



40th Annual Report 2018 2019

 **GSPC**

**GUJARAT STATE PETROLEUM
CORPORATION LIMITED**

(A Govt. of Gujarat Undertaking)



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GUJARAT STATE PETROLEUM CORPORATION LIMITED
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Board of Directors

Dr. J. N. Singh, IAS	Chairman
Shri Arvind Agrawal, IAS	Director
Shri Pankaj Joshi, IAS (from 20 th September, 2019)	Director
Dr. Manjula Subramaniam, IAS (Retd.)	Independent Women Director
Shri M. M. Srivastava, IAS (Retd.)	Director
Shri K. Kailashnathan, IAS (Retd.)	Director
Dr. N. Ravichandran	Independent Director
Dr. Ravindra Dholakia	Independent Director
Prof. Yogesh Singh	Independent Director
Shri Sanjeev Kumar, IAS (from 22 nd August, 2019)	Managing Director

Cessation of Director

Shri Raj Gopal, IAS (upto 1 st February, 2019)	
Dr. T. Natarajan, IAS (upto 22 nd August, 2019)	Managing Director

Executives

Shri Mugunthan Boju, Special Director (F&A and Admin)
Shri Samir Biswal, Director (Exploration)
Shri Jayesh Dave, SVP (Accounts)
Shri Sandeep Dave, Company Secretary & Group General Manager S&L and General Manager HR & CC)
Shri Rajesh Sivadasan, Chief Financial Officer
Shri Prakash Karnik, General Manager (E&C)

RT&A

Karvy Computershare Pvt.Ltd.

Statutory Auditors

Talati & Talati, LLP
Chartered Accountants.
Ahmedabad

Secretarial Auditor

M/s Manoj Hurkat & Associates
Company Secretary
Ahmedabad

Internal Auditors

KPMG
Ahmedabad

Cost Auditors

M/s. Kailash Sankhlecha & Associates
Cost Accountants
Ahmedabad

Bankers

State Bank of India	Vijaya Bank
Bank of Baroda	South Indian Bank
IDBI Bank	Andhra Bank
Bank of India	EXIM Bank
Corporation Bank	Syndicate Bank
Bank of Maharashtra	UCO Bank
Oriental Bank of Commerce	Allahabad Bank
Indian Bank	Axis Bank
Dena Bank	Yes Bank
Punjab and Sind Bank	ICICI Bank
Punjab National Bank	
Union Bank of India	

Corporate & Registered Office

GSPC Bhavan, B/h Udyog Bhavan, Sector-11, Gandhinagar-382010.

Directors' Report

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the 40th Annual Report on the business and operations of Gujarat State Petroleum Corporation Limited for the financial year ended March 31, 2019 along with Audited Financial Statement for the financial year ended 31st March 2019.

STATEMENT OF COMPANY'S AFFAIRS

Financial Performance

The audited Standalone Financial performance for the year ended March 31, 2019 is summarized below:

Particulars	FY 2018-19	FY 2017-18
INCOME		
Revenue from Operations	14,368.58	10,725.54
Other Income	104.66	144.14
Total Revenue	14,473.24	10,869.68
EXPENSES		
Production Expenditure - E&P	92.33	74.32
Cost of Traded Goods	12,929.97	9,681.92
Changes in inventories of Finished Goods, Stock in process and Stock in Trade	117.08	33.60
Employee Benefits Expense	20.19	16.56
Other Expense	37.56	29.66
Total Expense	13,197.13	9,836.06
Profit Before Interest Depreciation and Tax (PBIDT)	1,276.11	1,033.62
Finance Cost	702.20	1,674.81
Profit/(Loss) Before Depreciation and Tax (PBDT)	573.91	(641.19)
Depreciation and Amortization Expenses	170.68	210.52
Profit/(Loss) Before Exceptional Items	403.23	(851.71)
Exceptional Items	(143.72)	(712.93)
Profit/(Loss) Before Tax and Adjustments	259.51	(1,564.64)
Tax Expense	-	-
Profit/(Loss) After Tax	259.51	(1,564.64)
Other Comprehensive Income	(9.14)	792.20
Total Comprehensive Income For the period	250.37	(772.44)

The highlights of financial performance of the Company is as follows:

- The Company has recorded Turnover of Rs 14,368.58 Crores as compared to Rs. 10,725.54 Crore in Previous Year recording increase of 33.97 %
- The Company has recorded Profit before Depreciation Interest and Tax (Operational Profit) of Rs. 1,276.11 Crore as compared to Rs.1,033.62 Crore in Previous Year recording increase of 23.46 %

- The Company has recorded Profit Before Tax and Adjustments of Rs. 259.51 Crores as compared to loss of Rs. (1564.64) crores in previous financial year.
- The Company has recorded Profit After Tax of Rs. 250.37 Crores as compared to loss Rs. (772.44) Crores in previous financial year.

The Company has implemented debt realignment plan to address the issues associated with high leveraging and negative net worth. The Company has been able to achieve positive Networth through Financial Realignment Strategy as follows;

- During the previous financial year, the Company has reduced its debt substantially by making part repayment of its loan and line of credit facility through the consideration received from sale of 80% participating interest in KG-OSN-2001/3 Block to ONGC as well as sale of entire equity stake in Gujarat Gas Limited to Gujarat State Petronet Limited.
- A Scheme of Arrangement was entered between Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Investment Limited (GSIL) and Non convertible debenture holders of GSPC. MCA has vide order dated 25th April, 2019 approved the scheme of Arrangement and the same was effective from the date of filing it with ROC i.e. 18th May, 2019.

The Company has fixed 28th May, 2019 as record date for suspension of trading as well as to determine list of NCD holders eligible for issue and allotment of new NCDs of GSIL. Subsequently GSIL has issued NCDs to such eligible NCD holders which are now listed on NSE.

The Company has allotted equity shares to GSIL as against taking over of GSPC NCDs as per the scheme. Accordingly after the allotment of equity shares to GSIL, the Company has become subsidiary of GSIL w.e.f. 18th May, 2019.

The transfer of NCDs from GSPC to GSIL has benefited in various ways not only to the Company but also to the security holders.

The Scheme shall also derive administrative synergies, simplification, focused management, streamlining and optimization of the group structure and efficient administration for the ultimate shareholders (i.e. the Government of the State of Gujarat acting through the Governor of the State of Gujarat) of both the companies.

- During the year, the Company has also availed fresh term loan to restructure the existing loan portfolio in accordance with the business requirement.
- The Company is also in the process of selling of the unproductive Assets of the Company.

The Realignment plan has improved the financial and operating performance of the Company.

Share Capital

During the financial year, there was no change in the paid up share capital of the Company.

The Company had issued Compulsory Convertible Debenture to State Bank of India (SBI), IDBI Bank Limited (IDBI) and IFCI Limited (IFCI). Post conversion of CCDs, equity shares have been allotted to the CCD holders during the financial year 2019-20.

Directors' Report

DIVIDEND

The Company has not declared any dividend during the financial year.

RESERVES

The Company has not transferred any amount to General Reserves Account during the financial year.

BUSINESS:

The Company along with its subsidiaries and associates has evolved strategically as an **"Integrated Energy Company"** with significant presence across the entire energy value chain spanning wide range of oil & gas activities comprising oil and gas exploration, development and production, gas trading, gas transmission, gas distribution and power generation. The Company has played a proactive role in the development of entire gas value chain in the State of Gujarat through its initiative of participation in the midstream and downstream segments as well as gas based power generation.

Segment wise performance highlights are summarized below:

I. GAS TRADING

Your Company successfully continued to expand its Gas Trading business by procuring competitive gas from international markets, independently as well as through other suppliers and supplying the same to customers in various segments across the country. Your Company marketed over **12.78 MMSCMD gas** in the financial year 2018-19 with sales outside Gujarat accounting for approx. 11% of the total sale volumes. Concerted efforts were made by your Company not only in terms of persistent gas marketing in States outside Gujarat but also with regards to gas sourcing by using different procurement strategies to achieve flexibilities.

The major achievements in Gas trading business for the current financial year 2018-19 are summarized below:

- The Company achieved **Sales turnover of more than Rs. 14,239 crores** despite stiff competition from various new entrants in the market.
- The Company has procured a total of 35 LNG cargoes under its long term deal as well as spot deals during the year
- The Company sourced Spot R-LNG of H²265 MMSCM (equivalent to 3 LNG cargoes) during the year
- The Company has continued with its image of a reliable supplier managed to procure competitive gas and compete for Tender / Spot volumes of customers across India
- Increased gas marketing efforts and structuring of gas contracts ensured average yearly volumes of more than 1 MMSCMD outside Gujarat in this year
- The Company has turned out to be Power sector's most reliable supplier
- GSPC catered to a gas demand of over 350 MMSCM of power plants in Gujarat at competitive prices to meet their demand

- The Company is currently marketing gas in 10 States/UT namely Gujarat, Maharashtra, Madhya Pradesh, Karnataka, Uttar Pradesh, Uttarakhand, Dadra & Nagar Haveli, Punjab, Rajasthan, and Haryana.

The Company has also entered into 41 Master LNG sales & purchase agreements with leading global companies for its short/ medium term gas requirements.

II. EXPLORATION AND PRODUCTION

The Company has significant growth potential with a diversified portfolio of E&P blocks along with combination of matured blocks and blocks under exploration and development.

Technology plays an important role in E&P sector. The Company has inducted best in class technology in all spheres of its operations.

The major achievements are summarized below:

2.1 Operated Blocks

➤ CB-ONN-2000/1

- GSPC holds 50% Participating Interest (PI) in both Old Production Sharing contract (PSC) and Ring Fenced Production Sharing Contract (RFPSC). Oil production from Ingoli & Sanand East Field of Ahmedabad block is close to 500 BOPD (Barrels of Oil per Day). Addendum to FDP for Kalol oil discovery in Sanand East Field has been approved by DGH. In line with this approval, drilling of 1 new well is planned in extended ML area of Sanand East field during the next financial year. Reprocessing of existing 3D seismic data of Ingoli and Sanand East fields has been completed and tendering activity is under progress for 3rd party studies for redevelopment of Ingoli field.
- In Balpura field, production testing of 2 existing oil wells (GSAH#5 and #5A1) is planned. Tendering activity of installation of QPS in Balpura field is in progress.

➤ CB-ON/2

- GSPC holds 56% PI in Old PSC and 80% PI in RFPSC. In Old PSC (Production Sharing Contract) Block is currently under production from three fields viz. Tarapur-1 oil field, Tarapur-G gas field & Tarapur-6 oil field. The Company is producing Oil & Gas of about 91 BOPD & about 26031 SCMD from these three fields. A third party agency has been finalized to carry out study for the redevelopment and production enhancement strategy in Tarapur-1 and Tarapur-6 fields. The Company is also planning for a northward and eastward extension of the Mining Lease (ML) of Tarapur-6 field based on the in-house and Third party study.

The Ring Fenced Production Sharing Contract (RFPSC) for an area of 570 Sq.Km. was signed on 29.08.2016 for CB-ON/2-RFPSC block. The Declaration of Commerciality (DoC) for the discoveries made in the block (PNE-1, PNE-2, TS-10, Kheda-1, Changara-1, Vaso-2 & Prospect-1) got approved and Field Development Plan for these discoveries is under review.

Directors' Report

➤ **CB-ONN-2002/3:**

- GSPC holds 55% PI in the block. SE#4 Kalol pool is currently producing Oil of about 65 Barrel (BBL) per day. Addendum to Field Development Plan for new oil pool in Kalol reservoir is under review at Management Committee. Commercial production from SE#4 Kalol pool was commenced since May 2017. Owing to the non-commercial production from M#1 pool, the field is opted for farming out.

➤ **CB-ONN-2003/2:**

- GSPC holds 50% PI in the block. During the year, the Company has progressively matured various plans as a part of implementation of field development strategies for enhancement of onshore hydrocarbon production. Production of Oil from Ank-21 continued at the rate of 60 BBL per day.

Facility creation for production from Ank-40s has been taken up and completed. Production commenced with 3 mm.

Appraisal well Ank-41s-A1 is drilled. A third party agency was finalized to carry out study reservoir characterization of Olpad and Hazad sands. DoC of Ank-41s is under preparation and shall be submitted to DGH before 17.06.2019.

2.2 Non Operated Blocks -Domestic

➤ **ONGC Operated:**

In non-operated blocks portfolio, some discoveries have been made pursuant to drilling campaign carried out as follows;

- CB-ONN-2004/1: GSPC holds 40% PI in CB-ONN-2004/1 (Karannagar) block. About 3-4 Cubic meter of oil is being produced per day from Karannagar-1.
- CB-ONN-2004/2: GSPC holds 45% PI in the block. Currently, Vadatal#1, Vadatal#3 & 5 are producing Oil of about 120 Barrel (BBL) per day after obtaining Mining Lease from GoG. The joint venture is preparing to drill development wells to enhance the production from Vadatal#1 & 3 and pools.
- CB-ONN-2004/3: GSPC holds 35% PI in the block. FDP for Uber-2 discovery has been approved by MC. It has 88.2 MMM³ of gas and 0.229 MMM³ of condensate as recoverable reserves. ONGC has taken up facility creation for production and production commencement is expected during 2019-20. Metering facility at GGS Jambusar was tested in presence of DGH and GAIL.
- MB-OSN-2005/1: GSPC holds 20% PI in the block. Operator has carried out drilling of two wells NBA-2 and NAA-2 to appraise the two discoveries in wells NBA-1 & NAA-1 respectively. NBA-2 was dry and new discovery was encountered in NAA-2 for which one more appraisal well NAA-3 has been drilled which has gone dry. DoC for these discoveries has been approved by Management Committee (MC). It has 367.9 BCF of gas and 7.34 MMBBL of condensate as recoverable reserves. One more appraisal well MBSO51NAA-4 was drilled between approval of DoC and before submission of FDP which has gone dry. FDP is under preparation and needs to submit before 25.07.2019.

- GK-OSN-2009/1: GSPC holds 20% PI in the block. The appraisal plan is being carried out by Operator while GSPC has opted out.

- KG-OSN-2001/3: GSPC holds 10% PI in the block. During the Financial Year regular production from two wells namely: DDW-D2 & DDW-D4 was continued. Operator has deployed DeepDriller-8 Jack up Rig for Drilling of Development Wells. Batch drilling of new development wells DDW-D6 & DDW-D7 was conducted. Further, preparation for Hydro-fracturing of DDW-D5 well is in progress.

Field Development Plan of Six Discovery Area is under preparation by the Operator and scheduled to be submitted by end of December 2019 to GoI/DGH.

➤ **OILEX Operated:**

Cambay Field: GSPC holds 55% PI in the field. GoI has approved Revised FDP and PSC extension for next 10 years. M/s. Oilex will further delineate the areal extent of the tight Eocene and shallower Oligocene reservoirs within the field in-view-of approved RFDP.

Bhandut Field: GSPC holds 60% PI in the field. GoI has approved Revised FDP and PSC extension for next 10 years. M/s. Oilex will further delineate the areal extent of the Miocene reservoirs within the field as per approved RFDP.

➤ **GNRL Oil & Gas Ltd Operated:**

Dholasan Field: GSPC holds 70% PI in the field. Operator has continued regular production from the field.

Allora Field: GSPC holds 70% PI in the field. Operator has continued regular production from the field.

Kanawara Field: GSPC holds 70% PI in the field. Operator has continued regular production from the field. Drilling of 2 new wells planned as per the approved RFDP of Kanawara field has been temporarily deferred due to non-availability of suitable drilling rig.

North Kathana Field: GSPC holds 70% PI in the field. Operator has continued regular production from the field.

➤ **Sun Petro Operated:**

Hazira field: GSPC holds 66.67% PI in the field. Currently it is producing 40,000 SCMD of Gas and 65 BOPD. Further, Sun-GSPC JV will accomplish work-over operations in four wells to enhance production from the field in FY 2019-20.

➤ **HOEC Operated:**

Asjol Field: GSPC holds 50% PI in the field. Operator has continued regular production as per plan. PSC extension of Asjol has been approved by MOP&NG/DGH and preparations have started for drilling of 2 new wells in Asjol.

North Balol Field: GSPC holds 45% PI in the field. Operator has continued regular production as per plan. Draft of developmental drilling plan of 4 wells in North Balol field is currently under review of JV partners.

CB-ON/7: GSPC holds 35% PI in the block. Operator has continued regular production as per plan. Draft RFPSC pertaining to PSC extension of CB-ON/7 block has been submitted to MOP&NG for their approval.

Directors' Report

2.3 Non Operated Blocks - International

➤ OILEX Operated:

The Company holds 20% participating interest in JPDA 06-103 block through its wholly owned subsidiary GSPC (JPDA) Limited. The continuation of activities in the block was hampered due to dispute between the Government of Timor Leste and the Government of Australia with respect to the Certain Maritime Arrangements in the Timor Sea (CMATS) Treaty for which the Timor Leste Government initiated arbitration proceedings against the Government of Australia. These developments created significant commercial uncertainty which negatively impacted the ability of the Joint Venture partners to meet the obligations under the PSC. On JV's request, Autoridade Nacional do Petroleo (ANP) terminated the PSC of the block. Thereafter negotiations started between the JV partners and ANP to arrive at a final settlement for the unfinished work program. After lengthy negotiations, which failed to arrive at a settlement, both the parties have approached International Court of Arbitration of the International Chambers of Commerce for an amicable solution.

III. GAS TRANSMISSION

Operational Performance of Subsidiaries in Gas Transmission Business.

In the midstream section of the integrated value chain, GSPL the listed subsidiary of the Company has emerged as the leading player in the State of Gujarat, which provides connectivity to major demand centers and supply sources in the State of Gujarat. GSPL owns and operates more than 2620 Kilometers of Gas Pipeline as on 31st March, 2019.

GSPL, the pipeline and gas transmission company of the GSPC group, is not only India's 2nd largest gas transmission Company but also has a highly enviable safety track record.

GSPL is re-certified to Integrated Management Systems (ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007) with validity till 30th October, 2020.

The Petroleum & Natural Gas Regulatory Board has awarded three major cross-country gas pipeline projects to GSPL consortium. GSPL has a majority stake of 52% along with IOCL (26%), BPCL (11%) and HPCL (11%) in all the projects.

Accordingly GSPL has incorporated following subsidiaries to carry out the aforesaid projects:

• GSPL India Transco Limited (GITL)

GSPL India Transco Ltd (GITL) is a Joint Venture of Gujarat State Petronet Ltd (GSPL), Indian Oil Corporation Ltd (IOCL), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Limited (HPCL). HPCL has 11% equity participation in the company and balance being held by GSPL (52%), IOCL (26%), & BPCL (11%). GITL has been authorised to lay 1,881 KM pipeline Mallavaram to Bhilwara. The pipeline will traverse through the State of Andhra Pradesh, Telangana, Maharashtra, Madhya Pradesh Rajasthan and Gujarat.

GITL has awarded EPC Contracts for the initial section of Project from Reliance Gas Transmission India Limited interconnection point at Kunchanapalli to Ramagundam Fertilizers & Chemicals Limited's Plant at Ramagundam.

The Project is in the advance stage of completion and is scheduled to be commissioned by May, 2019. Further, GITL has also received connectivity from Reliance Gas Transportation Infrastructure Limited and the gas compressor station will be commissioned by May, 2019.

• GSPL India Gasnet Limited (GIGL)

GSPL India Gasnet Ltd (GIGL) is a Joint Venture of Gujarat State Petronet Ltd (GSPL), Indian Oil Corporation Ltd (IOCL), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Limited (HPCL). HPCL has 11% equity participation in the company and balance being held by GSPL (52%), IOCL (26%) & BPCL (11%).

GIGL has been authorised to lay two cross country gas pipelines viz 1,640 KM Mehsana to Bathinda Pipeline and 740 KM Bathinda to Srinagar Pipeline. It is a matter of great pleasure that the initial sections of the Projects covering approx. 440 kms viz. Barmer-Pali Pipeline, Palanpur-Pali Pipeline and Jalandhar Amritsar Pipeline were inaugurated on 30th September, 2018 and have started commercial operations in third quarter of the Financial Year 2018-19.

GIGL has also started implementation of various sections of MBPL Project planned under Phase II and has awarded EPC contracts for several Sections covering approx. 745 Kms which will traverse through the states of Rajasthan, Haryana and Punjab and will cater the gas demands of various industrial customers and city gas networks enroute the Pipeline.

Financial Performance of Subsidiaries in Gas Transmission Business.

Gujarat State Petronet Limited (GSPL)

- GSPL has recorded total Income Rs. 1936.62 crore during the financial year 2018-19 as against Rs. 1405.21 crore in previous financial year.
- GSPL has recorded PBT of Rs. 1202.78 crore during the financial year 2018-19 as against Rs. 1010.81 crore in previous financial year.
- GSPL has recorded PAT of Rs. 794.67 crore during the financial year 2018-19 as against Rs. 668.43 crore in previous financial year.
- GSPL has recorded Total Comprehensive Income (comprising of PAT and Other Comprehensive Income) of Rs. 790.70 crore during the financial year 2018-19 as against Rs. 669.02 crore in previous financial year

GSPL India Transco Limited (GITL)

- GITL has recorded total interest Income of Rs. 1.65 crores and Net Profit of Rs. 0.98 Crores during the financial year 2018-19.

GSPL India Gasnet Limited (GIGL)

- The Company has earned total revenue of Rs 25.80 Crores including Rs. 21.64 Crores transportation of gas during the year. The Company has reported Net loss of Rs. 27.80 Crores during the financial year 2018-19.

GSPL, has contributed positively to the overall performance of the company during the period under review, by expanding its pipeline infrastructure in the state of Gujarat toward developing the Gas Transmission business in the entire gas value chain.

Directors' Report

GIGL and GITL has contributed positively to the overall performance of the Company by way of achieving progress in the project of developing cross-country gas pipeline projects.

IV. LNG TERMINAL

GSPC LNG

GSPC LNG Limited was incorporated for developing LNG Receiving, Storage and Regasification Terminal at Mundra, Kachchh, Gujarat with an initial capacity of 5 MTPA.

GSPC LNG Limited has achieved Mechanical Completion for the LNG terminal facilities. Commissioning and subsequent commercial operations shall commence by 2nd Quarter of Financial year 2019-20.

Gujarat Maritime Board (GMB) has infused equity of Rs.500 crores in GLL against which equity shares have been allotted to GMB on 30.04.2019.

GSPC LNG has ceased to be the Associate of the Company during the financial year on account of new allotment of equity shares to Government of Gujarat by GLL which has reduced the % holding of the Company in GSPC LNG Limited.

Financial performance of GSPC LNG Limited (GSPC LNG)

- GSPC LNG has recorded total Interest Income of Rs. 1.03 crore during the financial year 2018-19 as against Rs.10.80 crore in previous financial year. This figures are based on provisional accounts for the FY 2018-19.

V. DOWNSTREAM BUSINESS ACTIVITIES

Operational Performance of Subsidiaries and Associates in Gas Distribution business.

Gujarat has been a pioneer in the City Gas Distribution (CGD) sector in India and has achieved significant success in implementing CGD project in urban and rural areas of the state. Further with the launch of CGD bid Round 9 and 10, the CGD sector shall ensure availability of convenient, environment-friendly and cheaper natural gas to more than 70 % of the country's population spread across 27 States and Union Territories.

In the downstream sector of integrated natural gas value chain, the group Companies have achieved significant milestones as follows;

➤ Gujarat Gas Limited

Gujarat Gas Limited is India's largest city gas distribution player with its presence spread across various States in the country namely Gujarat, Haryana, Punjab, Rajasthan, Maharashtra, Madhya Pradesh and Union Territory of Dadra and Nagar Haveli.

Gujarat Gas Limited in an endeavor to grow and retain the leadership position of being the Largest CGD in the country has till date secured 25 licenses for development of CGD Networks and 1 license for Natural Gas Transmission pipeline i.e. Hazira- Ankleshwar pipeline and has now spread its pipeline infrastructure in 41 Districts in the State of Gujarat, Haryana, Punjab, Rajasthan, Maharashtra, Madhya Pradesh and Union Territory of Dadra and Nagar Haveli. With these newly added Geographical Areas, Gujarat Gas Limited has now extended its foot prints beyond the State of Gujarat.

Gujarat Gas Limited is supplying natural gas to more than 13.5 Lakh residential, over 12,300 commercial and non-commercial segments and over 3,500 industrial customers.

Gujarat Gas Limited also supplies natural gas in the form of Compressed Natural Gas (CNG) through 344 CNG stations catering to the automotive sector in the operational areas as on 31st March, 2019.

Gujarat has been a pioneer in the City Gas Distribution (CGD) sector in India and has achieved significant success in implementing CGD project in urban and rural areas of the state, thus benefiting the people of Gujarat at large and has now starting spreading its infrastructure beyond the State of Gujarat as well.

Audited financial performance of Gujarat Gas Limited

- Gujarat Gas has recorded Total Income of Rs. 8,073.76 crore during the financial year 2018-19 as against Rs. 6,375.03 crore in previous financial year.
- Gujarat Gas has recorded PBT of Rs. 593.85 crore during the financial year 2018-19 as against Rs. 462.84 crore in previous financial year.
- Gujarat Gas has recorded PAT for the period (before other comprehensive income) of Rs. 417.03 crore during the financial year 2018-19 as against Rs. 291.36 crore in previous financial year.
- Gujarat Gas has recorded Total Comprehensive Income (after tax) of Rs. 414.97 crore during the financial year 2018-19 as against Rs. 251.24 crore in previous financial year.

➤ Sabarmati Gas Limited (SGL)

SGL has CGD operations in the districts of Gandhinagar, Mehsana and erstwhile Sabarkantha (now comprising of Sabarkantha and Aravalli) and Patan. SGL is committed for development of CGD infrastructure in all these districts as well as amongst all the segment of customers.

Patan District has been recently awarded by PNGRB and is contiguous to existing markets where your company is presently operating. Addition of new market adjoining to existing operational market shall bring synergy & growth to the Business. The Company has already initiated the activities to develop City Gas Distribution network in Patan District.

SGL has customer base of 1,54,938 domestic customers, 312 industrial customers and 677 commercial establishment as well as 88 CNG stations in three Districts of North Gujarat.

As a result of competitive CNG price, Sabarmati Gas limited has been able to increase the Average daily sales to 3,05,289 KG during the financial year 2018-19 as against 2,46,594 KG during financial year 2017-18 recording a growth of 24% over previous FY.

CNG is fast gaining significant share in the sales volume of Company and the momentum is expected to continue.

GSPC along with GSPL (i.e. its Subsidiary) holds 49.94% in Sabarmati Gas Limited.

CGD business is growing very rapidly and CGD companies of GSPC Group are expected to grow by leaps and bounds in the years to come.

Directors' Report

Financial performance of Sabarmati Gas Limited (SGL)

- SGL has recorded total income of Rs. 1122.57 Crores during the financial year 2018-19 as against Rs. 839.87 Crores in the previous financial year.
- The Company has recorded PBT of Rs 151.40 crores during the financial year 2018-19 against the PBT of Rs. 114.85 Crores in the last financial year.
- The Company has recorded PAT of Rs. 100.48 crores during the financial year 2018-19 as against the PAT of Rs. 74.54 Crores in the last financial year.

In the downstream business, the Company intends to achieve accelerated growth and spread its reach to a wider customer base by complementing the strengths of Gujarat Gas and SGL.

GGL and SGL have contributed positively to the overall performance of the company during the period under review, by expanding its CNG and PNG network towards development of downstream business in the entire gas value chain.

VI. POWER GENERATION:

5.1 GPPC and GSEG have gas based power generation capacity of approx 1200 MW.

➤ Gujarat State Energy Generation Ltd. (GSEG)

Gujarat State Energy Generation Ltd. (GSEG), the associate of the Company, has installed capacity of 507.53MW comprising 156.1MW CCPP and 351.43MW CCPP and both the plants are available to the grid for operation. BHEL has completed 351.43MW EPC contract Performance Guarantee test successfully in April, 2018.

Financial performance of Gujarat State Energy Generation Limited (GSEG)

- GSEG has recorded total Income of Rs. 468.99 Crores during the financial year 2018-19 as against Rs. 353.54 Crores in previous financial year.
- GSEG has recorded PBT of Rs. 68.36 Crores during the financial year 2018-19 as against profit of Rs. 80.11 Crores in the previous financial year.
- GSEG has recorded PAT Rs. 53.59 Crores during the financial year 2018-19 as against profit of Rs. 75.35 Crores in previous financial year.

The percentage holding of GSPC in GSEG has increased to 53.70% as against 32.59% in previous financial year. GSPC holds majority shares of GSEG but does not have majority voting power and hence GSEG is still an associate and not subsidiary of GSPC. The voting rights on such incremental equity shares acquired by GSPC during the financial year are restricted on account of ongoing litigation. Definition of Subsidiary Company under Section 2(87) of the Companies Act, 2013 requires exercise or control of more than one-half of total voting power. GSPC has given undertaking to NCLT, Ahmedabad that it shall not exercise voting powers in respect of such shares as are allotted to GSPC pursuant to the said offer for Right Issue of shares during the pendency of the petition no. 51 of 2018 filed by KRIBHCO. The matter is still pending with NCLT.

➤ GSPC Pipavav Power Company Limited (GPPC)

GSPC Pipavav Power Company Limited (GPPC), a subsidiary of your Company, was incorporated to commission 702

MW combined cycle power plant at Pipavav. GPPC has successfully commissioned 702 MW Power Project. Performance Guarantee Test of Unit-1 (i.e. 351 MW) has been successfully completed on 29th November, 2017. Performance Guarantee Test of Unit-2 (i.e.351 MW) has also been completed on 9th October, 2018.

Financial performance of GSPC Pipavav Power Company Limited (GPPC)

- GPPC has recorded total Income of Rs. 1463.79 Crores during the financial year 2018-19 as against Rs. 411.81 Crores in previous financial year.
- GPPC has recorded a PBT of Rs. 27.85 Crores during the financial year 2018-19 as against the profit of Rs. 16.48 Crores in previous financial year.
- GPPC has recorded a PAT of Rs. 21.83 Crores during the financial year 2018-19 as against profit of Rs. 12.97 Crores in previous financial year.

5.2 Alternate sources of Power Generation :

Your Company being committed to promote clean and green energy has also set up alternate sources of power generation. The Company has set up a 71.4 MW wind farm in Gujarat. GSPL (your Company's subsidiary), has also set up a 52.5 MW wind farm in Gujarat. The total wind power generation capacity of GSPC Group is 123.9 MW.

GPPC is also successfully managing a 5MW Solar Power Project at Gujarat Solar Park since last quarter of FY 2011-12. The said power plant has recorded best performance in terms of power generation as compared to all other Solar plants at Gujarat Solar Park, District Patan, Gujarat.

VII. Other Operations.

6.1 IT Infrastructure

The Company has promoted GIPL (Guj Info Petro Limited) for providing IT related services. GIPL has been appointed as total solution provider (TSP) for various government organisations.

Financial Performance of Guj Info Petro Limited (GIPL)

- GIPL has recorded total Income of Rs. 18.48 crores during the financial year 2018-19 against Rs. 14.78 crores in previous financial year.
- GIPL has recorded PBT of Rs. 4.26 crores during the financial year 2018-19 as against Rs.3.43 crores in previous financial year.
- GIPL has recorded PAT of Rs. 2.99 crores during the financial year 2018-19 as against Rs. 2.49 crores in previous financial year.

GIPL has contributed positively to the overall performance of the company during the period under review, by way of providing IT infrastructure for various government organizations including GSPC and its group Companies.

6.2 Gujarat Energy Research and Management Institute (GERMI)

GERMI is promoted by GSPC with a vision to establish it as a leading one stop institution for the entire gamut of educational, training and research requirements of the energy sector. This institute develops the talent pool for

Directors' Report

the oil and gas sector, conduct research and training in petroleum sector, assists in devising techno-economically feasible solutions for various problems encountered in exploration, drilling production and transportation operations. GERMI has also established a centre of excellence in Energy with focus on oil and gas, solar and environmental research.

GERMI is DSIR (Department of Scientific and Industrial research) approved research institute engaged in the field of advance level research in petroleum, solar and nuclear energy, climate change and also offers training and consultancy services to the industry.

MANAGEMENT DISCUSSION & ANALYSIS:

Management Discussion & Analysis Report for the year under review is presented separately as **Annexure – I**.

Change in nature of Business

The Company has focused on gas trading business which has been the main source of revenue for the Company. The Company has also initiated process for optimizing its portfolio of E&P Blocks/Fields by initiating process for farming out PI in various E&P Block/Fields.

Material Change and Commitments affecting financial position between the end of Financial Year and date of Report.

No Material changes and commitments have occurred after the close of the financial year till the date of this report, which affect the financial position of the Company other than those specifically highlighted in this report.

Significant or Material Order passed by the Regulator or Tribunal or Court.

No Significant or material orders were passed by the regulator or court or tribunals which impact the going concern status and Company's operations in future.

Credit Rating

CRISIL has revised its credit rating from BBB+ (Rating Watch with Negative Implication) to BBB+ (Continue on Rating Watch with Developing Implication) for the Long Term Loan.

The main reason for revision in the rating of CRISIL is on account of debt realignment plan to reduce the debt.

CARE has maintained the credit rating to BBB+ (Stable) for the Long Term Loan and A2 for Short Term Loan.

The main reason for revision in the rating of CARE is on account of

- Strong parentage and presence across the natural gas energy value chain.
- Established presence in natural gas trading business with stable profitability.
- GSPC's ability to significantly shore-up its net worth to improve its capital structure, timely rationalization of residual debt levels after factoring the reduction already achieved in FY18 thereby resulting in improvement in its debt coverage indicators and timely infusion of requisite financial support from GoG along with improvement in its gas trading volume and margins would be the key rating sensitivities.

Deposits

During the year, the Company has not accepted any Fixed Deposits under Chapter - V of the Companies Act, 2013 from the public.

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF EACH OF ITS SUBSIDIARY, ASSOCIATE AND JOINT VENTURES COMPANIES

Pursuant to the Section - 129 (3) of the Companies Act, 2013 read with Rule - 5 of the Companies (Accounts) Rules, 2014, the salient features of Financial Statement of subsidiaries and associates in Form AOC-1 is attached as **Annexure – II** which forms part of this report.

Particulars of Loans, Guarantees and Investments

The Company being infrastructure Company as specified under Schedule - VI of the Companies Act, 2013, is exempted from the provision of Section - 186 except sub-section-186(1) of Companies Act, 2013 with respect to Inter-Corporate loans, guarantees and securities. However, the relevant details are furnished in the notes to financial statement, which forms part of the Annual Report.

INTERNAL FINANCIAL CONTROL

The Company has put in place efficient internal control systems and processes commensurate with its size and scale of operations. The Company has appointed M/s KPMG to carry out Internal Audit so as to ensure adherence to policies and mitigation of the operational risks. The key findings of Internal Auditor are being reviewed by the Audit Committee from time to time and appropriate action plans are prepared so as to implement the recommendations/ observations of the Internal Auditor.

The Company uses SAP system for integration of various business processes across the organization.

The Company has in place adequate internal financial controls with reference to financial statements. The Company has appointed firm of chartered accountant to review the Internal Financial Controls (IFC) as well as to develop Standard Operation Practice (SOP) for some of the matters related to finance and other activities.

The Company has an Audit Committee that periodically reviews the Internal Auditor's report, suggests corrective actions in required areas and thereby helps to strengthen the controls. Internal control systems and processes put in place are commensurate with its size and scale of operations.

Further, based on the framework of Internal financial controls and systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial auditors and the reviews performed by Management and the relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT

At GSPC, adherence to high standards of Quality, Health, Safety and Environment (QHSE), is of paramount importance. The Company is committed to achieve high level of QHSE performance as an integral part of company's business performance for sustainable development, safe workplace and enrichment of quality of life of the employees, customers and community at large.

Directors' Report

Independent Directors

Presently the Company has Dr. Ravindra Dholakia (DIN:- 00069396) Dr. Manjula Subramaniam, IAS (Retd.) (DIN: 00085783) Prof. Yogesh Singh (DIN: 06600055) and Dr. N. Ravichandran (DIN:02065298) as Independent Directors on the Board.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.

Resignation and Cessation of Directors

Shri Raj Gopal, IAS (Retd.) has ceased to be Director of the Company w.e.f. 1st February, 2019. The Board of Director of your Company place on record appreciation of services rendered by Shri Raj Gopal, IAS (Retd.).

Appointment and Resignation of Key Managerial Personnel's.

Dr. T. Natarajan, IAS was appointed as Managing Director of the Company w.e.f 12th July, 2018 vice Dr. J. N. Singh, IAS who was relieved from the additional Charge of Managing Director.

The company has following Key Managerial Personnel as on the end of the financial year:

- Dr. T. Natarajan, IAS Managing Director.
- Shri Sandeep Dave - Company Secretary.
- Shri Rajesh Sivadasan - Chief Financial Officer

Particulars of Managerial Remuneration and Employees

Your Company being Government Company is exempted from furnishing information under Section - 197 of the Companies Act, 2013 vide Ministry of Corporate Affairs notification dated 5th June, 2015.

Meeting of the Board and Committees

5 meetings of Board of Directors were held during the financial year 2018-19.

Sr. No.	Date
1	21 st May, 2018
2	31 st July, 2018
3	11 th September, 2018
4	25 th October, 2018
5	03 rd January, 2019

The Company has complied with applicable Secretarial Standard.

Board Evaluation

The Companies Act, 2013 states that a formal evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule - IV of the Companies Act, 2013 states that the performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the Directors being evaluated.

The evaluation of individual Director, committees and Board as a whole has been carried out by the Board based on the criteria for evaluation adopted by the Board.

MCA has further exempted Government Companies from the provision of evaluation by Nomination & Remuneration Committee and disclosure requirement related to company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178;

Separate meeting of Independent Director for evaluation of performance of non-Independent Director was also held in compliance with the provision of Companies Act, 2013.

AUDIT COMMITTEE

The Company has constituted an Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013. The Audit Committee consists of following Directors:

Name of Directors	Designation
Dr. Ravindra Dholakia	Chairman
Shri Arvind Agarwal, IAS	Member
Dr. N. Ravichandran	Member
Dr. Yogesh Singh	Member
Dr. T. Natarajan, IAS	Member

During the financial year Shri Arvind Agarwal, IAS has been inducted as member of Audit Committee after his appointment.

The Audit Committee has recommended the financial statement for the year ended on 31st March, 2019 for approval of the Board at its meeting held on 29th June, 2019.

All the recommendations made by the Audit Committee were accepted by the Board.

Detail of Audit Committee Meeting held during the F.Y. 2018-19 is as under:

Sr. No.	Date
1	21 st May, 2018
2	11 th September, 2018
3	25 th October, 2018

VIGIL MECHANISM

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour, the Board of Directors have approved Vigil Mechanism policy for Directors and employees to report genuine concerns as per the requirement of Companies Act, 2013.

STATUTORY AUDITORS

Your Company being a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India. Accordingly, M/s Talati & Talati Chartered Accountants, Ahmedabad were appointed as Statutory Auditors of the Company for the financial year 2018-19.

The Statutory Audit Report does not contain any qualification, reservation or adverse remark.

C&AG has given Nil comment report on the financial statement of the Company for the financial year 2018-19 which shall form part of the Annual Report.

Directors' Report

SECRETARIAL AUDITOR

The Board of Directors have appointed M/s Manoj Hurkat and Associates, Practicing Company Secretary to conduct Secretarial Audit for the Financial Year 2018-19.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report for the financial year ended on March 31, 2019 is annexed herewith as **Annexure - V** to this Report.

COST AUDITORS

The Cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, are required to be maintained by the Company and that such accounts and records are made and maintained. The Board of Director has appointed M/s. Kailash Sankhlecha & Associates as Cost auditor for the financial year 2018-19.

The Company has filed the Cost Audit Report for the financial year 2017-18. The Cost Audit for the financial year 2018-19 is being finalized and the same shall be filed as required.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that,

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) Accounting policies are selected and applied consistently and judgments and estimates are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of Profit of the company for that period.
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities is taken.
- (iv) They have prepared annual accounts on a going concern basis.
- (v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Since the disclosure of Related party Transactions as required under Section - 134(3)(h) read with Rule - 8(2) of the Companies (Accounts) Rules, 2014 in form AOC - 2 is not applicable, your Directors draw attention of the members to Notes to Accounts to the financial statement, which sets out related party disclosures.

RISK MANAGEMENT

KPMG has identified key risks associated with the business activities and has developed detailed risk management policy for the Company which defines detailed procedure for monitoring, mitigating and reporting risk on periodic basis.

The Company has in place Risk Management Policy and has constituted Risk Management cell including appointment of Chief Risk Officer and Associate Risk Officer to ensure necessary compliance with respect to Risk Management Policy. .

GENERAL

The Company has put in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Conservation of Energy

Your Company is in the business of exploration of oil and gas wherein consumption of energy is not significant. However, the Company is still taking all steps for efficient consumption of energy.

Technology Absorption

The Company has been using latest software for geological modelling and reservoirs management. This helps the Company to efficiently manage its Oil and Gas fields and Oil and Gas reserves.

The Company has not imported any technology. However, based on the technology used by the Contractors and Joint Venture partners, the Company is continuously upgrading its skills.

Foreign Exchange Earnings and Outgo

Foreign Exchange	Rs. In crores
Earnings	NIL
Outgo	8317.95

ACKNOWLEDGEMENTS

The lead that GSPC has attained in hydrocarbon sector so far is indeed the end result of persistent hard work of its employees coupled with unstinted support from the Government of Gujarat.

The Directors convey their sincere appreciation for the valuable services rendered by employees, without whose contributions it would not have been possible for the Company to effectively address the multiple challenges being faced by the Company.

The Directors are extremely grateful for all the support given by the Government of Gujarat at all levels.

The Directors place on record their sincere thanks to the Ministry of Petroleum & Natural Gas, Directorate General of Hydrocarbon, PNGRB Government of Gujarat, Natural Gas Suppliers, Customers, Joint Venture partners, Lenders, and investors for their continuous support and guidance.

For and on behalf of the Board of Directors

Sd/-
Chairman

Date: 23rd October, 2019
Place: Gandhinagar

Directors' Report

Annexure - I

MANAGEMENT DISCUSSION & ANALYSIS

The global natural gas markets are witnessing an evolution owing to the development of major emerging LNG buyers led by China and India including rising production and exports from countries like the United States. The transformation of the global natural gas market, which has been driven by growth in liquefied natural gas (LNG) demand, continues to change the relationship between buyers and sellers and raises new challenges for the global security of energy supplies. As per GIIGNL Annual Report of 2019, the year 2018 saw the return of an active market for LNG, with higher oil price for most of the year and record-high charter rates for spot shipping during the last quarter.

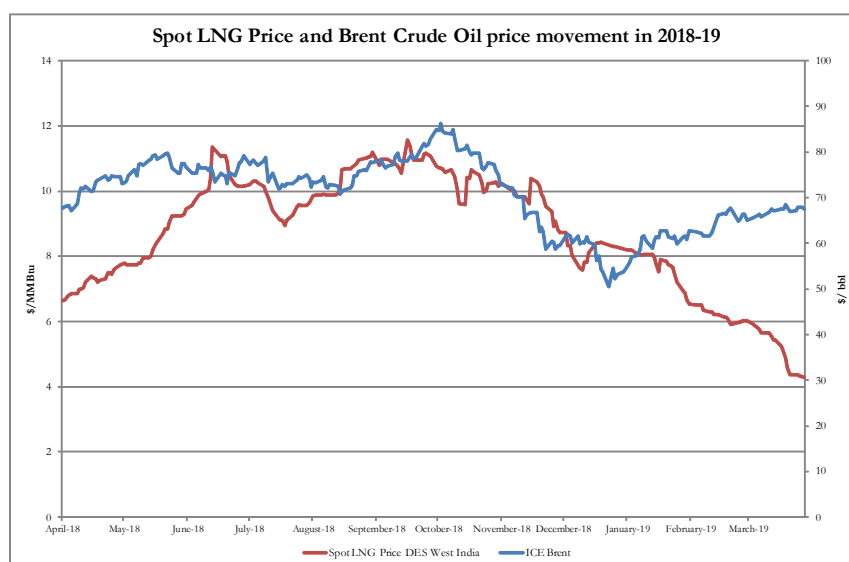
The Report also notes that notwithstanding the geopolitical tensions, uncertainties regarding nuclear power in certain countries and competitive pressure from cheap coal and renewable, big surges in LNG supply and demand are on the horizon. In China, India and South East Asia, in particular, LNG's environmental benefits and its versatility make it particularly attractive as a *destination fuel* for thermal power generation and cogeneration, in the industrial and commercial sectors as well as in a growing variety of fields like marine and road transportation.

While natural gas in the primary energy mix was around 6%¹, natural gas consumption in India stood at approx. 149 MMSCMD (FY 2018-19)² with a marginal increase in country's natural gas production for the first time in the last 6 years. Gas production from onshore blocks including Coal Bed Methane (CBM) also grew at 8% as compared to previous fiscal. LNG imports were pegged at 74.0 MMSCMD (FY 2018-19) accounting for approx 50% of the total gas consumed in the Country, cashing in on global drop in LNG prices during major portion of the year.

Retaining its position as the 4th largest LNG buyer in the World, LNG imports in India were pegged at 74.0 MMSCMD³ during 2018-19, an increase of around 3% on annual basis. LNG imported during FY 2018-19 was the highest since its inception accounting for around half of the total gas consumed in India, as LNG prices touched a new low in the later part of FY 2018-19.

Global LNG production grew for a 5th consecutive year in 2018 by 8.3% (y-o-y basis) mainly driven by the growth of LNG production from Australia, Russia and the United States. Most of the demand growth occurred in Asia with a 76% share of global LNG imports, up from 73% in 2017, mainly influenced by energy policy orientation in China, Korea and Taiwan and demand from North East Asian buyers experienced a strong rebound. New liquefaction capacity continued to come online in various areas of the world ranging from the United States to Australia, Cameroon and Russia leading to an increase in LNG supply.

During first half of the year (April to September 2018) spot LNG price were expected to remain at low level due to traditionally low demand summer months in Far East countries such as Japan, Korea, China and Taiwan. However, China saw sharp increase in LNG imports for the third year in a row by 38% (~15 MT) contributed by policy decisions to improve air quality. Such sustained demand from China saw increase in spot LNG prices during this period, where average LNG price for delivery in India were around 9.5 US \$/MMBTU. Comparatively, the second half (October to March 2019) saw a fall in spot LNG prices as a result of higher inventories combined with tempered demand from Far East countries for meeting winter heating requirement.



