax asset / liabilities
- Amortisation of transaction costs on borrowings

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

ASHOK CHHAJED & ASSOCIATES CHARTERED ACCOUNTANTS M.NO. 117743 AHMEDABAD

GSPL INDIA TRANSCO LIMITED GITL GANDHINAGAR

(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 asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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. Interest received on mobilisation advance given to the vendor being linked with the construction activity, is considered as directly attributable to the assets yet to be commissioned. Accordingly, the same is adjusted with the Capital Work-in-progress (CWIP).

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.

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 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.

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

(d) Depreciation and Amortisation

Depreciation on gas transmission pipeline(s) is provided on straight line method (SLM) over estimated useful life as prescribed in Schedule II to Companies Act, 2013. 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.

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

ASHOK CHHAJED & ASSOCIATES CHARTERED ACCOUNTANTS M.NO 11774 AHMEDABAD

GSPL INDIA TRANSCO LIMITED GANDHINAGAR

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

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

Right of Use in land is a right acquired under law and the Company has unrestricted right of entry for laying, operation and maintenance of the pipeline for indefinite period. Accordingly, RoU is considered to have an indefinite life 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 the entire risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Finance leases as lessee:

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

Finance Leases as Lessor:

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

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

ASHOK CHHAJED & ASSOCIATES CHARTERED ACCOUNTANTS M.NO. 117741 AHMEDABAD

GSPL INDIA TRANSCO LIMITED GITL GANDHINAGAR

Operating lease as lessee:

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

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

Operating lease as lessor

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

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

(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.

(g) Revenue recognition

Interest income is recognised using effective interest method.

ASHOK CHHAJED & ASSOCIATES CHARTERED ACCOUNTANTS M.NO. 117743 AHMEDABAD

GSPL INDIA TRANSCO LIMITED GANDHINAGAR GITL

(h) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

Financial assets measured at amortised cost:

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

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

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

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.

ASHOK CHHAJED & ASSOCIATES CHARTERED ACCOUNTANTS M.NO 117143 AHMEDABAD

GSPL INDIA TRANSCO LIMITED GITL GANDHINAGAR

Financial assets measured at fair value through profit or loss (FVTPL):
A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

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

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

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

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

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

Financial Liabilities

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

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liability includes loans & borrowings as well as other payables.

ASHOK CHHAJED & ASSOCIATES CHARTERED ACCOUNTANTS M.NO. 117743 AHMEDABAD

GSPL INDIA TRANSCO LIMITED GITL GANDHINAGAR

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.

As per the principles of Ind AS 109, fees paid and related payments 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 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.

(i) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

ASHOK CHHAJED & ASSOCIATES CHARTERED ACCOUNTANTS M NO 117743 AHMEDABAD

GSPL INDIA TRANSCO LIMITED GITL GANDHINAGAR

(j) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(k) Inventory

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

(l) Employee benefits

Short term employee benefits

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

ASHOK CHHAJED & ASSOCIATES CHARTERED ACCOUNTANTS M NO 117743 AHMEDABAD

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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 such defined benefit plans are recognised in Other Comprehensive Income (OCI). 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 arising on defined benefit plans are transferred to Capital Work in Progress (CWIP) till start-up of commercial operation.

(m) Foreign currency transactions

The Company's presentation and functional currency is INR (Indian Rupees). 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.

(n) Taxation

Current Tax

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred taxes

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

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

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

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

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

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

(o) Earnings Per Share

Basic 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.

(p) Provisions, contingent liabilities and contingent assets

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

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

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

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

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

(q) 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 27 for segment information.

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(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.

(t) 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.