(Source: <https://www.theice.com>; Platts LNG Daily publication)

GOVT OF INDIA INITIATIVES

Government of India (GoI) has undertaken several reforms and accomplished major tasks with far-reaching impacts in the sectors of Exploration and Production, Refinery, Marketing, Natural Gas and international cooperation. Govt. of India's focus has been to bring about transformational changes in the energy landscape of India as energy is a key driver of economic growth.

Directors' Report

In the past couple of years, things have become more clear for the CGD segment with (a) improved regulatory provisions, (b) low to moderate LNG prices in medium to long-term and (c) favorable cash flow profile with accruals starting within 2-3 years. It is evident that with growth in economic activity, move towards urbanization and unhealthy air quality levels we would require energy solutions that are not only reliable and affordable but also convenient and environment friendly and it is believed that the solution lies in expeditious development of CGD networks across the length and breadth of India.

To make available natural gas to public at large, Govt. of India has put strong emphasis on expansion of City Gas Distribution (CGD) network coverage across the country. Till 2017, only 19% of the country's population spreading over 11% of the country's area was covered for development of CGDs in 96 Geographical areas. To boost the CGD sector, 9th CGD Bidding Round was launched in April 2018 for 86 Geographical Areas (GAs) covering 174 districts in 22 States/ Union Territories of the country. As of now, 84 GAs has been authorized to the successful bidders for the development of CGD networks.

Further, the 10th CGD Bidding Round was launched in November 2018 and it is expected that award of GAs for the 10th Round shall lead to coverage of CGD networks to about 70% country's population spreading over 50% of India's area.

The current operational regasification capacity in India is around 26.7 MTPA is expected to double in the next 5 years, facilitating additional LNG imports in India. Gujarat assumes special importance in LNG import infrastructure by virtue of being home to almost over 90% of total LNG imports are through LNG regasification terminals in Gujarat. Further, there being opportunity for development of more Greenfield LNG import infrastructure along the coast of Gujarat, gas from the Gujarat terminals would flow to northern hinterland through extensive gas network developed in the State, including by GSPC Group companies, making it the "LNG hub of India."

Your Company expects a steady growth in its trading portfolio due to new LNG terminals coming up in Gujarat and also to cater to the demand by markets being connected by cross country pipelines of its Group companies outside Gujarat.

In the last year, your Company was successful in increasing domestic volumes in its portfolio by purchasing gas from ONGC S1-VA fields and Vedanta's RJ block. In spite of facing certain issues pertaining to access to the third party pipeline infrastructure, your Company has been able to increase its market share outside Gujarat. Your Company was also able to marginally increase gas sales volumes through increased marketing efforts and structuring of gas contracts and through cost-effective procurement arrangement.

In line with the objective of developing gas pipeline infrastructure to increase the reach of its trading business, GSPC Group has been successful in making its mark outside Gujarat. GSPL India Gasnet Limited (GIGL), a subsidiary of GSPL, has successfully commissioned 440 kms of the following sections (i) Palanpur-Pali (ii) Barmer-Pali and (iii) Jalandhar-Amritsar of the Mehsana-Bhatinda-Jammu pipeline project awarded by the PNGRB. These sections, inaugurated in September 2018, shall enable gas supply in various regions including Banaskantha, Sirohi, Pali, Jalore, Barmer, Jalandhar, Kapurthala, Gurdaspur and Amritsar districts.

Further, GSPL India Gasnet Limited (GIGL) has also awarded EPC contract for construction of several segments sections totaling to 900 kms in Q2 2019 which is expected to be completed by end of 2020.

CGD companies of GSPC Group are also steadily progressing on reaching out to newer areas and increasing their pan-India reach. Of the 2 GAs awarded to GSPL, a GSPC Group Company, gas supplies have already started in Geographical Area of Amritsar, while ground works for development of CGD network in Bhatinda is progressing steadily.

Gujarat Gas Limited is India's largest city gas distribution player with its presence spread across various States in the country namely Gujarat, Haryana, Punjab, Rajasthan, Maharashtra, Madhya Pradesh and Union Territory of Dadra and Nagar Haveli.

Gujarat Gas Limited in an endeavor to grow and retain the leadership position of being the Largest CGD in the country has till date secured 25 licenses for development of CGD Networks and 1 license for Natural Gas Transmission pipeline i.e. Hazira-Ankleshwar pipeline and has now spread its pipeline infrastructure in 41 Districts in the State of Gujarat, Haryana, Punjab, Rajasthan, Maharashtra, Madhya Pradesh and Union Territory of Dadra and Nagar Haveli. With these newly added Geographical Areas, Gujarat Gas Limited has now extended its foot prints beyond the State of Gujarat.

Sabarmati Gas Limited has CGD operations in the districts of Gandhinagar, Mehsana, erstwhile Sabarkantha (now comprising of Sabarkantha and Aravalli) and Patan District.

Sabarmati Gas Limited has completed 1213 of Inch-KM target and 3629 of Domestic Connections by end of the financial year. The Company shall successfully complete cumulative targets laid by PNGRB by the end of 3rd Year of authorization. The Company has prepared and strives to undertake planned development of PNG network & CNG stations in various areas of PATAN district.

Directors' Report

E&P business: Producing Assets

Oil and gas production volumes, which depend on the yield from the company's producing fields, have impact on the Company's results of operations. Currently, all of our producing fields are within the Cambay basin, where company holds participating interests in 18 producing blocks and 01 producing block in KG basin. The Cambay basin is a maturing resource province with declining production levels, especially of gas. The volume of production from oil and gas fields generally declines as reserves are depleted with ongoing production.

The company's future production will significantly dependent upon success in finding and developing new reserves in a timely and cost effective manner.

Financial Performance and Going Concern

The Company has earned Profit before Depreciation Interest and Tax (Operational Profit) of Rs. 1,276.11 Crore as compared Rs. 1,033.62 Crore in Previous Year recording increase of 23.46 %

Forward Looking Statements:

All the statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expectations and financial results are forward looking statements. Since these are based on certain assumptions and expectations of future event, the company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results performance or achievements could thus differ from those projected in any forward looking statements. The Company assumes no responsibility to publicly amend modify or revise any such statements on the basis of subsequent developments, information or events.

Chairman

ANNEXURE II AOC - 1 Statement Pursuant to Section 129 of the Companies Act, 2013 relating to Company's interest in the subsidiary companies (Figures in crores)

Sr. No	Name of Subsidiary Company	Gujarat State Petronet Limited (GSPL)	GSP, India Gasnet Limited (GIGL)	GSP, India Transco Limited (GITL)	GSPC ENERGY LIMITED	GSPC OFFSHORE LIMITED	GSPC Pipavav Power Company Limited (GPPC)	GSPC (JPDA) Limited	Guj Info Petro Limited (GIPL)	Gujarat Gas Limited
1	The date since when subsidiary was acquired** / Subsidiary since incorporation date#	23.12.1998	13.10.2011	13.10.2011	18.12.2015	23.09.2015	22.02.2006	13.10.2006	15.01.2001	15.05.2015**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-03-2019	31-03-2019	31-03-2019	31-03-2019	31-03-2019	31-03-2019	31-03-2019	31-03-2019	31-03-2019
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	Share capital	563.97	462.02	381.00	0.05	0.05	861.84	99.39	0.05	137.68
5	Reserves & surplus	5,180.04	(21.28)	8.03	0.09	(0.36)	(160.32)	(98.65)	52.12	2,046.31
6	Total assets	8,949.96	1,565.13	845.52	14.06	0.02	2,237.23	1.04	62.24	7,127.47
7	Total Liabilities	3,205.95	1,124.39	456.49	13.92	0.33	1,535.71	0.30	10.07	4,943.48
8	Investments	4,277.18	-	-	-	-	-	-	-	-
9	Turnover	1,877.26	21.64	-	113.73	-	1,462.13	-	16.06	7,962.48
10	Profit before taxation	1,196.78	(38.53)	1.42	0.34	(0.01)	27.97	(0.06)	4.18	590.69
11	Provision for taxation	406.08	(10.66)	0.43	0.09	-	6.06	-	1.26	175.72
12	Profit after taxation	790.69	(27.88)	0.99	0.25	(0.01)	21.91	(0.06)	2.92	414.97
13	Proposed Dividend (%)	20.00	-	-	-	-	-	-	-	50.00
14	% of Ownership (Extent of shareholding)	GSPC holds 37.64%	GSPC holds 19.57%	GSPC holds 19.57%	GSPC holds 100%	GSPC holds 100%	GSPC holds 97.47%	GSPC holds 100%	GSPC holds 60.24%	GSPC holds 20.39%

#All Companies other than Gujarat Gas Limited are subsidiaries from the date of its incorporation as mentioned in Sr. No. 1 above

* Name of subsidiaries which are yet to commence operations - GSPL, India Transco Limited (GITL) and GPSC Offshore Limited

***GSPC Distribution Network Limited is now known as Gujarat Gas Limited after approval of merger of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited into GSPC Distribution Network Limited in 2015. Fresh Certificate of incorporation was issued by MCA on 15th May, 2015. Gujarat Gas Limited is subsidiary of GSPL which is subsidiary of GSPC and hence Gujarat Gas Limited is subsidiary of GSPC. GSPC holds NIL (PY 28.4%), GSPL 54.14(i.e. subsidiary of GSPC holds PY 25.76%) and GSEG (i.e. Associate of GSPC holds 0.19%).

Date : 02.07.2019
Place : Gandhinagar

Chairman
Managing Director
Company Secretary
Chief Financial Officer

Directors' Report

AOC - 1 Statement Pursuant to Section 129 of the Companies Act, 2013 relating to Company's interest in the Associate Companies

Sr. No.	Name of Associates / Joint Ventures	(Figures in crores except for no. of shares)		
		Gujarat State Energy Generation Limited (GSEG)	Sabarmati Gas Limited (SGL)	Alcock Ashdown (Gujarat) Limited (Alcock)
1	Date on which the Associate or JV was associated or acquired/Associate since incorporation date#	30.12.1998	06.06.2006	05.09.1994
2	Latest audited Balance Sheet Date	31-Mar-19	31-Mar-19	31-Mar-18
3	Shares of Associate/Joint Ventures held by the company on the year end			
	No. of Shares held	27,23,97,426	44,94,330	1,15,00,000
	Amount of Investment	278.69	55.10	11.50
	Extent of Holding in %	53.70%	22.47%**	22.55%
4	Description of how there is significant influence	Control of more than twenty per cent of total share capital*	Control of more than twenty per cent of total share capital**	Control of more than twenty per cent of total share capital
5	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.
6	Networth attributable to Shareholding as per latest audited Balance Sheet	243.43	107.01	(109.02)
7	Profit / Loss for the year			
	Considered in Consolidation	21.16	22.64	-
	Not Considered in Consolidation			

#GSEG, SGL and Alcock are associate since their incorporation date as mentioned above.

*The percentage holding of GSPC in GSEG has increased to 53.70% as against 32.59% in previous financial year. GSPC holds majority shares of GSEG but does not have majority voting power. The voting rights on such incremental equity shares acquired by GSPC during the financial year are restricted on account of ongoing litigation. Hence, GSPC along with GSPL (Subsidiary of GSPC) holds 34.39% of equity stake with voting rights in Gujarat State Energy Generation Limited and hence it is still an associate of GSPC.

**GSPC along with GSPL (Subsidiary of GSPC) holds 49.94% of equity stake in Sabarmati Gas Limited

GSPC LNG has ceased to be the Associate of the Company during the financial year on account of new allotment of equity shares to Government of Gujarat by GLL which has reduced the % holding of the Company in GSPC LNG Limited.

Date : 02.07.2019
Place : Gandhinagar

Chairman
Managing Director
Company Secretary
Chief Financial Officer

ANNEXURE - III
**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**
As on 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:		
Sr. No.	Particulars	Remark
i)	Corporate Identification Number	U23209GJ1979SGC003281
ii)	Registration Date	January 29, 1979
iii)	Name of the Company	Gujarat State Petroleum Corporation Limited
iv)	Category/ Sub- Category of the Company	Government Company (Public Company/Limited by Shares)
v)	Address of the Registered office and contact details	GSPC Bhavan, B/h Udhog Bhavan, Sector - 11, Gandhinagar PIN :- 382010.
vi)	Whether listed company	Yes (Unsecured Non-Convertible Debentures (NCDs) issued by the Company are listed on National Stock Exchange).
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited, Plot nos. 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081 Andhra Pradesh Tel: 079-26465179 Fax: 079-26465179
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY		
	All the business activities contributing 10% or more of the total turnover of the company	As per Annexure - A
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES		
	Particulars of Holding, Subsidiary and Associate companies	As per Annexure - B
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)		
i)	Category-wise Share holding	As per Annexure - C
ii)	Shareholding of Promoters	As per Annexure - D
iii)	Change in Promoters Shareholding	As per Annexure - E
		There is no change in shareholding pattern of Promotes during the financial year 2016-17.
iv)	Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):	As per Annexure - F
v)	Shareholding of Directors and Key Managerial Personnel	As per Annexure - G
V. INDEBTEDNESS		
i)	Indebtedness of the Company including interest outstanding/ accrued but not due for payment	As per Annexure - H
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		
i)	Remuneration to Managing Director , Whole-time Directors and/or Manager:	As per Annexure - I
ii)	Remuneration to other directors	As per Annexure - J
iii)	Remuneration to Key Managerial Personnel other than MD/Manager/WTD	As per Annexure - K
VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES		
iii)	Penalties / Punishment/ Compounding of offences	There were no Penalties / Punishment/ Compounding of offences under Companies Act, 2013.

Date : 02/07/2019
Place: Gandhinagar

Chairman

Directors' Report

Annexure - A

All the business activities contributing 10% or more of the total turnover of the company			
Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the company
1	Gas Trading	Not Applicable	

Annexure - B

Particulars of Holding, Subsidiary and Associate Companies					
Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Gujarat State Petronet Limited (GSPL)	L40200GJ1998SGC035188	Subsidiary	37.64	2(87)
2	GSPL India Gasnet Limited (GIGL)****	U40200GJ2011SGC067449	Subsidiary	NIL	2(87)
3	GSPL India Transco Limited (GITL)****	U40200GJ2011SGC067450	Subsidiary	NIL	2(87)
4	Gujarat Gas Limited (GGL)*	L40200GJ2012SGC069118	Subsidiary	NIL	2(87)
5	GSPC (JPDA) Limited	U23201GJ2006SGC049229	Subsidiary	100	2(87)
6	Guj Info Petro Limited	U72900GJ2001PLC039162	Subsidiary	49.94	2(87)
7	GSPC Pipavav Power Company Limited	U40100GJ2006SGC047783	Subsidiary	97.47	2(87)
8	GSPC Offshore Limited	U11202GJ2015SGC084562	Subsidiary	100	2(87)
9	GSPC Energy Limited	U11102GJ2015SGC085438	Subsidiary	100	2(87)
10	Gujarat State Energy Generation Limited**	U40100GJ1998SGC035212	Associate	53.70	2(6)
11	Sabarmati Gas Limited***	U40200GJ2006PLC048397	Associate	22.47	2(6)
12	Alcock Ashdown (Gujarat) Limited	U74999GJ1994SGC022952	Associate	22.55	2(6)

*Gujarat Gas Limited is subsidiary of GSPL which is subsidiary of GSPC and hence Gujarat Gas Limited is subsidiary of GSPC.

**The percentage holding of GSPC in GSEG has increased to 53.70% as against 32.59% in previous financial year. GSPC holds majority shares of GSEG but does not have majority voting power and hence GSEG is still an associate and not subsidiary of GSPC. The voting rights on such incremental equity shares acquired by GSPC during the financial year are restricted on account of ongoing litigation. Definition of Subsidiary Company under Section 2(87) of the Companies Act, 2013 requires exercise or control of more than one-half of total voting power. GSPC has given undertaking to NCLT, Ahmedabad that it shall not exercise voting powers in respect of such shares as are allotted to GSPC pursuant to the said offer for Right Issue of shares during the pendency of the petition no. 51 of 2018 filed by KRIBHCO. The matter is still pending with NCLT.

***GSPC along with GSPL (Subsidiary of GSPC) holds 49.94% of equity stake in Sabarmati Gas Limited

****GIGL, GITL are subsidiaries of GSPL which is a subsidiary of GSPC and hence GIGL, GITL are subsidiaries of GSPC.

Note: Change in status of Holding/ Subsidiary/ Associates

GSPC LNG has ceased to be Associate Company of GSPC. As at the end of financial year GSPC along with GSPL (Subsidiary of GSPC) holds 10.96% of equity stake as against 23.56% in previous year.

Annexure-C

Category-wise Share holding									
Category of Shareholders	No. Of shares held at the beginning of the year				No. Of shares held at the end of the year				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total shares	
A. (Promoters)									
1 Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government	0	2241010179	2241010179	86.89	0	2241010179	2241010179	86.89	0.00
d) Bodies corporates	-	-	-	-	-	-	-	-	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub total (A) (1):-	0	2241010179	2241010179	86.89	0	2241010179	2241010179	86.89	0.00
2 Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
f) Sub total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)=	0	2241010179	2241010179	86.89	0	2241010179	2241010179	86.89	0.00
B. Public Shareholding									
1 Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
1 Non-institutions									
a) Bodies Corporation									
i) Indian	240308441	97944300	338252741	13.11	240308441	97944300	338252741	13.11	0.00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	240308441	97944300	338252741	13.11	240308441	97944300	338252741	13.11	0.00
Total Public Shareholding - (B)	240308441	97944300	338252741	13.11	240308441	97944300	338252741	13.11	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total - (A+B+C)	240308441	2338954479	2579262920	100.00	240308441	2338954479	2579262920	100.00	0.00

Directors' Report

Annexure - D

Shareholding of Promoters								
Sl	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Government of Gujarat	2241010179	86.89	-	2241010179	86.89	-	0
	Total	2241010179	86.89	-	2241010179	86.89	-	0

**includes shares of 07 nominees of GoG holding 200 shares each.*

Annexure - E

Change in Promoter's Shareholding							
Sr. No.	Particulars	Shareholding at the beginning of the year		Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Government of Gujarat	2241010179	86.89	-	-	2241010179	86.89
	Total	2241010179	86.89	-	-	2241010179	86.89

**includes shares of 07 nominees of GoG holding 200 shares each.*

Annexure - F

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)					
Sr. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year (i.e. 1 st April, 2018)		Cumulative Shareholding during the year (i.e. 31 st March, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Governor of Gujarat (Promoter)*	2241010179	86.89	2241010179	86.89
2	Gujarat Alkalies & Chemicals Limited	21543200	0.84	21543200	0.84
3	Gujarat Industrial Development Corporation	12345600	0.48	12345600	0.48
4	Gujarat Industrial Investment Corporation Limited	20555500	0.80	20555500	0.80
5	Gujarat Mineral Development Corporation Limited	26172800	1.01	26172800	1.01
6	Gujarat Narmada Valley Fertilizers Company Limited	21543200	0.84	21543200	0.84
7	Gujarat State Fertilizers & Chemicals Limited	23500000	0.91	23500000	0.91
8	Gujarat State Investments Limited	192592441	7.47	22592441	0.88
9	Gujarat State Financial Service Limited	-	-	170000000	6.59
10	Gujarat Gas Company Limited	20000000	0.78	20000000	0.78
	Total	2579262920	100.00	2579262920	100.00

**includes shares of 07 nominees of GoG holding 200 shares each.*

Annexure - G

Shareholding of Directors and Key Managerial Personnel					
Sr. No.	Particulars of Directors and KMP	Shareholding at the beginning of the year (i.e. 1 st April, 2018)		Cumulative Shareholding during the year (i.e. 31 st March, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL					

Annexure - H

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) Principla Amount	6,072	8,115		14,188
ii) Interest due but not paid				
iii) Interest accrued but not due	25	147		172
Total (i+ii+iii)	6,098	8,262		14,360
Change in Indebtedness during the financial year				
- Addition	(356)	(7,212)		(7,568)
- Reduction				
Net Change	(356)	(7,212)		(7,568)
Indebtedness at the end of the financial year				
i) Principla Amount	5,742	1,050		6,792
ii) Interest due but not paid				
iii) Interest accrued but not due	18.26	5		23
Total (i+ii+iii)	5,760	1,055		6,815

Note :- The amounts outstanding for various loans as on 31st March, 2019 are as per terms of agreement and confirmation of banks.

Annexure - I

Remuneration to Managing Director, Whole Time Director and/or Manager			
Sl. No.	Particulars of Remuneration	Dr. J. N. Singh, IAS	Dr. T. Natarajan, IAS
		Chairman and Managing Director upto 12th July, 2018 and Chairman w.e.f. 12th July, 2018	Jt Managing Director upto 12th July, 2018 and Managing Director w.e.f. 12th July, 2018
		2018-19	2018-19
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2589064.00
	(b) Value of perquisites u/ 17(2) of the Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- As % of Profits		
	- Others, Specifiy		
5	Others, please specify		
Ceiling as per the Act not applicable to Government Companies			
*No remuneration was paid by GSPC during the period to Dr. J. N. Singh, IAS who was Chairman and Managing Director of the company upto 12 th July, 2018 and Chairman w.e.f. 12 th July, 2018.			

Directors' Report

Annexure - J

Remuneration to other Directors											
Sl. No.	Particulars of Remuneration	Shri Sujit Gulati, IAS 1/04/2018 to 16/07/2018	Shri Arvind Agarwal, IAS 12/06/2018 to 31/03/2019	Shri Raj Gopal, IAS 08/08/2018 to 31/01/2019	Dr. Manjula Subramaniam, IAS (Retd.) 2018-19	Shri M. M. Srivastava, IAS (Retd.) 2018-19	Shri K. Kailashnathan, IAS (Retd.) 2018-19	Dr. Ravindra Dholakia 2018-19	Prof. N. Ravichandran 2018-19	Prof. Yogesh Singh 2018-19	Total Amount
1	Independent Directors										
	- Fees for attending Board/ Committee Meetings	-	-	-	-	-	-	45000	-	30000	75000
	- Commission	-	-	-	-	-	-	-	-	-	-
	- Others (Out of Pocket Expenses)	-	-	-	-	-	9000	-	-	6000	15000
	Total (1)	-	-	-	-	-	54000	-	-	36000	90000
2	Other Non Executive Directors										
	- Fees for attending Board/ Committee Meetings	22500	37500	0	-	82500	22500	-	-	-	165000
	- Commission	-	-	-	-	-	-	-	-	-	-
	- Others (Out of Pocket Expenses)	4500	9000	7500	10500	18000	4500	-	-	-	54000
	Total (2)	27000	46500	7500	10500	100500	27000	0	0	0	219000
	Total (3) = (1 + 2)	27000	61500	7500	10500	100500	27000	54000	0	36000	309000
	Total Managerial Remuneration	27000	61500	7500	10500	100500	27000	54000	0	36000	309000

Overall Ceiling as per Act :- Not applicable to Government Companies.

Amounts mentioned in this table is actual payment made to the director during financial year 2018 -19.

Directors' Report

ANNEXURE - IV

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Company along with its subsidiaries and associates has evolved as an "Integrated Energy Company" with significant presence across the entire energy value chain spanning wide range of oil & gas activities comprising oil and gas exploration, development and production, gas trading, gas transmission, gas distribution and power generation.

The company has always focused on the objectives of energy security, promoting fuel efficiency and conservation of natural resources.

The Company undertakes Corporate Social responsibility as a genuine expression of goodwill and gratitude towards society. The Company being a state sector entity is fully recognizing its social responsibilities and is keen to make significant contributions towards development of social infrastructure, economic, environmental and social upliftment of communities in and around the work centers in the major thrust areas such as community development, infrastructure, literacy enhancement, education aids and healthcare. The Company is committed towards its corporate social responsibility in the areas of its operation. The Company has contributed from time to time for the benefit of local communities.

In the spirit of enhancing "Educational Awareness" among children especially girl child in the rural areas of Gujarat, your company whole heartedly participated in the Kanya Kelvani Mahotsav. The Company has also adopted a school for promoting educational activities in rural areas.

The cultural programs, social awareness campaigns and volunteer activities are just the right opportunities for GSPC to act and reinforce its commitment towards the society. GSPC prides itself in being always there for the society and desires to be closely intertwined with the society in the future as well.

As a socially responsible organization, blood donation camps are organized at regular intervals. Besides, GSPC assumes leading role in promoting awareness about various social issues affecting the society today like education, women empowerment, preserving scarce natural resources, etc.

The company has always focused on the objective of promoting fuel efficiency and conservation aspect of natural resources in line with national wide oil and gas Conservation campaign.

The Company is committed to enhance value creation in the society in which it operates, through its service, conduct, business practise and social initiatives. The objective of the policy is to contribute positively towards sustainable and inclusive growth of the society with focus on India's most pressing development challenges as highlighted under schedule - VII of the Companies Act, 2013 and as amended from time to time.

The contents of the CSR policy of GSPC are displayed on website of GSPC:
<http://gspcgroup.com/documents/pagecontent/Corporate-Social-Responsibility-Policy-GSPC.pdf>

2. **The Composition of the CSR Committee.**

The Company has constituted CSR Committee of Director as follows;

CSR Committee of Director		Committee Position
1	Dr. J. N. Singh, IAS	Chairman
2	Shri Sujit Gulati, IAS (Upto 16 th July, 2018)	Member
3	Dr. N. Ravichandran	Member
4	Shri Raj Gopal, IAS (w.e.f. 8 th August, 2019 to 1 st February, 2019)	Member

3. **Average net loss recorded by the company for last three financial years :- Rs. (64,66,08,67,075)**
4. **Prescribed CSR Expenditure (i.e 2 % Average net loss of the company for last three financial years) :- Rs.(1,29,32,17,342)**
5. **Details of CSR spent during the financial year.**
- (a) Total amount to be spent for the financial year :- **Nil**
- (b) Amount unspent, if any; - **N.A.**

Directors' Report

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN: U23209GJ1979SGC003281)

GSPC Bhavan, B/h Udyog Bhavan,

Sector -11, Gandhinagar - 382011

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GUJARAT STATE PETROLEUM CORPORATION LIMITED** (hereinafter called the "**Company**"). 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 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 compliancemechanism 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 thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We hereby report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

- VI. We 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:
 - a) The Petroleum and Natural Gas Regulatory Board Act, 2006
 - b) The Petroleum Act, 1934 and Rules made thereunder
 - c) The Oilfield (Regulation & Development) Act, 1948 and Rules made thereunder
 - d) The Oil Industry (Development) Act, 1974
 - e) The Oil Mines Regulations, 1984

Directors' Report

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 following event/action has taken place, which have major bearing on the affairs of the Company:

The Board of Directors of the Company at their meeting held on 11th September, 2018 has approved the Scheme of Arrangement ("Scheme") between the Company and Gujarat State Investment Limited (GSIL) ("Transferee Company") and the GSPC NCD Holders for assignment of obligations of NCD holders to GSIL in consideration of issuance of 749,06,36,707 Equity shares of Rs. 1/- each at price of Rs. 8.01/- per share aggregating to Rs. 6000 Crores by the Company. The appointed date of the Scheme is 1st April, 2018. The Ministry of Corporate Affairs has approved the Scheme vide its order dated 26th April, 2019 and the Company has filed the said order with ROC/MCA in E-form INC- 28 on 18th May, 2019. Hence, the Scheme has become effective from 18th May, 2019.

Barring this, during the audit period, no other events/actions has taken place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

For, **MANOJ HURKAT AND ASSOCIATES**
Practicing Company Secretaries

Place: **Ahmedabad**
Date: **2nd July, 2019**

MANOJ R HURKAT
Partner
FCS No. 4287
C P No.: 2574

Note: This Report is to be read with our letter of even date which is annexed as **Annexure A** and form an integral part of this Report.

Directors' Report

ANNEXURE A

To
The Members
GUJARAT STATE PETROLEUM CORPORATION LIMITED
(CIN: U23209GJ1979SGC003281)
GSPC Bhavan, B/h Udyog Bhavan,
Sector -11, Gandhinagar - 382011

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

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and cost records of the Company.
4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For, **MANOJ HURKAT AND ASSOCIATES**
Practicing Company Secretaries

Place: Ahmedabad
Date: 2nd July, 2019

MANOJ R HURKAT
Partner
FCS No. 4287
C P No.: 2574

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
GUJARAT STATE PETROLEUM CORPORATION LIMITED
GANDHINAGAR (GUJARAT)

Report on the Audit of the Standalone Ind AS financial statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **GUJARAT STATE PETROLEUM CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the standalone Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31st March 2019, and its Profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters in our audit for the year ended March 31, 2019:

Sr. No.	Key Audit Matters	Response to Key Audit Matter
1	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard w.e.f. 01.04.2018 involves certain key judgements relating</p> <ul style="list-style-type: none"> · to identification of distinct performance obligations, · determination of transaction price of the identified performance obligations, · recognition of revenue based on the completion of identified performance obligations, · the appropriateness of the basis used to measure revenue recognized over a period, if any. <p>Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p>Our procedures included, but were not limited to the following:</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows :</p> <ul style="list-style-type: none"> · Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. · Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. · Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.

Standalone Financial Statements

Sr. No.	Key Audit Matters	Response to Key Audit Matter
	<p>Relevant References in Standalone Ind AS financial statements; Revenue recognition: Accounting policies Note No: 1(o) Revenue from operations: Note No: 24</p>	<ul style="list-style-type: none"> · Selected a sample of continuing and new contracts and performed the following procedures : -- Read, analysed and identified the distinct performance obligations in these contracts. -- Compared these performance obligations with that identified and recorded by the Company. -- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. -- Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. -- Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
2	<p>Impairment of Property, Plant & Equipment As per the requirements of Ind AS 36, the Company assesses at the end of every reporting period, whether there are any indications that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset or CGU. The determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use involves significant estimates, assumptions and judgements of the certain internal as well as market factors (including but not limited to) such as future cash inflows as well as outflows in terms of additional capital and revenue expenditure, gas price, growth rate, discounting factors, exchange rate variations and crude prices. Relevant References in Standalone Ind AS financial statements; Impairment: Accounting policies 1(f) Exceptional Items : Note No. 32</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> - Assessing the methodologies used by the external valuer for determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use; - Evaluating the independent external valuer's competence, capabilities and objectivity; - Checking, on a sample basis, the accuracy and relevance of the input data provided by management to the external valuer for determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use; - Assessing management's key assumptions used to estimate values in use based on our knowledge of the oil & gas industry; and - Considering the potential impact of reasonably possible downside changes in these key assumptions.
3	<p>Reasonableness of carrying amount of assets held for sale Assets held for sale are carried at fair value less cost to sell. Fair value is determined at estimated selling price of CGU using significant unobservable Inputs. This calculation uses the estimated future cash flows that can be generated from the continuing use of these assets and outflows at the end of its useful life which are discounted to their present value. Relevant References in Standalone Ind AS financial statements; Non Current Asset Held for Sale : Accounting policies Note No: 1(i) Non Current Asset Held for Sale: Note No: 23</p>	<p>Our procedures included, but were not limited to the following:</p> <p>Our audit procedures consisted of challenging the management's assumptions relating to future cashflows, discounting factors, growth rate, oil and gas prices, etc. based on our knowledge of the oil & gas industry.</p>

Standalone Financial Statements

Sr. No.	Key Audit Matters	Response to Key Audit Matter
4	<p>Assessment of contingent liabilities relating to litigations and claims:</p> <p>The Company is periodically subject to scrutiny on range of matters relating to direct tax and indirect tax. Further, potential exposures may also arise from general legal proceedings in the normal course of business. Assessment of contingent liabilities disclosure requires Management to make judgements and estimates in relation to the issues and exposures. Whether the liability is inherently uncertain, the amounts involved are potentially significant and the application of accounting standards to determine the amount, if any, to be provided as liability, is inherently subjective.</p> <p>Relevant References in Standalone Ind AS financial statements;</p> <p>Provision, Contingent Liability & Contingent Asset : Accounting policies Note No: 1(s)</p> <p>Contingent Liability & Asset : Note No: 34</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> - We tested the effectiveness of controls around the re-assessment of contingent liabilities. - We discussed the status and potential exposures in respect of significant litigation and claims with the Company's internal legal team including their views on the likely outcome of each litigation and claim and the magnitude of potential exposure and sighted any relevant opinions given by the Company's advisors. - We assessed the adequacy of disclosures made. - We discussed the status in respect of significant provisions with the Company's internal tax and legal team. - We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.

Emphasis of Matter

Without modifying our opinion, we draw attention to:

- a) Para (p) Accounting for oil and gas joint operations of Note No. 1 Significant Accounting Policies, which describes that the financial statements of the joint operations (unincorporated joint ventures) prepared in accordance with the requirements prescribed by the respective Production Sharing Contracts or Joint Operating Agreement of the joint operations (unincorporated joint ventures). In view of the same, certain adjustments/disclosures required under the mandatory Accounting Standards and the provisions of the Companies Act, 2013 have been made in the standalone Ind AS financial statements to the extent information available with the Company as on the date.
- b) Note No. 15 (j) to the Standalone Ind AS financial statements regarding conversion of Compulsory Convertible Debentures in to Equity Shares due on January 2019 and converted on May 29, 2019 has been reclassified in Financial Statement as on March 31, 2019 as "Financial Instrument in Equity Nature" as per guidance provided under IND AS 32 "Financial Instruments Presentation".
- c) Note no. 34 to the Standalone Ind AS financial statements regarding non provisioning of disputed Income Tax demands/ claims by the Income Tax Authority amounting to Rs. 1,701.78 Crores (P.Y. Rs. 1,527.43 Crores) and disclosed by way of a note as contingent liability as the matter is disputed.
- d) Note No. 34 to the Standalone Ind AS financial statements regarding reasonable uncertainty for an amount receivable on account of adjustment of advanced floor consideration received towards Other Six Discoveries amounting to Rs.1,265 Crores (USD 200 Million) and subsequently to be adjusted towards final consideration receivable as per Field Development Plan (FDP) prepared by ONGC for submission to DGH.
- e) Note No. 43 (b) to the Standalone Ind AS financial statements regarding transfer of GSPC's obligation in form of Non-Convertible Debentures (NCD) of Rs. 6,000/- Crores to Gujarat State Investment Limited (GSIL) in exchange of 749,06,36,704 Equity Shares pursuant to Scheme of Arrangement approved by Ministry of Corporate Affairs (MCA) effective from May 16, 2019 on filing of order with Registrar of Companies (ROC) from Appointed Date April 1, 2018 and its effect in the Financial Statement by derecognizing Debenture obligation w.e.f April 1, 2018 and Equity Shares to be issued classified as on March 31, 2019 as "Financial Instrument in Equity Nature" as per guidance provided under IND AS 32 "Financial Instruments Presentation".
- f) Note No. 43 (b) to the Standalone Ind AS financial statements regarding adjustment of advance received from Gujarat State Investment Limited (GSIL) amounting to Rs. 571 Crores shown under Other Current Financial Liabilities and advance receivable from GSIL under Advance Recoverable, towards interest served amounting to Rs. 571.50 Crores, pending direction from Government of Gujarat.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and other information in the Company's annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Standalone Financial Statements

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Standalone Ind AS financial statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Standalone Financial Statements

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- a) We have placed reliance on technical/commercial evaluation by the management in respect of categorization of wells as exploratory, development and producing, allocation of costs incurred on them, treatment of capitalization, depletion of producing properties on the basis of the proved hydrocarbon reserves, impairment, liability for decommissioning, liability for NELP and nominated blocks for underperformance against agreed minimum work programme and liability for abandonment costs.
- b) The standalone Ind AS financial statements include the Company's share of:
 - (i) Total assets aggregating to Rs. 1312.16 Crores, total liabilities aggregating to Rs. 21.78 Crores, income aggregating to Rs. 83.33 Crores and expenditure aggregating to Rs. 34.76 Crores in respect of Twelve (12) Producing Joint Operations (unincorporated joint ventures), which have been incorporated on the basis of accounts audited by other auditors.
 - (ii) Total assets aggregating to Rs. 4,476.37 Crores, total liabilities aggregating to Rs. 55.90 Crores, income aggregating to Rs. 42.73 Crores and expenditure aggregating to Rs. 55.41 Crores in respect of Six (6) Producing Joint Operations (unincorporated joint ventures), which has been incorporated on the basis of unaudited financial information approved by the management and made available to us, in the absence of audited accounts.
 - (iii) Total assets aggregating to Rs. 336.51 Crores, total liabilities aggregating to Rs. 2.27 Crores, income aggregating to Rs. Nil and expenditure aggregating to Rs. 0.44 Crores in respect of Eleven (11) Joint Operations (unincorporated joint ventures) under exploration and development phase or proposed to be surrendered, which have been incorporated on the basis of accounts audited by other auditors.
 - (iv) Total assets aggregating to Rs. 126.11 Crores, total liabilities aggregating to Rs. 265.95 Crores, income aggregating to Rs. Nil and expenditure aggregating to Rs. 2.95 Crores in respect of Thirty Four (34) Joint Operations (unincorporated joint ventures), under exploration and development phase or proposed to be surrendered, which have been incorporated on the basis of unaudited financial information approved by the management made available to us, in the absence of audited accounts.

Our opinion is not modified in respect of these matters.

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 section 143 (11) of the Act, we give in the "**Annexure - A**", a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the unaudited financial information relating to Fourty (40) Joint Operations (unincorporated joint ventures) for the year ended March 31, 2019 referred to in other matter paragraph b (ii) and b (iv) above and read with our comments in paragraph (a) of Emphasis of Matter.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
 - e. As the Company is a Government Company, in terms of notification no. G.S.R. 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs, the sub-section (2) of section 164 is not applicable to the Company.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure - B**".

Standalone Financial Statements

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 34 to the standalone Ind AS financial statements read with para 4 of Key Audit Matters here in above;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 3) In terms of section 143 (5) of the Act, we give in "**Annexure – C**" a statement on the directions and sub directions issued under the aforesaid section by the Comptroller and Auditor General of India.

For Talati & Talati LLP
Chartered Accountants
(Firm Regn No. 110758W/W100377)

Amit Shah
(Partner)
Membership No. 122131
(UDIN: 19122131AAAAAB8731)

Place of Signature: Gandhinagar
Date: 02/07/2019

Standalone Financial Statements

“ANNEXURE – A” TO INDEPENDENT AUDITOR’S REPORT

The annexure referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of our Independent Auditor’s Report, of even date, to the standalone Ind AS financial statements of **GUJARAT STATE PETROLEUM CORPORATION LIMITED** for the year ended 31st March 2019, we report that:

(i) In respect of its fixed assets:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. According to the information and explanations provided by the management, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in respect of following immovable properties for which title deeds are not made available for our verification:

(Rs. In Crores)

Nature	Number of Assets	Gross Block	Net Block
Freehold Land	13	2.92	2.92
Building	2	6.30	2.21
Total	15	9.22	5.13

- (ii)** The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(iii) In respect of the loans secured or unsecured to the Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013:

According to the information and explanation given to us, the Company has granted unsecured loan to parties covered in the register required to be maintained under Section 189 of the Act.

In respect of aforesaid loans:

- a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.
 - b. In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, as per the terms of loan agreement, fixed schedule of repayment of principal and payment of interest is not stipulated and hence we are unable to make specific comment on the regularity of repayment of principal and payment of interest amount in such cases.
 - c. There is no overdue amount in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act, in accordance with the terms and conditions on which the loan has been granted.
- (iv)** In our opinion and according to the information and explanations given to us, the Company has prima facie complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v)** In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted are not applicable to the Company. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi)** We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 as amended prescribed by the Central Government under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed cost records have been made and maintained.
- (vii) In respect of statutory dues:**
- a. According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.

Standalone Financial Statements

- b. According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the statute	Nature of dues	Amount under dispute and not yet deposited as on 31.03.2019 (Rs. in Crore)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending
Income Act 1961	Income Tax Including interest and penalty as applicable.	1.62	1996-1997	High Court
		8.70	1997-1998	
		16.81	1998-1999	
		0.25	1999-2000	
		0.71	2001-2002	
		1.18	2003-2004	
		1.75	2008-2009	
Income Act 1961	Income Tax Including interest and penalty as applicable	18.02	1999-2000	Income Tax Appellate Tribunal
		32.39	2000-2001	
		79.10	2001-2002	
		163.11	2002-2003	
		160.66	2003-2004	
		242.34	2004-2005	
		183.08	2005-2006	
		172.28	2006-2007	
		301.84	2007-2008	
		332.81	2008-2009	
		204.85	2009-2010	
		263.24	2010-2011	
		337.34	2011-2012	
419.76	2012-2013			
Income Act 1961	Income Tax Including interest and penalty as applicable	1.24	2004-2005	Commissioner of Income Tax (Appeals)
		0.11	2007-2008	
		262.99	2013-2014	
		95.11	2014-2015	
		161.46	2015-2016	
Service Tax - Finance Act 1994	Service Tax Including interest and penalty as applicable	0.10	2006-2007	Central Excise and Service Tax Appellate Tribunal
		0.26	2007-2008	
		0.004	2008-2009	
		0.10	2005-2006 to 2007-2008	
Customs Act, 1962	Customs Duty Including interest and penalty as applicable	3.51	2014-2015	Central Excise and Service Tax Appellate Tribunal

- (viii) No default towards repayment of dues to any financial institution, bank, debenture holders or government exist on the balance sheet date from our examination of the books of account and the information and explanations given to us by the Company.
- (ix) In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under audit.
- (x) Based on the audit procedures performed and representation obtained from management we report that, no case of material fraud by the Company or on the Company by its officers or employee has been noticed or reported during the year under audit.
- (xi) Section 197 of the Companies Act, 2013 is not applicable to the Government Company. Therefore, clause (xi) of paragraph 3 of "the Order" is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of "the Order" is not applicable to the Company.
- (xiii) As per the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with the provision of section 177 and section 188 of Companies Act, 2013. The relevant disclosure as required by the applicable accounting standards has been made in Note No. 40 to the standalone Ind AS financial statements.

Standalone Financial Statements

- (xiv) During the year the Company has neither made any preferential allotment or private placement of shares nor has issued any fully or partly convertible debenture as required under section 42 of Companies Act 2013. Therefore, clause (xiv) of paragraph 3 of the order is not applicable to the Company.
- (xv) As per the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered in to any non cash transactions with directors or persons connected with him. Therefore, clause (xv) of paragraph 3 of “the order” is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as NBFC. Therefore, clause (xvi) of paragraph 3 of “the order” is not applicable to the Company.

For Talati & Talati LLP
Chartered Accountants
(Firm Regn No. 110758W/W100377)

Place of Signature: Gandhinagar
Date: 02/07/2019

Amit Shah
(Partner)
Membership No. 122131
(UDIN: 19122131AAAAAB8731)

Standalone Financial Statements

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **GUJARAT STATE PETROLEUM CORPORATION LIMITED** (“the Company”) as of 31st March, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). 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 the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Standalone Financial Statements

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Talati & Talati LLP
Chartered Accountants
(Firm Regn No. 110758W/W100377)

Place of Signature: Gandhinagar
Date: 02/07/2019

Amit Shah
(Partner)
Membership No. 122131
(UDIN: 19122131AAAAAB8731)

Standalone Financial Statements

“ANNEXURE – C” TO INDEPENDENT AUDITOR’S REPORT

The annexureas referred to in Independent Auditor’s Report of even date, on the standalone Ind AS financial statements of Gujarat State Petroleum Corporation Limited for the period ended 31st March, 2019

a) Report on Directions under Section 143(5) of Companies Act 2013:

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

Reply: The Company has system in place to process all the accounting transactions through IT System i.e SAP. All the financial transactions are integrated in SAP system. There are no financial implications of the same during the period under audit.

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

Reply: As per the information and explanations given to us and based on our examination of the records of the Company, there is no restructuring of an existing loans and there are no cases of waiver/ write off of debts/ loans/ interest etc. made by lender to the Company due to the Company’s inability to repay the loan. There are no financial implications of the same during the period under audit.

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

Reply: As per the information and explanations given to us, no fund has been received/ receivable by the Company for specific schemes from Central/State Agencies during the period under audit.

b) Sector Specific Sub-directions under Section 143 (5) of the Companies Act, 2013:

Power Sector

Generation

- In the cases of Thermal power projects, compliance of the various pollution control Acts and the impact thereof including utilization and disposal of ash and the policy of the Company in this regard, may be checked and commented upon.

Reply: Not Applicable

- Has the Company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the Company?

Reply: Not Applicable

- Does the Company have a proper system for reconciliation of quantity/quality of coal ordered and received and whether grade of coal/moisture and demurrage etc., are properly recorded in the books of accounts?

Reply: Not Applicable

- How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?

Reply: NIL

- In the case of Hydroelectric Projects, the water discharge is as per policy/guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.

Reply: Not Applicable

Services Sector

Trading

- Whether the Company has an effective system for recovery of dues in respect of its sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?

Reply: As per the information and explanations given to us and based on the examination of the records in respect of recovery of dues from customers, the Company has an effective system for recovery of dues in respect of sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts.

Standalone Financial Statements

2. Whether the Company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during the physical verification.

Reply: In our opinion and as per the information and explanations given to us, the Company has an effective system in relation to physical verification of inventories, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during the physical verification.

3. The effectiveness of the system followed in recovery of dues in respect of sales activities may be examined and reported.

Reply: In our opinion and according to the information and explanation given to us, the Company periodically prepares debtors outstanding and ageing reports and follow-ups with outstanding debtors, if any. The Company has also adequate amount of security against debtors in the form of Bank guarantee or Security Deposits except some debtors (considered doubtful) which are outstanding beyond 6 months and no security is available for which provision has been made during the respective previous years including period under audit as per Debtors Policy of the Company.

For Talati & Talati LLP
Chartered Accountants
(Firm Regn No. 110758W/W100377)

Place of Signature: Gandhinagar
Date: 02/07/2019

Amit Shah
(Partner)
Membership No. 122131
(UDIN: 19122131AAAAAB8731)

Standalone Financial Statements

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

The preparation of standalone financial statements of **Gujarat State Petroleum Corporation 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 02 July 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the standalone financial statements of **Gujarat State Petroleum Corporation 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

(H. K. Dharmadarshi)
Principal Accountant General (E&RSA), Gujarat

Place: Ahmedabad
Date: 22/10/2019

Standalone Financial Statements

GUJARAT STATE PETROLEUM CORPORATION LIMITED
(CIN : U23209GJ1979SGC003281)
Standalone Balance Sheet as at 31st March, 2019

(₹ in Crores)

Particulars	Notes	As at 31 st March, 2019	As at 31 st March, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,098.80	1,385.42
Capital work-in-progress	2	156.91	118.60
Investment property	3	0.79	0.82
Intangible assets	4	1.87	2.67
Intangibles under development	4	483.05	932.53
Financial assets			
Investment in subsidiary & equity accounted investees	5	3,928.29	3,795.04
Other Investments	6	80.90	64.79
Loans	7	7.31	9.14
Other financial assets	8	65.52	103.96
Non Current Tax Assets (Net)	20	133.24	112.87
Other non-current assets	9	4.53	6.09
Total non-current assets		5,961.21	6,531.93
Current assets			
Inventories	10	76.52	196.28
Financial assets			
Trade receivables	11	618.30	561.25
Cash and cash equivalents	12	155.72	6.92
Other bank balances	12	201.34	91.02
Loans	7	45.27	250.63
Other financial assets	8	1,610.19	2,376.08
Other current assets	9	3.30	5.60
Total current assets		2,710.64	3,487.78
Non Current Assets held for sale	23	483.32	-
TOTAL ASSETS		9,155.17	10,019.71
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	257.93	257.93
Instruments entirely equity in nature	13A	6,550.00	-
Other equity	14	(6,132.31)	(6,382.68)
Total Equity		675.62	(6,124.75)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	6,111.81	10,957.79
Other financial liabilities	16	10.94	11.58
Provisions	17	83.37	156.79
Deferred revenue/ contract liabilities	18	0.46	0.32
Net employee benefit liabilities	19	11.49	8.13
Total non-current liabilities		6,218.07	11,134.61

Standalone Financial Statements

GUJARAT STATE PETROLEUM CORPORATION LIMITED
(CIN : U23209GJ1979SGC003281)
Standalone Balance Sheet as at 31st March, 2019

(₹ in Crores)

Particulars	Notes	As at 31 st March, 2019	As at 31 st March, 2018
Current Liabilities			
Financial liabilities			
Borrowings	15	482.94	2,967.47
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	22	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	22	126.30	758.26
Other financial liabilities	16	1,329.18	1,121.95
Other current liabilities	21	134.68	102.89
Deferred revenue/ contract liabilities	18	0.15	0.08
Net employee benefit Liabilities	19	1.22	2.77
Provisions	17	56.43	56.43
Total current liabilities		2,130.90	5,009.85
Liabilities associated with non current assets held for sale	23	130.58	-
Total Liabilities		8,479.55	16,144.46
TOTAL EQUITY AND LIABILITIES		9,155.17	10,019.71

Significant Accounting Policies

1

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 Talati & Talati LLP

Chartered Accountants

Firm Regn. No. 110758W/W100377

Dr. J. N. Singh, IAS

Chairman

DIN : 00955107

Dr. T. Natarajan, IAS

Managing Director

DIN : 00396367

Amit Shah

Partner

Membership No. 122131

Sandeep Dave

Company Secretary

Rajesh Sivadasan

Chief Financial Officer

Date : 02/07/2019

Place : Gandhinagar

Date : 02/07/2019

Place : Gandhinagar

Standalone Financial Statements

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Standalone Statement of Profit and Loss for the period ended 31st March, 2019

(₹ in Crores)

Particulars	Notes	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
INCOME			
Revenue from operations	24	14,368.58	10,725.54
Other income	25	104.66	144.14
TOTAL INCOME (A)		14,473.24	10,869.68
EXPENSES			
Production expenditure	26	92.33	74.32
Cost of traded goods	27	12,929.97	9,681.92
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	117.08	33.60
Employee benefits expenses	29	20.19	16.56
Finance costs	30	702.20	1,674.81
Depreciation, depletion and amortization expenses		170.68	210.52
Other expenses	31	37.56	29.66
TOTAL EXPENSES (B)		14,070.01	11,721.39
Profit/ (loss) before exceptional items and tax (A-B)		403.23	(851.71)
Exceptional items	32	(143.72)	(712.93)
Profit/ (loss) before tax		259.51	(1,564.64)
Tax expense			
Current Tax		-	-
Adjustments of tax for earlier years		-	-
Deferred Tax		-	-
Profit/ (loss) after tax for the period (C)		259.51	(1,564.64)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Profit on Sale of Equity Instrument		-	793.98
Changes in fair value of equity instruments		(9.50)	(2.31)
Remeasurement of post-employment benefit obligations		0.36	0.53
Income tax relating to these items		-	-
Other comprehensive income for the period, net of tax (D)		(9.14)	792.20
Total Comprehensive Income for the Period (C+D)		250.37	(772.44)
Earnings per equity share (EPS) (Face Value of Re.1/- each)			
Basic (Rs.)	33	1.01	(6.07)
Diluted (Rs.)		0.29	(5.70)

Significant Accounting Policies

1

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 Talati & Talati LLP

Chartered Accountants
Firm Regn. No. 110758W/W100377

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

Dr. T. Natarajan, IAS
Managing Director
DIN : 00396367

Amit Shah

Partner
Membership No. 122131

Sandeep Dave
Company Secretary

Rajesh Sivadasan
Chief Financial Officer

Date : 02/07/2019

Place : Gandhinagar

Date : 02/07/2019

Place : Gandhinagar

Standalone Financial Statements

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Standalone Statement of Cash flows for the period ended 31st March, 2019

(₹ in Crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(loss) before tax	259.51	(1,564.64)
Adjustments for:		
Depreciation, Amortisation & Depletion	170.68	210.52
Interest & Finance Charges	702.20	1,674.81
Net Loss on Sale of Assets	0.63	0.19
Unrealised Foreign Exchange Loss/(Gain)	48.22	(7.45)
Employee benefit Expense	0.36	0.53
Exploration Cost Written off/(Written back)	(93.79)	491.33
Impairment of oil and gas assets	236.51	221.60
Impairment on Investment	1.00	-
Provision for Doubtful Advances	-	(0.65)
	1,325.32	1,026.24
Interest and Dividend Income	(56.66)	(72.80)
Operating Profit before working capital changes	1,268.66	953.44
Adjustments for changes in operating Assets & Liabilities		
Change in Current/non-current Assets		
Long Term Loans	1.83	(0.66)
Other Non-Current Financial Assets	(7.03)	(4.61)
Other Non-Current Assets	1.56	2.15
Inventories	119.76	33.63
Trade Receivables	(57.37)	64.79
Other bank balances	(110.36)	(0.97)
Short Term Loan	51.92	(89.66)
Other Current Financial Assets	810.82	(1,208.87)
Other Current Assets	2.29	(3.61)
Change in Current/Non-current Liabilities		
Other Long Term Financial Liabilities	(0.64)	1.84
Long Term Provisions	4.62	1.97
Deferred Revenue/contract Liabilities	0.21	(0.08)
Net Employee Benefit Liabilities	1.81	2.99
Other Non Current Financial Liabilities	-	(3.27)
Trade payables	(631.85)	143.90
Other Current Financial Liabilities	467.63	115.26
Other Current Liabilities	38.45	(67.48)
Short Term provisions	-	0.00
Cash Generated from/(Used in) Operations	1,962.31	(59.24)
Taxes (paid)/ refund	(20.37)	(11.77)
Net Cash Generated from/(Used in) Operating Activities (A)	1,941.94	(71.01)
CASH FLOW FROM INVESTING ACTIVITIES		
Cash Paid for Purchase of Assets / CWIP including Joint Arrangements	(36.70)	(251.73)
Sale proceeds from sale of Participating Interest in Joint Arrangements	-	7,749.90
Sale of Fixed Assets	0.35	0.26
Sale of Investments in Subsidiaries /(Investment in Subsidiaries)	(1.00)	3,256.70
Investments in Associates - Pending Allotment	(61.47)	-

Standalone Financial Statements

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Standalone Statement of Cash flows for the period ended 31st March, 2019

(₹ in Crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Investments in Associates	(158.86)	0.00
Inter Corporate Loan returned by group Company	153.44	-
Interest and Dividend Income	56.66	72.80
Net Cash Generated from/(Used in) Investing Activities (B)	(47.58)	10,827.93
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds /(Repayment) to Long Term Loans (net)	1,409.66	(7,721.49)
Proceeds /(Repayment) to Short Term Loans (net)	(2,484.53)	(1,439.24)
Interest & Financing Charges	(670.69)	(1,593.07)
Net Cash Generated from/(Used in) Financing Activities (C)	(1,745.56)	(10,753.80)
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	148.80	3.12
Cash and Cash equivalents at the Beginning of the Year		
Cash on hand	0.02	0.03
Fixed deposit with original maturity of less than 3 months	-	-
Bank Balances	6.90	3.77
	<u>6.92</u>	<u>3.80</u>
Cash and Cash equivalents at the End of the Year		
Cash on hand	0.01	0.02
Fixed deposit with original maturity of less than 3 months	141.31	-
Bank Balances	14.40	6.90
	<u>155.72</u>	<u>6.92</u>

Notes

- (i) The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in the Ind AS-7 Statements of Cash Flows.
- (ii) Change in Liability arising from Financing Activities

(₹ in Crores)

	1st April, 2018	Classified as Equity Instrument	Cash Flow	Foreign Exchange & Other Non Cash Movement	31st March, 2019
Borrowing-Long Term (Refer Note 15)	11,392.42	(6,550.00)	1,409.66	69.71	6,321.79
Borrowing-Current (Refer Note 15)	2,967.47	-	(2,484.53)	-	482.94

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 Talati & Talati LLP

Chartered Accountants
Firm Regn. No. 110758W/W100377

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

Dr. T. Natarajan, IAS
Managing Director
DIN : 00396367

Amit Shah

Partner
Membership No. 122131

Sandeep Dave
Company Secretary

Rajesh Sivadasan
Chief Financial Officer

Date : 02/07/2019
Place : Gandhinagar

Date : 02/07/2019
Place : Gandhinagar

Standalone Financial Statements

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Standalone Statement of changes in equity (SOCIE) for the period ended on 31st March 2019

A. Equity Share Capital

Particulars	No. of Shares	Amount (₹ In crores)
Issued, subscribed and paid up share capital		
Equity Shares of Rs. 1/- each fully paid up		
As at 1st April 2017	2,57,92,62,920	257.93
Equity shares issued during the year		
As at 31st March 2018	2,57,92,62,920	257.93
Changes in equity share capital	-	-
As at 31st March 2019	2,57,92,62,920	257.93

B. Instruments entirely equity in nature

Particulars	No. of Debentures	Amount (₹ In crores)
As at 1st April 2017		-
Movement during the year		-
As at 31st March 2018		-
Add : Consideration to be settled in Equity - NCD (refer note 43)	60,000	6,000.00
Add : Compulsory Convertible Debentures due for Conversion [refer note no.15(j)]	6,79,01,130	550.00
As at 31st March 2019		6,550.00

C. Other equity

(₹ in Crores)

Particulars	Reserves & Surplus					Other Comprehensive Income	Total Equity
	Capital reserve	Securities premium reserve	Debenture redemption reserve	General reserve	Retained earnings		
Balance at April 1, 2017	1.28	3,740.06	347.74	3,245.14	(16,936.79)	3,992.86	(5,609.71)
Profit for the year	-	-	-	-	(1,564.64)	-	(1,564.64)
Other comprehensive income for the year	-	-	-	-	-	792.20	792.20
<i>Items of OCI recognised directly in retained earnings</i>	-	-	-	-	-	-	-
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	1.28	3,740.06	347.74	3,245.14	(18,501.43)	4,785.06	(6,382.15)
Addition during the year	-	-	-	-	-	-	-
Utilisation during the year	-	-	-	-	-	-	-
Any Other Change	-	-	-	-	2,709.61	(2,710.14)	(0.53)
Balance at March 31, 2018	1.28	3,740.06	347.74	3,245.14	(15,791.82)	2,074.92	(6,382.68)
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	1.28	3,740.06	347.74	3,245.14	(15,791.82)	2,074.92	(6,382.68)
Profit for the year	-	-	-	-	259.51	-	259.51
Other comprehensive income for the year	-	-	-	-	-	(9.14)	(9.14)
<i>Items of OCI recognised directly in retained earnings</i>	-	-	-	-	-	-	-
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	0.36	(0.36)	-
Total comprehensive income for the year	1.28	3,740.06	347.74	3,245.14	(15,531.95)	2,065.42	(6,132.31)
Issue of Equity Shares	-	-	-	-	-	-	-
Transfer from DRR to Retained Earnings	-	-	(347.74)	-	347.74	-	-
Balance at March 31, 2019	1.28	3,740.06	-	3,245.14	(15,184.21)	2,065.42	(6,132.31)

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 Talati & Talati LLP
Chartered Accountants
Firm Regn. No. 110758W/W100377

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

Dr. T. Natarajan, IAS
Managing Director
DIN : 00396367

Amit Shah
Partner
Membership No. 122131

Sandeep Dave
Company Secretary

Rajesh Sivadasan
Chief Financial Officer

Date : 02/07/2019
Place : Gandhinagar

Date : 02/07/2019
Place : Gandhinagar

Standalone Financial Statements

Notes to standalone financial statements for the year ended 31st March, 2019

Corporate information

Gujarat State Petroleum Corporation Limited (GSPC) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. GSPC is a Government Company u/s 2(45) of Companies Act, 2013. Its debt securities are listed on National Stock Exchange in India. The Company is primarily engaged in oil and gas activities comprising of oil & gas exploration, development and production and trading of natural gas. The Company is also engaged in sale of electricity generated through Windmills.

The Financial Statements for the year ended March 31, 2019 are approved by the Board of Directors and authorised for issue on 2nd July, 2019.

1. Significant accounting policies

This note provides list of the significant accounting policies applied in the preparation of these standalone financial statements. These policies have been applied consistently, unless otherwise stated.

(a) Basis of preparation of Financial Statements:

(i) Statement of compliance with Ind AS

The standalone financial statements comply with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended from time to time, Guidelines issued by The Institute Of Chartered Accountants of India for Oil and Gas Producing Activities (Ind AS).

Accounting policies have been consistently applied except whereby a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hither to.

(ii) Historical cost convention

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

- Certain financial assets and liabilities measured at fair value; and
- Defined benefit plans - plan assets measured at fair value.
- Assets held for sale - measured at Fair Value less Cost to Sell

(iii) Use of estimates and judgements

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Current / Deferred tax expense
- Measurement of defined benefit obligations, Key Actuarial Assumptions
- Provisions and contingencies
- Expected credit loss for receivables
- Estimation of Oil and Gas reserves
- Impairment
- Valuation of Inventory
- Going Concern
- Fair Value of Assets held for sale

(iv) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in its normal operating cycle;
- held primarily for the purpose of trading;

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- C. expected to be realised within twelve months after the reporting period; or
- D. cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The liability is classified as current when:

- A. it is expected to be settled in its normal operating cycle;
- B. it is held primarily for the purpose of trading;
- C. it is due to be settled within twelve months after the reporting period; or
- D. There is no unconditional right to defer settlement of the liability for an at least twelve months after the reporting period.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Property, plant and equipment

(i) Oil and Gas properties

The company has adopted Contract Area (PSC) level cost center based accounting for the oil and gas operations with effect from 1st April, 2015 and accordingly, all costs incurred in acquisition, prospecting, exploration and development of Contract Areas are accumulated considering a contract area as a cost center. Cost incurred at each of the following level are accounted for as stated below.

1) Pre-acquisition Cost

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

2) Acquisition, Exploration & Evaluation Costs:-

Acquisition cost of an oil and gas property are costs incurred to purchase, lease or otherwise acquire a property or mineral rights. All such cost are capitalised and accumulated as Exploration Cost under Capital Work In Progress or Intangible assets under Development as the case may be based on the nature of the expenditure.

Exploration and Evaluation activities cover the prospecting activities conducted in search for oil and gas after an entity has obtained legal rights to explore a specific area, as well as activities towards determination of the technical feasibility and commercial visibility of extracting the oil & gas. All such cost are capitalised and accumulated as Exploration Cost under Capital Work In Progress or Intangible assets under Development as the case may be based on the nature of the expenditure.

3) Development Cost

Development activities cover the activities conducted after determination of the technical feasibility and commercial viability of extracting oil & gas but before the well starts actual commercial production and includes drilling cost of developments wells, completion of successful exploration wells laying gathering lines, production facilities etc. All such cost are capitalised and accumulated as Development Cost under Capital Work In Progress or Intangible assets under Development as the case may be based on the nature of the expenditure.

4) Producing properties:-

Producing Properties are created in respect of an area/field having proved developed oil and gas reserves, when the well in the area/field is ready to commence commercial production. All the exploration cost and development cost incurred for the producing wells are reclassified as Producing Properties or Property Plant & Equipment as the case may be. The exploration and evaluation expenditure on unsuccessful wells in a proved area are also capitalised as Producing Properties as per the guidance available para 23 of Guidance Notes issued by The Institute of Chartered Accountants of India for Oil and Gas Producing Activities (Ind AS).

5) Abandonment Cost

The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring well sites and allied facilities are recognized in respective assets when the well is complete/facilities are installed.

6) Surrender / Relinquishment of a Contract Area

The carrying cost of a Contract Area is written off in the statement of profit & loss in the year in which such a Contract area is surrendered after the required approvals. Further, the carrying cost of a Contract Area that is proposed for surrender during a year but approval for which is still awaited at the end of such year, is also provided for in the statement of profit & loss under the head exploration cost written off.

7) Disposal of Interest

Gain (excess of net consideration over carrying value of the assets) or loss (excess of carrying value of the assets over net consideration) on sale of interest in a contract area is recognized in the statement of profit or loss in the year in which such agreement is executed.

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8) Accounting for Carried interest

The “carried interest” arrangements whereby the assignee (the carrying party) agrees to defray all costs of drilling, developing, and operating the property and is entitled to all of the revenue from production from the property, excluding any third party interest, until all of the assignee’s costs have been recovered, after which the assignor will share in both costs and production, based on the agreed arrangement. In such an arrangement, the company being the carrying party records all costs, including those carried, as per its normal accounting policy, and records all revenue from the property including that applicable to the recovery of costs carried during pay-out period.

(ii) Other property, plant and equipment

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

Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit & loss during the reporting period in which they are incurred.

The present value of the expected cost for the decommissioning of an asset after its useful life is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in the statement of profit and loss.

(c) Investment properties

Investment properties comprises portions of free hold or lease hold land and office buildings that are held for rental yield and/or capital appreciation.

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

(d) Intangible assets

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

Intangible assets like software, licenses, which are expected to provide future enduring economic benefits are capitalized as Intangible Assets.

(e) Depreciation, depletion and amortisation methods, estimated useful lives and residual values

Depreciation on producing properties is provided on unit of production method and on other tangible items of property, plant and equipment is provided on written down value method (WDV) except otherwise stated.

The useful lives have been determined based on technical evaluation done by the management’s expert which are in line with useful lives specified by Schedule II to the Companies Act, 2013. The residual values are at 5% of the original cost of the item of property, plant and equipment. The asset’s residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Mobile instruments purchased by the Company are fully written off as expenses in the year of purchase.

Cost of lease-hold land is amortized equally over the period of lease.

Depreciation on fixed assets used for exploration and drilling activities is initially capitalized as part of exploration or development costs.

The depletion on producing properties has been calculated and provided, using the unit of production method as described in the Guidance Note on Accounting for Oil and Gas Producing Activities (Ind AS) issued by ICAI, in proportion of oil and gas production achieved vis a vis the proved reserves.

As Guidance Note is for “Producing Activities”, the company keeping in mind the prudent industry practice considers the assets for depletion only once the commercial production is commenced with the approval of the appropriate authority as per the provisions of the Production Sharing Contract (PSC). Till that time, neither the reserves are taken for depletion nor are the assets with respect to the said PSC are capitalized.

No depreciation or depletion is provided in the accounts of the Joint Operations (Un Incorporated Joint Venture). However, the depreciation and depletion, as applicable, has been provided for by the Company in its own books based on its participating interest.

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Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Investment properties are depreciated on written down value method (WDV) based on the useful lives prescribed in Schedule II to the Companies Act, 2013.

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

(f) 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 units (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.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation based on estimates, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

(g) 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.

As a lessee

Finance lease

Lease of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards incidental to ownership are classified as finance leases.

At the commencement of the lease term, the Company recognises finance leases as assets and liabilities in its balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the Company's incremental borrowing rate is used. Any indirect costs of the Company are added to the amount recognised as an asset.

Minimum lease payments is apportioned between the finance charge and the reduction of the outstanding liability. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating lease

Leases in which a significant portion of the risks and rewards incidental to ownership is not transferred to the Company as lessee, are classified as operating leases. Lease payments under an operating lease are recognised as an expenses 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 lessors are not on that basis; or
- B. 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.

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As a lessor

Finance lease

When substantially all of the risks and rewards of ownership transfer from the Company to the lessee, then it is classified as finance lease. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease

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

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

(h) Borrowing costs

The Company is capitalising 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 interest capitalisation, the capital cost of a particular project is identified against a borrowing in terms of period of construction and the interest for the relevant period is added to the capital cost till the particular project is capitalised and thereafter the interest 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.

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

(i) Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

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

A financial asset is recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument.

Initial measurement

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

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

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

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

- A. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- B. 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.

The Company has elected to Fair Value Investments in equity share of subsidiaries, associates & joint ventures at transition date and carry the same as deemed cost thereafter.

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.

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

- A. 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
- B. The asset's contractual cash flows represents SPPI.

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').

As per announcement of The Institute of Chartered Accountants of India (ICAI) relating to Accounting for derivative contracts, derivative contracts other than those covered under Ind AS 107, as specified in the Companies (Accounting Standard) Rules, 2016 and as amended, the effect of change in rates, are Marked to Market on a portfolio basis and the net loss after considering the offsetting effects on the underlying hedge item, is charged to Statement of Profit & Loss. Net gains are ignored.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

- A. Financial assets measured at amortised cost
- B. Financial assets measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- A. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- B. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Company is not required 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.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of Profit & Loss. The balance sheet presentation for various financial instruments is described below:

- A. Financial assets measured as at amortised cost and contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- B. Loan commitments and financial guarantee contracts - ECL is presented as a provision in the balance sheet, i.e. as a liability.
- C. Financial assets measured at FVTOCI - Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, 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 liabilities include trade and other payables, loan and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

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

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

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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 de-recognition 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.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of loan to the extent that it is probable that some or all of the facility will be drawn down to the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss as other income or other expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

Trade and other payables

These amounts represent liability for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derivatives

The Company uses derivative financial instruments i.e. swaps, commodity hedging contracts and option contracts, to hedge its price fluctuation risk and interest rate risk. Such derivative financial instruments are initially recognised at fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss.

De-recognition

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 de-recognition 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 or loss.

(j) 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

(k) Fair value measurement

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

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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:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. 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 economic best 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 under, based on the lowest level input that is significant to the fair value measurement as a whole:

- A. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- B. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- C. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Board of Directors (BOD) determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the BOD after discussion with and approval by the management. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises the accounting policy for fair value.

(l) Inventories

- Crude oil in flow lines is not valued as it is not stored.
- Inventory of crude oil & condensate with Joint Ventures is valued as per net realisable value as per the rate specified on sale agreement.
- Natural gas imported as LNG and stored in the storage tank of the LNG terminal are valued at cost or net realizable value whichever is lower.
- Chemicals, fuels, consumables, stores and spare parts are valued at Weighted Average Cost.

(m) Employee benefits

(i) Short term employee benefit obligations

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of reporting period that have terms approximating to the terms of related obligation.

The obligations are presented as current liabilities in the balance sheet if the Company does not have unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

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(iii) *Post-employment obligations*

The Company operates the following post-employment schemes:

- A. Defined benefit plans such as gratuity & loyalty bonus etc. and
- B. Defined contribution plan such as provident fund, superannuation fund etc.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

Loyalty bonus

The Company provides for loyalty bonus to eligible employees whereby a lump sum payment to eligible employees at the time of retirement, death, incapacitation or termination of employment is paid based on the respective employee's salary and the tenure of employment. Liabilities with regard to the loyalty bonus scheme are determined by independent actuarial valuation as on the balance-sheet date.

Defined contribution plans

The Company pays provident fund and superannuation fund contributions to GSPC Employee's Provident Fund Trust and Group Superannuation Scheme of Life Insurance Corporation of India respectively. 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 when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(iv) *Termination benefits*

Termination benefits are payable when employment is terminated by the Company before the normal retirement date

(n) **Foreign currency transactions**

(i) **Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (INR), which is GSPC's functional and presentation currency.

(ii) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

In case of overseas unincorporated joint operation, that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- The summarized revenue and expenses reflected in Statement of Profit and Loss at an average of Reserve Bank of India Reference Rate for the year.
- The assets and liabilities at the closing exchange rate prevailing on balance sheet date as notified by Reserve Bank of India.

All resulting exchange differences are recognised in other comprehensive income as foreign currency translation reserve.

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(o) Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue corresponds to the fair value of the consideration received or receivable for goods and services sold, in the normal course of the Company's activities. Revenue is recognized when the control of the goods or services has been transferred.

Revenue from sale of gas is recognized at the point in time when control is transferred to the customer, generally on delivery of the gas on metered/assessed measurements facility. In case of high sea sales, control is transferred to the customer on delivery of the gas outside the territorial water of India. The amount recognised as revenue is stated inclusive of royalty payable to Government of India and exclusive of profit petroleum, sales tax /value added tax (VAT) and Goods and service tax (GST).

Profit Petroleum payable to the Government of India (MoP&NG) under a PSC is accounted for initially on an estimated basis and upon approval of the DGH, MoP&NG, difference, if any, is accounted for in the year of such of approval.

Revenue from regasification services is recognised over time such service are performed by the Company and revenue from gas transmission is recognized over the period in which the related volumes of gas are delivered to the customers.

Revenue from sale of electricity is recognized at the point in time when control is transferred to the customer, generally on delivery of the electricity on metered/assessed measurements facility.

Revenue in respect of 'Take or Pay' quantity of gas (short lifted quantity of gas under the Gas Sale Agreements) is recognized on accrual basis in the period to which it relates to.

Company's share of Revenue from Joint Operations is considered on the basis of Accounts submitted by Joint Ventures.

Other Income:

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to that asset's gross carrying amount on initial recognition.

Dividend income is accounted for when the right to receive the same is established, which is generally when the shareholders approve the dividend.

Income in respect of interest on delayed realizations from customers, if any, is recognized when it can be reliably measured and it is reasonable to expect ultimate collection.

(p) Accounting for oil and gas joint operations (un incorporated Joint Ventures)

All Oil and Gas Joint Arrangements are in the nature of unincorporated joint operations. Accordingly, the financial statements of the Company reflect the Company's share of assets, liabilities, income and expenditure of the Joint Venture operations, which are accounted on a line by line basis, based on the available information as on the date of the Balance Sheet, with similar items in the Company's accounts, to the extent of the Participating Interest of the Company in each joint operation and related Joint Operating Agreements (JOA), if any, except in case of abandonment, impairment, depletion and depreciation, which are accounted for as per the accounting policies of the Company. The financial statements of the unincorporated joint operations are prepared by the respective Operators of the Contract Area in accordance with the requirements prescribed by the respective PSC and JOA. Hence, certain adjustments/disclosures required under the mandatory Accounting Standards and the Companies Act, 2013 have been made in the financial statements of the Company only to the extent of information available with the Company as on the date of the balance sheet. Such information include information relating to foreign exchange differences, micro, small and medium enterprises, expenditure in foreign currency, earnings in foreign currency, CIF value of imports, transactions with related parties, details of commitments and contingencies, inventory of oil and gas and consumption of stores and spares.

(q) Taxation

Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, along with Income Computation and Disclosure Standards - ICDS as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

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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.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 standalone financial statements. Deferred tax are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, 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 and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. However, when there is no convincing evidence available for future taxable profit the Company recognises Deferred Tax assets arising from unused tax losses or tax credit only to the extent of Deferred Tax liability already recognised by the Company till date.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint operations where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint operations where it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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.

Any tax credit available 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

A specific measurement requirement applies to a deferred tax asset or liability that arises from investment property. This requirement establishes a rebuttable presumption that the carrying amount of investment property will be recovered through sale. The presumption may be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property, rather than through sale. If the presumption is rebutted, then the normal requirements of measuring deferred tax asset or liability are applicable.

Where an investment property comprises land only, then because the land would not be depreciated, the presumption cannot be rebutted. Accordingly, the Company has created deferred tax asset on indexation benefit available on freehold land held as investment properties at the appropriate tax rate.

(r) **Earnings per share**

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

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

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(s) Provisions, contingent liabilities and contingent assets

Provisions are recognised 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, for example, under an insurance contract, the 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. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The Company records a provision for decommissioning costs of a windmills and producing properties. It is recognised as the windmills and oil and gas properties are constructed on leasehold lands which are to be returned to the lessor at the end of the lease tenure on 'as is' basis. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the respective assets. The cash flows are discounted at a current pre-tax rate that reflects the risk specific to the decommissioning liability. The unwinding of discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liability is disclosed 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 provided for & if material, are disclosed by way of notes to accounts. Contingent assets are not recognized in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

(t) Cash and Cash Equivalents

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(u) 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.

(v) Dividends

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

(w) 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.

(x) Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

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(y) 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 the Directors' Report.

(z) Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

(aa) Allocation of General Administrative Expenses

In case of Joint ventures, in which the Company is an operator, the allocation of Common General and Administrative Expenses and Employee cost to various operated blocks, is done on the basis of time allocations notified by each employee.

(bb) Amendments to existing Ind AS

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain IND AS. The Standard / amendments are applicable to the company with effect from 1st April 2019.

Standard issued not yet effective

- Ind AS 116: Leases-
 - The standard changes the recognition, measurement, presentation and disclosure of leases. It requires:
 - Lessees to record all leases on the balance sheet with exemptions available for low value and short-term leases.
 - At the commencement of a lease, a lessee will recognise lease liability and an asset representing the right to use the asset during the lease term (right-of-use asset).
 - Lessees will subsequently reduce the lease liability when paid and recognise depreciation on the right-of-use asset.
 - A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the right-of-use asset.

Amendments to existing Ind AS

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

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

Standalone Financial Statements

Note 2

Property, plant, equipment as at 31st March 2019

(₹ in Crores)

	Gross Block				Depreciation, Depletion and Amortization					Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Impairment during the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Tangibles assets :											
Freehold Land	123.08	-	(2.04)	121.04	-	-	-	-	-	121.04	123.08
Lease hold Land*	3.66	-	-	3.66	0.11	0.04	-	-	0.15	3.51	3.55
Buildings	38.60	-	(1.83)	36.77	4.72	1.65	-	(0.29)	6.08	30.69	33.88
Plant and Machinery	1,247.78	1.11	(0.75)	1,248.14	895.33	106.91	-	(0.40)	1,001.84	246.30	352.45
Furniture and Fixture	5.03	-	(0.17)	4.86	2.46	0.64	-	(0.11)	2.99	1.87	2.57
Office Equipments	4.34	0.07	(0.32)	4.09	2.25	0.34	-	(0.05)	2.54	1.55	2.09
Computer Equipments	4.03	0.23	(0.88)	3.38	1.77	0.31	-	(0.56)	1.52	1.86	2.26
Vehicles	0.48	-	(0.15)	0.33	0.26	0.04	-	(0.08)	0.22	0.11	0.22
Producing Properties	1,660.46	8.66	(300.02)	1,369.10	795.14	59.78	(125.61)	(52.08)	677.23	691.87	865.32
Total tangible assets	3,087.46	10.07	(306.16)	2,791.37	1,702.04	169.71	(125.61)	(53.57)	1,692.57	1,098.80	1,385.42
Capital work in progress :											
Exploration & Development										131.09	92.64
CWIP Building										-	0.14
CWIP Others										25.82	25.82
Total capital work in progress										156.91	118.60

Property, plant, equipment as at 31st March 2018

(₹ in Crores)

Particulars	Gross Block				Depreciation, Depletion and Amortization					Net Block	
	As at 1st April 2017	Addition during the year	Disposal/ Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Impairment during the year	Disposal/ Adjustment	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Tangibles assets :											
Freehold Land	121.44	-	1.64	123.08	-	-	-	-	-	123.08	121.44
Lease hold Land*	3.66	-	-	3.66	0.07	0.04	-	-	0.11	3.55	3.59
Buildings	35.56	3.04	0.00	38.60	2.53	2.19	-	0.00	4.72	33.88	33.03
Plant and Machinery	1,244.68	-	3.10	1,247.78	774.68	120.41	-	0.24	895.33	352.45	470.00
Furniture and Fixture	5.39	-	(0.36)	5.03	1.69	0.98	-	(0.21)	2.46	2.57	3.70
Office Equipments	4.34	0.04	(0.04)	4.34	1.62	0.65	-	(0.02)	2.25	2.09	2.72
Computer Equipments	3.85	0.10	0.08	4.03	1.23	0.54	-	0.00	1.77	2.26	2.62
Vehicles	0.27	0.03	0.18	0.48	0.08	0.05	-	0.13	0.26	0.22	0.19
Producing Properties	1,522.22	138.24	0.00	1,660.46	710.67	84.47	-	0.00	795.14	865.32	811.55
Total tangible assets	2,941.41	141.45	4.60	3,087.46	1,492.57	209.33	-	0.14	1,702.04	1,385.42	1,448.84
Capital work in progress :											
Exploration & Development										92.64	173.41
CWIP Building										0.14	2.84
CWIP Others										25.82	25.82
Total capital work in progress										118.60	202.07

*The non-cancellable lease term is for a period of 99 years. Accordingly, the land has been classified as finance lease.

Notes

- Exploration and Development cost incurred by the joint arrangements has been bifurcated into CWIP tangible and intangible assets under Development as per the requirement of Guidance note on Accounting for Oil & Gas Producing Activities (Ind AS) issued by ICAI read with Ind AS 106 "Exploration for and Evaluation of Mineral Resources".

Borrowing Costs

- The borrowing costs amounting to Nil crores (FY 2017-18 Rs. 0.79 crores) has been capitalized in the current year as a part of CWIP - Exploration & Development.

Standalone Financial Statements

Note 3

Investment property as at 31st March 2019

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Land and building	0.92	-	-	0.92	0.10	0.03	-	0.13	0.79	0.82
Total Investment property	0.92	-	-	0.92	0.10	0.03	-	0.13	0.79	0.82

Investment property as at 31st March 2018

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2017	Addition during the year	Disposal/ Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Disposal/ Adjustment	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Land and building*	2.56	-	(1.64)	0.92	0.07	0.03	-	0.10	0.82	2.49
Total Investment property	2.56	-	(1.64)	0.92	0.07	0.03	-	0.10	0.82	2.49

*Includes land of an amount of Rs.0.15 crores (P.Y Rs. 0.15 crores) which is non depreciable.

Notes

a. The assets are given on lease to group companies for various lease term as agreed mutually. The leases are cancellable subject to the agreed notice period.

b. Amount recognised in profit or loss for investment properties :

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Rental Income	1.19	0.91
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	(0.00)
Profit from investment properties before depreciation	1.19	0.91
Depreciation	-0.03	-0.03
Profit from investment properties	1.16	0.88

c. Leasing Arrangements

The operating lease arrangements are cancellable subject to the stipulated notice period. Accordingly there is no commitment from the lessee in terms of minimum lease payments (MLP) and hence management is of the view that it is impracticable to estimate the MLP receivable in future.

d. Fair Value

Management conducted the fair value assessment based on principles of Ind AS 113 for investment properties. Consequently, the fair value was determined not to be substantially different from the carrying value of the assets.

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Note 4

Other intangible assets as at 31st March 2019

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Software	6.67	0.21	(0.11)	6.77	4.00	0.94	(0.04)	4.90	1.87	2.67
Total other intangible assets	6.67	0.21	(0.11)	6.77	4.00	0.94	(0.04)	4.90	1.87	2.67
Intangible assets under development										
Exploration & Development									482.91	932.39
Software									0.14	0.14
Total of Intangible assets under development									483.05	932.53

Other intangible assets as at 31st March 2018

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2017	Addition during the year	Disposal/ Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Disposal/ Adjustment	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Software	5.01	1.66		6.67	2.84	1.16	-	4.00	2.67	2.17
Total other intangible assets	5.01	1.66	-	6.67	2.84	1.16	-	4.00	2.67	2.17
Intangible assets under development ^a										
Exploration & Development									932.39	1,456.21
Software									0.14	0.43
Total of Intangible assets under development									932.53	1,456.64

a. Details of borrowing cost capitalised have been disclosed in Note No. 2 of Property, Plant and Equipment

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Note 5

Investments in Subsidiary and Equity accounted investees

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-Current		
A. Investments in quoted equity shares of subsidiary companies ^a		
212,305,270 (31st March, 2018 : 212,305,270) fully paid up equity shares of Gujarat State Petronet Ltd. of Rs.10 each	2,633.65	2,633.65
	2,633.65	2,633.65
B. Investments in unquoted equity shares of subsidiary companies ^a		
840,002,936 (31st March, 2018 : 840,002,936) fully paid up equity shares of GSPC Pipavav Power Co. Ltd of Rs.10 each	840.00	840.00
25,000 (31st March, 2018 : 25,000) fully paid up equity shares of Guj Info Petro Ltd. of Rs.10 each	0.03	0.03
	840.03	840.03
C. Investments in unquoted equity shares of subsidiary companies (at cost)		
50,000 (31st March, 2018 : 50,000;) fully paid up equity shares of GSPC Offshore Ltd. of Rs.10 each	0.05	0.05
50,000 (31st March, 2018 : 50,000) fully paid up equity shares of GSPC Energy Ltd. of Rs.10 each	0.05	0.05
99,390,060 (31st March, 2018 : 98,390,060) fully paid up equity shares of GSPC JPDA Ltd of Rs.10 each	99.39	98.39
Less : Provision for impairment on shares of GSPC JPDA Ltd ^d	(99.39)	(98.39)
	0.10	0.10
D. Investments in unquoted equity shares of equity accounted investees ^a		
272,397,426 (31st March, 2018 : 113,541,817) fully paid up equity shares of Gujarat State Energy Generation Ltd of Rs.10 each ^b	278.96	120.10
N.A. (31st March, 2018 : 11,430,000) fully paid up equity shares of GSPC LNG Ltd of Rs.10 each ^c	-	25.61
4,494,330 (31st March, 2018 : 4,494,330) fully paid up equity shares of Sabarmati Gas Ltd of Rs.10 each	175.55	175.55
11,500,000 (31st March, 2018 : 11,500,000) fully paid up equity shares of Alcock Ashdown (Gujarat) Ltd of Rs.10 each	11.50	11.50
Less : Provision for impairment on shares of Alcock Ashdown(Gujarat) Ltd. ^d .	(11.50)	(11.50)
	454.51	321.26
Total investments in subsidiary and equity accounted investees	3,928.29	3,795.04
Total quoted investments	2,633.65	2,633.65
Total unquoted investments	1,405.53	1,271.28
Provision for impairment on unquoted investments	(110.89)	(109.89)
Total investments	3,928.29	3,795.04
Market Value of Quoted Investments in Subsidiaries	4,048.66	4,023.18

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Notes

- The Company has opted to consider Fair valuation of investments in Subsidiaries & Equity Accounted Investees on transition date as deemed cost and carry the same as cost after the transition date.
- The percentage holding of GSPC in GSEG has increased to 53.70% as against 32.59% in previous financial year. GSPC holds majority shares of GSEG but does not have majority voting power and hence GSEG is still an associate and not subsidiary of GSPC. The voting rights on such incremental equity shares acquired by GSPC during the financial year are restricted on account of ongoing litigation. Definition of Subsidiary Company under Section 2(87) of the Companies Act, 2013 requires exercise or control of more than one-half of total voting power. GSPC has given undertaking to NCLT, Ahmedabad that it shall not exercise voting powers in respect of such shares as are allotted to GSPC pursuant to the said offer for Right Issue of shares during the pendency of the petition no. 51 of 2018 filed by KRIBHCO and In view of that, NCLT has ordered to keep on hold the allotment against share application money of Rs.61.47 crores. The matter is still pending with NCLT.
- GSPC LNG Ltd ceases to be an associate company w.e.f 25th October,2018 and hence investment in GSPC LNG Ltd has been re-classified as other non-current investment.
- The company had made investment in shares of Alcock Ashdown (Gujarat) Ltd. to the tune of Rs. 11.50 crores. As per audited financial statement of the company for FY 2011-12, accumulated losses of the company had exceeded its net worth. Hence, considering the same as permanent diminution in the value of investment, full provision for impairment on value of investment had been provided in the FY 2012-13 for Rs. 11.50 crores.

The company had made an investment through Special Purpose Vehicle (SPV) in GSPC (JPDA) LTD. amounting to Rs.99.39 crores (31st March, 2018 : Rs 98.39 crores) to carry out exploration activities in Australia. The exploration activities had created significant commercial uncertainty which has negatively impacted the ability of the Joint arrangement partners to meet the obligations under the PSC. Hence, the Company has provided for impairment in its books of accounts and accordingly the same has been fully provided for.

Note 6

Other Investments

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-Current		
A. Investment in quoted equity shares of other companies (measured at fair value through OCI)		
3,697,000 (31st March, 2018 : 3,697,000) fully paid up equity shares of Gujarat Industries Power Company Ltd. of Rs.10 each	26.29	35.79
B. Investment in unquoted equity shares of other companies (measured at fair value through OCI)		
11,430,000 (31st March, 2018 : N.A.) fully paid up equity shares of GSPC LNG Ltd of Rs.10 each (refer note 5 c)	25.61	-
29,004,033 (31st March, 2018 : 29,004,033) fully paid up equity shares of ONGC Petro Additions Ltd of Rs.10 each	29.00	29.00
Total non-current investments	80.90	64.79
Market Value of Investment in quoted equity shares of other company	26.29	35.79

Notes

- Refer Note 41 for determination of their fair values for investments carried at cost and investments measured at fair value through Other Comprehensive Income (FVTOCI)

Note 7

Loans

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-Current		
Loans and Advances to Employees - NC		
Secured, considered good	7.31	9.14
Total non-current loans	7.31	9.14
Current		
Loans and advances to employees		
Secured, considered good	0.53	0.86
Loans and Advance to Related Parties Unsecured, considered good	44.74	249.77
Total current loans	45.27	250.63

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Note 8

Other financial assets

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-Current		
Application Money paid towards securities (Refer note no 5b)	61.47	-
Receivable from employees under Own Your Vehicle Scheme (Unsecured-considered good)	0.14	0.36
Site resoration fund - Deposits with banks (Refer Note a)	3.91	103.60
Total non-current financial assets	65.52	103.96
Current		
Amount Receivable for Sale of Investments in Subsidiary	-	1,206.05
Advances recoverable in cash or in kind or for value to be received (Unsecured, considered good)		
Others Advances Recoverable (Refer note no.44)	890.10	514.43
Amount receivable under Joint arrangements	719.42	655.23
Advances recoverable in cash or in kind or for value to be received (Unsecured, considered doubtful)	-	-
Unsecured, considered doubtful	290.01	290.01
Less : Provision for doubtful advances	(290.01)	(290.01)
Security deposit given	0.15	0.15
Unamortised expenses	-	-
Receivable from employees (Unsecured - considered good)	0.52	0.22
Total current financial assets	1,610.19	2,376.08

Notes

- a. The above amount has been deposited with banks under section 33ABA of the Income Tax Act,1961 and can be withdrawn only for the purpose specified in the Scheme i.e towards removal of equipments and installations in a manner agreed with Central Government pursuant to an abandonment plan to prevent hazards to life,property,environment etc. This amount is considered as restricted cash and hence not considered as 'Cash and Cash equivalents'.

Note 9

Other non-financial assets

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-Current		
Prepaid expense	3.74	4.10
Deferred employee cost	0.79	1.99
Total non-current non-financial assets	4.53	6.09
Current		
Prepaid expense	2.47	2.30
Deferred employee cost	0.83	3.30
Total current non-financial assets	3.30	5.60

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Note 10 Inventories

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Finished goods - Crude oil (valued at rate specified in COSA)	3.40	4.06
Condensate (As per condensate sale agreement)	28.29	30.84
Traded goods - Liquefied natural gas	44.83	161.38
Total inventories	76.52	196.28

Note 11 Trade receivables

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Secured, considered good	446.55	447.96
Unsecured, considered good	171.75	113.29
Doubtful	3.12	3.31
Less : Impairment on account of expected credit loss assessment	(3.12)	(3.31)
Total trade receivables	618.30	561.25

Note 12 Cash and cash equivalents & other bank balances

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Cash and cash equivalents		
Balances with banks		
In current accounts	14.40	6.90
Fixed deposit with original maturity of less than 3 months	141.31	-
Cash on hand	0.01	0.02
Total cash and cash equivalents	155.72	6.92
Other bank balances		
Margin money deposits	106.57	4.33
Fixed Deposit		
With original maturity of more than 3 months but less than 12 months	94.77	86.69
Total other bank balances	201.34	91.02

Note 13 Equity share capital

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Authorised share capital		
300,00,00,000 equity shares of Re. 1 each (31st March, 2018 : 300,00,00,000 equity shares of Re. 1 each)*	300.00	300.00
Increase/(Decrease) during the year	-	-
Total	300.00	300.00

* Refer Note 43

Standalone Financial Statements

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Issued, subscribed and paid up capital		
257,92,62,920 equity shares of Re. 1 each (31 st March, 2018 : 257,92,62,920 equity shares of Re. 1 each)	257.93	257.93
Total	257.93	257.93

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period			(₹ in Crores)
Particulars	No. of Shares	Amount	
	Equity Shares of Rs. 1 each fully paid		
As at 1st April 2017			
Shares outstanding at the beginning of the period	2,57,92,62,920	257.93	
Add : Shares issued during the year	-	-	
Less: Shares cancelled during the period	-	-	
As at 31st March 2018	2,57,92,62,920	257.93	
As at 1st April 2018			
At the beginning of the year	-	-	
Add : Shares issued during the year	-	-	
As at 31st March 2019	2,57,92,62,920	257.93	

Details of shareholder(s) holding more than 5% Equity Shares			(₹ in Crores)
Particulars	As at 31 st March, 2019	As at 31 st March, 2018	
	Number of Equity Shares		
Government of Gujarat	2,24,10,10,179	2,24,10,10,179	
Gujarat State Investment Limited	2,25,92,441	19,25,92,441	
Gujarat State Financial Service Limited	17,00,00,000	0	
% Holding in equity shares			
Government of Gujarat	86.89%	86.89%	
Gujarat State Investment Limited	0.88%	7.47%	
Gujarat State Financial Service Limited	6.59%	-	

Notes

- a. As per records of the Company, including its register of shareholders/members and declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of share.