(u) Standard issued not yet effective

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

Ind AS 116 – Leases:

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

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

Amendments to existing Ind AS:

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

1. Amendment to Ind AS 12 Income Taxes
2. Amendment to Ind AS 19 Employee Benefits
3. Amendment to Ind AS 23 Borrowing Costs

4. Amendment to Ind AS 28 Investments in Associate and Joint Ventures
5. Amendment to Ind AS 103 Business Combinations
6. Amendment to Ind AS 109 Financial Instruments
7. Amendment to Ind AS 111 Joint Arrangements

(v) Transition to New standards:

Ind AS 115 Revenue from Contracts with Customers

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

The Company has adopted Ind AS 115 using cumulative effect method (without any practical expedients) with the effect of initially applying this standard recognised at 1 April 2018. Accordingly, the comparative information i.e. information for the year ended 31 March 2018, has not been restated. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

The Company did not have any impact on transition to Ind AS 115 as on the date of initial application of the standard i.e. 1 April 2018 and for the year ended 31 March 2019.

(w) Prepaid expense and prior period expense/income up to Rs. 5,00,000/- in each case charged to relevant head of account of current period

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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	2,428.31	855.54	-	3,283.85	-	-	-	-	3,283.85	2,428.31
Factory Building	183.63	-	-	183.63	56.28	57.91	-	114.19	69.44	127.35
Furniture & Fittings	2.60	-	-	2.60	1.19	0.38	-	1.57	1.03	1.41
Computers	9.29	0.55	-	9.84	6.06	1.18	-	7.24	2.60	3.23
Office Equipments	2.07	3.09	-	5.16	0.60	0.93	-	1.53	3.63	1.47
Electrical Installation & Equipment	0.42	-	-	0.42	0.19	0.06	-	0.25	0.17	0.23
Vehicles	8.34	-	-	8.34	4.42	1.23	-	5.65	2.69	3.92
Total Property, Plant and Equipment	**2,634.66**	**859.18**	**-**	**3,493.84**	**68.74**	**61.69**	**-**	**130.43**	**3,363.41**	**2,565.92**
Capital Work In Progress									**19,292.87**	**10,641.62**

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

(₹ in Lacs)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	Cost As on 1-Apr-18	Additions/ Adjustments during the year	Deduction during the during the year	Balance As on 31-Mar-19	Balance As on 1-Apr-18	Additions during the year*	Deduction during the year	Balance As on 31-Mar-19	As on 31-Mar-19	As on 31-Mar-18
Land- Free Hold	3,283.85	10.55	-	3,294.40	-	-	-	-	3,294.40	3,283.85
Factory Building	183.63	-	-	183.63	114.19	31.58	-	145.77	37.86	69.44
Furniture & Fittings	2.60	-	-	2.60	1.57	0.28	-	1.85	0.75	1.03
Computers	9.84	2.75	-	12.59	7.24	0.99	-	8.23	4.36	2.60
Office Equipments	5.16	0.17	-	5.33	1.53	1.75	-	3.28	2.05	3.63
Electrical Installation & Equipment	0.42	-	-	0.42	0.25	0.04	-	0.29	0.13	0.17
Vehicles	8.34	-	-	8.34	5.65	0.84	-	6.49	1.85	2.69
Total Property, Plant and Equipment	**3,493.84**	**13.47**	**-**	**3,507.31**	**130.43**	**35.48**	**-**	**165.91**	**3,341.40**	**3,363.41**
Capital Work In Progress									**64,402.82**	**19,292.87**

* Depreciation amounting to ₹ 35.48 Lacs (31 March 2018: ₹ 61.69 Lacs) has been transferred to Capital Work in Progress.

(i) Contractual Obligations

Refer Note 21 for disclosure of contractual commitments for the acquisition/construction of property, plant and equipment.