Terms /Rights attached to equity shares

- b. The Company has only one class of equity shares having a face value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share.
- c. During the year ended 31st March, 2019 the amount of dividend per share recognized as distributions to equity shareholders is Rs. NIL (31st March, 2018 : NIL).
- d. In the event of liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by each shareholder.
- e. No bonus shares issued by the Company during last five years immediately preceding the reporting date.

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Note 13 A

Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of the year	-	-
Add : Consideration to be settled in Equity - NCD (refer note 43)	6,000.00	-
Add : Compulsory Convertible Debentures due for Conversion [refer note no.15(j)]	550.00	-
Balance at the end of the year	6,550.00	-

Note 14

Other equity

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Capital reserve	1.28	1.28
Securities premium reserve	3,740.06	3,740.06
Debenture redemption reserve	-	347.74
General Reserve	3,245.14	3,245.14
Retained Earnings	(15,184.21)	(15,791.82)
Other Comprehensive Income	2,065.42	2,074.92
Total other equity	(6,132.31)	(6,382.68)

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Capital reserve		
Opening Balance	1.28	1.28
Add: Addition during the Year	-	-
Less: Utilisation during the year	-	-
Total capital reserve	1.28	1.28

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Securities premium reserve		
Opening Balance	3,740.06	3,740.06
Add: Addition during the Year	-	-
Less: Utilisation during the year	-	-
Total securities premium reserve	3,740.06	3,740.06

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Debenture redemption reserve		
Opening Balance	347.74	347.74
Add: Addition during the Year	-	-
Less: Utilisation during the year	(347.74)	-
Total Debenture redemption reserve	-	347.74

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Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
General reserve		
Opening Balance	3,245.14	3,245.14
Add: Addition during the Year	-	-
Less: Utilisation during the year	-	-
Total general reserve	3,245.14	3,245.14

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Retained earnings		
Opening Balance	(15,791.82)	(16,936.79)
Add:		
Profit/(Loss) during the year	259.51	(1,564.64)
Remeasurement of post employment benefit obligation (net of tax)	0.36	(0.53)
Transfer from Debenture Redemption Reserve	347.74	0.00
Transfer from OCI (net of Tax)	0.00	2,710.14
Total retained earnings	(15,184.21)	(15,791.82)

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Other Comprehensive Income		
FVOCI - equity investments		
Opening Balance	2,074.92	3,992.86
Current Year OCI	(9.14)	792.20
Transfer to retained earnings for sale of equity instruments	(0.36)	(2,710.14)
Total Other Comprehensive Income	2,065.42	2,074.92

Notes

- a. The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserves.

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Note 15

Borrowings

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current borrowings		
Secured		
Term loan from banks	5,111.81	3,155.00
Compulsory convertible debentures	-	550.00
	5,111.81	3,705.00
Unsecured		
Non-convertible debentures	-	6,015.29
Term loan from others - GSFS	1,000.00	1,237.50
	1,000.00	7,252.79
Total non-current borrowings	6,111.81	10,957.79
Current borrowings		
Secured		
From banks (Loans repayable on demand)	432.91	2,367.47
	432.91	2,367.47
Unsecured		
From banks (Loans repayable on demand)	50.03	600.00
	50.03	600.00
Total current borrowings	482.94	2,967.47
Current maturities of long term borrowings (Shown as part of other current financial liabilities : Refer Note 16)		
Secured		
Term loan from banks	205.46	0.51
Compulsory Convertible Debentures	-	24.94
	205.46	25.45
Unsecured		
Term loan from others - GSFS	4.52	268.26
Non Convertible Redeemable Debentures	-	140.92
	4.52	409.18
Total current maturities of non-current borrowings	209.98	434.63

Notes

Secured Loans

- State Bank of India had sanctioned a Rupee Term Loan (RTL 1) Facility amounting to Rs. 3,000 Crores (Current outstanding is Rs. 859.09 Crores) in F.Y. 2014-15. During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking parri passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 485.71 Crores and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.
- Consortium of two member banks lead by Bank of Baroda, London branch has provided Foreign Currency Loan (ECB-1) of USD 200 Million (Rs.1053.94 Crores) (Current outstanding of USD 18.30 Million i.e. ~Rs. 126.56 Crores). During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking parri passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 485.71 Crores and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.

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- c. Consortium of five member banks lead by Bank of Baroda, London branch has provided Foreign Currency Loan (ECB-2) of USD 250 Million (Rs.1528.70 Crores) (Current outstanding of USD 60.80 Million i.e. ~Rs. 408.45 Crores) and USD 75 Million (Current outstanding of USD 18.57 Million i.e. Rs. 140.50 Crores) from Export Import Bank of India . During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking parri passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 485.71 Crores and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.
- d. EXIM bank has provided Foreign Currency Loan (ECB - 3) of USD 100 Million (Rs.624.45 Crores) (Current outstanding of USD 24.24 Million i.e. ~Rs. 167.65 Crores). During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking parri passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 485.71 Crores and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.
- e. State Bank of India (Nassau) has provided Foreign Currency Loan (ECB - 4) of USD 100 Million (Rs.657.40Crores) (Current outstanding of USD 28.58 Million i.e. ~Rs. 197.70 Crores).During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking parri passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 485.71 Crores and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.
- f. Consortium of thirteen member banks lead by Punjab National Bank has provided Rupee Term Loan (RTL 2) of Rs. 4,500 Crore (Current outstanding of Rs. 1,389.36 Crore). During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking parri passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 485.71 Crores and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.
- g. State Bank of India has provided a Corporate Loan (RTL 3) of Rs. 2,100 Crores (Current Outstanding - Rs. 2,100 Crores) in FY 2018-19. The loan is secured by land based in Kakinada, Andhra Pradesh, hypothecation of Wind Mill, Pledge of shares and Participating Interest of block. As per the terms of the agreement, the company has time for creation and perfection of security, further the company has repaid loan to the extent of Rs. 1,050 Crores in June 2019 and is in process of discussion with banks for modification of security proposed to bank, the outcome of same is awaited. Considering the above ongoing process, the loans is considered secured.

Unsecured

- h. Company has availed Long Term Loan from Gujarat State Financial Services (GSFS) in FY 2018-19 for the period of 5 years with repayment in 16 quarterly installment. (Current outstanding Rs. 1,000 Crores).
- i. As on 31st March, 2018 outstanding unsecured NCDs amounting to Rs. 6,000 crores raised on private placement basis are listed with National Stock Exchange and same has been transferred to GSIL under the scheme of arrangement (refer note no-43). The details of the same are as follows:

Type of NCD	Amount (₹ in crores)	Interest Rate on p.a. Basis	Issued in
8 Yrs.	1,000	9.39%	Sep-12
10 Yrs.	1,000	9.45%	Sep-12
15 Yrs.	2,000	9.03%	Mar-13
60 Yrs.*	1,000	10.45%	Sep-12
60 Yrs.**	1,000	9.80%	Mar-13

* The company has the call option for these NCDs after 10 years, from date of allotment i.e. 28th September, 2012 and till maturity and in case such option is not exercised then the interest rate will step up by 2 % till the NCDs are repaid.

** The company has the call option for these NCDs after 12 years, from date of allotment i.e. 22nd March, 2013 and in case call option is not exercised, the interest rate will step up by 2% till the NCDs are repaid/redeemed.

- j. The Company has raised funds amounting to Rs. 550 Crores through issuance of Compulsory Convertible Debentures (CCDs) on private placement basis. The details of CCDs issued are as follows:

Name of Investor	Amount (₹ in crores)	Interest Rate on p.a Basis
IDBI Bank	150	9.56%
IFCI	100	9.39%
State Bank of India	300	10.11%

The CCDs (face value: Rs. 81 per debenture) were secured by a first mortgage and charge over immovable property (Guesthouse Bungalow at Infocity, Gandhinagar) of the Company. There was a lock in period of one year for CCD investor from the date of allotment. The debentures are converted into equity shares on 29th May, 2019. As the conversion of CCD into Equity was due in January 2019 as per the terms of the CCD agreement, the same has been re classified as "Financial Instrument in Equity Nature" as on 31st March, 2019. Further, as the conversion was not done till 31st March, 2019, interest on CCD for the period ended on 31st March, 2019 has been provided.

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k. Loan repayment schedule

S. No.	Particulars	Total Outstanding (Rs. In crores)*	Maturity period	Rate of Interest (p.a.)	Re-payable in 12 months	Re-payable in 2 to 4 years	Re-payable in 5 to 7 years	Re-payable in 8 to 10 years
1	Rupee Term Loan-1	859.09	30-Sep-24	SBI Base Rate + Spread			859.09	
2	Rupee Term Loan-2	1,389.36	31-Mar-29	SBI Base Rate + Spread	-			1,389.36
3	External Commercial Borrowing (ECB-1)	126.56	30-Sep-20	6 m Libor + Spread	39.72	86.84	-	-
4	External Commercial Borrowing (ECB-2)	548.95	30-Sep-23	6 m Libor + Spread		408.45	140.50	
5	External Commercial Borrowing [ECB-3 (Exim)]	167.65	31-Dec-24	6 m Libor + Spread			167.65	
6	External Commercial Borrowing [ECB-4 (SBI)]	197.70	30-Sep-24	6 m Libor + Spread		68.00	129.70	
8	Corporate Loan	2,100.00	30-Sep-28	SBI MCLR + Spread	157.50	472.50	420.00	1,050.00
9	GSFS Loan	1,000.00		Floating Rate of Interest - presently 8.25%		906.00	94.00	-
	Total	6,389.31			197.22	1,941.79	1,810.94	2,439.36

*The amounts outstanding for various loans as on 31st March, 2019 are as per the terms of the agreement and as per the understanding of the Joint Lenders Meeting wherein it was decided that the prepayment with funds from sales consideration has retired the near term installments in the repayment schedule, for which the approval of respective banks is awaited. The amount represents actual amount payable to banks at prevailing exchange rates on reporting date excluding accounting effects of Effective interest Rate (EIR) as per Ind-AS.

Note 16

Other financial liabilities

(₹ in crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-Current		
Operation and maintenance expense payable	0.75	1.48
Other payables (including deposits received from customers)	10.19	10.10
Total non-current financial liabilities	10.94	11.58
Current		
Current maturities of non-current borrowings (Note 15)	209.98	434.63
Interest Accrued but not due	10.02	-
Payable to/on behalf of joint arrangement	484.28	657.19
Others	624.17	28.34
Operation and maintenance expense payable	0.73	1.79
Total current financial liabilities	1,329.18	1,121.95

Note 17

Provisions

(₹ in crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-Current		
Provision for decommissioning obligations	83.37	156.79
Total non-current provisions	83.37	156.79
Current		
Provision for profit petroleum	56.43	56.43
Total current provisions	56.43	56.43

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Movements in Provisions	(₹ in crores)	
	Non-current	Current
	Provision for decommissioning obligations	Provision for profit petroleum
At 1 April 2018 (Opening balance)	156.79	56.43
Add: Unwinding of Discounts	4.62	-
Add: Provision made during the year	0.00	-
Less: liability associated with Non-Current Asset held for sale	(78.04)	-
At 31 March 2019 (Closing balance)	83.37	56.43

Note 18

Deferred revenue/ contract liabilities

Particulars	(₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Income received in advance - NC	0.46	0.32
Total non-current deferred revenue/ contract liability	0.46	0.32
Current		
Income received in advance	0.15	0.08
Total current deferred revenue/ contract liability	0.15	0.08

Note 19

Net employee benefit liabilities

Particulars	(₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Provision for gratuity and loyalty bonus	9.61	6.56
Provision for leave benefits	1.88	1.57
Total non-current net employee benefit liabilities	11.49	8.13
Current		
Provision for gratuity and loyalty bonus	0.62	2.08
Provision for leave benefits	0.60	0.69
Total current net employee benefit liabilities	1.22	2.77

Note 20

A) Non Current Tax Assets (Net)

Particulars	(₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Advance Income Tax	1,539.60	1,519.23
Provision for Tax	(1,406.36)	(1,406.36)
Non Current Tax Assets (Net)	133.24	112.87

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B) Tax expense

Amount recognised in statement of profit and loss

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Current income tax	-	-
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	-	-
Reduction in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Recognition of tax credit	-	-
Change in recognised deductible temporary differences	-	-
Deferred tax expense	-	-
Excess provision of income tax in respect of previous years	-	-
Total tax expense for the year	-	-

Amount recognised in other comprehensive income

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Items that will not be reclassified to profit or loss (A)		
Remeasurement of post-employment benefit obligations	0.36	0.53
Changes in fair value of equity instruments	(9.50)	(2.31)
Profit on Sale of Equity Instrument	-	793.98
	(9.14)	792.20
Income tax relating to items that will not be reclassified to profit or loss (B)		
Remeasurement of post-employment benefit obligations	-	-
Changes in fair value of equity instruments	-	-
Profit on Sale of Equity Instrument	-	-
	-	-
Net amount recognised in other comprehensive income (A+B)		
Remeasurements of the defined benefit plans	0.36	0.53
Equity instruments through other comprehensive income	(9.50)	(2.31)
Profit on Sale of Equity Instrument	-	793.98
	(9.14)	792.20

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Reconciliation of effective income tax rate			(₹ in crores)
Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018	
Profit before tax	259.51	(1,564.64)	
Tax using the Company's domestic tax rate @ 34.944%	90.67	(546.75)	
Tax effect of:			
Non-deductible tax expenses			
Provision for impairment not allowable for taxes	82.66	75.37	
Depreciation as per Profit and Loss Account	59.64	73.56	
Interest on Late payment of TDS	-	0.06	
Consideration from Transfer of KG Block in excess of the expenditure remaining unallowed u/s. 42(2)(b)	-	1,790.03	
Provision for Diminution in the Value of Investment	0.35	-	
Provision for doubtful advances	-	(0.23)	
Impact on account of Ind As	0.89	8.19	
Disallowance U/s 43B			
Any sum payable by way of contribution to any provident fund or superannuation fund or gratuity fund or any other fund for the welfare of employees-Gratuity & Leave Encashment	0.63	1.41	
Deductions			
Depreciation as per Income tax act	(308.39)	(361.20)	
Dividend Income exempt u/s. 10(34)	(13.72)	(15.89)	
Deduction allowable - Others			
Deduction u/s. 42	-	(116.04)	
Profit on Sale of Asset	0.22	0.07	
Recognition of tax effect of previously unrecognised tax losses	87.05	(908.58)	
Short/(Excess) Provision of tax for earlier years	-	-	
Tax expense recognised in statement of profit and loss	0.00	0.00	

C) Deferred tax asset/ (liabilities) [Net]

Movement in deferred tax balances

(₹ in crores)

Particulars	As at 31st March, 2019							Deferred tax asset	Deferred tax liability
	Net balance April 1, 2018	Recognised in profit or loss*	Recognised in OCI	Recognised directly in equity	Other	Net			
Deferred tax asset/ (liabilities)									
On excess of carrying value of PPE over Tax base	571.95	(30.39)	-	-	-	541.56	644.57	(103.01)	
Investments	(483.50)	(34.40)	-	-	-	(517.90)	-	(517.90)	
Loans and borrowings	(88.38)	64.79	-	-	-	(23.59)	-	(23.59)	
Other items	(0.07)	0.00	-	-	-	(0.07)	-	(0.07)	
Tax assets/ (liabilities)	0.00	0.00	-	-	-	0.00	644.57	(644.57)	

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(₹ in crores)

Particulars	AS at 31st March, 2018							
	Net balance April 1, 2017	Recognised in profit or loss*	Recognised in OCI	Recognised directly in equity	Other	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/ (liabilities)								
On excess of carrying value of PPE over Tax base	185.67	386.28	-	-	-	571.95	743.71	(171.76)
Decommissioning obligations	134.39	(134.39)	-	-	-	-	-	-
Investments	(995.96)	512.46	-	-	-	(483.50)	-	(483.50)
Loans and borrowings	(5.53)	(82.85)	-	-	-	(88.38)	-	(88.38)
Straightlining of operation ans maintenance expenses	1.75	(1.75)	-	-	-	-	-	-
Tax credit	17.21	(17.21)	-	-	-	-	-	-
Other items	662.47	(662.54)	-	-	-	(0.07)	-	(0.07)
Tax assets/ (liabilities)	0.00	(0.00)	-	-	-	(0.00)	743.71	(743.71)

Tax losses carried forward

(₹ in crores)

Particulars	31-Mar-19	Expiry date	31-Mar-18	Expiry date
Business Loss (Expirable)	12,019.29	31-Mar-25	11,650.46	31-Mar-25
Un absorb Depreciation(Never Expirable) - Carried Forward	850.14	-	86.24	-
Un absorb Depreciation(Never Expirable) - Current	249.11	-	763.90	-

* Refer point no (q) of note no.1 of Significant accounting policies

Notes

- The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off non current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.
- Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.
- Provision of Tax for the current year is Rs. NIL (31st March,2018 : NIL).The Company has continuously maintained a position that allowances / claims U/s. 42 and deduction U/s. 80IB (9) is admissible under the Income Tax Act, 1961. The company has been treating each well as a separate undertaking for the purpose of claiming deduction U/s 80IB(9). This view has not been accepted by the first assessing authorities. However, the Commissioner of Income Tax (Appeal) [C.I.T. (A)] has accepted the company's contention regarding claim U/s. 80IB (9). The second appellate authority, i.e. Income Tax Appellate Tribunal (ITAT) has also upheld the company's contention for A.Y. 2000-01 and allowed the claim U/s 80IB (9). Finance (No. 2) Act, 2009 has amended the provisions of Section 80IB (9) with retrospective effect from 1st April 2000, i.e. A.Y. 2000-01 in order to restrict the benefit of deduction U/s 80IB(9) to a "production sharing contract" instead of "well". The company has been claiming deduction U/s. 80IB (9) by treating each well as a separate undertaking. The company had challenged the above amendment by filing a writ petition before the Hon'ble High Court of Gujarat. Hon'ble High Court of Gujarat has decided the matter in favour of the company by its order dated 26th March, 2015 and has struck down the retrospective application of law by holding it as ultra vires. The Union of India has further preferred an SLP before Hon'ble Supreme Court of India challenging the Judgment of High Court of Gujarat. The SLP is placed for hearing on Application for Interim Stay sought by Union of India. The matter is still sub-judice. From F.Y. 2009-10 (A.Y. 2010-11), Company has been claiming deduction U/s. 80IB(9) by treating "Each Block" as a separate undertaking. Further to the above, in case of claim U/s 42, the ITAT has upheld the department's contention for claim U/s. 42 in respect of Hazira Field. In view of the ITAT order, CIT (A) has also upheld department's contention for Claim U/s. 42 in respect of Hazira Field for the first time in A.Y. 05-06. However, due to this, the company does not envisage any tax liability. Both company and department have preferred appeals before Hon'ble High Court of Gujarat against the order of ITAT on issues which are not decided in their favour. The company is confident of its position. No provision is made for such disputed Income tax liabilities, which is estimated at Rs.1,701.78 crores (31st March, 2018 : 1,527.43 crores). However the same is disclosed by way of a note as contingent liabilities vide note no.34.The Company has availed deduction U/s.42 as well as claiming tax holiday U/s 80IB (9) of the Income Tax Act, 1961 for exploration / development costs. This has impact of temporary differences, which in the management's view, considering the past performance and future estimates will be reversed during the "Tax Holiday Period"- and to that extent the deferred tax is not recognized and accordingly no provision for deferred tax liability in respect thereof is made.

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Note 21

Other current liabilities

(₹ in crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Others - NC Payable	-	-
Total non-current non-financial liabilities	-	-
Current		
Statutory liability	114.13	77.82
Other liabilities	20.55	25.07
Total current non-financial liabilities	134.68	102.89

Note 22

Trade payables

(₹ in crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	126.30	758.26
Total trade payables	126.30	758.26

Notes

- a. The company has not received any Memorandum from the suppliers whose principal amount remains unpaid as on 31st March'2019(as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprise Development Act, 2006) claiming their status as micro, small and medium enterprise as on the Balance Sheet date. Consequently, the amount payable to micro, small and medium enterprises during the year Rs. Nil (31st March, 2018 : Rs. Nil).

Note 23

Non Current Assets held for sale

During the year the management has decided to sell participating interest in 12 E&P fields belonging too E&P segment namely Hazira, Allora, Dholasan, North Kathana, Unawa, Miroli, Bhandut, CB ONN 2004/1, CB ONN 2004/2, CB ONN 2004/3, GK OSN 2009/1 and MB OSN 2005/1. The bidding process for the same was initiated by the company during the year. Hence, as per Ind AS 105 - 'Non-current Assets Held for Sale and Discontinued Operations', such group of assets have been reclassified as non current assets held for sale and measured at the lower of carrying amount and fair value less cost to sale as presented in the table below:

Particulars	(₹ in crores) As at 31 st March, 2019
Assets	
Non current assets (net of depreciation and amortisation where applicable)	
Producing Properties	247.94
Freehold Land	2.04
Office equipment	0.07
Computer equipment	0.03
Plant and machinery	0.05
Furniture and fixtures	0.00
Vehicle	0.01
Building	1.54
Exploration & Development	441.15
Site Restoration Fund	106.94
Other Current Assets	0.44
Total carrying value of non-current assets (A)	800.21

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Particulars	(₹ in crores)
	As at 31 st March, 2019
Liabilities associated with above group of assets	
Provision for decommissioning cost	(78.04)
Other Current liabilities	(52.54)
Net assets classified as held for sale	669.63
Fair value less cost to sell of above group of assets (B)	352.74
Impairment loss recognised in statement of profit or loss as an exceptional item (C) = (A) - (B)	316.89

Details of profit and loss attributable to the above group of assets is below:

Particulars	(₹ in crores)
	For the year 31 st March, 2019
Revenue	34.82
Expense	(35.08)
Depletion	(16.37)
Impairment	(316.89)
Profit/(loss) before tax	(333.52)
Income tax expense	-
Profit/(loss) after tax	(333.52)

Note 24

Revenue from operations

Particulars	(₹ in crores)	
	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Sale of products		
Sale of natural gas - Trading	13,866.41	10,328.68
Sale of gas - Joint Arrangements	14.95	14.84
Sale of oil - Joint Arrangements	74.12	76.30
Sale of electricity - Windmills	45.68	44.68
	14,001.16	10,464.50
Sale of services		
Re-gasification income	338.70	229.24
Transportation income	15.27	27.39
	353.97	256.63
Other operating revenues		
Take or pay income	13.45	4.41
Total revenue from operations*	14,368.58	10,725.54

*For information on disaggregation of revenue, refer note 38 (Segment reporting)

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Note 25

Other income

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Interest Income		
Interest on Deposits with banks	18.59	4.58
Others interest income	18.51	27.83
	37.10	32.41
Dividend from long term investments		
Dividend from subsidiary companies	37.15	43.58
Dividend from other companies	2.12	1.90
	39.27	45.48
Other non-operating income		
Usage charges	2.06	2.59
Other income - Joint Arrangements	8.07	4.80
Net Forex gain - loss	15.47	58.45
Other Non-Operating Income	2.69	0.41
	28.29	66.25
Total other income	104.66	144.14

Note 26

Production expenditure - E&P

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Production expenditure	68.98	48.21
Duties and taxes	9.10	6.36
Other G&A expenses	14.25	19.60
Bidding Expenses	-	0.15
Total production expenditure - E&P	92.33	74.32

Note 27

Cost of traded goods

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Purchase of gas		
Local Purchase of Gas	4,278.34	2,759.42
Import Purchase of Gas	7,565.71	5,885.29
	11,844.05	8,644.71
Other costs		
Import Gas Regasification Charges	704.91	606.99
Gas Transmission Charges	280.11	224.50
Commodity Hedging Cost	98.12	205.35
Other expenses - Gas Trading	2.78	0.37
	1,085.92	1,037.21
Total cost of traded goods	12,929.97	9,681.92

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Note 28

Changes in inventories of finished goods, stock in process and stock in trade

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Finished goods		
Closing stock of oil	(31.69)	(34.90)
Opening stock of oil	34.90	36.79
	<u>3.21</u>	<u>1.89</u>
Increase/ decrease in stock of oil *	(2.68)	(0.02)
	<u>0.53</u>	<u>1.87</u>
Stock in trade		
Closing stock of liquified gas	(44.83)	(161.38)
Opening stock of liquified gas	161.38	193.11
	<u>116.55</u>	<u>31.73</u>
Total change in inventories of finished goods, stock in process and stock in trade	<u>117.08</u>	<u>33.60</u>

*(Refer Note No:37(l))

Note 29

Employee benefits expenses

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Salary, wages and allowances	16.53	10.02
Contribution to provident fund and other funds	3.59	6.52
Staff welfare expenses	0.07	0.02
Total employee benefit expenses^a	<u>20.19</u>	<u>16.56</u>

Notes

a. Amount represents net expenditure for corporate.

Note 30

Finance costs

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Interest Cost	678.61	1,658.36
Unwinding of discount on Provisions	4.23	2.81
Other Borrowing Costs (includes bank guarantee, LC charges, bank charges, etc.)	19.36	13.64
Total finance costs	<u>702.20</u>	<u>1,674.81</u>

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Note 31

Other expenses

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Expenses related to wind mills		
Operation and maintenance expenses	8.47	8.07
Windmills insurance expenses	0.67	0.15
Total (A)	9.14	8.22
Administrative expenses		
Electricity expenses	1.00	0.77
Rent, rates and taxes	0.51	0.62
Repairs and maintenance		
Building repairs	-	-
Others	1.96	1.36
Insurance expenses	0.94	0.77
Business development and promotion	-	0.01
Advertisement and publicity	0.09	0.04
Administration and establishment	4.80	4.31
Recruitment and training expenses	-	0.19
Travelling expenses	0.95	1.23
Stationery and printing	0.28	0.59
Professional and technical expenses	16.09	11.36
Telephone, trunk calls and postage	0.10	0.22
Vehicle running expenses	0.10	0.09
Bandwidth expenses	0.09	0.15
Payment to auditors ^a	0.32	0.15
Net Loss on Sale/discarding of Fixed Assets	0.63	0.19
Other expenses	0.56	0.04
Total (B)	28.42	22.09
Provision for doubtful advances (C)	-	(0.65)
Total other expenses (A+B+C)	37.56	29.66

a. Payment to auditors

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
For statutory audit	0.15	0.15
For other services	0.16	-
For reimbursement of expenses	0.01	-
Total payment to auditors	0.32	0.15

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Note 32

Exceptional items

The exceptional Items comprises of the following:

Particulars	(₹ in crores)	
	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Impairment of oil and gas assets		
Provided During the year	429.92	221.60
Less: Reversed during the year	(193.41)	-
Impairment on Investment	1.00	-
Exploration cost written off/ (written back)	(93.79)	491.33
Total exceptional items	143.72	712.93

Notes

- a. The company identifies each E&P field /PSC under E&P segment as separate Cash Generating Unit (CGU). During FY 2018-19, based on revised Oil & Gas reserve estimation by Gujarat Energy Research & Management Institute (GERMI), an external agency, the company has provided for impairment of Rs. 88.29 Crore and has reversed impairment earlier provided for to the extent of Rs. 168.67 crores for 8 continuing E&P fields (CGUs). Further, during the year company has classified 12 E&P fields as assets held for sale (refer note no.23). In relation to which, the company has provided for impairment loss of Rs. 341.63 Crore and has reversed impairment earlier provided for the extent of Rs.24.74 crores. During FY 2017-18, while transferring E&P assets to producing properties, as required by Ind AS 106, the company has provided for Impairment Losses for Sanand-Miroli block amounting to Rs.215.69 Crores and balance amount comprise of impairment losses provide for onshore Joint arrangements' inventories based on external valuations.

The recoverable amount of CGU is determined at higher of its fair value less cost to sell and its value-in-use. For 12 E&P fields which are classified as Assets held for sale, the company has considered fair value less cost of sell as the recoverable amount whereas for other 8 fields, value-in-use is considered as the recoverable amount of CGU. Fair value is determined at estimated selling price of CGU using level III Inputs. This calculation uses the estimated future cash flows that can be generated from the continuing use of these blocks and outflows at the end of its useful life which are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 10%. The Value in Use of producing / developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under the circumstances where further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use. In assessing value in use, the estimated future cash flows from the continuing use of assets and from its disposal at the end of its useful life are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 10% (as at March 31, 2018 -10%). Future cash inflows from sale of crude oil and value added products have been computed using the future prices, on the basis of market-based average prices of Brent crude oil as discounted to match the quality of our crude oil and its Co-relations with benchmark crude. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of notification issued by the Government of India/GSA.

- b. The company had made an investment through Special Purpose Vehicle (SPV) in GSPC (JPDA) LTD. amounting to Rs.99.39 crores (31st March, 2018 : Rs 98.39 crores) to carry out exploration activities in Australia. Provision for impairment has been created to the extent of investment in previous years. Considering the same, the company has also provided for Rs 1 crore against additional investment made during FY 2018-19.
- c. In the block KG-OSN-2001/3, GSPC had in the previous year written off Rs.230 crores towards inventory based on initial valuation by the Buyer as exploration cost written off. However, during Fy 2018-19 the valuation was finalised with the help of the independent valuer and on the basis of the report, the company has written back the inventory to the extent of Rs.94.90 crores. Balance amount of Rs.1.11 crores includes cost incurred for earlier written off blocks. During FY 2017-18 the Company has written off Non-Operated Block CB-ONN-2009/4 amounting to Rs.33.02 Crores. Further company has written off Rs. 455.04 crores (net off impairment provision already provided for last year) towards exploration cost for KG OSN 2001/3 block 80% Participating Interest transfer. Balance amount includes cost incurred for earlier written off blocks.

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Note 33 Earnings per share

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Profit attributable to equity holders for (Rs. in Crores):		
Basic earnings	259.51	(1,564.64)
Adjusted for the effect of dilution	314.87	(1,509.28)
Weighted average number of equity Shares for:		
Basic EPS	2,57,92,62,920	2,57,92,62,920
Adjusted for the effect of dilution	10,75,65,40,265	2,64,71,64,050
Earnings per equity share (EPS) (face value of Rs.1/-)		
Basic (Rs.)	1.01	(6.07)
Diluted (Rs.)	0.29	(5.70)

Note 34

Contingent liabilities & assets

1. Claims against the Company not acknowledged as debts which in the opinion of the Management are not tenable/under appeal at various stages:

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Income Tax (Ref. note no.20- C point no.3)	1701.78	1,527.43
Joint arrangements (Ref. note a to f below)	200.65	197.77
Other (Ref. note g & h below)	258.24	227.85

Above Contingent Liabilities Includes-

- (a) In September 2005, GSPC, as the Operator in KG-OSN-2001/3 block (till 31 March, 2017), had entered into a contract with Atwood Oceanics Pacific Limited ('AOPL') for drilling, completing or abandoning the wells identified by GSPC's drilling program. With respect to certain invoices raised by AOPL during July and August 2009, AOPL has claimed that the said invoices were paid by GSPC after a delay of 733 days in September 2011. Accordingly, AOPL had initiated arbitration proceeding against the JV claiming interest on delayed payment towards the said invoices claiming an amount of Rs. 10.54 Crores (USD1,523,895) [31 March 2018: Rs.9.91 Crores (USD1,523,895)] along with interest at the rate of 1.5% per month from 11 January 2013 till the date of payment. The Honorable Sole Arbitrator, vide arbitral award dated 12 May 2015, has concluded that the JV is not liable to pay the claims of interest on delayed payment towards the invoices as aforesaid and rejected the claims made by AOPL in this regard. AOPL has preferred an appeal under Section 34 of the Arbitration and Conciliation Act, 1996 praying for setting aside of the award passed by the Sole Arbitrator before the District Court, Gandhinagar. The matter is subjudice.
- (b) JODPL: The Company has issued forfeiture notice to Jubilant Offshore Drilling Pvt Ltd (JODPL) against Rs. 493.55 Crore of the capital contribution (excluding applicable interest on capital contribution) made by the Company on behalf of JODPL in KG-OSN-2001/3 until 31st March 2017. Based on relevant clauses of PSC and JOA, it can be reasonably ascertained that the forfeiture notice shall be effected and GSPC shall be assigned commensurate PI towards the capital contribution.
- (c) Profit Petroleum paid under protest for Hazira Block: Joint arrangement (JV) partners are liable to pay profit petroleum to MoP&NG after recovery of cost petroleum. The Director General of Hydrocarbons (DGH) disallowed an amount of USD 17.745 million (mainly on account of purchase of compressor amounting to USD 11.328 million) from the cost petroleum recovered by JV and demanded profit petroleum on disallowed amount. In the Operating Committee meeting (10th June 2013) it was decided to deposit the amount demanded by the MoP&NG under protest. The Company had deposited Rs. 91.16 crore on this account.
- (d) Royalty paid under protest for Hazira Block: The Joint arrangement was charging Royalty on Gas Sales Price and recovering the same from the customers. The Royalty thus collected is shared between GOI and Government of Gujarat in the ratio of 47:53 respectively. The Directorate General of Hydrocarbons (DGH) vide letter dated 6th February, 2013 demanded the royalty amount short paid by the Company @ 9.09 percent instead of 10 percent. DGH was of the view that the Joint arrangement had computed royalty on gas on Cum-royalty basis using the effective rate of 9.09 percent instead of 10 percent which was not in line with the Royalty Notifications. The Company paid the differential royalty for the period from 2003-04 to 2012-13 in July 2013 under protest. From April 2013, the Company is paying the Royalty (as per above formula) to GOI on monthly basis. As on 31 March 2018, the Company paid Royalty of Rs. 35.99 crore to GOI under protest. As the matter is under arbitration, only GOI portion of the royalty is paid.

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- e) In case of cambay block, GSPC has filed an application under Section 9 before Hon'ble Gujarat High Court for stay on the operation and implementation of the Default notice dated May 29, 2018 and letter dated July 29, 2018 issued by Oilex. The High Court has allowed the application vide its order dated 1st November, 2018. GSPC has invoked arbitration against Oilex before Singapore International Arbitration Centre (SIAC) for declaration that default notice and notice of withdrawal by Oilex is invalid and contrary to JOA. Oilex in its counter-reply has made claim of over USD 3.05 million. SIAC has ordered the parties to deposit first tranche of arbitration fee towards constitution of the Arbitral Tribunal. Both parties have deposited the arbitration fee. The Court disposed of the application by granting stay and restraining Oilex from taking any coercive action. SIAC is in the process of establishing Arbitral Tribunal.
- f) The Company had made an investment in a joint arrangement (JV) incorporated to carry out exploration and production activities in Joint Petroleum Development Area (JPDA) block (JPDA 06-103) in Australia. GSPC holds 20% working interest in the JV through Special Purpose Vehicle (SPV) in GSPC (JPDA) Ltd amounting to Rs. 99.39 crore (31st March 2018: Rs. 98.39 crore) to carry out exploration activities in Australia. Considering the unsuccessful outcome of the exploration activities in the block 100% provision for impairment has been provided in the standalone financial statements to the extent of investment made in the subsidiary - GSPC (JPDA) Ltd amounting to Rs. 99.39 crores as on 31.03.2019 (Rs. 98.39 crores as on 31.03.2018). Moreover, Autoridade Nacional do Petroleo (ANP) has terminated the PSC with condition of paying the penalty of USD 3403758 (Current year Rs. 23.54 Crores (Previous year Rs. 22.12 Crores)) (JPDA Share) for the unfinished work programme. However, Operator and JV partners have protested against the same and ANP has reduced the penalty to USD 2300000 (Current year Rs. 15.91 Crores (Previous year Rs. 14.95 Crores)) (JPDA Share). The final outcome of the same is still awaited.
- (g) The Company had filed a complaint dated 06.04.2011 before PNGRB against GAIL, IOCL and BPCL. PNGRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal. All the parties have preferred appeals against the PNGRB Orders before Appellate Tribunal for Electricity (APTEL) and APTEL has passed an interim order on 23.01.2012 and directed GAIL, IOCL and BPCL to give direct connectivity at Dahej Terminal subject to GSPC giving undertaking in respect of the following: i) GSPC shall open a separate bank account and deposit an amount of Rs. 140 Crores. Accordingly, GSPC has opened and deposited equivalent amount in a separate bank account. ii) From the date of change of delivery point, GSPC shall also deposit differential amount in a separate bank account. (Accordingly company had deposited additional Rs. 75.36 crore in a separate bank account). The Company has submitted the Undertaking to APTEL in respect of the same on 18.02.2012 and deposited amounts as aforesaid. The APTEL has passed common judgment dated 18.12.2013 ("the APTEL Judgment") in the appeals filed by GAIL, IOCL and BPCL and set aside the PNGRB Order. The Company filed an appeal before the Hon'ble Supreme Court against the APTEL Judgment and the Hon'ble Supreme Court has vide its order dated 28.02.2014 directed the Company, as an interim arrangement, to pay the interconnectivity charges at the rate of Rs. 12 / MMBTU form the account separately maintained for the said purpose in accordance with APTEL's Order dated 23.01.2012 as narrated in (i) & (ii) above. Accordingly, company utilized Rs. 176.55 crores for payments to GAIL, IOCL and BPCL as per Interim arrangement order of the Hon'ble Supreme Court. The amount paid net of amount recovered from customers is shown as amount paid under protest in the accounts. Further, the company has also not provided for differential amount charged by vendors above Rs. 12/ MMBTU aggregating to Rs. 42.19 crores. The appeal is pending before the Hon'ble Supreme Court.
- h) Other Contingent liabilities includes Contingent Liability of Rs. 39.50 Crores is associated with Gas Trading Business.

Contingent Asset

- a) The consideration received from ONGC towards 80% PI transfer in KG-OSN-2001/3 block had two components i.e. (i) Consideration towards DDW (ii) Advance floor consideration for Other Six Discoveries amounting to USD 995.26 Million (Rs. 6295.02 crores) and USD 200 Million (Rs. 1265 crores) respectively. The advance consideration received towards Other Six Discoveries is non-refundable. The final consideration for Other Six Discoveries shall be determined based on Field Development Plan (FDP) of Other Six Discoveries prepared by ONGC for submission to Directorate General of Hydrocarbons (DGH). In the scenario, wherein final consideration as per FDP of Other Six Discoveries is assessed at a value higher than USD 200 Million, the advance consideration received by GSPC shall be adjusted against the same and the balance consideration shall be paid to GSPC. In a scenario, wherein final consideration assessed for Other Six Discoveries is less than or equal to USD 200 Million, GSPC shall retain the non-refundable advance consideration already received. However, ONGC has already applied for extension in timeline for submission of FDP. Following the principle of conservatism, the Company has not arrived at the valuation of the six discoveries as it is subject to preparation of FDP by ONGC and GSPC & ONGC agreeing to a value as per the valuation parameters adopted for DDW. Hence, at present the receivable on account of six discoveries cannot be reasonably ascertained.
- b) **Guaranteed Gas Price:** The Company has executed Farm-in Farm-out Agreement with ONGC for farm-out of 80% PI in KG Block in FY 2017-18. The agreement involves annual valuation adjustment linked to existing gas prices during the currency of the respective financial year which is carried forward for the tenure of gas sales and purchase agreement between ONGC and GSPC. As per the terms of valuation adjustment clause of agreement, the Company shall be liable to annually adjust valuation i.e. pay any differential amount to ONGC which shall be evaluated based on difference between actual gas prices during the year and agreed prices for the respective financial year for the actual production quantity. The liability is unascertainable due to linkage of adjustment value to actual production during the year along with actual gas prices which is determined as per 6-month trailing market prices of varied mix of alternative fuels/sources of natural gas notified by PPAC. Both these factors cannot be accurately predicted/estimated, thus the valuation adjustment cannot be quantified with certainty. However, the Company has gas sales purchase agreement with ONGC for the entire natural gas produced from KG Block which is forms a component of gas trading pool, which effectively covers the risk of valuation adjustment under FIFO. Further, as on 31st March, 2019 there is an amount Rs. 2.42 crores as surplus with the company for valuation adjustment under FIFO.

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Note 35

Capital commitments

- A. Estimated amount of contracts remaining to be executed on capital accounts and not provided for:**
- In respect of Joint arrangements Rs. 669.94 crores (31st March 2018 : Rs. 550.93 crores)
 - In respect of others Nil (31st March 2018 : Rs. 1.01 crores)
- B. Minimum work programme committed under various Production Sharing Contracts in India and Outside India.**
- In India: Nil (31st March 2018 : Nil)
 - Outside India: Nil (31st March 2018 : Nil)

Note 36

Employee Benefits:

A. Defined contribution plans

- Company's contribution to Provident Fund is Rs. 3.25 Crores (FY 2017-18 - Rs. 2.94 Crores)
- Company's contribution to Super Annuation fund is Rs. 1.42 Crores (FY 2017-18 Rs. 0.46 Crores)

B. Defined benefit plans

The following table sets out the funded status of the Gratuity, Loyalty Bonus and Leave Encashment Plan and the amounts recognized in company's financial statements as at 31st March, 2019; 31st March, 2018 as required by Ind AS 19.

(₹ in crores)

Particular	Gratuity (Funded)		Loyalty Bonus (Non funded)		Leave Encashment (Funded)	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Change in benefit obligation						
1 Liability at the beginning of the year	8.86	8.23	8.78	6.93	11.52	9.25
2 Interest cost	0.64	0.59	0.66	0.51	0.86	0.67
3 Current service cost	1.03	1.20	1.06	1.19	0.69	0.66
4 Past service cost	-	0.06	-	-	-	-
5 Benefit Paid	(1.51)	(0.14)	(0.10)	-	(2.11)	(0.23)
6 Actuarial (gain) / Losses	0.05	(1.24)	(0.58)	0.15	0.15	1.17
7 Transfer in Obligation	(0.79)	0.16	-	-	-	-
8 Liability at the end of the year	8.28	8.86	9.82	8.78	11.11	11.52
Change in fair value of plan assets						
1 Plan assets at the beginning of the year	8.99	8.15			9.26	8.87
2 Expected return of plan assets	0.72	0.66			0.72	0.62
3 Contributions	0.64	0.29			0.83	-
4 Benefit paid	(1.51)	(0.14)			(2.11)	(0.23)
6 Actuarial gain / (Loss)	(0.17)	(0.09)			(0.08)	-
7 Transfer in Plan Assets	(0.79)	0.12				
8 Plan assets at the end of the year	7.88	8.99			8.62	9.26
9 Total Actuarial Gain/(Loss) To Be Recognized	(0.22)	1.15			(0.23)	(1.17)
Actual Return on plan assets						
1 Expected return of plan assets	0.72	0.66			0.72	0.62
2 Actuarial gain / (loss)	(0.17)	(0.09)			(0.08)	-
3 Actual return on plan assets	0.55	0.57			0.64	0.62

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(₹ in crores)

Particular	Gratuity (Funded)		Loyalty Bonus (Non funded)		Leave Encashment (Funded)	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Net (asset) / liability recognized in the Balance Sheet						
1 Liability at the end of the year	8.28	8.86	9.82	8.78	11.11	11.52
2 Plan assets at the end of the year	7.88	8.99	-	-	8.62	9.26
3 Amount recognized in the Balance Sheet Accrued (Pre paid)	0.40	(0.13)	9.82	8.78	2.49	2.26
Expenses recognized in the statement of profit & loss account for the year						
1 Current service cost	1.03	1.20	1.06	1.19	0.69	0.66
2 Interest cost	0.64	0.59	0.66	0.51	0.86	0.67
3 Expected return on plan assets	(0.72)	(0.66)	-	-	(0.72)	(0.62)
4 Actuarial (gain) / Losses	-	-	(0.58)	0.15	0.23	1.17
5 Benefits paid	-	-	(0.10)	-	-	-
6 Past service cost	-	0.06	-	-	-	-
7 Total expenses*	0.95	1.19	1.04	1.85	1.06	1.88
Expenses recognized in the other comprehensive income for the year						
1. Actuarial (gain) / Losses	0.22	(1.15)	-	-	0.23	1.17
Balance Sheet reconciliation						
1 Opening net liability	(0.13)	0.08	8.78	6.93	2.26	0.38
2 Expenses as above	1.17	0.04	1.04	1.85	1.29	3.05
3 Employer contribution	(0.64)	(0.29)	-	-	(0.83)	-
4 Amount recognized in the Balance Sheet	0.40	(0.17)	9.82	8.78	2.72	3.43
5 Expected contribution during next 12 months	0.40	0.13	0.21	0.31	0.60	0.69
Actuarial Assumptions						
1 Discount Rate	7.60%	7.65%	7.60%	7.65%	7.60%	7.65%
2 Rate of return on plan assets	7.59%	7.65%			6.98%	7.65%
3 Salary Escalation	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
4 Withdrawal Rate	1% to 5%	1% to 5%	1% to 5%	1% to 5%	1% to 5%	1% to 5%
5 Mortality Rate	Indian Assured Lives Mortality (2006-08) table					

* The figures represent the amount before the allocation of salary expense to Joint arrangements.

** Benefits to KMPs - Refer note no. 40 - Related Party Transactions

(₹ in crores)

Particular	Gratuity (Funded)		Loyalty Bonus (Non funded)		Leave Encashment (Funded)	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Amount for the current & previous period are as follows:						
Defined Benefit obligation	8.28	8.86	9.82	8.78	11.11	11.52
Plan asset	7.88	8.99	-	-	8.62	9.26
Surplus/(deficit)	(0.40)	0.13	(9.82)	(8.78)	(2.49)	(2.26)
Experience adjustment on plan liability	0.01	(1.34)	(0.64)	0.62	0.07	1.57
Experience adjustment on plan assets	-	-	-	-	-	-

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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:

(₹ in crores)

Particular	Gratuity (Funded)		Loyalty Bonus (Non funded)		Leave Encashment (Funded)	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Discount rate varied by 0.5%						
+0.5%	7.88	8.43	9.21	8.21	10.41	10.79
-0.5%	8.72	9.32	10.49	9.41	11.86	12.32
Salary growth rate varied by 0.5%						
+0.5%	8.50	9.12	10.43	9.35	11.86	12.32
-0.5%	8.07	8.59	9.26	8.25	10.41	10.78
Withdrawal Rate (W.R.) varied by 10%						
W.R. @ 110%	8.39	8.97	9.78	8.73	11.12	11.54
W.R. @ 90%	8.18	8.76	9.87	8.83	11.09	11.50

Notes

- a. **Investment details** Both the funded liabilities are managed by LIC and as per the bifurcation provided for planned assets, 100% investment as on 31st March 2019 (100% as on 31st March 2018) is made in Special deposit Scheme. The plans expose the Group to a number of actuarial risks such as Actuarial risk, investment risk, legislative risk, market risk and liquidity risk.
- b. **Asset-liability matching strategies:** For the gratuity & leave encashment which are funded, Company is expecting to contribute the amount which can mitigate future liability. The estimate of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market. The above information is certified by the actuary. Gratuity and Leave Encashment is administered through duly constituted and approved independent trusts, also through Group gratuity / leave encashment scheme with Life Insurance Corporation of India.
- c. **Expected cashflows based on past service liability**

(₹ in crores)

Particular	Gratuity (Funded)		Loyalty Bonus (Non funded)		Leave Encashment (Funded)	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
1st Following year	0.64	0.92	0.21	0.31	0.43	0.52
2nd Following year	0.71	0.52	0.52	0.36	0.50	0.44
3rd Following year	0.34	0.83	0.21	0.54	0.29	0.59
4th Following year	0.39	0.36	0.24	0.18	0.39	0.31
5th Following year	0.32	0.44	0.30	0.20	0.31	0.45
Sum of years 6 to 10	3.66	3.27	3.57	2.72	4.20	3.84

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Note 37

Joint Operations (un incorporated Joint arrangements)

The Company has entered into Production Sharing Contracts (PSCs) / Agreements in consortium with various Private/Public Sector & Foreign Companies as stated below with the Ministry of Petroleum & Natural Gas (Government of India), for exploration of oil and gas in the following fields. The company has also entered into Production Sharing Agreements (PSAs)/Work Permits overseas relating to Oil & Gas/ Exploration Areas blocks along with various companies. Pursuant to the PSCs, Joint Operations {unincorporated Joint arrangements (JVs)} have been formed to undertake necessary economic activities for production of Oil and Gas by entering into a Joint Operating Agreement with them. The details are stated below:

I Blocks/Fields currently under exploration, development and production

Sr No	Joint arrangements/PSCs	GSPC's PI	Operatorship/Other Partners	PI
A	Non Operated JVs			
1	Hazira	66.67% (66.67%)	Sun Petrochemicals Private Limited (Operator)	33.33%
2	Bhandut	60% (60%)	Oilex NL Holdings (India) Ltd (Operator)	40%
3	Cambay	55% (55%)	Oilex NL (Operator)	30%
			Oilex NL Holdings (India) Ltd	15%
4	Asjol	50% (50%)	Hindustan Oil and Exploration Company Limited (Operator)	50%
5	Palej	50% (50%)	Exploration	
			Hindustan Oil and Exploration Company Limited (Operator)	50%
		35% (35%)	Development	
			Hindustan Oil and Exploration Company Limited (Operator)	35%
			Oil and Natural Gas Corporation Limited	30%
6	North Balol	45% (45%)	Hindustan Oil and Exploration Company Limited (Operator)	25%
			GNRL Oil & Gas Limited (Operator) (Formerly Heramec ltd.)	30%
7	Dholasan	70% (70%)	GNRL Oil & Gas Limited (Operator) (Formerly as Heramec ltd.)	30%
8	North Kathana	70% (70%)	GNRL Oil & Gas Limited (Operator) (Formerly Heramec ltd.)	30%
9	Kanawara	70% (70%)	GNRL Oil & Gas Limited (Operator) (Formerly Heramec ltd.)	30%
10	Allora	70% (70%)	GNRL Oil & Gas Limited (Operator) (Formerly Heramec ltd.)	30%
11	CB-ONN-2004/1	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%
12	CB-ONN-2004/2	45% (45%)	Oil and Natural Gas Corporation Limited (Operator)	55%
13	CB-ONN-2004/3	35% (35%)	Oil and Natural Gas Corporation Limited (Operator)	65%
14	MB-OSN-2005/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%
15	GK-OSN-2009/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	40%
			Indian Oil Corporation Limited	20%
			Adani Welspun Exploration Ltd	20%
16	KG-OSN-2001/3 (Refer Note a)	10% (80%)	JODPL Pvt. Limited	10%
			Oil and Natural Gas Corporation Ltd.	80%
B	GSPC-Operated			
17a	Tarapur		Exploration	
		80% (80%)	Geo Global Resources (Barbados) Inc.	20%
			Development	
		56% (56%)	Geo Global Resources (Barbados) Inc.	14%
			Oil and Natural Gas Corporation Limited	30%
17b	Tarapur-Extension phase	80% (80%)	Geo Global Resources (Barbados) Inc.	20%
18	Unawa	70% (70%)	GNRL Oil & Gas Limited (Formerly Heramec Ltd.)	30%
19a	CB-ONN-2000/1 (Ahmedabad)	50% (50%)	GAIL (India) Ltd	50%
19b	CB-ONN-2000/1-(Extension phase) (Refer Note h)	50% (50%)	GAIL (India) Ltd	50%

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Sr No	Joint arrangements/PSCs	GSPC's PI	Operatorship/Other Partners	PI
20	CB-ONN-2002/3 (Sanand) (Refer Note h)	55% (55%)	Jubilant Oil & Gas Private Limited	20%
			Hindustan Petroleum Corporation Limited	15%
			Geo Global Resources (Barbados) Inc.	10%
21	CB-ONN-2003/2 (Ankleshwar)	75% (62.50%)	Exploration	
			GAIL (India) Ltd	25%
			Geo Global Resources (Barbados) Inc.	12.5%
		50%(50%)	Development & Production:	
			GAIL (India) Ltd	20%
			Jubilant Capital Private Limited	20%
	Geo Global Resources (Barbados) Inc.	10%		

*PI - Participating Interest** Figures in bracket indicate previous year figures. There is no change in previous year figures unless otherwise stated.

II Blocks/Fields proposed to be surrendered

Sr No	Joint arrangements/PSCs	GSPC's PI	Operatorship/Other Partners	PI
A	Non Operated JVs			
1	MB-OSN-2000/1 (Mumbai) (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	75%
			Indian Oil Corporation Limited	15%
2	MB-DWN-2000/2 (Mumbai) (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			Indian Oil Corporation Limited	15%
			GAIL (India) Ltd	15%
			Oil India Ltd.	10%
3	CB-ONN-2002/2 (Mehsana) (Refer Note c)	60% (60%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			Geo Global Resources (Barbados) Inc.	10%
4	CY-ONN-2002/1(Cavery) (Refer Note c)	20% (20%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			GAIL (India) Ltd	50%
5	BS(3)-CBM-2003/II (Refer Note c)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
6	CY-DWN-2004/1(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
7	CY-DWN-2004/2(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
8	CY-DWN-2004/4 (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
9*	CY-PR-DWN-2004/2(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
10*	KG-DWN-2004/1(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
11*	KG-DWN-2004/2(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
12*	KG-DWN-2004/3 (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%

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Sr No	Joint arrangements/PSCs	GSPC's PI	Operatorship/Other Partners	PI
13*	KG-DWN-2004/5(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
			Oil India Limited	10%
14	KG-DWN-2004/6(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			Oil India Limited	10%
15*	MB-OSN-2004/2(Refer Note c)	20% (20%)	Petrogas E&P LLC(Operator)	20%
			GAIL (India) Ltd	20%
			Hindustan Petroleum Corporation Limited	20%
			Indian Oil Corporation Limited	20%
16	CB-ONN-2004/4(Refer Note c)	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%
17	RJ-ONN-2004/1 (Refer Note c)	22.225%(22.225%)	GAIL (India) Ltd (Operator)	22.225%
			Hindustan Petroleum Corporation Limited	22.22%
			BPCL	11.11%
			Hallworthy Shipping Ltd. SA	11.11%
			Nitin Fire Protection Industries Ltd.	11.11%
18 *	KG-OSN-2005/1(Refer Note c)	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			HPCL - Mittal Energy Ltd.	20%
19	KG-DWN-2005/1(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			Indian Oil Corporation Limited	20%
20	CY-ONN-2005/1	30% (30%)	GAIL (India) Ltd (Operator)	40%
			Bengal Energy Inc.	30%
21	KK-DWN-2005/2	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	90%
22	AN-DWN-2009/5(Refer Note e)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	100%
23	AN-DWN-2009/13(Refer Note e)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	80%
			GAIL (India) Ltd	10%
			NTPC Ltd	10%
24	AA-ONN-2003/1(Assam) (Refer Note c)	20% (20%)	Jubilant oil & Gas Pvt Limited (Operator)	10%
			Jubilant Securities Pvt. Ltd.	35%
			GAIL (India) Ltd	35%
25	CY-DWN-2004/3 (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
26	CY-PR-DWN-2004/1 (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
27	MB-OSN-2005/5 (Refer Note c)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
28	MB-OSN-2005/6 (Refer Note c)	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%
29	CB-ONN-2005/4 (Refer Note c)	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
30	CB-ONN-2005/10 (Refer Note c)	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
31	CB-ONN-2009/4 (Refer Note b)	50% (50%)	Oil and Natural Gas Corporation Limited (Operator)	50%
32*	Sabarmati	60% (60%)	Oilex NL Holdings (India) Ltd (Operator)	40%

* Blocks CY-PR-DWN-2004/2, KG-DWN-2004/1, KG-DWN-2004/2, KG-DWN-2004/3, KG-DWN-2004/5, Sabarmati, KG-OSN-2005/1 & MB-OSN-2004/2 have received the approval from MOPN&G for surrender.

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Sr No	Joint arrangements/PSCs	GSPC's PI	Operatorship/Other Partners	PI
B	GSPC-Operated			
33	South Diyur (Egypt) (Refer Note d)	80% (80%)	Alkor Petro Ltd	20%
34	North Hap'y (Egypt)(Refer Note d)	80% (80%)	Petrogas E&P LLC	20%
35	MB-OSN-2004/1(Refer Note c)	20% (20%)	GAIL (India) Ltd	20%
			Hindustan Petroleum Corporation Limited	20%
			Indian Oil Corporation Limited	20%
			Western Drilling Contractors Pvt. Ltd.	20%
36	Block No 19 (Yemen)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
37	Block No 28 (Yemen)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
38	Block No 57 (Yemen)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
39	South Gulf of Suez (Egypt) (Refer Note d)	60% (60%)	Adani Welspun Exploration Ltd	40%
40	KG-ONN-2004/2	40% (40%)	GAIL (India) Ltd	40%
			Petrogas E&P LLC	20%
41	RJ-ONN-2005/3	60% (60%)	Oil and Natural Gas Corporation Limited	40%
42	South East Tungal (Indonesia) (Refer Note d)	50.50%(50.50%)	Essar Oil Ltd	49.50%

Notes

- a. The Company's Participating Interest (80% PI) in KG-OSN-2001/3 has been farmed out to Oil and Natural Gas Corporation (ONGC) through a Farm-in/Farm-out Agreement which was executed on 10th March 2017. The agreed valuation for the transaction is USD 995.26 Million towards KG-Deen Dayal West (DDW) area and USD 200 Million as an advance consideration towards the Other Six Discoveries areas. The consideration towards DDW Field is further subject to adjustment based on gas price while the consideration towards Other Six Discoveries is subject to additional payment by ONGC upon valuation of these discoveries to be carried out upon submission of FDP. The Company had declared Commercial Operation Date (COD) w.e.f. 1st April, 2016. As per the agreement, the economic date of transfer for asset i.e. 80% Participating Interest of GSPC is 23:59 hours 31st March 2017. The closure for the transaction has been achieved on 4th August 2017. In August 2002, the Company had entered into Carried Interest Agreement (CIA) with Geo Global Resources (India) Inc (GGR), under which the Company granted GGR 10.0% carried interest in the KG-OSN-2001/3 block. The Company had incurred Rs.1,856.83 Crore on GGR's behalf until 31st March 2017. While GSPC and GGR were at difference of opinions as to obligations under the carried interest agreement, in April 2017, the Company has entered into a Deed of Assignment & Assumption of Participating Interest with GGR vide which GGR has surrendered and assigned its 10% Participating Interest in KG-OSN-2001/3 Block to the Company. Thus, the Company shall hold 10% PI in KG-OSN-2001/3 Block.
- b. During FY 2017-18 the company along with its Joint arrangement partners have recommended block CB-ONN-2009/4 to be surrendered to Government of India. Accordingly a total exploration cost of Rs.33.04 crores have been written off during FY 2017-18.
- c. The company along with its Joint arrangement partners have recommended block MB-OSN-2000/1, MB-DWN-2000/2 (Mumbai), CY-ONN-2002/1 (Cauvery), CB-ONN-2002/2, MB-OSN-2004/1, MB-OSN-2004/2, KG-DWN-2004/1, KG-DWN-2004/2, KG-DWN-2004/3, KG-DWN-2004/5, KG-DWN-2004/6, CY-DWN-2004/1, CY-DWN-2004/2, CY-DWN-2004/4, CY-PR-DWN-2004/2, CB-ONN-2004/4, RJ-ONN-2004/1, BS (3)-CBM-2003/II, KG OSN 2005/1, KG DWN 2005/1, KK DWN 2005/2, KG ONN 2004/2, RJ ONN 2005/3, AA-ONN-2003/1, CY-DWN-2004/3, CY-PR-DWN-2004/1, MB-OSN-2005/5, MB-OSN-2005/6, CB-ONN-2005/10 and CB-ONN-2005/4 to be surrendered to Government of India/Appropriate Authorities in earlier periods.
- d. The company along with its Joint arrangement partners has decided to withdraw from North Ha'py (Egypt) block, South Diyur (Egypt), South Gulf of Suez (Egypt) and South East Tungal Indonesia blocks in earlier years.
- e. During FY 2013-14 the company has decided to surrender and assign its 10% PI in two ONGC operated blocks namely AN-DWN-2009/5 and AN-DWN-2009/13 block to ONGC w.e.f. 1st April, 2013.
- f. In FY 2017-18 GSPC and HOEC has submitted the proposal for CB-ON/7 Ring Fenced PSC (RFPS) to MOPNG which is pending requisite approval. However, GSPC has already paid the requisite amount of USD 1.275 Million (Rs.8.17 Crores) as per the guidelines of MOPNG for signing of CB-ON/7 RFPS.

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- g. During the financial year 2012-13 the company along with its JV partners have recommended to surrender the three blocks by invoking the termination provision of the PSAs on account of continuation of force majeure events for more than six months. Vide letter dated 13th February, 2013, GSPC led consortium has terminated Production Sharing Agreements (PSAs) for 3 blocks awarded in Republic of Yemen (RoY). PSAs have been terminated on the ground of existence of force majeure event. The Consortium had initiated the arbitration proceedings under the PSAs before the International Chamber of Commerce (ICC), Paris and in the interim stage, obtained order Republic of Yemen not to take steps invoking SBLCs, while Consortium has been directed to extend the validity of SBLCs. Detailed pleadings were filed by both the parties and the final hearing was held from 8-12th September 2014 at the ICC hearing center in Paris. After the final hearing was concluded both the parties had submitted Post Hearing Briefs before the Arbitral Tribunal. Subsequently upon completion of the arbitration proceedings, the final award has been passed by the Arbitral Tribunal on 10 July 2015. The Arbitral Award inter alia: - Declared that the three Production Sharing Agreements (Blocks 19, 28, and 57) have been validly terminated by GSPC Consortium; - Declared that the Republic of Yemen and/or the Yemeni Ministry of Oil and Minerals were and are not entitled under the Production Sharing Agreements to draw on the related Standby Letters of Credits (US\$ 42 million i.e. ~Rs.273.18 crores) issued in their favor by the International Bank of Yemen; - Arbitral Tribunal has awarded costs of approx. USD 3.79 million (~Rs.24.65 crores) in favour of GSPC Consortium. The Said Arbitral Award has been challenged by the Yemen Government by filing Annulment Proceedings in Court Of Appeal at Paris. GSPC Consortium has filed the response to the Annulment Proceedings filed by Yemen Government. The hearing for the matter took place on February 28, 2017. The Annulment Proceedings have also been held in favour of GSPC Consortium by the Paris Court. GSPC consortium is taking steps for enforcement of award. the matter is sub-judice.
- h. During the FY2017-18 GSPC Operated Sanand Block and CB-ONN-2000/1(RFPSC) has received approval for commercial production.
- i. Of the above, 18 fields/blocks are in production, namely Hazira, Bhandut, Cambay, Asjol, Unawa, North Balol, CB-ON/7 (Palej), Dholasan, North Kathana, Kanawara, Allora, CB-ONN-2000/1 (Ahmedabad), Tarapur, CB-ONN-2003/2 (Ankleshwar), KG-OSN-2001/3, CB-ONN-2000/1(RFPSC), Sanand Miroli, CB-ONN-2004/1 and CB-ONN-2004/2 block. Net quantity of Company's interest (on gross basis) in proved developed reserves is as follows:

Particulars	Proved Reserves (Oil) (Million MT)*	Proved Reserves (Gas) (Million Cubic Meter)*
Opening Balance for the year ended on 1st April, 2018	0.20	4,107.56
	(0.44)	(40,573.60)
Additions	-	-
	(0.03)	-
** Adjustments on account of change in Reserve estimate	0.16	82.67
	(0.24)	(-103.02)
Deletions		
	-	(36,341.23)
Production	0.03	34.63
	(0.03)	(21.79)
Closing Balance for the year ended on 31st March, 2019	0.33	4,155.60
	(0.20)	(4,107.56)

*Figures in brackets relate to period ended 31st March, 2018

** Adjustments reflects change in current reserve estimation and earlier reserve estimation based on proved reserves.

The Company's share of reserve has been considered on the basis of the "Reserve" certification provided by Gujarat Energy Research & Management Institute (GERMI) as on 31st March, 2019 and accordingly the proved reserves as on 31st March, 2019 has been worked based on the reserve estimates certified by GERMI and only includes the blocks which are in production.

- j. The financial statements of the Company reflect its share of Assets, Liabilities, Income and Expenditure of the Joint arrangement operations which are accounted on a line to line basis with similar items in the Company's accounts to the extent of participating interest of the company as per the various joint arrangement agreements, in compliance of Ind AS-111. The income and expenditure from Joint arrangements are disclosed separately in the Statement of Profit and Loss.
- k. The summary of the Company's share in Assets & Liabilities of Joint arrangements are as follow: **(₹ in crores)**

Particulars	As at	As at
	31 st March, 2019	31 st March, 2018
Fixed Assets		
Gross Block	4,466.87	4,433.15
CWIP*	1,587.74	1,579.31
Current Assets	196.53	97.18
Current Liabilities and Provisions	345.90	99.36
Contingent Liabilities	200.65	197.77

*includes stores & spares

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1. The Statement of Profit and Loss of the Company includes its share in Profit or Loss pertaining to the respective Joint arrangements. The summary of Statement of Profit and Loss for the year ended 31st March 2019 is given as under:

Particulars	(₹ in crores)	
	GSPC's Share As at	
	31 st March, 2019 GSPC's Share	31 st March, 2018 GSPC's Share
Income		
Sale of Crude Oil	74.12	76.30
Sale of Gas	33.88	39.50
Increase/(Decrease) in Stock*	(0.53)	(1.87)
Other Income	8.07	4.80
Total	115.54	118.73
Expenditure		
Production Expenses	68.98	48.21
Duties & Taxes	9.10	6.36
Administrative exps.	14.25	19.60
Total Expenditure before Depreciation	92.33	74.17
Profit before depreciation	23.21	44.56

*It includes increase/ (decrease) in stock of crude oil of Hazira Field amounting to Rs.2.68 crore (PY Rs.0.02 crore). The same is not considered in closing stock of crude oil, in line with Joint arrangement's accounting policy.

Note 38

Segment Information

1. **Description of segment and principal activities** The Company's Board of Directors monitors the operating results of the below business segments separately for the purpose of making decisions about resource allocation and performance assessment and has identified three reportable segments of its business:
 - a) **Exploration and production (E&P)** : Company is engaged in oil and gas exploration and production operations
 - b) **Gas Trading** : Company is engaged in the procurement of gas from international market to meet the demand of gas across Gujarat.
 - c) **Wind power** : Generation of electricity through windmills.
2. **Segment revenue and expenses**
Revenue and Expenses have been identified to a segment on the basis of operating activities of the segment. Revenue and Expenses which relate to common activities and are not allocable to segment on reasonable basis have been disclosed as "Unallocable".
3. **Segment assets and liabilities**
Segment assets include all operating assets in respective segments comprising of net fixed assets, Capital Work in Progress, current assets, loans and advances. Segment liabilities include operating liabilities and provisions excluding borrowings and deferred tax liabilities.
4. **Information about geographical areas**
All non-current operating assets of the company are held within India and whole revenue generated from external customers are related to indian geography.

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5. Information about product and services

The Company's revenue from external customers for each product is same as that disclosed below under "segment revenue".

(₹ in crores)

Particulars	As at 31 st March, 2019					As at 31 st March, 2018				
	E & P	Gas Trading	Wind Power	Unallocated	Total	E & P	Gas Trading	Wind Power	Unallocated	Total
A. Segment revenue										
External sales*	108.00	14,233.83	45.68	-	14,387.51	115.80	10,589.72	44.68	-	10,750.20
Inter segment sales	(18.93)	-	-	-	(18.93)	(24.66)	-	-	-	(24.66)
Total segment revenue	89.07	14,233.83	45.68	-	14,368.58	91.14	10,589.72	44.68	-	10,725.54
B. Segment results										
Segment results										
Profit(+)/ loss(-)	15.14	1,168.38	36.54	-	1,220.06	39.61	851.40	36.46	-	927.47
Unallocated expenses	-	-	-	(48.61)	(48.61)	-	-	-	(37.99)	(37.99)
Operating Profit	15.14	1,168.38	36.54	(48.61)	1,171.45	39.61	851.40	36.46	(37.99)	889.48
Interest/ dividend Income	4.85	71.52	76.37	-	-	-	77.89	77.89	-	-
Other income	8.07	36.74	2.28	(18.80)	28.29	4.80	58.45	-	3.00	66.25
Interest Expenses	-	-	-	(702.20)	(702.20)	-	-	-	(1,674.81)	(1,674.81)
Depreciation	(152.06)	-	(15.89)	(2.73)	(170.68)	(189.45)	-	(18.10)	(2.97)	(210.52)
Provision for taxation	-	-	-	-	-	-	-	-	-	-
MAT credit entitlement	-	-	-	-	-	-	-	-	-	-
Prior period adjustments	-	-	-	-	-	-	-	-	-	-
Profit/Loss from ordinary Activities	(128.85)	1,209.97	22.93	(700.82)	403.23	(145.04)	909.85	18.36	(1,634.88)	(851.71)
Excess / short prov of IT										
Impairment Recognised	(429.92)	-	-	-	(429.92)	(221.60)	-	-	-	(221.60)
Impairment Reversed	193.41	-	-	-	193.41	-	-	-	-	-
Other Exceptional item	93.79	-	-	(1.00)	92.79	(491.33)	-	-	-	(491.33)
Net profit/(loss)	(271.57)	1,209.97	22.93	(701.82)	259.51	(857.97)	909.85	18.36	(1,634.88)	(1,564.64)
C. Segment assets										
Segment assets	2,870.74	765.01	121.01	-	3,756.76	4,720.19	696.36	132.50	-	5,549.05
Unallocated Assets	-	-	-	5,398.41	5,398.41	-	-	-	4,470.66	4,470.66
Total Assets	2,870.74	765.01	121.01	5,398.41	9,155.17	4,720.19	696.36	132.50	4,470.66	10,019.71
D. Segment Liabilities										
Segment Liabilities	793.54	106.43	8.39	-	908.36	482.42	525.47	6.84	-	1,014.73
Unallocated Liabilities	-	-	-	7,571.19	7,571.19	-	-	-	15,129.73	15,129.73
Total Liabilities	793.54	106.43	8.39	7,571.19	8,479.55	482.42	525.47	6.84	15,129.73	16,144.46
E. Other information										
Capital Expenditure	8.66	-	-	1.62	10.28	138.24	-	-	4.87	(1,650.27)
Additions to non-current assets	-	-	-	-	-	-	-	-	-	-
Depreciation	152.06	-	15.89	2.73	170.68	189.45	-	18.10	2.97	210.52
Impairment Recognised	(429.92)	-	-	-	(429.92)	(221.60)	-	-	-	(221.60)
Impairment Reversed	193.41	-	-	-	193.41	-	-	-	-	-
Non Cash Expenses other than Depreciation	(93.79)	-	-	1.00	(92.79)	(491.33)	-	-	-	(491.33)

* Segment Revenue includes other income which is directly attributable to each segment.

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Note 39

In the year 1998-99, the Hazira joint arrangement started the construction of 36" pipeline with a view to evacuate the natural gas production expected from the new Land Based Drilling Platform to major industrial customers lying on the 14 km stretch from Hazira to Mora. The joint arrangement pursued the Management Committee for approval of the laying of the pipeline and shifting of the delivery point (since no delivery point was defined for natural gas in Hazira PSC), to which DGH/ Government of India ('GoI') did not agree for several reasons including but not limited to the reserves, size of the pipeline etc. In the year 1999-2000, the Company sold this pipeline to its subsidiary company, Gujarat State Petronet Limited (GSPL) for a consideration of Rs.49.50 Crores on as is where is basis. However the joint arrangement partner M/s. Niko Resources initiated arbitration proceedings against the company and GoI for seeking cost recovery of the said 36" pipeline and settlement of the dispute under PSC.Arbitral Tribunal has passed its award dated 23rd December, 2009. As per the Arbitration Award, the pipelines forms part of the development plan of the joint arrangement and 'cost recovery' status is applicable to it as per PSC. It is further directed in the Award that the investment multiple ratio and the accounting of profit petroleum be revised with retrospective effect.

The impact of the arbitration award has been given in the audited joint arrangement accounts for the year ended 31-March-2010 as under:

(₹ in crores)		
Particulars	Corresponding effect on	Amount
Pipeline Revenue	Sundry debtors	137.97
Profit Petroleum to MOP&NG (reversal)	Advances recoverable in cash or kind or value to be received	93.44
Plant & machinery (incurred by joint arrangement)	Producing properties in progress	25.71
Plant & machinery (additionally incurred by GSPCL)	Other liabilities	70.35
Pipeline expenses (direct & indirect operating expenses)	Other liabilities	65.74

The above mentioned impact of the award is based on the computation performed by the operator M/s Niko Resources. Moreover as per the Arbitration Award, GoI is liable to pay interest at the rate of 9% p.a on the amount of profit petroleum refundable to joint arrangement from 31/3/2003 till date of payment. The above figures with respect to 36" pipeline for the year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19 have not been updated. Subsequently, the arbitration award has been challenged by the Government of India under Section 34 of the Arbitration and Conciliation Act, 1994 before the Delhi High Court. The High Court of Delhi has set aside the Arbitration Award vide its Order and Judgment dated July 2, 2012 resulting into cost-recovery in respect of the pipeline being disallowed. However, NIKO has preferred a further appeal u/s 37 of the Arbitration and Conciliation Act, 1994 before the division bench of the Delhi High Court. NIKO had also prayed for stay on the Judgment of Single Judge of Delhi High Court however no such stay has been granted. Accordingly, the issue of cost recovery for the pipeline is still sub-judice. Further, the Arbitral Award is still not final in terms of Section 36 of the Arbitration and Conciliation Act, 1994 and in view of the same, the Company has not considered the Arbitration Award and directions under the same as aforesaid while consolidating the Joint arrangement accounts on a line by line basis.

Note 40

RELATED PARTY TRANSACTIONS

As per the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows.

- 40.1.1 Subsidiary Company - Gujarat State Petronet Limited, GSPC Pipavav Power Company Ltd, Guj Info Petro Limited, GSPC (JPDA) Ltd, Gujarat Gas Limited, GSPC Offshore Ltd, GSPC Energy Ltd.
- 40.1.2 Associate Companies - Gujarat State Energy Generation Limited, Alcock Ashdown (Gujarat) Limited.
- 40.1.3 Joint Ventures- GSPL India Gasnet Limited ,GSPL India Transco Limited and Sabarmati Gas Ltd,

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40.1.4 Key Managerial Personnel:

Name of Key Managerial Personnels:	F.Y.2018-19		F.Y.2017-18	
	From Date	To Date	From Date	To Date
Shri Dr. J.N. Singh, IAS (Chairman & Managing Director)	01-04-2018	11-07-2018	01-04-2017	31-03-2018
Shri Dr. J.N. Singh, IAS (Chairman)	12-07-2018	31-03-2019		
Shri T. Natarajan, IAS (Joint Managing Director)	01-04-2018	11-07-2018	01-04-2017	31-03-2018
Shri T. Natarajan, IAS (Managing Director)	12-07-2018	31-03-2019		
Shri Anil Mukim, IAS (Director)			01-04-2017	07-03-2018
Shri Sujit Gulati, IAS (Director)	01-04-2018	16-07-2018	01-04-2017	31-03-2018
Dr. Manjula Subramaniam, IAS (Retd.) (Woman Independent Director)	01-04-2018	31-03-2019	01-04-2017	31-03-2018
Shri Arvind Agarwal, IAS (Director)	12-06-2018	31-03-2019		
Shri Raj Gopal, IAS (Director)	08-08-2018	01-02-2019		
Shri M. M. Srivastava, IAS (Retd.) (Director)	01-04-2018	31-03-2019	01-04-2017	31-03-2018
Shri K. Kailashnathan, IAS (Retd.) (Director)	01-04-2018	31-03-2019	01-04-2017	31-03-2018
Dr. N. Ravichandaran (Independent Director)	01-04-2018	31-03-2019	01-04-2017	31-03-2018
Prof. Yogesh Singh (Independent Director)	01-04-2018	31-03-2019	01-04-2017	31-03-2018
Dr. Ravindra Dholakia (Independent Director)	01-04-2018	31-03-2019	01-04-2017	31-03-2018
Shri Rajesh Sivadasan (CFO)	01-04-2018	31-03-2019	10-11-2017	31-03-2018
Shri Gopal Srinivasan (CFO)			01-04-2017	31-05-2017
Shri Sandeep Dave (Company Secretary)	01-04-2018	31-03-2019	01-04-2017	31-03-2018

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40.1.5 Related party disclosure
Transactions during the year with related parties:

(₹ in crores)

Nature of Transaction	Subsidiaries		Associates		Joint Ventures / Venturers		Key Management personnel		TOTAL	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Income:										
Sale of LNG										
Gujarat State Petronet Ltd	5,346.62	3,870.97	123.02	84.70	281.41	210.20	-	-	5,751.05	4,165.87
Gujarat Gas Limited	49.64	4.12	-	-	-	-	-	49.64	4.12	-
GSPC Pipavav Power Company Ltd.	4,883.79	3,798.37	-	-	-	-	-	4,883.79	3,798.37	-
Sabarmati Gas Ltd.	302.62	33.87	-	-	-	-	281.41	302.62	33.87	-
Gujarat State Energy Generation Ltd	-	-	123.02	84.70	110.57	34.61	-	123.02	84.70	-
GSPC Energy Ltd.	110.57	34.61	-	-	-	-	-	-	-	-
REGASIFICATION INCOME										
Gujarat Gas Limited	56.99	33.22	9.24	-	-	-	-	-	66.23	33.22
GSPC Pipavav Power Company Ltd.	30.68	29.15	-	-	-	-	-	-	30.68	29.15
Gujarat State Energy Generation Ltd	26.31	4.07	9.24	-	-	-	-	-	26.31	4.07
Rent received										
Gujarat State Petronet Ltd	1.00	0.74	0.19	0.18	-	-	-	-	1.19	0.92
GSPC Pipavav Power Company Ltd.	0.24	0.09	-	-	-	-	-	-	0.24	0.09
Gujarat Gas Limited	0.19	0.19	-	-	-	-	-	-	0.19	0.19
Guj Info Petro Ltd	0.11	0.04	-	-	-	-	-	-	0.11	0.04
Gujarat State Energy Generation Ltd	0.46	0.43	0.19	0.18	-	-	-	-	0.46	0.43
Dividend Income										
Gujarat State Petronet Ltd	37.15	43.58	-	-	1.12	0.90	-	-	38.27	44.48
Gujarat Gas Limited	37.15	31.85	-	-	-	-	-	-	37.15	31.85
Sabarmati Gas Ltd.	-	11.73	-	-	-	0.90	-	-	-	11.73
Interest Income										
GSPC Pipavav Power Company Ltd.	-	0.005	11.72	22.71	-	-	-	-	11.72	22.71
Gujarat State Energy Generation Ltd	-	0.005	11.72	22.71	-	-	0.005	-	11.72	22.71
Reimbursement of Exp-Received										
Gujarat Gas Limited	5.94	9.95	0.72	0.98	2.11	2.05	-	-	8.77	12.98
Gujarat State Petronet Ltd	0.61	0.76	-	-	-	-	-	-	0.61	0.76
GSPC Pipavav Power Company Ltd.	3.40	7.81	-	-	-	-	-	-	3.40	7.81
Sabarmati Gas Ltd.	0.95	0.81	-	-	-	-	-	-	0.95	0.81
Guj Info Petro Ltd	0.44	0.25	-	-	0.40	0.39	-	-	0.44	0.25
Gujarat State Energy Generation Ltd	0.54	0.32	0.66	0.82	-	-	-	-	0.40	0.39
GSPL INDIA GASNET LTD	-	-	-	-	1.05	1.03	-	-	0.54	0.32
GSPL INDIA TRANSCO LTD	-	-	-	-	0.66	0.63	-	-	0.66	0.63
GSPC LNG LTD*	-	-	0.06	0.16	-	-	-	-	0.06	0.16
Expenses:										
Purchase of Gas										
GSPC Pipavav Power Company Ltd.	831.71	831.71	-	-	-	-	-	-	831.71	831.71
Gas transportation charges										
Gujarat State Petronet Ltd	147.58	108.04	-	-	-	-	-	-	147.58	108.04

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Nature of Transaction	Subsidiaries		Associates		Joint Ventures / Venturers		Key Management personnel		TOTAL	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	₹ in crores)									
Administrative & Other Expenses: Paid										
Guj Info Petro Ltd	0.48	0.93	-	-	-	-	-	-	0.48	0.93
Purchase of Fuel										
Gujarat Gas Limited	0.01	0.05	-	-	-	-	-	-	0.01	0.05
Reimbursement of Expenses: Paid										
Guj Info Petro Ltd	5.45	1.30	-	-	-	0.06	-	-	5.45	1.36
Gujarat Gas Limited	0.41	0.47	-	-	-	-	-	-	0.41	0.47
Gujarat State Petromet Ltd	0.31	0.23	-	-	-	-	-	-	0.31	0.23
GSPC Pipavav Power Company Ltd.	4.74	0.46	-	-	-	-	-	-	4.74	0.46
GSPC INDIA GASNET LTD	-	-	-	-	-	0.06	-	-	-	0.06
Remuneration to Key Managerial Personnel										
Key management personnel compensation	0.95	0.92	-	-	-	-	-	1.19	1.19	1.10
Director Sitting Fees	0.04	0.03	0.04	0.03	-	-	-	-	-	-
Post employment benefit plan	0.05	0.05	0.05	0.05	-	-	-	-	-	-
-Non-contributory superannuation plan	0.09	0.10	0.09	0.10	-	-	-	-	-	-
(including loyalty bonus)	0.06	0.10	0.06	0.10	-	-	-	-	-	-
Other Long Term benefit	0.19	-	0.01	-	0.10	-	-	-	0.30	-
Sale of Fixed Assets										
Gujarat State Petromet Ltd	0.12	-	-	-	0.12	-	-	-	-	-
Guj Info Petro Ltd	-	-	-	-	-	-	-	-	-	-
Gujarat State Energy Generation Ltd	0.03	-	0.01	-	-	-	-	-	0.01	-
GSPC INDIA GASNET LTD	0.07	0.07	0.03	0.03	-	-	-	-	-	-
GSPC Pipavav Power Company Ltd.	0.07	0.07	-	-	-	-	-	-	-	-
Sale of Investments										
Gujarat State Petromet Ltd	-	3,256.70	-	3,256.70	-	-	-	-	-	-
Purchase of Fixed Assets										
Guj Info Petro Ltd	0.15	0.24	-	-	-	-	-	-	0.15	0.24
Current Assets & Liabilities:										
Debtors										
Gujarat State Petromet Ltd	171.68	151.17	44.01	96.64	6.29	5.73	-	-	221.99	253.54
Gujarat Gas Limited	1.85	0.44	-	-	-	-	-	-	1.85	0.44
Gujarat State Energy Generation Ltd	150.95	134.61	44.01	96.64	-	-	-	-	150.95	134.61
Sabarmati Gas Ltd.	-	-	-	-	6.29	5.73	-	-	44.01	96.64
GSPC ENERGY LIMITED	18.88	16.12	-	-	-	-	18.88	16.12	6.29	5.73
Advance/Receivables										
Gujarat State Petromet Ltd	7.52	8.29	37.15	67.05	0.07	0.39	-	-	44.74	75.73
GSPC Pipavav Power Company Ltd.	3.27	7.07	-	-	-	-	-	-	3.27	7.07
GSPC (JPDA) Ltd.	0.25	0.20	-	-	-	-	-	-	0.25	0.20
Guj Info Petro Ltd	0.07	0.08	-	-	-	-	-	-	0.07	0.08
	0.10	0.15	-	-	-	-	-	-	0.10	0.15

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Nature of Transaction	Subsidiaries		Associates		Joint Ventures / Venturers		Key Management personnel		TOTAL	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	₹ in crores)									
GSPC ENERGY LIMITED	0.68	0.30	-	-	-	-	-	-	0.68	0.30
GSPC OFFSHORE LIMITED	0.32	0.32	-	-	-	-	-	-	0.32	0.32
Gujarat Gas Limited	2.84	0.17	-	-	-	-	-	-	2.84	0.17
GSPC INDIA TRANSOCO LTD	-	-	-	-	0.03	0.21	-	-	0.03	0.21
GSPC INDIA GASNET LTD	-	-	-	-	-	0.15	-	-	-	0.15
Gujarat State Energy Generation Ltd	-	-	37.15	67.04	-	-	-	-	37.15	67.04
Sabarmati Gas Ltd.	-	-	-	-	0.04	0.03	-	-	0.04	0.03
GSPC LNG Ltd*	-	-	-	0.01	-	-	-	-	-	0.01
Payable	82.93	4.93	-	-	0.10	-	-	-	83.03	4.93
Gujarat State Petronet Ltd	10.28	4.24	-	-	-	-	-	-	10.28	4.24
Gujarat Gas Limited	0.05	0.07	-	-	-	-	-	-	0.05	0.07
Guj Info Petro Ltd	-	0.22	-	-	-	-	-	-	-	0.22
GSPC INDIA GASNET LTD	-	-	-	-	0.10	-	-	-	0.10	-
GSPC Pipavav Power Company Ltd.	72.60	0.39	-	-	-	-	-	-	72.60	0.39
Advance received from Customer	0.03	-	-	-	-	-	-	-	0.03	-
Gujarat State Petronet Ltd	0.03	-	-	-	-	-	-	-	0.03	-
Investment in Share Capital (Allotment)**	1,152.83	1,151.83	290.18	142.76	55.10	55.10	-	-	1,498.11	1,349.69
Gujarat State Petronet Ltd	213.31	213.31	-	-	-	-	-	-	213.31	213.31
GSPC Pipavav Power Company Ltd.	840.00	840.00	-	-	-	-	-	-	840.00	840.00
GSPC LNG Ltd *	-	-	-	11.43	-	-	-	-	-	11.43
GSPC (JPDA) Ltd.	99.39	98.39	-	-	-	-	-	-	99.39	98.39
Guj Info Petro Ltd	0.03	0.03	-	-	-	-	-	-	0.03	0.03
Gujarat State Energy Generation Ltd	-	-	278.68	119.83	-	-	-	-	278.68	119.83
Sabarmati Gas Ltd.	-	-	-	-	55.10	55.10	-	-	55.10	55.10
Alcock Ashdown (Gujarat) Limited (excluding provision for Diminution in value)	-	-	11.50	11.50	-	-	-	-	11.50	11.50
GSPC ENERGY LIMITED	0.05	0.05	-	-	-	-	-	-	0.05	0.05
GSPC OFFSHORE LIMITED	0.05	0.05	-	-	-	-	-	-	0.05	0.05
Investment in Share Capital (Allotment pending-share application money) **	-	-	61.47	-	-	-	-	-	61.47	-
Gujarat State Energy Generation Ltd	-	-	61.47	-	-	-	-	-	61.47	-
Inter Corporate Loan	-	-	-	153.44	-	-	-	-	-	153.44
Gujarat State Energy Generation Ltd	-	-	-	153.44	-	-	-	-	-	153.44

* During FY 2018-19 after allotment of equity shares of ₹ 178 crores to Govt. of Gujarat on 25th October, 2018, GSPC & GSPL's combine share in GSPC LNG Ltd is reduced to 10.96% and hence it ceases to be an associate company, so related party transactions w.r.t GSPC LNG Ltd are shown upto 25th October, 2018 and Investment in Share Capital of GSPC LNG Ltd. is not considered for reporting under Related party Transaction as on 31st March, 2019.

** Investment in share capital excluding any addition on account of fair value

Apart from the above transactions, the Company has also entered into other transactions in ordinary course of business with Government related entities. These are transacted at arm's length prices based on the agreed contractual terms.

These transactions were carried out in the ordinary course of business and at arms length.

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Note 41

A. Financial instruments by category and their fair value

(₹ in crores)

As at 31st March 2019	Carrying amount					Fair value			
	FVTPL	FVTOCI	Amotised Cost	Cost	Total	Level 1-Quoted price in active markets	Level 2-Significant observable inputs	Level 3-Significant unobservable inputs	Total
Financial assets									
Investments									
Quoted	-	26.29	-	2,633.65	2,659.94	26.29	-	-	26.29
Unquoted	-	54.61	-	1,294.64	1,349.25	-	-	54.61	54.61
Loans									
Non-current	-	-	7.31	-	7.31	-	-	-	-
Current	-	-	45.27	-	45.27	-	-	-	-
Trade Receivables	-	-	618.30	-	618.30	-	-	-	-
Cash and Cash Equivalents	-	-	155.72	-	155.72	-	-	-	-
Other Bank Balances	-	-	201.34	-	201.34	-	-	-	-
Other financial assets	-	-				-	-	-	-
Non-current	-	-	65.52	-	65.52	-	-	-	-
Current	-	-	1,610.19	-	1,610.19	-	-	-	-
Total financial assets	-	80.90	2,703.65	3,928.29	6,712.84	26.29	-	54.61	80.90
Financial liabilities									
Borrowings									
Non-current	-	-	6,111.81	-	6,111.81	-	-	-	-
Current	-	-	482.94	-	482.94	-	-	-	-
Other financial liabilities									
Non-current	-	-	10.94	-	10.94	-	-	-	-
Current	-	-	1,329.18	-	1,329.18	-	-	-	-
Trade Payables	-	-	126.30	-	126.30	-	-	-	-
Total financial liabilities	-	-	8,061.17	-	8,061.17	-	-	-	-

Fair value of financial assets and liabilities measured at amortised cost is not materially different from Fair Value. 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.

(₹ in crores)

As at 31st March 2018	Carrying amount					Fair value			
	FVTPL	FVTOCI	Amotised Cost	Cost	Total	Level 1-Quoted price in active markets	Level 2-Significant observable inputs	Level 3-Significant unobservable inputs	Total
Financial assets									
Investments									
Quoted	-	35.79	2,633.65	2,669.44	35.79	-	-	35.79	-
Unquoted	-	29.00	1,161.39	1,190.39	-	-	29.00	29.00	-
Loans									
Non-current	-	-	9.14	9.14	-	-	-	-	-
Current	-	-	250.63	250.63	-	-	-	-	-
Trade Receivables	-	-	561.25	561.25	-	-	-	-	-
Cash and Cash Equivalents	-	-	6.92	6.92	-	-	-	-	-
Other Bank Balances	-	-	91.02	91.02	-	-	-	-	-
Other financial assets	-	-				-	-	-	-
Non-current	-	-	103.96	103.96	-	-	-	-	-
Current	-	-	2,376.08	2,376.08	-	-	-	-	-
Total financial assets	-	64.79	3,399.00	3,795.04	7,258.83	35.79	-	29.00	64.79
Financial liabilities									
Borrowings									
Non-current	-	-	10,957.79	-	10,957.79	-	-	-	-
Current	-	-	2,967.47	-	2,967.47	-	-	-	-
Other financial liabilities									
Non-current	-	-	11.58	-	11.58	-	-	-	-
Current	-	-	1,121.95	-	1,121.95	-	-	-	-
Trade Payables	-	-	758.26	-	758.26	-	-	-	-
Total financial liabilities	-	-	15,817.05	-	15,817.05	-	-	-	-

Fair value of financial assets and liabilities measured at amortised cost is not materially different from Fair Value. 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.

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Types of inputs are as under:

Input Level I (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges

Input Level II (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.

Input Level III (Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

FVTOCI in unquoted equity shares	Investments in Equity Shares of Other Entities
	OPAL -Due to recent commissioning of project, fair value of investments in equity shares of OPAL have been considered as equivalent to cost. GSPC LNG has not commenced its commercial production and hence fair value of investments in equity shares of GSPC LNG have been considered as equivalent to cost.

Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March, 2019 and 31st March, 2018 is as below:

Particulars	(₹ in crores)
	Amount
As at 1 April 2017	29.00
Acquisitions/ (disposals)	
Gains/ (losses) recognised in other comprehensive income	
Gains/ (losses) recognised in statement of profit or loss	
As at 31 March 2018	29.00
Acquisitions/ (disposals)	25.61
Gains/ (losses) recognised in other comprehensive income	
Gains/ (losses) recognised in statement of profit or loss	
As at 31 March 2019	54.61

Transfer out of Level 3

There were no transfers out of level 3 during the year 2018-19 and 2017-18.

Sensitivity analysis

Investments in unquoted equity shares comprises majorly of investments in ONGC Petro Additions Ltd. On account of lack of adequate information, the same have not been fair valued. Accordingly it is impracticable to provide the sensitivity analysis of the same. GSPC LNG Ltd. has not commissioned its commercial production of its re-gasification terminal and hence the shares have been valued at Face Value and it is impracticable to provide the sensitivity analysis of the same.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Standalone Financial Statements

(i) Risk management framework

The Company is exposed to financial risks arising from business/operating activities as well as financial instruments. The risks include market risks pertaining to price risk, currency risk and interest rate risk; credit risk; and liquidity risk. The finance and commercial team advises the management (including the CFO) which oversees the risk management strategies and procedures. The objective of the teams is to inform the management on financial risks and propose appropriate financial risk governance framework for the company. Based on the inputs from respective teams, analysis and understanding, the management issues directives for mitigation of risks. The company regularly monitors the risks to ensure that financial risks are identified, measured and managed in accordance with risk management policies. The company's risk management activities pertaining gas trading business are managed by the commercial team, while those pertaining to financing activities are managed by the finance team. All derivative activities are carried out by teams with appropriate skills and experience under supervision as per directives of management. The teams are subject to necessary financial and management control.