(ii) Borrowing costs capitalisation

As per Indian Accounting Standard 23 "Borrowing Costs", the Company has capitalised borrowing costs amounting to ₹ 1,147.92 Lac during 2018-19 (2017-18 : NIL). The borrowing cost is capitalized at rate(s) applicable to specific loan(s) used for specific project. The weighted average rate of borrowings used for projects is 8.63% for FY 2018-19 [P.Y. : NIL]

4 OTHER INTANGIBLE ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<u>**Computer Software**</u>		
Cost or deemed cost		
Balance at the beginning of the Year	39.21	25.60
Add: Addition during the Year	-	13.62
Closing Gross Carrying Amount	**39.21**	**39.21**
Accumulated Amortisation		
Balance at the beginning of the Year	22.64	15.53
Add: Addition during the Year	6.63	7.11
Closing Accumulated Amortisation	**29.27**	**22.64**
Net Carrying Amount	**9.94**	**16.57**

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<u>**Right of Use / Right of Way**</u>		
Cost or deemed cost		
Balance at the beginning of the Year	5,402.66	2,057.55
Add: Addition during the Year	1,773.69	3,345.11
Closing Gross Carrying Amount	**7,176.35**	**5,402.66**
Accumulated Amortisation		
Balance at the beginning of the Year	-	-
Add: Addition during the Year	-	-
Closing Accumulated Amortisation	-	-
Net Carrying Amount	**7,176.35**	**5,402.66**
Total Net Carrying Amount of Other Intangible Assets	**7,186.29**	**5,419.23**

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5 LOANS

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current		
Security deposit given (Unsecured - considered good)*	1,555.85	1,555.16
Loans receivables		
Housing building advance to employees*		
Secured, considered good	113.44	89.50
Other loans and advances to employees		
Unsecured, considered good	3.50	12.08
Total Non-Current Loans	**1,672.79**	**1,656.74**
Current		
Security deposit given (Unsecured - considered good)*	62.98	20.49
Loans receivables		
Housing building advance to employees		
Secured, considered good	7.32	6.66
Other loans and advances to employees		
Unsecured, considered good	10.67	19.27
Total Current Loans	**80.97**	**46.42**

No loans are credit impaired and there is no significant increase in the credit risk of loans .

Refer Note 29 Reclassification of comparative figures.

6 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current		
Margin money deposit - bank guarantee / letter of credit	150.07	344.18
Receivable from employees (Unsecured - considered good)	12.84	7.88
Total Non-Current Other Financial Assets	**162.91**	**352.06**
Current		
Receivable from employees (Unsecured - considered good)	4.74	2.57
Others (Unsecured - considered good)	1.27	8.26
Total Current Other Financial Assets	**6.01**	**10.83**

7 OTHER ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current		
Capital advances	4,290.99	6,646.05
Unamortised transaction costs on borrowings	1,020.60	1,074.93
Prepaid expenses	2.36	2.45
Deferred employee cost	49.73	32.19
Advance payment of tax	76.08	4.72
Total Non-Current Assets	**5,439.76**	**7,760.34**
Current		
Balances with Government Authorities	4.61	1.51
Unamortised transaction costs on borrowings	101.56	47.24
Payment under protest	500.00	500.00
Prepaid expenses	21.43	8.92
Advances to suppliers	0.84	3.46
Deferred employee cost	28.34	27.52
Total Current Assets	**656.78**	**588.65**

8 INVENTORIES*

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Stores & Spares	4.30	-
Total Inventories	**4.30**	**-**

*For mode of valuation, refer note 2 - Significant accounting policies.

9 CASH AND OTHER BANK BALANCES

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash and Cash Equivalents		
Balances with banks		
In current accounts	1,266.19	90.51
Fixed deposit with original maturity of less than 3 months	-	2,023.42
Cash on hand	0.02	0.05
Total Cash and Cash Equivalents	**1,266.21**	**2,113.98**
Other Bank Balances		
Margin money deposit - bank guarantees	305.84	119.44
Fixed deposit with original maturity of less than 12 months	-	2,158.55
Total Bank Balance other than Cash and Cash Equivalents	**305.84**	**2,277.99**