(ii) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and deposits with financial institutions and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

Trade receivables

Customers of the company in the gas trading business comprise of subsidiaries/associates and corporates which include public sector undertakings. The Company ratifies the counterparty creditworthiness prior to the contractual agreement for gas sale/purchase and adequate risk mitigation measures are incorporated in the agreement. The counterparty dealings with respect to receivables are governed by the Company's debtor's policy which is guiding document. Hence, at this point in time, the Company does not perceive credit risk on gas trading receivables. Gujarat Urja Vikas Nigam Limited (GUVNL), a public sector undertaking controlled by the Government of Gujarat, is the single customer for wind energy business. Thus customer being a PSU with timely payment track record and adequate credit rating, the Company perceives no credit risk.

Age of Receivables

Particulars	₹ in crores	
	As at 31 st March, 2019	As at 31 st March, 2018
Within the credit period		
1-30 days past due	566.08	399.92
31-60 days past due	2.26	3.94
61-90 days past due	1.58	
More than 90 days past due	51.50	160.70

The above receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven creditworthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Further, since the amounts are collected within one year, there is no loss on account of time value of money. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The provision for impairment of trade receivables, movement of which has been provided below, is not significant / material.

Movements in Expected Credit Loss Allowance

Particulars	₹ in crores	
	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of the year	3.31	3.96
Movements in allowance	0.19	0.65
Closing balance	3.12	3.31

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and analysis of customer credit risk, including underlying customers' credit ratings if they are available. The trade receivables of the Company are located in India and there is no credit exposure located outside India. Since the company has a fairly diversified in terms of spread and hence no concentration risk is foreseen.

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Other financial assets

Other financial assets comprises of an amount of Rs. 496.04 Crore which is receivable from Jubilant Offshore Drilling Pvt Ltd (JODPL) pertaining to Production Sharing Contract executed between the parties for KG-OSN-2001/3 block. JODPL had filed a petition for insolvency and Insolvency Restructuring Professional (IRP) was appointed. However, the resolution process did not materialise subsequent to which JODPL has gone into liquidation and a liquidator has been appointed. The Company has issued forfeiture notice to JODPL to recover the outstanding dues. The Company has adequate rights under the Production Sharing Contract to ensure recovery of receivable amounts from JODPL through the future cash flows of KG Block. The Company is assessing way forward and committed to undertake necessary steps. Apart from this, other financial assets comprise of cash and cash equivalents, loans provided to employees and investments in equity shares of companies other than subsidiaries, associates and joint ventures. · Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating. The Company reviews their credit-worthiness at regular intervals. · Investments are made in credit worthy companies.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has practiced financial diligence and syndicated adequate liquidity in all business scenarios.

Financing arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Floating rate borrowings		
Expiring within one year (line of credit and other facilities)	1,925.60	2,132.02
Expiring beyond one year (line of credit and other facilities)	-	-
Total	1,925.60	2,132.02

Further, the Company has also tied-up additional sources of liquidity to meet the liabilities during the respective annual years which has ensured that the Company has a clean track record with no adverse events pertaining to liquidity risk.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross / undiscounted values and include estimated interest payments and exclude the impact of netting agreements.

31st March, 2019	₹ in crores)			
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	6,111.81	6,111.81	-	6,111.81
Current borrowings	482.94	482.94	482.94	-
Non current financial liabilities	10.94	10.94	-	10.94
Current financial liabilities	1,329.18	1,329.18	1,329.18	-
Trade and other payables	126.30	126.30	126.30	-
Total	8,061.17	8,061.17	1,938.42	6,122.75

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(₹ in crores)

31st March, 2018	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	10,957.79	10,957.79		10,957.79
Current borrowings	2,967.47	2,967.47	2,967.47	
Non current financial liabilities	11.58	11.58		11.58
Current financial liabilities	1,121.95	1,121.95	1,121.95	
Trade and other payables	758.26	758.26	758.26	
Total	15,817.05	15,817.05	4,847.68	10,969.37

(iv) Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the present/future performance of a business. The market risks include price risk, currency risk and interest rate risk. The primary price risk for the company is commodity price risk i.e. price risk of natural gas that could adversely affect the value of the Company's financial assets, liabilities or expected future cash flows. The currency risk for the Company involves exposure arising from External Commercial Borrowings and payments for supply of natural gas. The interest rate risk involves rate risk linked to borrowings of the Company. The Company is in process of reviewing interest rate hedging strategy for the balance foreign currency loans. The currency risk of these foreign currency loans is covered through a natural hedge linked to revenue from E & P Blocks & margins from Gas Trading business denominated in USD.

Commodity price risk

The company's integrated natural gas procurement and trading business (including Liquefied Natural gas (LNG)) is open to price risk which is substantially mitigated through contractual agreement with back-to-back customers through terms of pricing and also through conventional derivative instruments which ensures the hedging of the commodity price at marketable/acceptable level for sale to the customer. The Company has executed commodity swaps and options linked to Brent Crude prices which are highly correlated to natural gas prices. These derivatives in conjunction with the long term rate contracts forming part of the gas trading business assist in mitigating the commodity price risk. Further, as mentioned above, the sales prices are modified appropriately to counter market price movements.

Equity price risk

The Company's exposure to equity securities price risk arises from investments held by the Company which are classified in the balance sheet as fair value through other comprehensive income (FVOCI). The captioned equity investments are publicly traded as they are listed on the NSE Nifty 50 Index.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's other comprehensive income for the period. The analysis is based on the assumption that the index had increased average of the actual movements in quoted prices of equity shares held as investments for the respective periods. All other variables held constant.

(₹ in crores)

Particulars	Impact on Other Comprehensive Income	
	As at	As at
	31st March, 2019	31st March, 2018
NSE NIFTY 50 - increase 6%	1.58	2.15
NSE NIFTY 50 - decrease 6%	(1.58)	(2.15)

Currency risk

The functional currency of the Company is Indian Rupees. However, the Company has exposure of USD linked External Commercial Borrowing (ECB) as well as receivables and payables in foreign currency. The currency risk linked to the payables of gas trading business is mitigated by appropriately factoring the same in the sales prices for the natural gas sold to downstream customers. The currency risk of these foreign currency loans is covered through a natural hedge linked to revenue from E & P Blocks denominated in USD.

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Following is the summary of foreign currency (USD) exposure for the company:

Particulars	(₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Non current borrowings		
ECB - principal and interest	1,040.87	978.86
Buyer's credit	-	-
Net Foreign currency exposure	1,040.87	978.86

The currency exposure on account of USD denominated ECB loans as on 31st March, 2019 has increased due to mark to market of outstanding ECB and there is no repayment of ECB during the year. The currency exposure on account of USD denominated ECB loans as on 31st March, 2018 is reduced to as compared to 31st March, 2017, subsequent to closure of KG block transaction for 80% PI. In the previous year, the consideration received for the KG transaction was utilised to partially novate the ECB loans. The currency risk for the existing loans is adequately covered through natural hedge i.e. USD denominated revenue from E & P Blocks and margins from Gas Trading Business.

The following significant exchange rates have been applied during the year.

Rupees	Average rate		Year-end spot rate	
	2018-19	2017-18	As at 31-Mar-19	As at 31-Mar-18
USD 1	67.11	64.94	69.17	65.04

Sensitivity analysis based on the net foreign currency exposure provided earlier in this note

Effect in Rupees	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2019				
USD (7% movement)	72.86	(72.86)	47.40	(47.40)

Effect in Rupees	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2018				
USD (7% movement)	68.52	(68.52)	44.81	(44.81)

Interest rate risk

Interest rate risk is the risk that either fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates i.e. Base Rate/MCL linked in INR denominated loans and 6-month LIBOR linked in USD denominated loans. The Company has substantial mix of USD denominated and INR denominated borrowings. The Company manages the interest rate risk in INR denominated loans through contractual agreement (i.e. term loan agreement) clauses with the lenders wherein provisions are built-in to allow the Company to prepay the loans without penalty. This clause can be exercised in scenarios that the interest rate under the agreement are not moving in favorable directions and the Company has other available options to switch with borrowings bearing lower interest rates. The Company is in process of reviewing interest rate hedging strategy for the balance foreign currency loans.

Variable-rate instruments	(₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Non current - Borrowings	5,111.81	3,155.00
Current - Borrowings	482.94	2,967.47
Current portion of Long term borrowings	205.46	0.51
Total	5,800.21	6,122.98

Standalone Financial Statements

	(₹ in crores)	
Fixed-rate instruments	As at 31 st March, 2019	As at 31 st March, 2018
Non current - Borrowings	1,000.00	7,802.79
Current - Borrowings	-	-
Current portion of Long term borrowings	4.52	434.12
Total	1,004.52	8,236.91

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. As far as INR denominated borrowings are concerned, the Company does not accounts for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, the profit or loss impact on account of change in interest rates at the reporting date is indicated in the following table. Since, no interest rate risk is perceived on fixed rate borrowings, the same has been excluded from the sensitivity analysis below.

Particulars	Profit or loss		Equity, net of tax	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
31st March, 2019				
Non current - Borrowings	(51.12)	51.12	(33.26)	33.26
Current - Borrowings	(4.83)	4.83	(3.14)	3.14
Current portion of Long term borrowings	(2.05)	2.05	(1.34)	1.34
Total	(58.00)	58.00	(37.73)	37.73
31st March, 2018				
Non current - Borrowings	(31.55)	31.55	(20.63)	20.63
Current - Borrowings	(29.67)	29.67	(19.40)	19.40
Current portion of Long term borrowings	(0.01)	0.01	(0.00)	0.00
Total	(61.23)	61.23	(40.04)	40.04

Note 42

Capital management

The company defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the parent (which is the company's net asset value). The primary objective of the company's financial framework is to support the pursuit of value growth for shareholders, while ensuring a secure financial base. The company aims to maintain the net debt ratio, that is, the ratio of net debt to net debt plus equity, of 2:3 times with flexibility of ~5%. The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio on 31st March, 2019 was as follows			(₹ in crores)
Particulars	As at 31 st March, 2019	As at 31 st March, 2018	
Total liabilities comprising interest-bearing loans and borrowings	6,804.73	14,359.89	
Less : Cash and bank balances	357.06	97.94	
Adjusted net debt	6,447.67	14,261.95	
Total equity	675.62	(6,124.75)	
Adjusted net debt to adjusted equity ratio	9.54:1 times	-2.33:1 times*	

Standalone Financial Statements

Note: 43

The management of the Company with the support from Government of Gujarat has completed the revival of the company by putting in place a Turnaround Plan/Financial Realignment Strategy. The Company has devised a detailed realignment plan to improve the financial and operating performance and which has been implemented in two phases as below.

- a) As per the Debt Realignment Plan, the Company has sold its holding in Gujarat Gas Ltd to Gujarat State Petronet Ltd. during FY 2017-18r and realised an amount of Rs.3,252.79 Crores. The Company's holding in Gujarat Gas Limited has been sold to Gujarat State Petronet Ltd (listed subsidiary of GSPC) through an on-market transaction. The share transfer has been effected in two tranche i.e. free-float shares on 26th March 2018 and lock-in shares on 28th March 2018. As on 31st March,2018 the consideration for sale of first tranche of Gujarat Gas Ltd. shares was received in FY 2017-18. The balance amount of consideration was received on 4th April,2018. Subsequent to the captioned sale, the Company does not hold any shares of GGL.The consideration received has been deployed to reduce the outstanding debt.
- b) The Ministry of Corporate Affairs (MCA), vide order dated 25th April, 2019, has approved the Scheme of Arrangement between Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Investment Limited (GSIL) and GSPC NCD Holders. The scheme of arrangement has approved transfer of GSPC's obligation in form of Non-Convertible Debentures (NCD) amounting to Rs.6,000 crores to GSIL in exchange of 749,06,36,704 fully paid equity shares of face value Rs. 1 each at fair value of Rs.8.01 each (with premium of Rs.7.01 per share).The appointed date of the scheme is 1st April, 2018. The scheme has become effective upon filing of certified copy of the order with Registrar of Companies, Gujarat on 16th May, 2019. Following accounting treatments are given in the books of accounts:(i) The Company has derecognized debenture obligation w.e.f. 1st April, 2018 and shares to be issued as consideration has been classified as "Financial Instrument in Equity Nature".(ii) Authorised Share Capital of the Company, as approved in the scheme, is increased by the company during FY 2019-20.(iii) 749,06,36,704 fully paid equity shares of face value Rs. 1 each at premium of Rs.7.01 per share were issued to GSIL during FY 2019-20.(iv) As the scheme of arrangement became effective from 1st April 2018 on filing on 16th May, 2019, GSPC has serviced half yearly interest on NCD cumulatively amounting to Rs.571.50 crores, due on 30th June, 2018 and 31st December, 2018, for the period 1st January, 2018 to 30th June, 2018 and 1st July, 2018 to 31st December, 2018 respectively. The company has received Rs.571.00 crores from GSIL as advance towards reimbursement of interest serviced to NCD holders. The company is awaiting final directives from Government of Gujarat for the settlement of amount received. Accordingly amount receivable from GSIL and advance received from GSIL has been shown under Advance recoverable and other current financial liabilities respectively on gross basis.

Note 44

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; and- 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 Group'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 crores)

Sr. No	Particulars	Before Reclassification	Reclassification	After Reclassification
1	Amount receivables (other than trade receivables) reclassified from Trade receivable Current	656.40	(95.15)	561.25
	Amount receivables (other than trade receivables) reclassified from Loans Current	155.48	95.15	250.63
2	Amount of Non Current Tax Assets (Net) reclassified from Other non-current assets Non-current	118.96	(112.87)	6.09
	Amount of Non Current Tax Assets (Net) reclassified to (face of the balance sheet) Non Current Tax Assets (Net) Non-current	-	112.87	112.87
3	Amount of Non Current Operation & Maintenance Expense payable regrouped Other non-current financial Liabilities	-	1.48	1.48
	Operation & Maintenance expense payable	11.58	(1.48)	10.10
	Other payable	-	-	-
4	Amount Current of other payable regrouped Other current financial Liabilities	685.53	(28.34)	657.19
	Payable on behalf of Joint Arrangements	-	28.34	28.34
	Others	-	-	-

Standalone Financial Statements

Note 45

In case of balances of Joint Venture parties, for cash call and other transactions and also in case of balances of other parties i.e. Trade Receivables, Trade Payables, Loans and Advances and other liabilities the company is in the process of reconciling it with the parties. Adjustments if any will be accounted on reconciliation/settlement of the same.

Note 46

The Previous year figures have been regrouped wherever necessary to confirm to current year's classification

As per our report of even date attached.

For and on behalf of the Board of Directors

For Talati & Talati LLP

Chartered Accountants

Firm Regn. No. 110758W/W100377

Dr. J. N. Singh, IAS

Chairman

DIN : 00955107

Dr. T. Natarajan, IAS

Managing Director

DIN : 00396367

Amit Shah

Partner

Membership No. 122131

Sandeep Dave

Company Secretary

Rajesh Sivadasan

Chief Financial Officer

Date : 02/07/2019

Place : Gandhinagar

Date : 02/07/2019

Place : Gandhinagar

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
GUJARAT STATE PETROLEUM CORPORATION LIMITED
GANDHINAGAR (GUJARAT)

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **GUJARAT STATE PETROLEUM CORPORATION LIMITED** ("Hereinafter referred to as "the Holding Company"), and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group"), its Associates and Jointly Controlled entities which comprise the consolidated Balance Sheet as at 31st March, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (Hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), of the consolidated state of affairs of the Group as at 31st March 2019, and its consolidated profit including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Response to Key Audit Matter
1	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard w.e.f. 01.04.2018 involves certain key judgements relating</p> <ul style="list-style-type: none"> -- to identification of distinct performance obligations, -- determination of transaction price of the identified performance obligations, -- recognition of revenue based on the completion of identified performance obligations, -- the appropriateness of the basis used to measure revenue recognized over a period, if any. <p>Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p>Our procedures included, but were not limited to the following:</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows :</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.

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Sr. No.	Key Audit Matters	Response to Key Audit Matter
	<p>Relevant References in Consolidated Ind AS financial statements; Revenue recognition: Accounting policies Note No: 1(q) Revenue from operations: Note No: 24</p>	<ul style="list-style-type: none"> • Selected a sample of continuing and new contracts and performed the following procedures : <ul style="list-style-type: none"> -- Read, analysed and identified the distinct performance obligations in these contracts. -- Compared these performance obligations with that identified and recorded by the Company. -- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. -- Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. -- Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
2	<p>Impairment of Property, Plant & Equipment As per the requirements of Ind AS 36, the Company assesses at the end of every reporting period, whether there are any indications that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset or CGU.</p> <p>The determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use involves significant estimates, assumptions and judgements of the certain internal as well as market factors (including but not limited to) such as future cash inflows as well as outflows in terms of additional capital and revenue expenditure, gas price, growth rate, discounting factors, exchange rate variations and crude prices.</p> <p>Relevant References in Consolidated Ind AS financial statements; Impairment: Accounting policies 1(g) Exceptional Items : Note No. 33</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> - Assessing the methodologies used by the external valuer for determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use; - Evaluating the independent external valuer's competence, capabilities and objectivity; - Checking, on a sample basis, the accuracy and relevance of the input data provided by management to the external valuer for determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use; - Assessing management's key assumptions used to estimate values in use based on our knowledge of the oil & gas industry; and - Considering the potential impact of reasonably possible downside changes in these key assumptions.
3	<p>Reasonableness of carrying amount of assets held for sale Assets held for sale are carried at fair value less cost to sell. Fair value is determined at estimated selling price of CGU using significant unobservable Inputs. This calculation uses the estimated future cash flows that can be generated from the continuing use of these assets and outflows at the end of its useful life which are discounted to their present value.</p> <p>Relevant References in Consolidated Ind AS financial statements; Non Current Asset Held for Sale : Accounting policies Note No: 1(j) Non Current Asset Held for Sale: Note No: 23</p>	<p>Our procedures included, but were not limited to the following:</p> <p>Our audit procedures consisted of challenging the management's assumptions relating to future cash flows, discounting factors, growth rate, oil and gas prices, etc. based on our knowledge of the oil & gas industry.</p>

Consolidated Financial Statements

Sr. No.	Key Audit Matters	Response to Key Audit Matter
4	<p>Assessment of contingent liabilities relating to litigations and claims:</p> <p>The Company is periodically subject to scrutiny on range of matters relating to direct tax and indirect tax. Further, potential exposures may also arise from general legal proceedings in the normal course of business. Assessment of contingent liabilities disclosure requires Management to make judgements and estimates in relation to the issues and exposures. Whether the liability is inherently uncertain, the amounts involved are potentially significant and the application of accounting standards to determine the amount, if any, to be provided as liability, is inherently subjective.</p> <p>Relevant References in Consolidated Ind AS financial statements;</p> <p>Provision, Contingent Liability & Contingent Asset : Accounting policies Note No: 1(v) Contingent Liability : Note No: 35</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> - We tested the effectiveness of controls around the re-assessment of contingent liabilities. - We discussed the status and potential exposures in respect of significant litigation and claims with the Company's internal legal team including their views on the likely outcome of each litigation and claim and the magnitude of potential exposure and sighted any relevant opinions given by the Company's advisors. - We assessed the adequacy of disclosures made. - We discussed the status in respect of significant provisions with the Company's internal tax and legal team. - We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome

Emphasis of Matter

Without modifying our opinion, we draw attention to:

- a) Para (s) Accounting for oil and gas joint operations of Note No. 1 Significant Accounting Policies, which describes that the financial statements of the joint operations (unincorporated joint ventures) prepared in accordance with the requirements prescribed by the respective Production Sharing Contracts or Joint Operating Agreement of the joint operations (unincorporated joint ventures). In view of the same, certain adjustments/disclosures required under the mandatory Accounting Standards and the provisions of the Companies Act, 2013 have been made in the consolidated Ind AS financial statements to the extent information available with the Holding Company as on the date.
- b) Note No. 15 (j) to the Consolidated Ind AS financial statements regarding conversion of Compulsory Convertible Debentures in to Equity Shares due on January 2019 and converted on May 29, 2019 has been reclassified in Financial Statement as on March 31, 2019 as "Financial Instrument in Equity Nature" as per guidance provided under IND AS 32 "Financial Instruments Presentation".
- c) Note no. 35 to the Consolidated Ind AS financial statements regarding non provisioning of disputed Income Tax demands/ claims by the Income Tax Authority amounting to Rs. 1,701.78 Crores (P.Y. Rs. 1,527.43 Crores) and disclosed by way of a note as contingent liability as the matter is disputed.
- d) Note No. 35 to the Consolidated Ind AS financial statements regarding reasonable uncertainty for an amount receivable on account of adjustment of advanced floor consideration received towards Other Six Discoveries amounting to Rs.1,265 Crores (USD 200 Million) and subsequently to be adjusted towards final consideration receivable as per Field Development Plan (FDP) prepared by ONGC for submission to DGH.
- e) Note No. 48 (b) to the Consolidated Ind AS financial statements regarding transfer of GSPC's obligation in form of Non-Convertible Debentures (NCD) of Rs. 6,000/- Crores to Gujarat State Investment Limited (GSIL) in exchange of 749,06,36,704 Equity Shares pursuant to Scheme of Arrangement approved by Ministry of Corporate Affairs (MCA) effective from May 16, 2019 on filing of order with Registrar of Companies (ROC) from Appointed Date April 1, 2018 and its effect in the Financial Statement by derecognizing Debenture obligation w.e.f April 1, 2018 and Equity Shares to be issued classified as on March 31, 2019 as "Financial Instrument in Equity Nature" as per guidance provided under IND AS 32 " Financial Instruments Presentation".
- f) Note No. 48 (b) to the Consolidated Ind AS financial statements regarding adjustment of advance received from Gujarat State Investment Limited (GSIL) amounting to Rs. 571 Crores shown under Other Current Financial Liabilities and advance receivable from GSIL under Advance Recoverable, towards interest served amounting to Rs. 571.50 Crores, pending direction from Government of Gujarat.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and other information in the Holding Company's annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Consolidated Financial Statements

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes of equity of the Group including its associates and jointly controlled entities in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are also responsible for overseeing the Group financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibility for the Audit of the Consolidated Ind AS financial statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Consolidated Financial Statements

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities include in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated Ind AS financial statements.

We communicate with those charged with governance of the Holding Company and such other entities including in the consolidated Ind AS financial statement of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- a) We did not audit the financial statements and other financial information of Seven (7) Subsidiaries and Three (3) Jointly Controlled Entities, whose financial statements and other financial information are considered in these Consolidated Ind AS financial statements. The Consolidated Ind AS financial statements of those subsidiaries reflect total assets of Rs.17,963.38 Crores as at 31st March, 2019, net assets of Rs. 6,370.99 Crores, total revenues of Rs. 12,289.26 Crores and net cash flows amounting to Rs. 72.58 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 28.10 Crores for the year ended 31st March, 2019, as considered in the consolidated Ind AS financial statements, in respect of One (1) associate, whose financial statements and other financial information have not been audited by us. These Ind AS financial statements and other financial information has been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- b) The consolidated Ind AS financial statements include the Holding Company's share of:
- Total assets aggregating to Rs. 1312.16 Crores, total liabilities aggregating to Rs. 21.78 Crores, income aggregating to Rs. 83.33 Crores and expenditure aggregating to Rs. 34.76 Crores in respect of Twelve (12) Producing Joint Operations (unincorporated joint ventures), which have been incorporated on the basis of accounts audited by other auditors.
 - Total assets aggregating to Rs. 4,476.37 Crores, total liabilities aggregating to Rs. 55.90 Crores, income aggregating to Rs. 42.73 Crores and expenditure aggregating to Rs. 55.41 Crores in respect of Six (6) Producing Joint Operations (unincorporated joint ventures), which has been incorporated on the basis of unaudited financial information approved by the management and made available to us, in the absence of audited accounts.
 - Total assets aggregating to Rs. 336.51 Crores, total liabilities aggregating to Rs. 2.27 Crores, income aggregating to Rs. Nil and expenditure aggregating to Rs. 0.44 Crores in respect of Eleven (11) Joint Operations (unincorporated joint ventures) under exploration and development phase or proposed to be surrendered, which have been incorporated on the basis of accounts audited by other auditors.
 - Total assets aggregating to Rs. 126.11 Crores, total liabilities aggregating to Rs. 265.95 Crores, income aggregating to Rs. Nil and expenditure aggregating to Rs. 2.95 Crores in respect of Thirty Four (34) Joint Operations (unincorporated joint ventures), under exploration and development phase or proposed to be surrendered, which have been incorporated on the basis of unaudited financial information approved by the management made available to us, in the absence of audited accounts.

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- c) We have placed reliance on technical/commercial evaluation by the management in respect of categorization of wells as exploratory, development and producing, allocation of costs incurred on them, treatment of capitalization, depletion of producing properties on the basis of the proved hydrocarbon reserves, impairment, liability for decommissioning, liability for NELP and nominated blocks for underperformance against agreed minimum work programme and liability for abandonment costs.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable, 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 of Ind AS Consolidated Financial Statement except for the unaudited financial information relating to Fourty (40) Joint Operations (unincorporated joint ventures) for the year ended March 31, 2019 referred to in sub paragraph (b) (ii) and (b) (iv) of other matter paragraph above and read with our comments in paragraph (a) of Emphasis of Matter.
 - In our opinion, proper books of account as required by law relating to preparation of consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of Consolidated Ind AS financial statements.
 - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
 - As the Group is a Government Company, in terms of notification no. G.S.R. 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs, the sub-section (2) of section 164 is not applicable to the Group.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary and associate companies and the operating effectiveness of such controls, refer to our separate Report in "**Annexure -A**".
 - 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:
 - The consolidated Ind AS financial statements has disclosed the impact of pending litigations on its financial position of the Group, its associates and jointly controlled entities - Refer Note 35 to the consolidated Ind AS financial statements read with para 4 of Key Audit Matters here in above;
 - Provision has been made in the Consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts for the consolidated financial position of the Group, its associates and jointly controlled entities.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate companies in India.
- 2) In terms of section 143 (5) of the Act, we give in "**Annexure - B**" a statement on the directions and sub directions issued under the aforesaid section by the Comptroller and Auditor General of India.

For Talati & Talati LLP
Chartered Accountants
(Firm Regn No. 110758W/W100377)

Amit Shah
(Partner)
Membership No. 122131
(UDIN: 19122131AAAAAC2821)

Place of Signature: Gandhinagar
Date: 02/07/2019

Consolidated Financial Statements

“ANNEXURE – A” TO INDEPENDENT AUDITOR’S REPORT

The annexure referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our Independent Auditor’s Report of even date on the Consolidated Ind AS financial statements of GUJARAT STATE PETROLEUM CORPORATION LIMITED for the year ended 31st March, 2019, we report that:

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

We have audited the internal financial controls over financial reporting of GUJARAT STATE PETROLEUM CORPORATION LIMITED (herein after referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its Subsidiaries together referred to as “the Group”), its associates and jointly controlled entities as of 31st March, 2019 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiaries, its associates and jointly controlled entities is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities 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 (“ICAI”). 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 the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiaries, associates and jointly controlled entities, 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 consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Consolidated Financial Statements

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company, its subsidiaries, its associates and jointly controlled entities, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, in so far as it relates to separate financial statements of 7 Subsidiaries, 1 Associate and 3 Jointly Controlled Entities, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and jointly controlled entities incorporated in India.

For Talati & Talati LLP
Chartered Accountants
(Firm Regn No. 110758W/W100377)

Place of Signature: Gandhinagar
Date: 02/07/2019

Amit Shah
(Partner)
Membership No. 122131
(UDIN: 19122131AAAAAC2821)

Consolidated Financial Statements

“ANNEXURE – B” TO INDEPENDENT AUDITOR’S REPORT

The annexure as referred to in paragraph 3 under “Report on Other Legal and Regulatory Requirements” section of our Independent Auditor’s Report of even date, on the consolidated Ind AS financial statements of Gujarat State Petroleum Corporation Limited for the period ended 31st March, 2019, we report that:

a) Report on Directions under Section 143(5) of Companies Act 2013:

In case of Holding Company:

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

Reply: The Company has system in place to process all the accounting transactions through IT System i.e SAP. All the financial transactions are integrated in SAP system. There are no financial implications of the same during the period under audit.

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

Reply: As per the information and explanations given to us and based on our examination of the records of the Company, there is no restructuring of an existing loans and there are no cases of waiver/ write off of debts/ loans/ interest etc. made by lender to the Company due to the Company’s inability to repay the loan. There are no financial implications of the same during the period under audit.

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

Reply: As per the information and explanations given to us, no fund has been received/ receivable by the Company for specific schemes from Central/State Agencies during the period under audit.

In case of Subsidiaries:

SR. No.	Particulars	GSPL	GGL	GPPC	GOL	GIPL	GSPC (JPDA) LTD
1	Whether the company has system in place to process all the accounting transactions through IT system? If Yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with financial implications, if any, may be stated.	The company is using SAP for accounting of all transactions through IT system only.	The company has system in place to process all the transactions through IT system i.e. SAP system. We have not come across any accounting transaction outside the SAP system.	Yes, the company has system in place to process all the transactions through IT System only. Since, no transaction is processed outside the IT system, there will be no implication of the same on the integrity of the accounts and there will be no financial implication of the same.	The company has system in place to process all the accounting transactions through IT system.	Yes, the Company has in place Tally ERP Software Package to process all accounting transactions.	Yes, system in place to process all the accounting transactions through IT system are accurately done.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated.	On the basis of our audit and as per information and explanations given to us there is no such case during the financial year 2018-19, therefore no any impact on the financial statements. The company is repaying its loan timely.	As per information and explanations given to us and based on examination of the records of the company, there are no cases of restructuring of an existing loan or any waiver of loan/debt/interest during the year.	Not Applicable	There is no restructuring of an existing loan or cases of waiver/write off of debts/loans /interest, etc	There are no cases of restructuring of loans or waiver of debts / loans / interest etc. during the year.	There is no restructuring of an existing loan or cases of waiver/write off of debts/loans /interest, etc

Consolidated Financial Statements

Sr. No.	Particulars	GSPL	GGL	GPPC	GOL	GIPL	GSPC (JPDA) LTD
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.	It is conveyed to us that no funds have been received/receivable from central/state agencies hence not applicable.	Funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilised as per its term and conditions.	Not Applicable	The company does not received any funds from central/state agencies.	During the year, the Company has not received / does not have any funds receivable from specific schemes from Central / State Agencies.	There is no fund received for specific schemes from central/state specific agencies.

In Case of GSPC Energy Limited (GEL) :

Sr. No.	Particulars	GEL
1	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title /lease deeds are not available?	The company has no freehold and leasehold property during the period of audit.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	No such case has occurred during the period of audit.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grant(s) from the Govt. or other authorities.	The company does not have any inventory in their books.

b) Sector Specific Sub-directions under Section 143 (5) of the Companies Act, 2013:

Power Sector

In case of Holding Company

Generation

- In the cases of Thermal power projects, compliance of the various pollution control Acts and the impact thereof including utilization and disposal of ash and the policy of the Company in this regard, may be checked and commented upon.

Reply: Not Applicable

- Has the Company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the Company?

Reply: Not Applicable

- Does the Company have a proper system for reconciliation of quantity/quality of coal ordered and received and whether grade of coal/moisture and demurrage etc., are properly recorded in the books of accounts?

Reply: Not Applicable

- How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?

Reply: NIL

- In the case of Hydroelectric Projects, the water discharge is as per policy/guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.

Reply: Not Applicable

In case of Subsidiaries:

Sr. No.	Particulars	GPPC
1	In the cases of Thermal power projects, compliance of the various pollution control Acts and the impact thereof including utilization and disposal of ash and the policy of the Company in this regard, may be checked and commented upon.	Since the Company has 702MW Combined Cycle Power Plant and 5MW Solar Project, this clause is not applicable to the company.
2	Has the Company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the Company?	The Company does not have any revenue sharing agreement.

Consolidated Financial Statements

Sr. No.	Particulars	GPPC
3	Does the Company have a proper system for reconciliation of quantity/quality of coal ordered and received and whether grade of coal/moisture and demurrage etc., are properly recorded in the books of accounts?	The company does not own/operate a coal based generating facility. The company has 702MW Combined Cycle Power Plant and 5MW Solar Plant only.
4	How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?	Principle revenue generation of the Company is governed by the Power Purchase Agreement with GUVNL.
5	In the case of Hydroelectric Projects, the water discharge is as per policy/guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.	The company does not own/operate a hydroelectric power generating facility. The company has 702MW Combined Cycle Power Plant and 5MW Solar Plant only.

Service Sector

Trading

In case of Holding Company:

- Whether the Company has an effective system for recovery of dues in respect of its sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?

Reply: As per the information and explanations given to us and based on the examination of the records in respect of recovery of dues from customers, the Company has an effective system for recovery of dues in respect of sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts.

- Whether the Company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during the physical verification.

Reply: In our opinion and as per the information and explanations given to us, the Company has an effective system in relation to physical verification of inventories, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during the physical verification.

- The effectiveness of the system followed in recovery of dues in respect of sales activities may be examined and reported.

Reply: In our opinion and according to the information and explanation given to us, the Company periodically prepares debtors outstanding and ageing reports and follow-ups with outstanding debtors, if any. The Company has also adequate amount of security against debtors in the form of Bank guarantee or Security Deposits except some debtors (considered doubtful) which are outstanding beyond 6 months and no security is available for which provision has been made during the respective previous years including period under audit as per Debtors Policy of the Company.

In case of Subsidiaries:

Sr. No.	Particulars	GSPL	GGL	GEL	GOL	GSPC (JPDA) LTD
1	Whether the Company has an effective system for recovery of dues in respect of its sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?	As per the information and explanations given to us and based on the examination of the policies in respect of recovery of dues from customers, the company has a policy and procedure for effective monitoring of credit exposure and recovery of dues from its customers in respect of its sales activities. In our opinion and according to the information and explanation given to us, the recoveries against the dues have been properly recorded in the books of accounts.	As per the information and explanations given to us and based on the examination of the policies in respect of recovery of dues from customers, the company has a policy and procedure for effective monitoring of credit exposure and recovery of dues from its customers in respect of its sales activities. In our opinion and according to the information and explanation given to us, the recoveries against the dues have been properly recorded in the books of accounts.	Yes, the Company has an effective system for recovery of dues in respect of its sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts.	The commercial activity in the company has not started during the period of audit; therefore the same is not applicable.	The commercial activity in the company has not yet started during the period of audit; therefore the same is not applicable.

Consolidated Financial Statements

Sr. No.	Particulars	GSPL	GGL	GEL	GOL	GSPC (JPDA) LTD
2	Whether the Company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during the physical verification.	In our opinion and according to the information and explanations given to us, the procedures and systems, in relation to physical verification of inventories, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during the physical verification, are reasonable and adequate in relation to the size of the company and nature of its business.	In our opinion and according to the information and explanations given to us, the procedures and systems, in relation to physical verification of inventories, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during the physical verification, are reasonable and adequate in relation to the size of the company and nature of its business.	Because of the nature of business of company, there is no physical stock. All Sales are back to back purchase.	The commercial activity in the company has not started during the period of audit; therefore the same is not applicable.	The commercial activity in the company has not yet started during the period of audit; therefore the same is not applicable.
3	The effectiveness of the system followed in recovery of dues in respect of sales activities may be examined and reported.	In our opinion and according to the information and explanations given to us, the company has a policy and procedure for effective monitoring of credit exposure and recovery of dues from its customers in respect of its sales activities. There are no significant instances of its failure observed for the year under audit.	In our opinion and according to the information and explanations given to us, the company has a policy and procedure for effective monitoring of credit exposure and recovery of dues from its customers in respect of its sales activities. There are no significant instances of its failure observed for the year under audit.	Considering the nature and size of the business, the company has effective system of recovery of dues in respect of Sales.	The commercial activity in the company has not started during the period of audit; therefore the same is not applicable.	The commercial activity in the company has not yet started during the period of audit; therefore the same is not applicable.

Information Technology Sector

In case of Holding Company:

Not Applicable

In case of Subsidiaries:

Sr. No.	Particulars	GIPL
1	Examine and report the cases of dispute if any on the contract relating to supply of hardware as well as software. In the event of such assets remaining with the Company, please report on its valuation and accounting in the books.	During the year, we have not come across any such disputes as mentioned in question.
2	What is the system of recovering fees/ charges in regard to providing manpower to various agencies? Report the cases where no such recovery has been affected and accounted for.	Monthly invoices are raised and fee/charges are recovered from various organisation. There is no case where no such recovery has been affected.
3	What is the system of receiving revenue share from the franchise?	There is no franchise arrangement entered into by the company.
4	Report the cases wherein software, hardware or IT enabled system is lying redundant/ outdated.	There are no such cases.
5	What is system of accounting of grants/ subsidies received from Central / State Government or its agencies for performing certain activity? Comment on the cases of diversion wherein the grants were not utilized for the purpose for which these were received.	During the year, the Company has not received any grants/ subsidies from Central or State Government or agencies.

Consolidated Financial Statements

Additional Sub-Directions in case of subsidiary GSPL

Sr. No.	Particulars	GSPL
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 any litigation not put to use or declared surplus?	As per the information and explanation given to us, the company has taken adequate measures to prevent encroachment and there is no encroachment to the land owned by the Company.
2	Whether the system in vogue for identification of projects to be taken up under public private partnership is in line with the guidelines/policies of the government? Comment on deviation if any?	In our opinion and according to the information and explanation given to us, the Company does not have any project to be taken up under Public Private Partnership.
3	Whether system for monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenue/losses from contracts, etc, have been properly accounted for in the books?	Based on our audit procedures and according to the information and explanation given to us, 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, revenue/losses from contracts, etc, have been properly accounted for in the books.
4	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized? List the cases for deviations.	It is conveyed to us that no funds have been received or receivable from Central / State Agencies hence not applicable.
5	Whether the bank guarantees have been revalidated in time?	Yes, bank guarantees have been revalidated in timely manner.
6	Comment on the confirmations of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.	Yes, balance confirmation has been received in respect of term deposits, bank accounts and cash. A separate disclosure has been given for trade receivables & trade payables.
7	The cost incurred on abandoned projects may be quantified and the amount actually written off shall be mentioned.	As informed to us, the company has not abandoned any project during the financial year 2018-19.

For Talati & Talati LLP
Chartered Accountants
(Firm Regn No. 110758W/W100377)

Place of Signature: Gandhinagar
Date: 02/07/2019

Amit Shah
(Partner)
Membership No. 122131
(UDIN: 19122131AAAAAC2821)

Consolidated Financial Statements

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

The preparation of consolidated financial statements of Gujarat State Petroleum Corporation 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 02 July 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Gujarat State Petroleum Corporation Limited for the year ended 31 March 2019 under Section 143 (6)(a) of the Act. We conducted a supplementary audit of the financial statements of Gujarat State Petroleum Corporation Limited, Subsidiaries (Annexure I), Associates (Annexure II) but did not conduct supplementary audit of the financial statements of Associates (Annexure III) for the year ended on 31 March 2019. Further Section 139 (5) and 143 (6) of the Act are not applicable to Gujarat Gas Limited Employees Welfare Stock Option Trust and Social Welfare Trust being private entity/entity incorporated in foreign country under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these Companies. 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**

**(H. K. Dharmadarshi)
Principal Accountant General (E&RSA), Gujarat**

**Place: Ahmedabad
Date: 22/10/2019**

Consolidated Financial Statements

GUJARAT STATE PETROLEUM CORPORATION LIMITED
(CIN : U23209GJ1979SGC003281)
Consolidated Balance Sheet as at 31st March, 2019

(₹ in Crores)			
Particulars	Notes	As at 31 st March, 2019	As at 31 st March, 2018
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	11,527.83	11,295.12
Capital work-in-progress	2	1,064.75	1,492.84
Investment property	3	1.52	1.53
Goodwill on consolidation	4	186.14	186.14
Other intangible assets	4	476.16	443.45
Intangibles under development	4	483.42	932.53
Financial assets			
Investment in equity accounted investees	5	933.28	727.90
Other Investments	6	196.85	64.80
Loans	7	99.34	102.26
Other financial assets	8	70.49	105.13
Non Current Tax Asset (Net)	20A	190.94	310.58
Deferred tax Assets (Net)	20C	0.74	0.36
Other non-current assets	9	279.31	202.44
Total Non-Current Assets		15,510.77	15,865.08
Current Assets			
Inventories	10	289.18	446.95
Financial assets			
Trade receivables	11	1,221.91	990.85
Cash and cash equivalents	12	337.77	134.67
Other bank balances	12	573.55	481.81
Loans	7	49.00	256.12
Other financial assets	8	1,731.58	2,464.09
Other current assets	9	83.40	82.58
Total Current Assets		4,286.39	4,857.07
Non Current Assets held for sale	23	483.31	-
TOTAL ASSETS		20,280.47	20,722.15
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	255.93	255.93
Instruments entirely equity in nature	13A	6,550.00	-
Other equity	14	(7,517.19)	(7,848.78)
Total Equity		(711.26)	(7,592.85)
Non Controlling Interest			
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	15	10,326.72	15,926.63
Other financial liabilities	16	30.16	29.72
Provisions	17	87.52	160.63
Deferred revenue/ contract liabilities	18	86.55	15.18
Net employee benefit liabilities	19	68.40	51.15
Deferred tax liabilities (Net)	20C	1,123.47	562.53
Total Non-Current Liabilities		11,722.82	16,745.84

Consolidated Financial Statements

GUJARAT STATE PETROLEUM CORPORATION LIMITED
(CIN : U23209GJ1979SGC003281)
Standalone Balance Sheet as at 31st March, 2019

(₹ in Crores)

Particulars	Notes	As at 31 st March, 2019	As at 31 st March, 2018
Current Liabilities			
Financial liabilities			
Borrowings	15	530.54	2,974.76
Trade payables	22		
Outstanding dues of micro enterprises and small enterprises		14.08	17.41
Outstanding dues of Creditors other than micro enterprises and small enterprises		309.73	951.08
Other financial liabilities	16	4,963.52	4,964.19
Other current liabilities	21	203.37	248.75
Deferred revenue/ contract liabilities	18	25.53	20.20
Net employee benefit Liabilities	19	12.57	8.90
Current Tax Liabilities (Net)		-	2.66
Provisions	17	57.15	56.99
Total Current Liabilities		6,116.49	9,244.94
Total Liabilities		17,839.31	25,990.78
Liabilities associated with Non Current Assets held for sale	23	130.58	-
TOTAL EQUITY AND LIABILITIES		20,280.47	20,722.15

Significant Accounting Policies

1

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 Talati & Talati LLP

Chartered Accountants

Firm Regn. No. 110758W/W100377

Dr. J. N. Singh, IAS

Chairman

DIN : 00955107

Dr. T. Natarajan, IAS

Managing Director

DIN : 00396367

Amit Shah

Partner

Membership No. 122131

Sandeep Dave

Company Secretary

Rajesh Sivadasan

Chief Financial Officer

Date : 02/07/2019

Place : Gandhinagar

Date : 02/07/2019

Place : Gandhinagar

Consolidated Financial Statements

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Standalone Statement of Profit and Loss for the period ended 31st March, 2019

(₹ in Crores)

Particulars	Notes	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
INCOME			
Revenue from operations	24	19,114.27	14,596.60
Other income	25	201.00	194.40
TOTAL INCOME (A)		19,315.27	14,791.00
EXPENSES			
Production expenditure	26	92.33	74.32
Cost of material consumed	27	651.98	404.55
Cost of traded goods	28	13,058.65	9,787.08
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	179.82	(28.12)
Employee benefits expenses	30	261.39	211.25
Finance costs	31	1,229.78	2,032.28
Depreciation, Depletion and amortization expenses		779.99	798.43
Other expenses	32	734.33	598.77
TOTAL EXPENSES (B)		16,988.27	13,878.56
Profit/ (loss) before exceptional items and tax (A-B)		2,327.00	912.44
Exceptional items	33	(160.59)	(712.93)
Profit/ (loss) before tax		2,166.41	199.51
Share of profit/(loss) of joint ventures and associates accounted for using the equity method			
Share of profit/(loss) of joint ventures and associates accounted for using the equity method (Net of Tax)		56.85	67.74
Tax expense			
Current Tax		565.78	458.97
Adjustments of tax for earlier years		(36.06)	(8.07)
Deferred Tax		75.32	82.11
Profit/ (Loss) After Tax for the period including profit (C)		1,618.22	(265.76)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Profit on Sale of Equity Instrument		-	793.98
Changes in fair value of FVTOCI equity instruments		18.09	(54.50)
Remeasurement of post-employment benefit obligations		(5.50)	1.47
Share of OCI in Associate and JV (Ind AS)		(1.11)	0.06
Income tax relating to these items		3.13	11.59
Other Comprehensive Income for the period, net of tax (D)		14.61	752.60
Total Comprehensive Income for the Period (C+D)		1,632.83	486.84
Profit attributable to:			
Owners of the Company		801.96	(944.78)
Non-Controlling Interest		816.26	679.02

Consolidated Financial Statements

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Standalone Statement of Profit and Loss for the period ended 31st March, 2019

(₹ in Crores)

Particulars	Notes	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Other comprehensive income attributable to:			
Owners of the Company		18.80	802.82
Non-Controlling Interest		(4.18)	(50.22)
Total comprehensive income attributable to:			
Owners of the Company		820.76	(141.96)
Non-Controlling Interest		812.07	628.80
Earnings per equity share (EPS) - (face value of Rs.1/-)	34		
Basic (Rs.)		6.32	(1.04)
Diluted (Rs.)		1.55	(0.81)

Significant Accounting Policies

1

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 Talati & Talati LLP

Chartered Accountants
Firm Regn. No. 110758W/W100377

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

Dr. T. Natarajan, IAS
Managing Director
DIN : 00396367

Amit Shah

Partner
Membership No. 122131

Sandeep Dave
Company Secretary

Rajesh Sivadasan
Chief Financial Officer

Date : 02/07/2019
Place: Gandhinagar

Date : 02/07/2019
Place: Gandhinagar

Consolidated Financial Statements

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Consolidated Statement of Cash flows for the period ended 31st March, 2019

(₹ in Crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,166.41	199.51
Adjustments for:		
Depreciation, Amortisation & Depletion	779.99	798.43
Interest & Finance Charges	1,218.23	2,022.15
Loss on Sale of Assets	0.77	2.86
Unrealised Foreign Exchange Loss/(Gain)	56.38	(0.65)
Employee benefit Expense	0.38	2.17
Other non-cash expenses	9.18	3.26
Exploration Cost Written off/(written back)	(93.79)	491.33
Impairment of oil and gas assets	236.51	221.60
Provision/(Reversal) for Doubtful Advances	0.83	(0.63)
	<u>4,374.88</u>	<u>3,740.03</u>
Interest and Dividend Income	(143.17)	(111.45)
Operating Profit before working capital changes	<u>4,231.71</u>	<u>3,628.58</u>
Adjustments for changes in Working Capital		
Long Term Loans & Advances	(7.32)	(1.03)
Other Non-Current Assets	(76.06)	(22.07)
Inventories	157.77	(61.40)
Trade Receivables	(330.21)	19.66
Short Term loan and Advances	56.37	(105.82)
Fixed Deposits with Bank	(95.19)	435.65
Other Current Assets	810.71	(1,211.52)
Other Long Term Liabilities	194.72	126.81
Provisions	12.30	0.47
Trade payables	(542.15)	178.34
Other Current Liabilities	279.62	(254.62)
Cash Generated from/(Used in) Operations	<u>4,692.27</u>	<u>2,733.05</u>
Taxes (paid)/ refund	(394.29)	(436.82)
Net Cash Generated from/(Used in) Operating Activities (A)	<u>4,297.98</u>	<u>2,296.23</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Cash Paid for Purchase of Assets / CWIP including Joint Arrangements	(812.62)	(1,018.82)
Sale proceeds from sale of Participating Interest in Joint Arrangements	-	7,749.90
Sale of Fixed Assets	12.16	20.99
Investments in Associates	(158.86)	-
Investments in Associates - Pending Allotment	(61.47)	-
Proceeds from/(cash used in) Other Investments	(99.10)	(148.61)
Inter Corporate Loan returned by group Company	153.44	-
Interest and Dividend Income	175.75	133.17
Net Cash Generated from/(Used in) Investing Activities (B)	<u>(790.70)</u>	<u>6,736.63</u>

Consolidated Financial Statements

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Consolidated Statement of Cash flows for the period ended 31st March, 2019

(₹ in Crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from from issue of Share capital to Non Controlling Interest	1.17	1.84
Proceeds from /(Repayment of) Loans (net)	(1,992.94)	(6,908.71)
Interest & Financing Charges	(1,158.76)	(1,901.36)
Dividend (including Corporate Dividend Tax)	(153.65)	(151.72)
Net Cash Generated from/(Used in) Financing Activities (C)	(3,304.18)	(8,959.95)
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	203.10	72.91
Cash and Cash equivalents at the Beginning of the Year		
Cash on hand	1.38	1.26
Cheques on Hand	-	-
Bank Balances	133.29	60.50
	<u>134.67</u>	<u>61.76</u>
Cash and Cash equivalents at the End of the Year		
Cash on hand	2.66	1.38
Cheques on Hand	0.20	-
Bank Balances	334.91	133.29
	<u>337.77</u>	<u>134.67</u>

Notes

The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in the Ind AS-7 Statements of Cash Flows.