10 EQUITY SHARE CAPITAL

Particulars	Number of Shares	Amount ₹ in Lacs
AUTHORISED SHARE CAPITAL		
Equity shares of ₹ 10/- each		
As at 1 April 2017	**2,200,000,000**	**220,000.00**
Increase/(decrease) during the year	-	-
As at 31 March 2018	**2,200,000,000**	**220,000.00**
Increase/(decrease) during the year	-	-
As at 31 March 2019	**2,200,000,000**	**220,000.00**

Reconciliation of number of shares outstanding

Particulars	Number of Shares	Amount ₹ in Lacs
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
Equity shares of ₹ 10/- each fully paid up		
As at 1 April 2017	**205,000,000**	**20,500.00**
Add: New shares allotted during the year	176,000,000	17,600.00
As at 31 March 2018	**381,000,000**	**38,100.00**
Add: New shares allotted during the year	-	-
As at 31 March 2019	**381,000,000**	**38,100.00**

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Number of Equity Shares		
Gujarat State Petronet Limited (including Nominee Shareholders)	198,120,000	198,120,000
Indian Oil Corporation Limited	99,060,000	99,060,000
Bharat Petroleum Corporation Limited	41,910,000	41,910,000
Hindustan Petroleum Corporation Limited	41,910,000	41,910,000
% 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%

11 OTHER EQUITY

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Retained Earnings	803.20	704.68
Total Other Equity	**803.20**	**704.68**

Particulars		As at 31st March, 2018
Retained Earnings		
Opening balance	704.68	569.98
Add:		
Profit during the period	98.52	134.70
Closing balance	**803.20**	**704.68**

12 BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current		
Secured		
Term loan from banks	31,384.87	-
Total Non-Current Borrowings	**31,384.87**	-
Current		
Unsecured		
Loan from financial institutions	4,531.12	-
Total Current Borrowings	**4,531.12**	-

Term loan from banks is secured by first pari-passu charge on all Tangible (related to RFCL pipeline) and Intangible assets, Capital Work in Progress, operating cash flows, Book Debts and Other Movables of the Company.

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13 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current		
Other payables (including for capital goods and services) [Refer below note for details due to micro, small and medium enterprises]	8,916.76	3,741.38
Interest accrued but not due	1.89	-
Earnest money deposit	0.50	0.50
Total Current Other Financial Liabilities	**8,919.15**	**3,741.88**

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

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Principal amount remaining unpaid at the end of the period	168.76	380.60
Interest due thereon remaining unpaid at the end of the period	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid at the end of the period	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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

14 NET EMPLOYEE BENEFIT LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current		
Provision for gratuity	160.36	88.48
Provision for leave salary	163.38	106.77
Total Non-Current Net Employee Benefit Liabilities	**323.74**	**195.25**
Current		
Provision for gratuity	4.35	2.20
Provision for leave travel allowance	10.00	7.70
Provision for superannuation benefits	62.14	44.07
Provision for leave salary	6.32	4.46
Total Current Net Employee Benefit Liabilities	**82.81**	**58.43**

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15 INCOME TAX EXPENSES

This note provides an analysis of the Company's income tax expenses, show amounts that are directly recognised in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(₹ in Lacs)

Particulars	2018-19	2017-18
Tax Expenses		
Current tax	46.04	77.37
Deferred tax	(3.02)	(10.84)
Total Tax Expenses	**43.02**	**66.53**

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liabilities		
Total Deferred Tax Liabilities (A)	-	-
Deferred Tax Assets		
Preliminary expenditure u/s 35AD	1.69	2.01
Other expenses - not eligible for capitalisation under Ind AS 16	24.25	20.91
Total Deferred Tax Assets (B)	**25.94**	**22.92**
Net Deferred Tax Assets (B-A)	**25.94**	**22.92**

(i) Movements in Deferred Tax Liabilities (net)

(₹ in Lacs)