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 Talati & Talati LLP

Chartered Accountants
Firm Regn. No. 110758W/W100377

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

Dr. T. Natarajan, IAS
Managing Director
DIN : 00396367

Amit Shah

Partner
Membership No. 122131

Sandeep Dave
Company Secretary

Rajesh Sivadasan
Chief Financial Officer

Date : 02/07/2019
Place : Gandhinagar

Date : 02/07/2019
Place : Gandhinagar

Consolidated Financial Statements

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Consolidated Statement of changes in equity (SOCIE) for the period ended on 31st March 2019

A. Equity Share Capital

Particulars	₹ in Crores	
	2018-19	2017-18
Issued, subscribed and paid up share capital		
Beginning balance of the year		257.93
257,92,62,920 (P.Y. 257,92,62,920) Equity Shares of Rs. 1/- each fully paid up		
Equity shares issued during the year		
Paid up share capital at the end of the year		257.93
Treasury Shares held by subsidiary company		(2.00)
Closing balance of the year	255.93	255.93

B. Instruments entirely equity in nature

Particulars	No. of Debentures	Amount (₹ in crores)
As at 1st April 2017		-
Movement during the year		-
As at 31st March 2018		-
Add : Consideration to be settled in Equity - NCD (refer note 43)	60,000	6,000.00
Add : Compulsory Convertible Debentures due for Conversion [refer note no.15(j)]	6,79,01,130	550.00
As at 31st March 2019		6,550.00

C. Other equity

Particulars	₹ in Crores														
	Employee stock options Outstanding (Net)	Capital reserve on consolidation	Treasury shares	Amalgamation and arrangement Reserve	Securities premium reserve	Debt redemption reserve	General reserve	Amalgamation and adjustment Reserve	Foreign Currency Translation Reserve	Capital Reserve on Common Control & Business combination	Retained earnings	Other Comprehensive Income	Total Equity	Non Controlling Interest	
Balance at April 1, 2017	1.45	10.01	6.21	-	476.40	3,892.44	347.74	3,262.25	(136.75)	38.77	(377.14)	(16,378.74)	49.23	(8,808.12)	3,624.01
Profit for the year											(944.78)			(944.78)	679.02
Other comprehensive income for the year											0.68		802.14	802.82	(50.22)
Dividend including DDT															(36.90)
Transaction with NCI															
Total comprehensive income for the year	1.45	10.01	6.21	-	476.40	3,892.44	347.74	3,262.25	(136.75)	38.77	(377.14)	(17,322.84)	851.37	(8,950.09)	2,324.22
Addition during the year															
Utilisation during the year	(0.44)			1.02	0.04	0.96			18.31	1.44		4,583.18		(284.11)	(3,503.64)
Balance at March 31, 2018	1.01	10.01	6.21	-	476.44	3,893.40	347.74	3,261.77	(118.44)	40.21	(3,594.73)	(12,739.66)	567.26	(7,948.78)	2,324.22
Restated balance at the beginning of the reporting period	1.01	10.01	6.21	-	476.44	3,893.40	347.74	3,261.77	(118.44)	40.21	(3,594.73)	(12,739.66)	567.26	(7,948.78)	2,324.22
Profit for the year															
Other comprehensive income for the year															
Transfer from/to Debenture Redemption reserve							(347.74)								
Dividend including DDT															
Accounting policy change on adoption of Ind AS 115															
Transaction with NCI															
Total comprehensive income for the year	1.01	10.01	6.21	-	476.44	3,893.40		3,261.77	(118.44)	40.21	(10.90)			(10.90)	(83.95)
Addition during the year															
Utilisation during the year	(0.35)	0.00				0.68				9.32					17.68
Balance at March 31, 2019	0.66	10.01	6.21	-	476.44	3,894.08		3,261.77	(118.44)	48.53	(3,594.73)	(11,539.90)	91.18	(7,517.19)	3,021.84

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 Talati & Talati LLP
Chartered Accountants
Firm Regn. No. 110758W/W100377

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

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Company Secretary

Rajesh Sivadasan
Chief Financial Officer

Date : 02/07/2019
Place : Gandhinagar

Date : 02/07/2019
Place : Gandhinagar

Consolidated Financial Statements

Notes to Consolidated financial statements for the year ended 31st March, 2019

Corporate information

Gujarat State Petroleum Corporation Limited (GSPC) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. GSPC is a Government Company u/s 2(45) of Companies Act, 2013. Its debt securities are listed on National Stock Exchange in India. The Group is primarily engaged in oil and gas activities comprising of oil & gas exploration, development and production and trading of natural gas. The Group is also engaged in transmission of natural gas, city gas distribution, PNG-CNG gas sale and generation and sale of electricity.

The Consolidated financial statements are approved by the Board of Directors of parent company and authorised for issue on 2nd July, 2019.

1. Significant accounting policies

This note provides list of the significant accounting policies applied in the preparation of these consolidated financial statements. These policies have been applied consistently to all years presented, unless otherwise stated.

(a) Basis of preparation of Consolidated financial statements:

(i) Statement of compliance with Ind AS

The consolidated financial statements comply with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended from time to time, Guidelines issued by The Institute Of Chartered Accountants of India for Oil and Gas Producing Activities (Ind AS).

Accounting policies have been consistently applied except whereby a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hither to.

(ii) Historical cost convention

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

- certain financial assets and liabilities measured at fair value; and
- defined benefit plans - plan assets measured at fair value.
- Assets held for sale - measured at Fair Value less Cost to Sell

(iii) Use of estimates and judgements

The presentation of the consolidated financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of consolidated financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Current / Deferred tax expense
- Measurement of defined benefit obligations, Key Actuarial Assumptions
- Provisions and contingencies
- Expected credit loss for receivables
- Estimation of Oil and Gas reserves
- Impairment
- Valuation of Inventory
- Going Concern
- Fair Value of Assets held for sale

Consolidated Financial Statements

(iv) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- A. expected to be realised or intended to be sold or consumed in its normal operating cycle;
- B. held primarily for the purpose of trading;
- C. expected to be realised within twelve months after the reporting period; or
- D. cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The liability is classified as current when:

- A. it is expected to be settled in its normal operating cycle;
- B. it is held primarily for the purpose of trading;
- C. it is due to be settled within twelve months after the reporting period; or
- D. There is no unconditional right to defer settlement of the liability for an at least twelve months after the reporting period.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(b) Principles of consolidation and equity accounting

The consolidated financial statement of GSPC represents consolidation of its consolidated financial statements with subsidiaries, associates and joint ventures (JV). The proportion of ownership interest in each subsidiary, associate and joint venture is as follows:

Name of Entity	Relationship with GSPC	Direct Control or Control through Subsidiary (indirect Control)	ownership interest as on 31st March 2019	ownership interest as on 31st March 2018
Gujarat State Petronet Limited (GSPL)	Subsidiary (By Management Control)	Direct Control	37.64%	37.65%
Gujarat Gas Limited (GGL) (earlier known as GSPC Distribution Networks Limited*)	Subsidiary	Indirect Control	20.39%	20.39%
Guj Info Petro Limited (GIPL)	Subsidiary	Direct Control	60.24%	60.24%
GSPC Pipavav Power Company Limited (GPPC)	Subsidiary	Direct Control	97.47%	97.47%
GSPC (JPDA) Limited	Subsidiary	Direct Control	100.00%	100.00%
GSPC Energy Limited	Subsidiary	Direct Control	100.00%	100.00%
GSPC Offshore Limited	Subsidiary	Direct Control	100.00%	100.00%
GSPL India Gasnet Limited	JV	Indirect JV	19.58%	19.58%
GSPL India Transco Limited	JV	Indirect JV	19.58%	19.58%
Sabarmati Gas Ltd	JV	Direct JV	32.82%	32.82%
Gujarat State Energy Generation Limited	Associate	Associate	54.37%	33.26%
GSPC LNG Ltd.	Associate	Associate	N.A.	13.48%
Alcock Ashdown (Gujarat) Limited	Associate	Associate	22.50%	22.50%
Social Welfare Trust	Subsidiary	Direct	100%	100%
Gujarat Gas Limited Employee welfare stock option trust	Subsidiary	Indirect	20.39%	20.39%

Consolidated Financial Statements

Subsidiaries

Subsidiaries are entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, other equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been aligned where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Associates

Associates are entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(i) *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been aligned where necessary to ensure consistency with the policies adopted by the group.

The carrying amounts of equity accounted investments are tested for impairment in accordance with the policy.

(ii) *Changes in ownership interests*

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to consolidated statement of profit and loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to consolidated statement of profit and loss where appropriate.

(iii) *Business combination of entities under common control*

Business combinations involving entities that are ultimately controlled by the same party before and after the business combination are considered as common control business combination to be accounted using the pooling of interest method which comprises of the below.

- The assets and liabilities of the combining entities are reflected at their carrying amount.
- No adjustments are made to reflect the fair values, or recognise new assets or liabilities. Adjustments are made to align accounting policies.
- The financial information in the financial statements in respect of prior period is restated as the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

Consolidated Financial Statements

The balance of retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve. Acquisition costs that the group incurs in connection with a business combination are expensed as incurred.

The identity of the reserves is preserved and the reserves of the transferor become the reserve of the transferee. The difference if any between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to "Capital Reserve on common control business combination" and is presented separately from other capital reserves.

(c) Property, plant and equipment

(i) Oil and Gas properties

The Group has adopted Contract Area (PSC) level cost center based accounting for the oil and gas operations with effect from 1st April, 2015 and accordingly, all costs incurred in acquisition, prospecting, exploration and development of a Contract Areas are accumulated considering a contract area as a cost center. Costs incurred at each of the following level are accounted for as stated below.

1) Pre-acquisition Cost

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

2) Acquisition, Exploration & Evaluation Costs:-

Acquisition cost of an oil and gas property are costs incurred to purchase, lease or otherwise acquire a property or mineral rights. All such cost are capitalised and accumulated as Exploration Cost under Capital Work In Progress or Intangible assets under Development as the case may be based on the nature of the expenditure.

Exploration and Evaluation activities cover the prospecting activities conducted in search for oil and gas after an entity has obtained legal rights to explore a specific area, as well as activities towards determination of the technical feasibility and commercial visibility of extracting the oil & gas. All such cost are capitalised and accumulated as Exploration Cost under Capital Work In Progress or Intangible assets under Development as the case may be based on the nature of the expenditure.

3) Development Cost

Development activities cover the activities conducted after determination of the technical feasibility and commercial viability of extracting oil & gas but before the well start actual commercial production and includes drilling cost of developments wells, completion of successful exploration wells laying gathering lines, production facilities etc. All such cost are capitalised and accumulated as Development Cost under Capital Work In Progress or Intangible assets under Development as the case may be based on the nature of the expenditure.

4) Producing properties:-

Producing Properties are created in respect of an area/field having proved developed oil and gas reserves, when the well in the area/field is ready to commence commercial production. All the exploration cost and development cost incurred for the producing wells are reclassified as Producing Properties or Property Plant & Equipment as the case may be. The exploration and evaluation expenditure on unsuccessful wells in a proved area are also capitalised as Producing Properties as per the guidance available para 23 of Guidance Notes issued by The Institute of Chartered Accountants of India for Oil and Gas Producing Activities (Ind AS).

5) Abandonment Cost

The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring well sites and allied facilities are recognized in respective assets when the well is complete/facilities are installed.

6) Surrender / Relinquishment of a Contract Area

The carrying cost of a Contract Area is written off in the statement of profit & loss in the year in which such a Contract area is surrendered after the required approvals. Further, the carrying cost of a Contract Area that is proposed for surrender during a year but approval for which is still awaited at the end of such year, is also provided for in the statement of profit & loss under the head exploration cost written off.

7) Disposal of Interest

Gain (excess of net consideration over carrying value of the assets) or loss (excess of carrying value of the assets over net consideration) on sale of interest in a contract area is recognized in the statement of profit or loss in the year in which such agreement is executed.

8) Accounting for Carried interest

The "carried interest" arrangements whereby the assignee (the carrying party) agrees to defray all costs of drilling, developing, and operating the property and is entitled to all of the revenue from production from the property, excluding any third party interest, until all of the assignee's costs have been recovered, after which the assignor will share in both costs and production, based on the agreed arrangement. In such an arrangement, the Group being the carrying party records all costs, including those carried, as per its normal accounting policy, and records all revenue from the property including that applicable to the recovery of costs carried during pay-out period.

Consolidated Financial Statements

(iv) Other property, plant and equipment

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

Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

In case of transmission and city gas distribution business, the Group capitalises all the cost directly attributable and ascertainable to project assets, till completing the project. These costs include expenditure of pipelines, plant and machinery, cost of laying of pipeline, cost of survey, commissioning and testing charge, detailed engineering and interest on borrowings attributable to acquisition of such assets. The gas distribution networks are treated as commissioned when supply of gas commences to the customer(s).

Costs of meter / regulator consumed for initial connection to customers are capitalized as per underlying contracts with customers and consumed for replacement during the year are charged to statements of profit & loss.

The present value of the expected cost for the decommissioning of an asset after its useful life is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in the statement of profit and loss.

(d) Investment properties

Investment properties comprise portions of free hold or lease hold land and office buildings that are held for rental yield and/or capital appreciation.

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

(e) Intangible assets

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

Goodwill on acquisitions of subsidiaries is included in intangible assets. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets like software, licenses, which are expected to provide future enduring economic benefits are capitalized as Intangible Assets.

(f) Depreciation, depletion and amortisation methods, estimated useful lives and residual values

Depreciation on producing properties is provided on unit of production method and on other tangible items of property, plant and equipment is provided on written down value method (WDV) except otherwise stated.

The useful lives have been determined based on technical evaluation done by the management's experts which are in line with useful lives specified by Schedule II to the Companies Act, 2013. The residual values are at 5% of the original cost of the item of property, plant and equipment. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Mobile instruments purchased by the Group are fully written off as expenses in the year of purchase.

Cost of lease-hold land is amortized equally over the period of lease.

Depreciation on fixed assets used for exploration and drilling activities is initially capitalized as part of exploration or development costs.

The depletion on producing properties has been calculated and provided, using the unit of production method as described in the Guidance Note on Accounting for Oil and Gas Producing Activities (Ind AS) issued by ICAI, in proportion of oil and gas production achieved vis a vis the proved reserves.

As Guidance Note is for "Producing Activities", the Group keeping in mind the prudent industry practice considers the assets for depletion only once the commercial production is commenced with the approval of the appropriate authority as per the provisions of the Production Sharing Contract (PSC). Till that time, neither the reserves are taken for depletion nor are the assets with respect to the said PSC are capitalized.

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No depreciation or depletion is provided in the accounts of the Joint Ventures. However, the depreciation and depletion, as applicable, has been provided for by the Group in its own books based on its participating interest.

Depreciation on Plant and Machinery - pipelines (Steel and MDPE) is provided at 3.33 % on Straight-Line Method (SLM) considering useful life of thirty years.

City gas stations, skids, pressure regulating stations, meters & regulators are written off on SLM basis. These are estimated to have useful life of 18 years based on technical assessment made by technical expert and management

On Power Generation Assets depreciation is provided on straight line method (SLM) following the rate and methodology as notified by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act, 2003.

Right of Way (ROW) & Right of Use (ROU) are amortised over a period of useful lives which are considered to be 30 years and 99 years respectively on Straight Line Method.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Investment properties are depreciated on written down value method (WDV) based on the useful lives prescribed in Schedule II to the Companies Act, 2013.

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

(g) Impairment of non-financial assets

The Group 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (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.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation based on estimates, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously valued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

(h) 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.

As a lessee

Finance lease

Lease of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards incidental to ownership are classified as finance leases.

At the commencement of the lease term, the Group recognises finance leases as assets and liabilities in its balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any indirect costs of the Group are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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Operating lease

Leases, in which a significant portion of the risks and rewards incidental to ownership is not transferred to the Group as lessee, are classified as operating leases. Lease payments under an operating lease are recognised as expenses 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 lessors are not on that basis; or
- B. 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.

As a lessor

Finance lease

When substantially all of the risks and rewards of ownership transfer from the Group to the lessee, then it is classified as finance lease. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease

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

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

(i) Borrowing costs

The Group is capitalising 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 interest capitalisation, the capital cost of a particular project is identified against a borrowing in terms of period of construction and the interest for the relevant period is added to the capital cost till the particular project is capitalised and thereafter the interest is charged to the consolidated 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 consolidated statement of profit and loss.

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

(j) Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the consolidated balance sheet.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

(k) 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

A financial asset is recognised in the consolidated balance sheet when the Group becomes party to the contractual provisions of the instrument.

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Initial measurement

At initial recognition, the Group 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 profit or loss (FVTPL); and
- C. Financial assets measured at fair value through other comprehensive income (FVTOCI).

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

- A. The Group's business model for managing the financial assets, and
- B. The contractual cash-flows are characteristics of the financial asset.

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

- A. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- B. 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 consolidated statement of profit and loss.

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

- A. 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
- B. The asset's contractual cash flows represent SPPI.

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 Group 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').

As per announcement of The Institute of Chartered Accountants of India (ICAI) relating to Accounting for derivative contracts, derivative contracts other than those covered under Ind AS 107, as specified in the Companies (Accounting Standard) Rules, 2015 and as amended, the effect of change in rates, are Marked to Market on a portfolio basis and the net loss after considering the offsetting effects on the underlying hedge item, is charged to Statement of Profit & Loss. Net gains are ignored.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

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 Group's balance sheet) when:

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Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, 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 Group's financial liabilities include trade and other payables, loan and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

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

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

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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 de-recognition are recognised in consolidated statement of profit and 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 consolidated statement of profit and loss.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in consolidated statement of profit and loss over the period of borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of loan to the extent that it is probable that some or all of the facility will be drawn down to the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated statement of profit and loss as other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of reporting period with the effect that the liability becomes payable on demand on the reporting date, the Group does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated financial statement for issue, not to demand payment as a consequence of the breach.

Trade and other payables

These amounts represent liability for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derivatives

The Group uses derivative financial instruments i.e. swaps, commodity hedging contracts and option contracts, to hedge its price fluctuation risk and interest rate risk. Such derivative financial instruments are initially recognised at fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value of derivatives are taken directly to consolidated statement of profit and loss.

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De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of consolidated profit and loss.

(l) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or counterparty.

(m) Fair value measurement

The Group measures certain 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:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. 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 economic best interest.

The Group 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 consolidated financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- A. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- B. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- C. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Board of Directors (BOD) determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Group's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the BOD after discussion with and approval by the management. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises the accounting policy for fair value.

(n) Inventories

- Crude oil in flow lines is not valued as it is not stored.
- Inventory of crude oil & condensate with Joint Ventures is valued as per net realisable value as per the rate specified on sale agreement.
- Natural gas imported as LNG and stored in the storage tank of the LNG terminal are valued at cost or net realizable value whichever is lower.

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- Chemicals, fuels, consumables, stores and spare parts are valued at Weighted Average Cost.
- Inventory of Gas (including inventory in own pipeline and CNG cascades) is valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.
- Inventories of Project materials, spares, stores, consumables and line pack gas not meant for sale in ordinary course of business are valued at weighted moving average cost. However, stores and spares meeting the definition of property plant and equipment are capitalised and depreciated from the date of purchase.

(o) Employee benefits

(i) Short term employee benefit obligations

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of reporting period that have terms approximating to the terms of related obligation.

The obligations are presented as current liabilities in the balance sheet if the Group does not have unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity & loyalty bonus etc. and
- Defined contribution plan such as provident fund, superannuation fund etc.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

Loyalty bonus

The Group provides for loyalty bonus to eligible employees whereby a lump sum payment to eligible employees at the time of retirement, death, incapacitation or termination of employment is paid based on the respective employee's salary and the tenure of employment. Liabilities with regard to the loyalty bonus scheme are determined by independent actuarial valuation as on the balance-sheet date.

Defined contribution plans

The Group pays provident fund and superannuation fund contributions to Employee's Provident Fund/Trust and Group Superannuation Scheme of Life Insurance Corporation of India respectively. The Group 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 when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date

(v) Employee Stock Option plan

Share-based compensation benefits are provided to employees via Employee Stock Option Scheme.

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The fair value of options granted under the Employee Option Plan is recognised as an employee benefit expenses with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- A. including any market performance conditions (e.g. entity's share price)
- B. excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specific time period); and
- C. including the impact of any non-vesting conditions (e.g. the requirements for employees to save or holding shares for specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

(p) Foreign currency transactions

(i) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is GSPC's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

In case of overseas unincorporated joint operation, that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- The summarized revenue and expenses reflected in Statement of Profit and Loss at an average of Reserve Bank of India Reference Rate for the year.
- The assets and liabilities at the closing exchange rate prevailing on balance sheet date as notified by Reserve Bank of India.

All resulting exchange differences are recognised in other comprehensive income as foreign currency translation reserve.

(q) Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

- Revenue corresponds to the fair value of the consideration received or receivable for goods and services sold, in the normal course of the Group's activities. Revenue is recognized when the control of the goods or services has been transferred. The amount recognised as revenue is stated inclusive of royalty payable to Government of India and exclusive of profit petroleum, sales tax /value added tax (VAT) and Goods and service tax (GST).
- Income from sale of crude oil and gas produced from wells until start of commercial production is adjusted against the cost of such wells.
- Revenue from sale of gas is recognized at the point in time when control is transferred to the customer, generally on delivery of the gas on metered/assessed measurements facility. In case of high sea sales, control is transferred to the customer on delivery of the gas outside the territorial water of India.
- Profit Petroleum payable to the Government of India (MoP&NG) under a PSC is accounted for initially on an estimated basis and upon approval of the DGH, MoP&NG, difference, if any, is accounted for in the year of such of approval.
- Revenue from regasification services is recognised over time such service are performed by the Company and revenue from gas transmission is recognized over the period in which the related volumes of gas are delivered to the customers.

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- Revenue from sale of electricity is recognized at the point in time when control is transferred to the customer, generally on delivery of the electricity on metered/assessed measurements facility.
- Revenue from transmission of gas through pipeline is recognised over the period in which the related services are performed. Customers are billed on fortnightly basis.
- In case of city gas distribution business, revenue from sale of Natural Gas is recognized at the point in time when the control is transferred to the customers, generally on delivery of the gas on metered/assessed measurement facility. Sales are billed bi-monthly for domestic customers, monthly/fortnightly for commercial and non-commercial customers and fortnightly for industrial customers.
- Revenue from sale of Compressed Natural Gas (CNG) is recognized at the point in time when control is transferred to the customer, generally on delivery to customers from retail outlets.
- Revenue recognised towards supply of natural gas already occurred for the period from the end of the last billing date to the balance sheet has been reflected under contract asset (as unbilled revenue) based on previous average consumption.
- In case of IT business, Revenue from sale of traded goods is recognised at the point in when control is transferred to the customers, generally on delivery of the goods to the customers. Revenue from operation & maintenance services, webcasting services, server co-location, software as a service model over specified period of time on a straight line basis, because customers simultaneously receives and consumes the benefits provided by the group. Facility Management Services are recognised at gross amount charged to customers with a corresponding charge in the statement of profit and loss.
- Revenue in respect of 'Take or Pay' quantity of gas (short lifted quantity of gas under the Gas Sale Agreements) (Commitments) is recognized on accrual basis in the period to which it relates to.
- Group's share of Revenue from Joint Operations is considered on the basis of Accounts submitted by Joint Ventures.

Other Income:

- Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to that asset's gross carrying amount on initial recognition.
- Dividend income is accounted for when the right to receive the same is established, which is generally when the shareholders approve the dividend.
- Income in respect of interest on delayed realizations from customers, if any, is recognized when it can be reliably measured and it is reasonable to expect ultimate collection.
- Investment property rental income is recognised as revenue on accrual basis as per the terms of the underlying contact with customers.
- Liquidity damages, if any are recognised at the time of recording the purchase of materials in books of accounts and the matter is considered settled by the management.

(r) Allocation of General Administrative Expenses

In case of Joint ventures, in which the Group is an operator, the allocation of Common General and Administrative Expenses and Employee cost to various operated blocks, is done on the basis of time allocations notified by each employee.

(s) Accounting for oil and gas joint operations

All Oil and Gas Joint Operations are in the nature of unincorporated joint operations. Accordingly, the consolidated financial statements of the Group reflect the Group's share of assets, liabilities, income and expenditure of the Joint operations, which are accounted on a line by line basis, based on the available information as on the date of the Balance Sheet, with similar items in the Group's accounts, to the extent of the Participating Interest of the Group in each joint operation and related Joint Operating Agreements (JOA), if any, except in case of abandonment, impairment, depletion and depreciation, which are accounted for as per the accounting policies of the Group. The consolidated financial statements of the unincorporated joint operations are prepared by the respective Operators of the Contract Area in accordance with the requirements prescribed by the respective PSC and JOA. Hence, certain adjustments/disclosures required under the mandatory Accounting Standards and the Companies Act, 2013 have been made in the consolidated financial statements of the Group only to the extent of information available with the Group as on the date of the balance sheet. Such information include information relating to foreign exchange differences, micro, small and medium enterprises, expenditure in foreign currency, earnings in foreign currency, CIF value of imports, transactions with related parties, details of commitments and contingencies, inventory of oil and gas and consumption of stores and spares.

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(t) Taxation

Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, along with Income Computation and Disclosure Standards - ICDS as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Group is able to and intends to settle the asset and liability on a net basis.

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 consolidated financial statements. Deferred tax are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, 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 and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. However, when there is no convincing evidence available for future taxable profit the company recognises deferred Tax assets arising from unused tax losses or tax credit only to the extent of deferred Tax liability already recognised by the company till date.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint Operations where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint Operations where it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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.

Any tax credit available 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

A specific measurement requirement applies to a deferred tax asset or liability that arises from investment property. This requirement establishes a rebuttable presumption that the carrying amount of investment property will be recovered through sale. The presumption may be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property, rather than through sale. If the presumption is rebutted, then the normal requirements of measuring deferred tax asset or liability are applicable.

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Where an investment property comprises land only, then because the land would not be depreciated, the presumption cannot be rebutted. Accordingly, the Group has created deferred tax asset on indexation benefit available on freehold land held as investment properties at the appropriate tax rate.

(u) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

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

(v) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group 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 Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the 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. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The Group records a provision for decommissioning costs of a windmills and producing properties. It is recognised as the windmills and oil and gas properties are constructed on leasehold lands which are to be returned to the lessor at the end of the lease tenure on 'as is' basis. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the respective assets. The cash flows are discounted at a current pre-tax rate that reflects the risk specific to the decommissioning liability. The unwinding of discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liability is disclosed 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 provided for & if material, are disclosed by way of notes to accounts. Contingent assets are not recognized in consolidated financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

(w) Cash and Cash Equivalents

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(x) 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 Group are segregated.

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(y) Dividends

The Group recognises a liability for dividends to equity holders of the Group when the dividend is authorised and the dividend is no longer at the discretion of the Group. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

(z) 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 consolidated financial statements. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

(aa) Rounding off

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

(bb) 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 consolidated 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 the Directors' Report to be discussed.

(cc) Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the consolidated financial statements.

(dd) Amendments to existing Ind AS

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain IND AS. The Standard / amendments are applicable to the company with effect from 1st April 2019.

Standard issued not yet effective

- Ind AS 116: Leases-
- The standard changes the recognition, measurement, presentation and disclosure of leases. It requires:
- Lessees to record all leases on the balance sheet with exemptions available for low value and short-term leases.
- At the commencement of a lease, a lessee will recognise lease liability and an asset representing the right to use the asset during the lease term (right-of-use asset).
- Lessees will subsequently reduce the lease liability when paid and recognise depreciation on the right-of-use asset.
- A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the right-of-use asset.

Amendments to existing Ind AS

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

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

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Note 2
Property, plant, equipment as at 31st March 2019

Particulars	Gross Block			Depreciation, Depletion and Amortization			Net Block		
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	Charge For the year	Impairment	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2018
Tangibles assets :									
Freehold Land	703.74	1.50	(2.04)	703.20	-	-	-	703.20	703.74
Lease hold Land*	61.38	0.02	-	61.40	0.71	2.63	3.34	58.06	58.75
Buildings	491.72	40.57	(1.83)	530.46	23.42	69.11	92.24	438.22	422.61
Plant and Machinery	11,978.49	1,026.54	(9.54)	12,995.49	646.11	2,838.78	3,481.39	9,514.10	9,139.71
Furniture and Fixture	28.74	0.90	(0.18)	29.46	3.00	14.11	17.00	12.46	14.64
Office Equipments	23.85	2.10	(0.45)	25.50	2.20	16.39	18.43	7.07	7.45
Computer Equipment	40.69	15.24	(1.27)	54.66	4.76	28.15	31.99	22.67	12.54
Vehicles	12.58	0.43	(1.50)	11.51	1.31	8.11	8.14	3.37	4.47
Electrical Installation & Equipment	78.05	23.12	(0.04)	101.13	10.65	40.95	51.57	49.56	37.10
Communication Equipment	52.68	4.18	-	56.86	5.71	23.94	29.65	27.21	28.74
Ships	0.06	-	-	0.06	0.01	0.03	0.04	0.02	0.04
Books	0.33	-	-	0.33	-	0.33	0.33	-	-
Producing Properties (being Company's share in Joint Arrangement)	1,660.45	8.68	(300.02)	1,369.11	59.78	795.12	677.21	691.90	865.33
Total tangible assets	15,132.76	1,123.28	(316.87)	15,939.17	757.66	-125.61	(58.37)	11,527.83	11,295.12
Capital work in progress :									
Exploration & Development								131.09	92.64
CWIP Building								933.66	0.14
CWIP Others								1,064.75	1,492.84
Total capital work in progress	-	-	-	-	-	-	-	1,492.84	1,492.84

Property, plant, equipment as at 31st March 2018

Particulars	Gross Block			Depreciation, Depletion and Amortization			Net Block		
	As at 1st April 2017	Addition during the year	Disposal/ Adjustment	As at 31st March 2018	Charge For the year	Impairment	Disposal/ Adjustment	As at 31st March 2018	As at 31st March 2017
Tangibles assets :									
Freehold Land	700.04	2.06	1.64	703.74	-	-	-	703.74	700.04
Lease hold Land*	59.74	1.64	-	61.38	0.70	1.93	2.63	58.75	57.81
Buildings	470.13	21.72	(0.13)	491.72	21.96	47.16	69.11	422.61	422.97
Plant and Machinery	11,483.56	510.78	(15.85)	11,978.49	639.64	2,207.37	2,838.78	9,139.71	9,276.19
Furniture and Fixture	30.42	0.90	(2.58)	28.74	3.60	12.32	14.11	14.63	18.10
Office Equipments	24.42	1.58	(2.15)	23.85	2.84	15.54	16.39	7.46	8.88
Computer Equipment	39.05	3.15	(1.51)	40.69	3.96	25.66	28.15	12.54	13.39
Vehicles	13.77	0.47	(1.66)	12.58	1.77	8.11	8.11	4.47	5.96
Ele Installation & Equipment	71.28	6.77	(0.00)	78.05	11.22	29.73	40.95	37.10	41.55
Communication Equipment	50.84	1.84	-	52.68	6.78	17.16	23.94	28.74	33.68
Ships	0.06	-	-	0.06	0.01	0.03	0.03	0.03	0.04
Books	0.33	0.00	-	0.33	0.00	0.33	0.33	-	-
Producing Properties (being Company's share in Joint Arrangement)	1,522.21	138.24	-	1,660.45	84.47	710.65	795.12	865.33	811.56
Total tangible assets	14,465.85	689.15	(22.24)	15,132.76	776.95	-	(14.98)	11,295.12	11,390.17
Capital work in progress :									
Exploration & Development								131.09	92.64
CWIP Building								933.66	0.14
CWIP Others								1,400.06	1,217.07
Total capital work in progress	-	-	-	-	-	-	-	1,492.84	1,393.32

*The non-cancellable lease term is for a period of 50-99 years. Accordingly, the land has been classified as finance lease.

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Notes

- a. Exploration and Development cost incurred by the joint Arrangements has been bifurcated into CWIP tangible and intangible assets under Development as per the requirement of Guidance note on Accounting for Oil & Gas Producing Activities (Ind AS) issued by ICAI read with Ind AS 106 "Exploration for and Evaluation of Mineral Resources".

In the Case of Subsidiary GSPC Pipavav Power Company Limited.

GSPC Pipavav Power Company Limited had capitalised substantial portion of 702MW power plant during FY 2013 - 2014 that were ready for commercial production based on trial run as per terms of Power Purchase Agreement (PPA) with GUVNL. Further the work under EPC contract is not over and the company has not issued Provisional Acceptance Certificate (PAC) to Bharat Heavy Electricals Ltd. (BHEL). Considering uncertainty in recoverability and crystallization of exact amount of liquidated damages on account of delay in execution of contract under the EPC contract with BHEL (including liquidated damages arising that may arise on Performance Acceptance Certificate), the management has decided to consider accounting of liquidated damages under EPC contract after PAC and Performance Guarantee test by BHEL.

The assets i.e. 702MW gas based combined cycle power plant located at Pipavav, Amreli is commissioned for generation of power (electricity). Presently, the Company is generating power as per the Power Purchase Agreement (PPA) executed with GUVNL. Although, GUVNL is the sole procurer of electricity generated from the assets at this point in time, the Company has right to use the assets for other customer/s in future, if any.

In light of the above aspects of the arrangement, the Company has examined the parameters of determining whether this arrangement contains a Lease with respect to Appendix C of Ind AS 17-Leases. As per Appendix C there are two criteria which needs to be fulfilled to determine that the arrangement is a lease:

- Fulfilment of the arrangement is dependent on the use of a specific asset
- Arrangement conveys a right to use the asset

The Management has reviewed the above two conditions in light of the Power Purchase Agreement, Articles of Association, its relationship with the promoters and the Government of Gujarat. Moreover, the Company has solicited clarifications from GUVNL (the procurer). The first condition is fulfilled as the arrangement is dependent on the use of specified asset i.e. the 156MW and 351MW gas based power project. However, the Company has observed that the second condition is not satisfied due to the following observations:

- The power procurer neither has the ability to operate the asset nor direct any other party to operate the asset.
- The power procurer does not have any physical control over the asset
- The Company has the right to sell the electricity generated from the asset to a separate power procurer, if required. Further the condition under the criteria requires that the pricing for the arrangement must not be linked operating capacity/ productivity of the asset. The criteria allows the arrangement to classified as lease only if there is neither a fixed price per unit nor market linked price per unit. The asset's pricing with power procurer is completely dependent on the productivity factor as the final price of power is market linked. The price of gas procured by the Company to operate the asset and generate power is market linked and a pass-through under the PPA which leads to the inference that the price per unit is market linked. Moreover the fixed cost component under PPA pricing is also governed by certain market linked components like interest rate for the loans being serviced by the Company.

Thus, although the procurer is off-taking all or substantially all the output from a specified asset, there vests no right to use of the asset with the procurer other than the output. Hence the arrangement does not fulfil the criteria for the determination of lease and accordingly the asset has been considered as a part of PPE of the company disclosed in the Schedule above.

Borrowing Cost and Test Production

In the case of GSPC for FY 2018-19 Borrowing Cost ¹ NIL (FY 17-18: ¹ 0.79 crs) is capitalised as part of CWIP.

While In case of GPPC for FY 2018-19 Borrowing Cost ¹ NIL (FY 17-18: ¹ 0.03 crs) is capitalised proportionately for 702MW power plant.

Contractual Obligations

Refer Note 36 for disclosure of contractual(Capital) commitments for the acquisition of property, plant and equipment.

2A Leased Assets

In the case of Subsidiary Gujarat Info Petro Limited Building includes the following amounts where the Company is a lessee under the finance lease.

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Building		
Cost/Deemed cost	0.30	0.18
Accumulated Depreciation	0.02	0.01
Net carrying amount	0.28	0.16

The Company has entered into irrevocable finance lease arrangements for office space at Infocity, Gandhinagar for an upfront one time consideration of Rs.23,40,000 plus incidental charges and freehold premium payable at the end of 58 years of Rs.1,74,720 as on 31 March, 2019 . Total minimum lease payments at the end of 58 years amounting to Rs. 1,74,720 is reflected under other non current financial liabilities.

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Note 3

Investment property as at 31st March 2019

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Land and building	1.56	-	-	1.56	0.03	0.01	-	0.04	1.52	1.53
Total Investment property	1.56	-	-	1.56	0.03	0.01	-	0.04	1.52	1.53

Investment property as at 31st March 2018

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2017	Addition during the year	Disposal/ Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Disposal/ Adjustment	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Land and building*	3.20	-	(1.64)	1.56	0.02	0.01	-	0.03	1.53	3.18
Total Investment property	3.20	-	(1.64)	1.56	0.02	0.01	-	0.03	1.53	3.18

*Includes land of an amount of Rs. 1.45 crores (P.Y Rs. 1.45 crores) which is non depreciable.

Notes

- The assets are given on lease for various lease terms as agreed mutually. The leases are cancellable subject to agreed notice period.
- Amount recognised in profit or loss for investment properties :

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Rental Income	0.19	0.18
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	0.19	0.18
Depreciation	(0.01)	(0.01)
Profit from investment properties	0.18	0.17

c. Contractual Obligations

Refer to Note 36 for disclosure of contractual obligations to purchase, construct or develop investment property or for its repair, maintenance or enhancements.

d. Leasing Arrangements

The operating lease arrangements are cancellable subject to the stipulated notice period. Accordingly there is no commitment from the lessee in terms of minimum lease payments (MLP) and hence management is of the view that it is impracticable to estimate the MLP receivable in future.

e. Fair Value

In case of Parent Company management conducted the fair value assessment based on principles of Ind AS 113 for investment properties. Consequently, the fair value was determined not to be substantially different from the carrying value of the assets.

In Case of Subsidiary Gujarat State Petronet Limited (Consolidated)

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Investment Properties	2.40	2.40
Total	2.40	2.40

The Group obtains independent valuations for its investment properties once in every three years. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the group considers information from a variety of sources including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- Discounted cash flow projections based on reliable estimates of future cash flows

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3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence. The fair values of investment properties have been determined by based on independent valuer's valuation certificate. The main inputs used are the rental growth rates, jantry value guideline and sales comparison approach based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

The Group had recognized the rental - facilitation fees of on Investment property for the financial year 2016-17 and 2017-18 on the basis of provisional working of rental - facilitation fees submitted by tenants. As the Group is defending the issue of valuation of land for rental - facilitation fees with tenants and not recognize the rental - facilitation fees on fair value of land because no such decision is arrived at by both the parties (company & tenants) till end of the financial year. On similar line, the Group has recognized rental - facilitation fees on Investment property for in the financial year 2018-19 on the basis previous year working and considering no further working of rental - facilitation fees has been submitted by tenants for the financial year 2018-19.

Note 4

Goodwill on Consolidation as at 31st March 2019

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Goodwill on consolidation	186.14	-	-	186.14	-	-	-	-	186.14	186.14
Total Goodwill on consolidation	186.14	-	-	186.14	-	-	-	-	186.14	186.14

Other intangible assets as at 31st March 2019

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Right of Use/ Right of Way	439.37	46.95	(1.70)	484.62	31.31	11.31	(0.17)	42.45	442.17	408.05
Software	100.56	9.67	(0.11)	110.12	65.17	11.01	(0.05)	76.13	33.99	35.39
Total other intangible assets	539.93	56.62	(1.81)	594.74	96.48	22.32	(0.22)	118.58	476.16	443.45
Intangible assets under development										
Exploration & Development				-	-			-	482.91	932.39
Software				-	-			-	0.51	0.14
Total of Intangible assets under development	-	-	-	-	-	-	-	-	483.42	932.53

Goodwill on Consolidation as at 31st March 2018

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2017	Addition during the year	Disposal/ Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Disposal/ Adjustment	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Goodwill on consolidation	186.14	-	-	186.14	-	-	-	-	186.14	186.14
Total Goodwill on consolidation	186.14	-	-	186.14	-	-	-	-	186.14	186.14

Other intangible assets as at 31st March 2018

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2017	Addition during the year	Disposal/ Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Disposal/ Adjustment	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Right of Use/ Right of Way	400.31	39.11	(0.05)	439.37	21.33	10.00	(0.02)	31.31	408.06	378.98
Software	85.86	16.47	(1.77)	100.56	55.45	11.47	(1.75)	65.17	35.39	30.41
Total other intangible assets	486.17	55.58	(1.82)	539.93	76.78	21.47	(1.77)	96.48	443.45	409.39
Intangible assets under development										
Exploration & Development				-	-			-	932.39	1,456.21
Software				-	-			-	0.14	1.25
Total of Intangible assets under development	-	-	-	-	-	-	-	-	932.53	1,457.46

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Notes

- a. Details of borrowing cost capitalised have been disclosed in Note No. 2 of Property, Plant and Equipment.

In Case of Subsidiary Gujarat State Petronet Limited (Consolidated)

b. Right of Use (ROU)

The Group acquires the 'right of use' (hereinafter referred to as 'ROU') for the purpose of laying and maintenance of the underground pipeline and vests in the Group and the Group has the right to use the same in the manner for which it has been acquired. The acquisition of ROU is governed by the legal process as per the Act, the Group has paid the compensation /consideration of the ROU - land determined by the competent authority under the Act and any person authorised by the Group, have unrestricted right of entry and lay pipeline or do any other act necessary for the purpose of laying of pipeline. The Group has disclosed the cost incurred for acquisition of ROU as 'Right of Use' in the Intangible Asset schedule. Right of Use has an indefinite life and hence it is not amortised. However, the same is tested for impairment annually.*Includes RoU of ¹ 112.35 Crs (31st March 2018: ¹ 109.31 Crs)

- c. **Contractual Obligations** Refer Note 36 for disclosure of contractual(Capital) commitments for the acquisition of property, plant and equipment.

d. Right of Way (ROW) :

Right of Way (ROW) is amortised over 30 years on straight line method as the same is inextricably linked and dependent on useful life of gas transmission pipeline(s).

Note 5

Investments in Subsidiary and Equity accounted investees

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Investments in unquoted equity shares of equity accounted investees		
278,647,426 (31st March, 2018 : 119,791,817) fully paid up equity shares of Gujarat State Energy Generation Ltd of Rs.10 each	263.68	83.66
NA (31st March, 2018 : 36,430,000) fully paid up equity shares of GSPC LNG Ltd of Rs.10 each	-	41.81
9,987,400 (31st March, 2018 : 9,987,400) fully paid up equity shares of Sabarmati Gas Ltd of Rs.10 each	238.12	195.97
11,500,000 (31st March, 2018 : 11,500,000) fully paid up equity shares of Alcock Ashdown (Gujarat) Ltd of Rs.10 each	-	-
24,02,50,060 (31st March, 2018: 20,12,50,060) Fully Paid Up Equity Shares of Rs 10 each of GSPL India Gasnet Limited	229.18	204.68
19,81,20,000 (31st March, 2018: 19,81,20,000) Fully Paid Up Equity Shares of Rs 10 each of GSPL India Transco Limited	202.30	201.78
Investments in unquoted equity shares of equity accounted investees	933.28	727.90

Notes

- a. The Company has opted to consider Fair valuation of these investments on transition date as deemed cost. The same has been explained in Note no. 42.
- b. The percentage holding of GSPC in GSEG has increased to 53.70% as against 32.59% in previous financial year. GSPC holds majority shares of GSEG but does not have majority voting power and hence GSEG is still an associate and not subsidiary of GSPC. The voting rights on such incremental equity shares acquired by GSPC during the financial year are restricted on account of ongoing litigation. Definition of Subsidiary Company under Section 2(87) of the Companies Act, 2013 requires exercise or control of more than one-half of total voting power. GSPC has given undertaking to NCLT, Ahmedabad that it shall not exercise voting powers in respect of such shares as are allotted to GSPC pursuant to the said offer for Right Issue of shares during the pendency of the petition no. 51 of 2018 filed by KRIBHCO and In view of that, NCLT has ordered to keep on hold the allotment against share application money of Rs.61.47 crores. The matter is still pending with NCLT.
- c. GSPC LNG Ltd ceases to be an associate company w.e.f 25th October,2018 and hence investment in GSPC LNG Ltd has been re-classified as other non-current investment.