Particulars	Other expenses - not eligible for capitalisation under Ind AS 16	Preliminary expenditure u/s 35AD	Total
At 1 April 2017	**10.07**	**2.01**	**12.08**
Charged/(credited)			
- to profit or loss	10.84	-	**10.84**
- to other comprehensive income	-	-	-
At 31 March 2018	**20.91**	**2.01**	**22.92**
Charged/(credited)			
- to profit or loss	3.34	(0.32)	**3.02**
- to other comprehensive income	-	-	-
At 31 March 2019	**24.25**	**1.69**	**25.94**

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

(₹ in Lacs)

Particulars	2018-19	2017-18
Accounting Profit before income tax expenses	**141.54**	**201.23**
Tax at the Indian tax rate of 27.820% (2017-18 - 33.063%)	**39.38**	**66.53**
Change in tax rate	3.64	-
Income Tax Expenses at the effective income tax rate of 30.392% (2017-18: 33.063%)	**43.02**	**66.53**

16 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current		
Other Statutory Liability	407.13	105.20
Total Current Liabilities	**407.13**	**105.20**

Maturity Profile and Rate of Interest of Term Loans

(₹ in Lacs)

Terms of repayment	No. of Installments due	Interest rate	Maturity	2018-19 Non-current	2018-19 Current	2017-18 Non-current	2017-18 Current
Non-current							
Quarterly installments	72	1 Year MCLR + 0.50%	Sep-38	31,384.87		-	-
Total				**31,384.87**	-	-	-
Current							
Yearly installments	1	8.25%	Jun-19	-	3,015.25	-	-
Yearly installments	1	8.25%	Aug-19		1,515.87		
Total				-	**4,531.12**	-	-

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17 OTHER INCOME

(₹ in Lacs)

Particulars	2018-19	2017-18
Interest income		
Interest on Fixed deposits with banks	155.37	225.23
Interest Income - House Building Advance	9.04	8.77
Others	1.07	-
Total Other Income	**165.48**	**234.00**

18 OTHER EXPENSES

(₹ in Lacs)

Particulars	2018-19	2017-18
Director Sitting Fees	3.28	1.83
Statutory Audit Fees	1.51	1.51
Rates & Taxes	0.10	0.10
Legal & Professional Expenses	9.46	28.00
Other Expenses	1.83	0.30
Web Site Maintainance	0.14	0.21
Travelling Expenses - Directors	7.62	0.82
Total Other Expenses	**23.94**	**32.77**

19 EARNING PER SHARE

(₹ in Lacs)

Particulars	2018-19	2017-18
Profit attributable to equity holders for (₹ in Lacs):		
Basic earnings	98.52	134.70
Adjusted for the effect of dilution	98.52	134.70
Weighted average number of Equity Shares for:		
Basic EPS	381,000,000	289,216,438
Adjusted for the effect of dilution	381,000,000	289,216,438
Earnings Per Share (₹):		
Basic	0.03	0.05
Diluted	0.03	0.05

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20 CONTINGENT LIABILITIES (₹ in Lacs)

Sr No	Particulars	As at 31st March, 2019	As at 31st March, 2018
A	**Claims against company not acknowledged as debts**		
	PNGRB has encashed the Performance Bank Guarantee amounting to ₹ 500 Lacs. The Company has challenged the same in Delhi High Court. As the matter is sub-judice at Delhi High Court, payment of ₹ 500 Lacs has been disclosed as "Payment Under Protest".	500.00	500.00
B	**Guarantees excluding financial guarantees**		
	Outstanding Bank Guarantees	2,072.10	2,072.10

21 COMMITMENTS (₹ in Lacs)

Sr No	Particulars	As at 31st March, 2019	As at 31st March, 2018
A	**Capital Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	28,854.86	5,925.19
B	**Other Commitments**	-	-

22 PAYMENT TO AUDITORS (₹ in Lacs)

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

23 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.

24 The balances of trade receivables, trade payables, loans & advances and deposits are subject to confirmation. Provision for all liabilities is adequate in opinion of the Company.

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

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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	2018-19		2017-18	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Type	Unfunded	Unfunded	Unfunded	Unfunded
Mortality	Indian Assured Lives Mortality (2006-08) Ult.		Indian Assured Lives Mortality (2006-08) Ult.	
Withdrawal rate	5% at younger age reducing to 1% at old age		5% at younger age reducing to 1% at old age	
Retirement Age	60 years		60 years	
Discount Rate Current Period	7.60%	7.60%	7.65%	7.65%
Salary Growth Rate	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".

(₹ in Lacs)

Particulars	2018-19		2017-18	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in benefit obligation				
Opening defined benefit obligation	90.68	111.23	56.18	78.15
Interest Cost	8.15	8.34	4.15	5.67
Transfer in obligations	15.37	19.58	10.69	-
Past service costs	22.48	-	5.83	-
Current Service Cost	22.59	12.41	18.54	9.57
Benefit Paid	(3.58)	(4.12)	(3.29)	(4.10)
Actuarial Loss / (gain) on Obligations	9.02	22.26	(1.42)	21.94
Liability at the end of the period	**164.71**	**169.70**	**90.68**	**111.23**
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	-	-	-	-

(₹ in Lacs)

Particulars	2018-19		2017-18	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Actual Gain / loss recognized				
Actuarial (gain) / loss on obligations				
Due to Change in financial assumptions	1.25	1.23	(3.56)	(4.17)
Due to change in demographic assumption	7.77	21.03	2.14	26.11
Actuarial (gain) / loss on Plan Assets	-	-	-	-
Net Actuarial (gain) / loss recognized	**9.02**	**22.26**	**(1.42)**	**21.94**

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Amount recognized in Balance Sheet				
Liability at the end of the period	164.71	169.70	90.68	111.23
Fair Value of Plan Asset at the end of the period	-	-	-	-
Net Amount recognized in Balance Sheet	**164.71**	**169.70**	**90.68**	**111.23**
Expense recognized				
Current Service cost	22.59	12.41	18.54	9.57
Interest cost (Net)	8.15	8.34	4.15	5.67
Past service costs*	22.48	-	5.83	-
Value of remeasurements	-	22.26	-	21.94
Net Expense recognized	**53.22**	**43.01**	**28.52**	**37.18**
Current liability	4.35	6.32	2.20	4.46
Non-current liability	160.36	163.38	88.48	106.77
Total liability	**164.71**	**169.70**	**90.68**	**111.23**

*Past Service cost is in the current year is on account of change in gratutiy ceiling from ₹ 20,00,000 to No ceiling.

Sensitivity Analysis

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

Expected cashflows based on past service liability

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

1. For gratuity - ₹ 4.35 lacs (P.Y. ₹ 2.20 lacs)
2. For leave salary - ₹ 6.32 lacs (P.Y. ₹ 4.46 lacs)

(₹ in Lacs)

Sensitivity analysis - Gratuity	**2018-19**		**2017-18**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5% movement)	152.80	177.94	84.09	97.99
Withdrawal rate (10% movements)	164.44	164.97	90.70	90.55
Salary growth rate (0.5% movement)	177.94	152.68	95.96	85.95

Sensitivity analysis - Leave Salary	**2018-19**		**2017-18**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5% movement)	157.97	182.69	103.52	119.79
Withdrawal rate (10% movements)	170.14	169.24	111.58	110.87
Salary growth rate (0.5% movement)	182.70	157.85	119.81	103.44

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

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

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27 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 operating results of the business as a once, hence no separate segment needs to be disclosed.

28 RELATED PARTY DISCLOSURES

GSPL India Transco 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%).

(i) 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 & Nature of Transactions	2018-19	2017-18
Gujarat State Petronet Ltd. (entity with joint control of the Company)		
Expenditure Reimbursement Paid	213.07	109.02
Expenditure Reimbursement Received	72.12	122.66
Purchase of Assets	0.09	1.04
Transfer of Assets	0.61	
Rent Expense	55.62	55.27
Investment in Equity Shares by GSPL	-	9,152.00
Indian Oil Corporation Ltd. (entity with joint control of the Company)		
Expenditure Reimbursement Paid	79.34	35.51
Sitting Fees#	0.53	0.42
Investment in Equity Shares by IOCL	-	4,576.00
Bharat Petroleum Corporation Ltd. (entity with joint control of the Company)		
Sitting Fees#	0.30	0.18
Investment in Equity Shares by BPCL	-	1,936.00
Hindustan Petroleum Corporation Ltd. (entity with joint control of the Company)		
Investment in equity shares by HPCL	-	1,936.00
Gujarat State Petroleum Corporation Ltd. (Other related parties)		
Expenditure Reimbursement Paid	76.74	75.91
Purchase of Assets	6.83	-
GSPC Pipavav Power Company Ltd. (other related parties)		
Expenditure Reimbursement Paid	27.03	9.29
Key Managerial Personnel		
Sitting Fees#	3.28	1.12

* 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 is exclusive of service tax/ GST paid under reverse charge mechanism, wherever applicable.

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(ii) Details of Outstanding Balance with Related Parties:

(₹ in Lacs)

Name of Related Party	31-Mar-19	31-Mar-18
Gujarat State Petronet Ltd. (entity with joint control of the Company)		
Account Receivable	1.27	8.04
Account Payable	66.73	19.29
Indian Oil Corporation Ltd. (entity with joint control of the Company)		
Account Receivable	14.59	14.59
Account Payable	15.20	6.15
Hindustan Petroleum Corporation Ltd. (entity with joint control of the Company)		
Account Receivable	2.00	2.00
Gujarat State Petroleum Corporation Ltd. (Other related parties)		
Account Payable	2.54	21.50
GSPC Pipavav Power Company Ltd. (other related parties)		
Account Payable	15.45	8.50

29 Reclassification of comparative figures

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

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

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

Sr No	Particulars	Before Reclassification	Reclassification	After Reclassification
1	**Security deposits reclassified from other financial assets to loans:**			
	Other financial assets (Note 6)			
	Non-current	1,907.22	(1,555.16)	352.06
	Current	31.32	(20.49)	10.83
	Loans (Note 5)			
	Non-current	101.58	1,555.16	1,656.74
	Current	25.93	20.49	46.42
2	**Housing building advance to employees - Unsecured amount recalssified to secured:**			
	Non-current Housing building advance to employees (Note 5)			
	Secured, considered good	22.94	66.56	89.50
	Unsecured, considered good	66.56	(66.56)	-

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30 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS

A. Financial instruments by category and their fair value

(₹ in Lacs)

As at 31 March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Loan								
- Non-current	-	-	1,672.79	1,672.79	-	-	-	-
- Current	-	-	80.97	80.97	-	-	-	-
Cash and Cash Equivalents	-	-	1,266.21	1,266.21	-	-	-	-
Other Bank Balances	-	-	305.84	305.84	-	-	-	-
Other financial assets								
- Non-current	-	-	162.91	162.91	-	-	-	-
- Current	-	-	6.01	6.01	-	-	-	-
Total financial assets	**-**	**-**	**3,494.73**	**3,494.73**	**-**	**-**	**-**	**-**
Financial liabilities								
Borrowings								
- Non-current	-	-	31,384.87	31,384.87	-	-	-	-
- Current	-	-	4,531.12	4,531.12	-	-	-	-
Other financial liabilities								
- Current	-	-	8,919.15	8,919.15	-	-	-	-
Total financial liabilities	**-**	**-**	**44,835.14**	**44,835.14**	**-**	**-**	**-**	**-**

(₹ 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	-	-	1,656.74	1,656.74	-	-	-	-
- Current	-	-	46.42	46.42	-	-	-	-
Cash and Cash Equivalents	-	-	2,113.98	2,113.98	-	-	-	-
Other Bank Balances	-	-	2,277.99	2,277.99	-	-	-	-
Other financial assets								
- Non-current	-	-	352.06	352.06	-	-	-	-
- Current	-	-	10.83	10.83	-	-	-	-
Total financial assets	**-**	**-**	**6,458.02**	**6,458.02**	**-**	**-**	**-**	**-**
Financial liabilities								
Other financial liabilities								
- Current	-	-	3,741.88	3,741.88	-	-	-	-
Total financial liabilities	**-**	**-**	**3,741.88**	**3,741.88**	**-**	**-**	**-**	**-**

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Fair value of the financial assets and financial liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

Types of inputs are:

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

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

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

B. Financial risk management

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

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

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

- Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating.
- Company has given security deposit to various government authorities (like Municipal corporation, Nagarpalika, Grampanchayat, Road & building division and Irrigation department -of Government of Gujarat, credit worthy companies etc.) for the permission related to work of executing / laying pipeline network in their premises / jurisdiction. Being government authorities, the Company does not have exposure to any credit risk.
- Loan and advances to employees (for housing advances) are secured in nature and hence the Company does not have exposure to any credit risk.

(ii) Liquidity risk

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

The Company's principal sources of liquidity are cash and cash equivalents.The Company has signed Rupee Loan Facility Agreement for Term Loan of ₹ 5,080 crore. However, disbursement of loan is not yet taken by the Company from this facility. Apart from the above, the Company has access to undrawn borrowing facilities at the end of the reporting period amounting to ₹ 397 crores (Expiring within one year).

Exposure to liquidity risk

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

(₹ in Lacs)

31-Mar-19		Contractual cash flows		
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non-Current Borrowings	**31,384.87**	**68,304.43**	2,762.73	65,541.70
Current Borrowings	**4,531.12**	**4,531.12**	4,531.12	-
Current financial liabilities	**8,919.15**	**8,919.15**	8,919.15	-
Total	**44,835.14**	**81,754.70**	**16,213.00**	**65,542**

31-Mar-18		Contractual cash flows		
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Current financial liabilities	**3,741.88**	**3,741.88**	3,741.88	-
Total	**3,741.88**	**3,741.88**	**3,741.88**	-

(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.

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Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Company's portfolio of borrowings comprise of a mix of fixed rate and floating rate loans which are monitored continuously in the light of market conditions.

(₹ in Lacs)

Variable-rate instruments	31-Mar-19	31-Mar-18
Non current - Borrowings	31,384.87	-
Total	**31,384.87**	-

Fixed-rate instruments	31-Mar-19	31-Mar-18
Current Borrowings	4,531.12	-
Total	**4,531.12**	-

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. Since no interest rate exposure is perceived on fixed rate loans, the same have been excluded from the sensitivity analysis. A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

(₹ in Lacs)

Particulars	Profit or (Loss)		Equity (net of tax)	
	50 bp Increase	50 bp decrease	50 bp Increase	50 bp decrease
31st March 2019				
Non current - Borrowings	(156.92)	156.92	(113.27)	113.27
Total	**(156.92)**	**156.92**	**(113.27)**	**113.27**

The functional currency of the Company is Indian Rupees. The Company do not use derivative financial instruments for trading, speculative or other purposes.

31 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 ₹5,080 crore with a consortium of 14 banks with Bank of India as the Lead Bank. However, disbursement of loan is not yet taken by the Company.

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

33 Previous year figures have been reclassified or regrouped wherever necessary. Refer Note 29 for reclassification of comparative information.

As per our report of even date attached

For and on behalf of the Board of Directors,

For Ashok Chhajed & Associates
Chartered Accountants
Firm Registration No. 100641W

Naresh Bahroo
Partner
Membership No. 117743
Place: Gandhinagar
Date: 30-04-2019

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

N. Bose Babu
CEO & Director
DIN: 03617497

Pravin M Amin
Chief Financial Officer

Nilesh Patel
Company Secretary

Place: Gandhinagar
Date: 30-04-2019