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Note 6

Other Investments

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-Current		
A. Investment in quoted equity shares of other companies (measured at fair value through OCI)		
3,697,000 (31 st March, 2018 : 3,697,000) fully paid up equity shares of Gujarat Industries Power Company Ltd. of Rs.10/ each	26.29	35.79
B. Investment in unquoted equity shares of other companies (measured at fair value through OCI)		
36,430,000 (31 st March, 2018 : N.A.) fully paid up equity shares of GSPC LNG Ltd of Rs.10 each	81.64	-
29,004,033 (31 st March, 2018 : 29,004,033) fully paid up equity shares of ONGC Petro Additions Ltd of Rs.10/ each	29.00	29.00
5,99,22,659 (31 st March 2018: 8730) Fully Paid Up Equity Shares of Swan LNG Private Limited Rs. 10/- each	59.92	0.01
200 (31 st March, 2018 : 200) fully paid up Equity shares of Kalupur Co Op Comm Bank Ltd of Rs. 25 /- each	0.00	0.00
Total Non-current Other Investments	196.85	64.80
Aggregate value of quoted investments	26.29	35.79
Market value of quoted investment	26.29	35.79
Aggregate value of unquoted investments	170.56	29.01

Notes

- a. Refer Note 42 for determination of their fair values for investments carried at cost and investments measured at fair value through Other Comprehensive Income (FVTOCI)

Note 7

Loans

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-Current (measured at amortised cost)		
Loans and Advances to Employees		
Secured, considered good	18.63	21.17
Unsecured, considered good	0.94	1.35
Security deposits **		
Unsecured, considered Good	79.77	79.74
Unsecured, considered doubtful	12.06	10.16
Less: Allowance for bad and doubtful	(12.06)	(10.16)
Total non-current loans	99.34	102.26
Current (measured at amortised cost)		
Loans and advances to employees		
Secured, considered good	1.53	1.80
Unsecured, considered good	1.95	2.24
Loans and Advance to Vendors		
Secured, considered good	0.77	1.73
Loans and Advance to Related Parties Unsecured, considered good	44.74	249.76
Other Loans and Advances		
Secured, considered Good	0.01	0.59
Total current loans	49.00	256.12

** Security deposits

The Group has given refundable security deposits in form of fixed deposits to various project authorities to be held in their name and custody. It will be refunded after satisfactory completion of work. The Group has therefore shown these fixed bank deposits amounting ₹ 40.54 Crs - (31st March, 2018: ₹ 42.70 Crs) and interest accrued on such fixed bank deposits ₹ 7.40 Crs (31st March, 2018: ₹ 6.61 Crs), till they are in custody with project authorities as "Security Deposits".

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Note 8

Other financial assets

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-Current		
Share application money pending allotment (refer note 5 b)	61.47	-
Advances recoverable in cash or in kind or for value to be received		
Receivable from employees (Secured - considered good)	1.83	0.84
Receivable from employees under Own Your Vehicle Scheme (Unsecured - considered good)	0.19	0.43
Security deposit given (Unsecured - Considered good)	0.11	0.08
Advance for Gratuity to employees	0.07	0.17
Bank Balances-Escrow Account - PNGRB	2.75	-
Deposits with original maturity more than 12 months	0.16	-
Site resoration fund - Deposits with banks -a	3.91	103.61
Total non-current financial assets	70.49	105.13
Current		
Amount Receivable for Sale of Investments	-	1,206.05
Advances recoverable in cash or in kind or for value to be received (Unsecured, considered good)	972.02	564.32
Unbilled Revenue	3.65	2.46
Receivable from Joint Arrangements	719.42	655.23
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered doubtful	290.01	290.01
Less : Provision for doubtful advances	(290.01)	(290.01)
Advance for Gratuity (Asset)	0.18	0.81
Intercorporate Deposits with GSFS (Earmarked funds)	2.21	3.29
Intercorporate Deposits with GSFS (GIPL's own Investment)	31.65	31.07
Security deposit given (Unsecured - Considered good)	0.16	0.16
Receivable from employees (Secured - considered good)	1.31	0.21
Receivable from employees (Unsecured - considered good)	0.55	0.25
Derivative assets - b	0.43	0.24
Total Current financial assets	1,731.58	2,464.09

Notes

- The above amount has been deposited with banks under section 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purpose specified in the Scheme i.e towards removal of equipments and installations in a manner agreed with Central Government pursuant to an abandonment plan to prevent hazards to life, property, environment etc. This amount is considered as restricted cash and hence not considered as 'Cash and Cash equivalents'.
- Derivative assets**
The Group has entered into cross currency interest rate swap to hedge against interest rate risk and exchange rate risk. Refer Note 42 for details.

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Note 9

Other non-financial assets

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-Current		
Prepaid expense	77.70	61.47
Balances with Government Authorities	108.60	100.75
Capital Advances	81.48	34.57
Payment under Protest	0.01	0.01
Deferred employee cost	11.49	5.61
Other non current assets	0.03	0.03
Total Other Non-current assets	279.31	202.44
Current		
Prepaid expense	26.42	24.86
Balances with Government Authorities	36.94	45.26
Deferred employee cost	5.63	5.82
Advance to vendors - Unsecured Considered Doubtful	0.02	0.02
- Provision for Doubtful advances	(0.02)	-
Other current assets	14.41	6.62
Total Other Current assets	83.40	82.58

Note 10

Inventories

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Raw materials		
Finished goods - Crude oil (valued at rate specified in COSA)	3.40	4.06
Traded goods - Liquefied natural gas	34.07	213.34
Line Pack Gas	104.99	103.98
Natural Gas Deferred Delivery (GIT)	27.42	16.44
Condensate	28.29	30.84
Stores and spares/Project materials	91.01	78.29
Total Inventories	289.18	446.95

Note 11

Trade receivables

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Receivables		
Secured, considered good	315.23	375.95
Unsecured, considered good **	906.68	614.90
Doubtful	12.89	11.68
Less : Impairment on account of expected credit loss assessment	(12.89)	(11.68)
	1,221.91	990.85
Total Trade receivables	1,221.91	990.85

** Out of this, ₹ 425.19 Crs (PY: ₹ 259.11 Crs) are backed by bank guarantee.

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Note 12

Cash and cash equivalents*

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Cash and cash equivalents		
Balances with banks		
In current accounts	65.54	49.50
Fixed deposit with original maturity of less than 3 months	269.37	83.79
Cheques / Draft on Hand	0.20	-
Cash on hand	2.66	1.38
Total Cash and cash equivalents	337.77	134.67
Other bank balances		
Earmarked balances In unclaimed dividend accounts ^a	3.43	3.58
Escrow Account	41.05	40.18
Margin money deposits	211.18	304.39
Fixed Deposit		
With original maturity of more than 3 months but less than 12 months	4.89	4.44
With original maturity more than 12 months	313.00	129.22
Total Other bank balances	573.55	481.81

* Refer note 42 - Financial instruments, fair values and risk measurement

- a. The balances in dividend accounts are not available for use by Gujarat State Petronet Limited and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment. No amount is due at the end of the period for credit to Investor Protection and Education fund.

Note 13

Equity share capital

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Authorised share capital		
300,00,00,000 equity shares of Rs. 1 each (31 st March, 2018 : 300,00,00,000 equity shares of Rs. 1 each)	300.00	300.00
Increase/(Decrease) during the year	-	-
Total	300.00	300.00

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Issued, subscribed and paid up capital		
257,92,62,920 equity shares of Rs. 1 each (31 st March, 2018 : 257,92,62,920 equity shares of Rs. 1 each)	257.93	257.93
Treasury Share (held by Subsidiary company)		
2,00,00,000 equity shares of Rs. 1 each (31 st March, 2018 : 2,00,00,000 equity shares of Rs. 1 each)	(2.00)	(2.00)
Total	255.93	255.93

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Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	No. of Shares	Amount (₹ in Crores)
As at 1st April 2017		
At the beginning of the year	2,57,92,62,920	257.93
Add : Shares issued during the year		
As at 31st March 2018	2,57,92,62,920	257.93
As at 1st April 2018		
At the beginning of the year	2,57,92,62,920	257.93
Add : Shares issued during the year		
As at 31st March 2019	2,57,92,62,920	257.93

Reconciliation of Treasury Share (held by Subsidiary company) outstanding at the beginning and at the end of the reporting period

Particulars	No. of Shares	Amount (₹ in Crores)
As at 1st April 2017		
At the beginning of the year	2,00,00,000	2.00
Add : Shares issued during the year		
As at 31st March 2018	2,00,00,000	2.00
As at 1st April 2018		
At the beginning of the year	2,00,00,000	2.00
Add : Shares issued during the year		
As at 31st March 2019	2,00,00,000	2.00

Details of shareholder(s) holding more than 5% Equity Shares

Particulars	₹ in Crores	
	As at 31 st March, 2019	As at 31 st March, 2018
Number of Equity Shares		
Government of Gujarat	2,24,10,10,179	2,24,10,10,179
Gujarat State Investment Limited	2,25,92,441	19,25,92,441
Gujarat State Financial Service Limited	17,00,00,000	-
% Holding in equity shares		
Government of Gujarat	86.89%	86.89%
Gujarat State Investment Limited	0.88%	7.47%
Gujarat State Financial Service Limited	6.59%	-

Notes

a. As per records of the Company, including its register of shareholders/members and declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of share.

Terms /Rights attached to equity shares

- The Company has only one class of equity shares having a face value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share.
- During the year ended 31st March, 2019 the amount of dividend per share recognized as distributions to equity shareholders is Rs. NIL (31st March, 2018 : NIL).
- In the event of liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by each shareholder.
- No bonus shares issued by the Company during last five years immediately preceding the reporting date.

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Note 13 A

Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Consideration to be settled in Equity - NCD (refer note 43)	6,000.00	-
Compulsory Convertible Debentures due for Conversion [refer note no.15(j)]	550.00	-
Total	6,550.00	-

Note 14

Other equity

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Capital reserve	10.01	10.01
Amalgamation and arrangement Reserve	476.44	476.44
Securities premium reserve	3,894.08	3,893.40
Debenture redemption reserve	-	347.74
General Reserve	3,261.77	3,261.77
Capital Reserve on Common Control & Business combination	(3,594.73)	(3,594.73)
Employees Stock Options Outstanding (Net)	0.66	1.01
Capital reserve on consolidation	6.21	6.21
Retained Earnings	(11,593.90)	(12,739.66)
Amalgamation and adjustment Reserve	(118.44)	(118.44)
Foreign Currency Translation Reserve	49.53	40.21
Other Comprehensive Income	91.18	567.26
Total Other equity	(7,517.19)	(7,848.78)

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Capital reserve		
Opening Balance	10.01	10.01
Add/ Less: Addition/ (Utilisation) during the Year	-	-
Total Capital reserve	10.01	10.01

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Capital reserve on consolidation		
Opening Balance	6.21	6.21
Add/ Less: Addition/ (Utilisation) during the Year	-	-
Total Capital reserve on consolidation	6.21	6.21

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Securities premium		
Opening Balance	3,893.40	3,892.44
Add/ Less: Addition/ (Utilisation) during the Year	0.68	0.96
Total Securities premium	3,894.08	3,893.40

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Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Debenture redemption reserve		
Opening Balance	347.74	347.74
Add/ Less: Addition/ (Utilisation) during the Year	(347.74)	-
Total Debenture redemption reserve	<u>-</u>	<u>347.74</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
General reserve		
Opening Balance	3,261.77	3,262.25
Add/ Less: Addition/ (Utilisation) during the Year	-	(0.48)
Total General reserve	<u>3,261.77</u>	<u>3,261.77</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Employees Stock Options Outstanding (Net)		
Opening Balance	1.01	1.45
Add/ Less: Addition/ (Utilisation) during the Year	(0.35)	(0.44)
Total Employees Stock Options Outstanding (Net)	<u>0.66</u>	<u>1.01</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Foreign Currency Translation Reserve		
Opening Balance	40.21	38.77
Add/ Less: Addition/ (Utilisation) during the Year	9.32	1.44
Total Foreign Currency Translation Reserve	<u>49.53</u>	<u>40.21</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Capital Reserve on Common Control & Business combination		
Opening Balance	(3,594.73)	(377.14)
Add/ Less: Addition/ (Utilisation) during the Year	-	(3,217.59)
Total Capital Reserve on Common Control & Business combination	<u>(3,594.73)</u>	<u>(3,594.73)</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Amalgamation & Arrangement Reserve		
Opening Balance	476.44	476.40
Add/ Less: Addition/ (Utilisation) during the Year	-	0.04
Total Amalgamation and adjustment Reserve	<u>476.44</u>	<u>476.44</u>

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Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Amalgamation & Adjustment Reserve		
Opening Balance	(118.44)	(136.75)
Add/ Less: Addition/ (Utilisation) during the Year	-	18.31
Total Amalgamation and adjustment Reserve	(118.44)	(118.44)

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Retained earnings		
Opening Balance	(12,739.66)	(16,378.74)
Add: Profit during the year	801.96	(944.78)
Remeasurement of post employment benefit obligation, net of tax	(0.72)	0.68
Transfer from Debenture Redemption Reserve	347.74	-
Accounting policy change on adoption of Ind AS 115	(10.90)	-
Add/Less: addition/utilisation during the year	7.68	4,583.18
Total Retained earnings	(11,593.90)	(12,739.66)

Particulars	(₹ in Crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Other Comprehensive Income		
FVOCI - equity investments		
Opening Balance	567.26	49.23
Remeasurement of post employment benefit obligation, net of tax	0.72	(0.68)
Current Year OCI	18.80	802.82
Add/Less: addition/utilisation during the year	(495.60)	(284.11)
Total Other Comprehensive Income	91.18	567.26

Notes

- a. The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserves.

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Note 15

Borrowings

(₹ in Crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current borrowings		
Secured		
Term loan from banks	8,163.60	6,466.20
Secured-Term loan from Financial Institutions	63.12	90.97
Compulsory convertible debentures	-	550.00
	8,226.72	7,107.17
Unsecured		
Non-convertible debentures	-	6,015.29
Term loan from others - GSFS	2,100.00	2,804.17
	2,100.00	8,819.46
Total non-current borrowings	10,326.72	15,926.63
Current borrowings		
Secured		
From banks (Loans repayable on demand)	480.51	2,374.76
	480.51	2,374.76
Unsecured		
From banks (Loans repayable on demand)	50.03	600.00
	50.03	600.00
Total current borrowings	530.54	2,974.76
Current maturities of long term borrowings (Shown as part of other current financial liabilities : Refer Note 16)		
Secured		
Term loan from banks	527.97	309.73
Term loan from Financial Institutions	29.34	29.74
Compulsory Convertible Debentures	-	24.94
	557.31	364.41
Unsecured		
Term loan from others - GSFS	1,025.64	1,507.29
Non Convertible Redeemable Debentures	-	140.92
	1,025.64	1,648.21
Total current maturities of non-current borrowings	1,582.95	2,012.62

Notes

Secured Loans

- a. State Bank of India had sanctioned a Rupee Term Loan (RTL 1) Facility amounting to Rs. 3,000 Crores (Current outstanding is Rs. 859.09 Crores) in F.Y. 2014-15. During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking parri passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 485.71 Crores and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.

Borrowings

- b. Consortium of two member banks lead by Bank of Baroda, London branch has provided Foreign Currency Loan (ECB-1) of USD 200 Million (Rs.1053.94 Crores) (Current outstanding of USD 18.30 Million i.e. ~Rs. 126.56 Crores). During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired

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the near term installments in the repayment schedule. The loan is secured by way of first ranking parri passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 485.71 Crores and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.

- c. Consortium of five member banks lead by Bank of Baroda, London branch has provided Foreign Currency Loan (ECB-2) of USD 250 Million (Rs. 1528.70 Crores) (Current outstanding of USD 60.80 Million i.e. ~Rs. 395.47 Crores) and USD 75 Million (Current outstanding of USD 18.57 Million i.e. Rs. 120.79 Crores) from Export Import Bank of India . The company has prepaid USD 138.59 Million (i.e. ~Rs. 882.26 Crores) (USD 250 Million Facility) and USD 42.36 Million (i.e. ~Rs. 269.66 Crores) (USD 75 Million Facility) from funds received as consideration from ONGC. The prepayment with funds from sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking parri passu charge over the Company's share (10%) in the contract area (KG-OSN-2001/3), charge over receivables from JODPL as on 31st March 2017 amounting to Rs. 485.71 Crores and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.
- d. EXIM bank has provided Foreign Currency Loan (ECB - 3) of USD 100 Million (Rs.624.45 Crores) (Current outstanding of USD 24.24 Million i.e. ~Rs. 167.65 Crores). During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking parri passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 485.71 Crores and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.
- e. State Bank of India (Nassau) has provided Foreign Currency Loan (ECB - 4) of USD 100 Million (Rs.657.40Crores) (Current outstanding of USD 28.58 Million i.e. ~Rs. 197.70 Crores).During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking parri passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 485.71 Crores and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.
- f. Consortium of thirteen member banks lead by Punjab National Bank has provided Rupee Term Loan (RTL 2) of Rs. 4,500 Crore (Current outstanding of Rs. 1,389.36 Crore). During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking parri passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 485.71 Crores and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.
- g. State Bank of India has provided a Corporate Loan (RTL 3) of Rs. 2,100 Crores (Current Outstanding - Rs. 2,100 Crores) in FY 2018-19. The loan is secured by land based in Kakinada, Andhra Pradesh, hypothecation of Wind Mill, Pledge of shares and Participating Interest of block. As per the terms of the agreement, the company has time for creation and perfection of security, further the company has repaid loan to the extent of Rs. 1,050 Crores in June 2019 and is in process of discussion with banks for modification of security proposed to bank, the outcome of same is awaited. Considering the above ongoing process, the loans is considered secured.

Unsecured Loans:

- h. Company has availed Long Term Loan from Gujarat State Financial Services (GSFS) in FY 2018-19 for the period of 5 years with repayment in 16 quarterly installment. (Current outstanding Rs. 1,000 Crores).
- i. As on 31st March, 2018 outstanding unsecured NCDs amounting to Rs. 6,000 crores raised on private placement basis are listed with National Stock Exchange and same has been transferred to GSIL under the scheme of arrangement (refer note no-43). The details of the same are as follows:

Type of NCD	Amount (₹ in crores)	Interest Rate on p.a. Basis	Issued in
8 Yrs.	1,000	9.39%	Sep-12
10 Yrs.	1,000	9.45%	Sep-12
15 Yrs.	2,000	9.03%	Mar-13
60 Yrs.*	1,000	10.45%	Sep-12
60 Yrs.**	1,000	9.80%	Mar-13

* The company has the call option for these NCDs after 10 years, from date of allotment i.e. 28th September, 2012 and till maturity and in case such option is not exercised then the interest rate will step up by 2 % till the NCDs are repaid.

** The company has the call option for these NCDs after 12 years, from date of allotment i.e. 22nd March, 2013 and in case call option is not exercised, the interest rate will step up by 2% till the NCDs are repaid/redeemed.

- j. The Company has raised funds amounting to Rs. 550 Crores through issuance of Compulsory Convertible Debentures (CCDs) on private placement basis. The details of CCDs issued are as follows:

Name of Investor	Amount (₹ in crores)	Interest Rate on p.a. Basis
IDBI Bank	150	9.56%
IFCI	100	9.39%
State Bank of India	300	10.11%

The CCDs (face value: Rs. 81 per debenture) were secured by a first mortgage and charge over immovable property (Guesthouse Bungalow at Infocity, Gandhinagar) of the Company. There was a lock in period of one year for CCD investor from the date of allotment. The debentures are converted into equity shares on 29th May, 2019. As the conversion of CCD into Equity was due in January 2019 as per the terms of the CCD agreement, the same has been re classified as "Financial Instrument in Equity Nature" as on 31st March, 2019. Further, as the conversion was not done till 31st March, 2019, interest on CCD for the period ended on 31st March, 2019 has been provided.

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k. In Case of Subsidiary Gujarat State Petronet Limited (Consolidated)

For Borrowings also Refer note 42 - Financial instruments, fair values and risk measurement

Secured Loans

Term loan from banks and financial institutions are secured by first pari-passu charge on all Intangible and Tangible assets (except 36" pipeline from Hazira to Mora), Capital Work in Progress, operating cash flows, Book Debts and Other Movable of the Company.

For foreign currency loan, the Company has entered in to cross currency swap and interest rate swap in order to hedge its foreign currency risks in full.

l. In Case of Subsidiary Gujarat Pipavav Power Company Limited

Secured Loans

The Term Loan from banks are secured by Pari - pasu charge by way of mortgage of the company's immovable properties both present and future; and hypothecation of entire movable properties both present and future situated at Dist. Amreli, Pipavav for 702 MW power project is subject to fulfillment of the condition.

During FY 17-18, the term loan of IDBI and Karur Vysya Bank was repaid. These both loans were taken over by Dena Bank.

* The term loan from Vijya Bank for 5 MW solar project is secured by pari - passu charge by way of mortgage of the company's immovable properties both present and future; and hypothecation of entire movable properties both present and future situated at Dist. Patan, Charanka for 5 MW Solar Power Project and receivables.

m. Loan repayment schedule

(Rs. in Crores)

S. No.	Particulars	Total Outstanding (Rs. In crores)*	Maturity period	Rate of Interest (p.a.)	Re-payable in 12 months	Re-payable in 2 to 4 years	Re-payable in 5 to 7 years	Re-payable in 8 to 10 years
1	Rupee Term Loan-1	859.09	30-Sep-24	SBI Base Rate + Spread			859.09	
2	Rupee Term Loan-2	1,389.36	31-Mar-29	SBI Base Rate + Spread	-			1,389.36
3	External Commercial Borrowing (ECB-1)	126.56	30-Sep-20	6 m Libor + Spread	39.72	86.84	-	-
4	External Commercial Borrowing (ECB-2)	548.95	30-Sep-23	6 m Libor + Spread		408.45	140.50	
5	External Commercial Borrowing [ECB-3 (Exim)]	167.65	31-Dec-24	6 m Libor + Spread			167.65	
6	External Commercial Borrowing [ECB-4 (SBI)]	197.70	30-Sep-24	6 m Libor + Spread		68.00	129.70	
8	Corporate Loan	2,100.00	30-Sep-28	SBI MCLR + Spread	157.50	472.50	420.00	1,050.00
9	GSFS Loan	1,000.00		Floating Rate of Interest - presently 8.25%		906.00	94.00	-
	Total	6,389.31			197.22	1,941.79	1,810.94	2,439.36

*The amounts outstanding for various loans as on 31st March, 2019 are as per the terms of the agreement and as per the understanding of the Joint Lenders Meeting wherein it was decided that the prepayment with funds from sales consideration has retired the near term installments in the repayment schedule, for which the approval of respective banks is awaited. The amount represents actual amount payable to banks at prevailing exchange rates on reporting date excluding accounting effects of Effective interest Rate (EIR) as per Ind-AS.

In the Case of Subsidiary Gujarat State Petronet Limited (Consolidated)

(Rs. in Crores)

Sr. No.	Terms of repayment	No. of Installments due	Interest rate	Maturity	2018-19		2017-18	
					Non-current	Current	Non-current	Current
1	Quarterly installments	13	7.86%	Apr-22	63.28	28.13	91.41	28.13
2	Half yearly installments	3	1 Year GSEC + 2.175%	Aug-20	6.03	12.07	18.10	12.07
3	Quarterly installments	32	1 Year MCLR	Mar-27	116.64	16.68	84.33	16.67
4	Yearly installments	2	8.25%	Mar-21	933.33	933.33	1,566.67	1,233.33
5	Yearly installments	3	8.25%	Mar-22	166.67	83.33	-	-
6	Quarterly installments	35	8.75%	Dec-27	488.09	27.63	515.99	27.62
7	Quarterly installments	34	8.59%	Sep-27	1,511.06	86.31	1,597.40	86.30
8	Quarterly installments	40	8.60%	Mar-29	90.00	10.02	100.00	0.02
	Grand Total				3,375.10	1,197.50	3,973.89	1,404.13

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In the Case of Subsidiary GSPC Pipavav Power Company Limited

(Rs. in Crores)

Sr. No.	Particulars	Rate of Interest	Maturity	Outstanding as at March 31, 2019	Maturity Profile		
					2019-2020	2020 - 2025	2025 - 2030
	Details of Term Loans From Bank						
1	Secured Term Loan from Bank of Maharashtra	One Year MCLR+ 0.00%	31-Mar-25	249.10	41.89	207.21	-
2	Secured Term Loan from Allahabad Bank	One Year MCLR+ 0.00%	30-Jun-25	156.06	25.00	125.00	6.06
3	Secured Term Loan from Dena Bank	One Year MCLR+ 0.30%	30-Jun-25	103.83	16.67	83.33	3.83
4	Secured Term Loan from Dena Bank (New)	One Year MCLR+ 0.30%	30-Sep-25	20.21	3.11	15.56	1.55
5	Secured Term Loan from Dena Bank (IDBI take over)	One Year MCLR+ 0.30%	31-Mar-25	149.84	24.99	124.86	-
6	Secured Term Loan from Dena Bank (KVB take over)	One Year MCLR+ 0.30%	31-Mar-25	99.95	16.67	83.28	-
7	Secured Term Loan from OBC Bank	One Year MCLR+ 0.10%	31-Mar-25	99.86	16.67	83.20	-
8	Secured Term Loan from Vijya Bank	One Year MCLR+ 0.00%	31-Mar-25	49.97	8.33	41.63	-
9	Secured Term Loan from SBI	One Year MCLR+ 0.60%	31-Mar-25	70.89	11.95	58.93	-
10	Secured Term Loan from Vijaya Bank *	One Year MCLR+ 0.00%	24-Nov-21	9.08	3.32	5.76	-
	Total			1,008.80	168.60	828.77	11.43

Note 16

Other financial liabilities

(₹ in crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-Current		
Operation and maintenance expense payable	0.75	1.48
Lease Hold Premium payable	0.02	0.02
Security deposits received from customers	19.20	15.00
Other payables	10.19	13.22
Total non-current financial liabilities	30.16	29.72
Current		
Current maturities of non-current borrowings (Note 15)	1,582.95	2,012.62
Creditors for Capital Expenditure	391.03	399.34
Payable to Joint Arrangements	484.28	657.19
Interest accrued but not due	10.02	-
Unclaimed dividend	3.44	3.58
Imbalance, overrun & Other charges	39.13	36.21
Total outstanding dues of micro enterprises and small enterprises	33.50	11.64
Total outstanding dues to other than micro enterprises and small enterprises	286.66	243.13
Deposits from customers and others	950.49	836.51
Earnest Money Deposits	2.40	2.27
BG Asia Pacific Holdings Limited	464.78	464.78
Less : Amount deposited in Escrow Account with Citi Bank	(464.78)	(464.78)
Security Deposit from Vendors	26.95	27.27
Other current financial liabilities	624.77	28.82
Derivative liability ¹	526.77	678.62
Other Expenses Payable	1.13	26.99
Total current financial liabilities	4,963.52	4,964.19

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Notes

- 1 The Group had entered into Interest rate swap to hedge against interest rate risk.
- 2 In case of Subsidiary GSPL Consol
 - (i) The Group obtained security deposits from the customers under contractual terms which are repayable after fixed contract tenure.
 - (ii) The balance with the bank for unpaid dividend is not available for use by the Group and the money remaining unpaid will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 after the expiry of seven years from the date of declaration of dividend. No amount is due at the end of the period for credit to Investors education and protection fund.
 - (iii) The Group deposited ₹ 464.78 Crs on 12th June, 2013 into the escrow account ("named BG Asia Pacific Holdings Pte. Limited GSPC Distribution Networks Limited Escrow Account") opened with Citibank N.A. , acting as the escrow agent, pursuant to the escrow agreement executed between the BG Asia Pacific Holdings Pte. Limited (the Seller), Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) (the Purchaser) and Citibank N.A. The Payment of said amount into Escrow Account is to be utilized to meet future tax withholding liability (if any) based on outcome of the applications to the Authority for Advance Rulings or otherwise to be remitted to BG Asia Pacific Holdings Pte. Limited (the Seller) directly.

Note 17

Provisions

Particulars	(₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Non-Current		
Provision for decommissioning obligations	87.52	160.63
Total non-current provisions	87.52	160.63
Current		
Provision for profit petroleum	56.43	56.43
Provision for Other Expenses	0.72	0.56
Total current provisions	57.15	56.99

Note 18

Deferred revenue/ contract liabilities

Particulars	(₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Income received in advance	84.63	11.84
Others	1.92	3.34
Total non-current deferred revenue/ contract liability	86.55	15.18
Current		
Income received in advance	25.53	20.20
Total current deferred revenue/ contract liability	25.53	20.20

Note 19

Net employee benefit liabilities

Particulars	(₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Provision for gratuity and loyalty bonus	12.76	7.26
Provision for leave benefits	54.68	43.51
Provision for Superannuation	0.96	0.38
Total non-current net employee benefit liabilities	68.40	51.15
Current		
Provision for gratuity and loyalty bonus	9.84	6.24
Provision for leave travel allowance	0.64	0.38
Provision for leave benefits	2.09	2.28
Total current net employee benefit liabilities	12.57	8.90

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Note 20

A) Non Current Tax Assets (Net)

(₹ in crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Advance Income Tax	2,491.66	2,615.24
Provision for Tax	(2,300.71)	(2,307.31)
Net Advance Tax	190.94	307.92
Non Current Tax Asset (Net)	190.94	310.58
Current Tax Liabilities (Net)	-	2.66

B) Tax expense

Amount recognised in statement of profit and loss

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Current income tax	565.78	458.97
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	75.32	82.11
Reduction in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Recognition of tax credit	-	-
Change in recognised deductible temporary differences	-	-
Deferred tax expense	641.10	541.08
Adjustments of tax for earlier years	(36.06)	(8.07)
Total tax expense for the year	605.04	533.01

Amount recognised in other comprehensive income

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Items that will not be reclassified to profit or loss (A)		
Remeasurements of the defined benefit plans	(5.50)	1.47
Equity instruments through other comprehensive income	18.09	(54.50)
Profit on Sale of Equity Instrument	-	793.98
Share of OCI in Associate and JV	(1.11)	0.06
	11.48	741.01
Income tax relating to items that will not be reclassified to profit or loss (B)	3.13	11.59
Net amount recognised in other comprehensive income (A+B)	14.60	752.60

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Reconciliation of effective tax rate

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Profit before tax	2,166.41	(361.56)
Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.608%)	757.03	(125.13)
Reduction in tax rate		
Tax effect of:		
Non-deductible tax expenses		
Deferred tax impact on items as elaborated in movement of deferred tax balances recognised through statement of profit and loss	-	(512.46)
Deferred tax impact on items as elaborated in movement of deferred tax balances recognised through OCI	-	512.45
Provision for impairment not allowable for taxes	82.66	246.81
Items with No tax consequences	14.83	17.38
Undistributed reserves of equity accounted investees	5.04	4.90
Chapter VI deductions	(10.35)	(12.55)
Differences between Indian and foreign tax rates	(0.27)	14.52
Non-deductible tax expenses	(0.01)	0.16
Others - Excess / Short Provision	(36.28)	(8.07)
Depreciation as per Profit and Loss Account	108.84	49.18
Consumption of Stores & Spares-ICDS Adjustment	1.25	0.90
Disallowance U/s 43B	0.63	-
Disallowance -Others	0.23	0.09
Interest on HBA	(0.02)	(0.03)
Interest on Income Tax Refund	-	(0.01)
Interest On Fixed Deposits	(0.53)	(0.62)
Depreciation as per Income tax act	(359.93)	(59.59)
Preliminary Expenses Allowed U/s. 35D	-	(0.03)
Interest on Others	0.56	0.66
Recognition of tax effect of previously unrecognised tax losses	6.07	3.68
Other items	35.30	400.75
	605.04	533.01

C) Deferred tax asset/ (liabilities) [Net]

Movement in deferred tax balances

(₹ in crores)

Particulars	As at 31st March, 2019							
	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Other	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/ (liabilities)								
Opening balance	(566.96)	(105.78)	0	0		(672.74)	0.18	(672.92)
Decommissioning obligations	1.34	0.11	0	0		1.45	1.45	-
Other items	3.45	30.36	(3.13)	(482.12)		(451.44)	0.80	(452.24)
Tax assets/ (liabilities)	(562.17)	(75.31)	(3.13)	(482.12)	-	(1,122.73)	2.43	(1,125.16)
Set off tax								
Net tax assets/ (liabilities)	(562.17)	(75.31)	(3.13)	(482.12)	-	(1,122.73)	2.43	(1,125.16)

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Deferred tax asset/ (liabilities) [Net]

Movement in deferred tax balances

(₹ in crores)

Particulars	AS at 31st March, 2018							
	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Other	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/ (liabilities)								
Opening balance	(889.30)	322.34				(566.96)	0.16	(567.12)
On account of impairment of assets and change in depreciation	(129.84)	129.84				-	-	-
Decommissioning obligations	309.02	(307.68)				1.34	1.34	-
Other items	240.21	(225.16)	(11.60)	1.44		3.45	3.45	-
Tax assets/ (liabilities)	(469.92)	(80.66)	(11.60)	1.44	-	(562.17)	4.95	(567.12)
Set off tax								
Net tax assets/ (liabilities)	(469.92)	(80.66)	(11.60)	1.44	-	(562.17)	4.95	(567.12)

Tax losses carried forward

Particulars	31-Mar-19	Expiry date	31-Mar-18	Expiry date
Business Loss (Expirable)	12,019.30	31-Mar-25	11,626.52	31-Mar-25
Un absorb Depreciation(Never Expirable) - Carried Forward	2,048.42	31-Mar-22	143.45	31-Mar-22
Un absorb Depreciation(Never Expirable) - Current	222.68	-	1,904.97	-

Notes

- The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.
- In the Case of GSPC Provision of Tax for the current year is Rs. NIL (31st March,2018 : NIL).The Company has continuously maintained a position that allowances / claims U/s. 42 and deduction U/s. 80IB (9) is admissible under the Income Tax Act, 1961. The company has been treating each well as a separate undertaking for the purpose of claiming deduction U/ s 80IB(9). This view has not been accepted by the first assessing authorities. However, the Commissioner of Income Tax (Appeal) [C.I.T. (A)] has accepted the company's contention regarding claim U/s. 80IB (9). The second appellate authority, i.e. Income Tax Appellate Tribunal (ITAT) has also upheld the company's contention for A.Y. 2000-01 and allowed the claim U/s 80IB (9). Finance (No. 2) Act, 2009 has amended the provisions of Section 80IB (9) with retrospective effect from 1st April 2000, i.e. A.Y. 2000-01 in order to restrict the benefit of deduction U/s 80IB(9) to a "production sharing contract" instead of "well". The company has been claiming deduction U/s. 80IB (9) by treating each well as a separate undertaking. The company had challenged the above amendment by filing a writ petition before the Hon'ble High Court of Gujarat. Hon'ble High Court of Gujarat has decided the matter in favour of the company by its order dated 26th March, 2015 and has struck down the retrospective application of law by holding it as ultra vires. The Union of India has further preferred an SLP before Hon'ble Supreme Court of India challenging the Judgment of High Court of Gujarat. The SLP is placed for hearing on Application for Interim Stay sought by Union of India. The matter is still sub-judice. From F.Y. 2009-10 (A.Y. 2010-11), Company has been claiming deduction U/s. 80IB(9) by treating "Each Block" as a separate undertaking. Further to the above, in case of claim U/s 42, the ITAT has upheld the department's contention for claim U/s. 42 in respect of Hazira Field. In view of the ITAT order, CIT (A) has also upheld department's contention for Claim U/s. 42 in respect of Hazira Field for the first time in A.Y. 05-06. However, due to this, the company does not envisage any tax liability. Both company and department have preferred appeals before Hon'ble High Court of Gujarat against the order of ITAT on issues which are not decided in their favour. The company is confident of its position. No provision is made for such disputed Income tax liabilities, which is estimated at Rs.1,701.78 crores (31st March, 2018 : 1,527.43 crores). However the same is disclosed by way of a note as contingent liabilities vide note no.34. The Company has availed deduction U/s.42 as well as claiming tax holiday U/s 80IB (9) of the Income Tax Act, 1961 for exploration / development costs. This has impact of temporary differences, which in the management's view, considering the past performance and future estimates will be reversed during the "Tax Holiday Period"- and to that extent the deferred tax is not recognized and accordingly no provision for deferred tax liability in respect thereof is made.

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Note 21

Other non-financial liabilities

(₹ in crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Current		
Statutory tax liability	169.54	103.75
Advance from customers	3.30	5.20
Others	30.53	139.80
Total current non-financial liabilities	203.37	248.75

Note 22

Trade payables

(₹ in crores)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Total outstanding dues of micro enterprises and small enterprises	14.08	17.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	309.73	951.08
Total Trade payables	323.81	968.49

Note 23

Non Current Assets held for sale

During the year the group has decided to sell participating interest in 12 E&P fields belonging to E&P segment namely Hazira, Allora, Dholasan, North Kathana, Unawa, Miroli, Bhandut, CB ONN 2004/1, CB ONN 2004/2, CB ONN 2004/3, GK OSN 2009/1 and MB OSN 2005/1. The bidding process for the same was initiated by the group during the year. Hence, as per Ind AS 105 - 'Non-current Assets Held for Sale and Discontinued Operations', such group of assets have been reclassified as non current assets held for sale and measured at the lower of carrying amount and fair value less cost to sale as presented in the table below:

(₹ in crores)

Particulars	As at 31 st March, 2019
Assets	
Non current assets (net of depreciation and amortisation where applicable)	
Producing Properties	247.94
Freehold Land	2.04
Office equipments	0.07
Computer equipment	0.03
Plant and machinery	0.05
Furniture and fixtures	0.00
Vehicle	0.01
Building	1.54
Exploration & Development	441.15
Site Restoration Fund	106.94
Other Current Assets	0.44
Total carrying value of non-current assets (A)	800.21
Liabilities associated with above group of assets	
Provision for decommissioning cost	(78.04)
Other Current liabilities	(52.54)
Net assets classified as held for sale	669.63
Fair value less cost to sell of above group of assets (B)	352.74
Impairment loss recognised in statement of profit or loss as an exceptional item (C) = (A) - (B)	316.89

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Details of profit and loss attributable to the above group of assets is below: (₹ in crores)

Particulars	As at 31 st March, 2019
Revenue	34.82
Expense	(35.08)
Depletion	(16.37)
Impairment	(316.89)
Profit/(loss) before tax	(333.52)
Income tax expense	-
Profit/(loss) after tax	(333.52)

Note 24

Revenue from Operations (₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Sale of products		
Sale of natural gas - Trading	16,561.50	12,767.47
Sale of gas - Joint Arrangement	14.95	14.84
Sale of oil - Joint Arrangement	74.12	76.30
Sale of electricity	717.85	491.77
	17,368.42	13,350.38
Sale of services		
Re-gasification income	281.70	225.17
Revenue from Transportation of Gas (net)	1,399.31	956.40
IT Service Income	13.93	12.46
	1,694.94	1,194.03
Other operating revenues		
Take or pay income	13.45	4.41
Connectivity Charges	37.46	47.78
	50.91	52.19
Total Revenue from Operations*	19,114.27	14,596.60

*For information on disaggregation of revenue, refer note 41 (Segment reporting)

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Note 25

Other Income

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Dividend from long term investments		
Dividend from other companies	2.12	1.90
	2.12	1.90
Other Non-Operating Income		
Usage charges	1.07	2.36
Other income - Joint arrangements	8.07	4.80
Net profit on sale of fixed assets	-	0.01
Other Interest Income	95.55	45.87
Net Foreign Exchange Gain	7.31	51.65
Interest from Deposits with banks	65.75	69.16
Other Non Operating Income	21.13	18.65
	198.88	192.50
Total Other Income	201.00	194.40

Note 26

Production expenditure - E&P

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Production expenditure	68.98	48.21
Duties and taxes	9.10	6.36
Other G&A expenses	14.25	19.60
Bidding Expenses	-	0.15
Total Production expenditure - E&P	92.33	74.32

Note 27

Cost of material consumed

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Purchase of natural gas	229.28	137.54
Transportation charges	178.82	67.33
Consumable and commissioning charges	35.74	34.66
Excise duty	208.14	165.02
Total Cost of material consumed	651.98	404.55

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Note 28

Cost of traded goods

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Purchase of gas		
Local Purchase of Gas	4,599.51	3,313.41
Import Purchase of Gas	7,565.71	5,885.29
	12,165.22	9,198.70
Purchase of IT equipment	0.01	0.07
Other costs		
Import Gas Regasification Charges	704.91	606.98
Gas Transmission Charges	239.45	111.76
Commodity Hedging Cost/ Other expenses	(53.72)	(130.80)
Annuity & Meter Validation Charges	2.78	0.37
	893.42	588.31
Total Cost of traded goods	13,058.65	9,787.08

Note 29

Changes in inventories of finished goods, stock in process and stock in trade

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Finished goods		
Closing stock of oil	(31.69)	(34.90)
Opening stock of oil	34.90	36.79
	3.21	1.89
Increase/ decrease in stock of oil (Refer Note No.38(l))	(2.68)	(0.02)
	0.53	1.87
Stock in trade		
Closing stock of liquified gas	(47.65)	(226.94)
Opening stock of liquified gas	226.94	196.95
	179.29	(29.99)
Total Change in inventories of finished goods, stock in process and stock in trade	179.82	(28.12)

Note 30

Employee benefit expenses

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Salary, wages and allowances	218.30	176.52
Contribution to provident fund and other funds (Refer note 36)	30.20	25.14
Staff welfare expenses	12.95	9.60
ESOP Compensation Expenses	(0.06)	(0.01)
Total Employee benefit expenses^a	261.39	211.25

Notes

a. Amount represents net expenditure for group.

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Note 31

Finance costs

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Interest Expenses	1,181.80	1,996.34
Unwinding of discount on Provisions and processing fee of loans	5.31	4.93
Other Borrowing Costs (includes bank guarantee, LC charges, bank charges, etc.)	42.67	31.01
Total Finance costs	1,229.78	2,032.28

Note 32

Other expenses

(₹ in crores)

Particulars	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Expenses related to wind mills		
Operation and maintenance expenses	13.67	12.76
Windmills insurance expenses	0.67	0.15
Total (A)	14.34	12.91
Administrative expenses		
Electricity expenses	1.28	1.06
Rent, rates and taxes	4.34	4.83
Repairs and maintenance		
Others	435.23	333.54
Insurance expenses	9.71	11.55
Business development and promotion	9.65	3.96
Advertisement and publicity	1.30	1.09
Administration and establishment	16.57	13.81
Recruitment and training expense	0.97	0.86
Travelling expenses	4.55	4.19
Stationery and printing	3.19	3.50
Professional and technical expenses	50.19	37.68
Donations	16.19	19.71
Telephone, trunk calls and postage	5.89	5.66
Vehicle running expenses	7.46	7.02
Bandwidth expenses	0.47	0.50
Payment to auditors ^a	0.71	0.57
Net loss on sale/ discarding of fixed assets	1.83	8.00
Diminution in Capital Inventory & Inventory	4.74	1.46
LCV/HCV Hiring, Operating and Maintenance Charges	51.96	43.44
Franchisee and other Commission	38.84	34.92
Agency & Contract Staff Expenses	29.41	26.60
Billing & collection	8.45	8.89
Other expenses	10.55	10.63
Miscellaneous expenses	0.18	0.18
Total (B)	713.67	583.65
Network Operating and Project Expenses		
Network Operating Expenses	0.02	0.00
Project Expenses	1.36	1.66
Facility Management Charges	1.17	0.63
Total (C)	2.55	2.29
Provision for doubtful advances (D)	3.77	(0.08)
Total Other expenses (A+B+C+D)	734.33	598.77

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Note 33

Exceptional items

The exceptional Items comprises of the following:

Particulars	(₹ in crores)	
	For the period ended 31 st March, 2019	For the period ended 31 st March, 2018
Impairment of oil and gas assets ^a		
Provided During the year	429.92	221.60
Less: Reversed during the year	(193.41)	-
Rates & Taxes	17.87	-
Exploration cost written off/ written back	(93.79)	491.33
Total Exceptional items	160.59	712.93

Notes

- a. The management of holding company identifies each E&P field /PSC under E&P segment as separate Cash Generating Unit (CGU). During FY 2018-19, based on revised Oil & Gas reserve estimation by Gujarat Energy Research & Management Institute (GERMI), an external agency, the holding company has provided for impairment of Rs. 88.29 Crore and has reversed impairment earlier provided for to the extent of Rs. 168.67 crores for 8 continuing E&P fields (CGUs). Further, during the year holding company has classified 12 E&P fields as assets held for sale (refer note no.23). In relation to which, the group has provided for impairment loss of Rs. 341.63 Crore and has reversed impairment earlier provided for the extent of Rs.24.74 crores. During FY 2017-18, while transferring E&P assets to producing properties, as required by Ind AS 106, the holding company has provided for Impairment Losses for Sanand-Miroli block amounting to Rs.215.69 Crores and balance amount comprise of impairment losses provide for onshore Joint Arrangements' inventories based on external valuations.
- b. The recoverable amount of CGU is determined at higher of its fair value less cost to sell and its value-in-use. For 12 E&P fields which are classified as Assets held for sale, the company has considered fair value less cost of sell as the recoverable amount whereas for other 8 fields, value-in-use is considered as the recoverable amount of CGU. Fair value is determined at estimated selling price of CGU using level III Inputs. This calculation uses the estimated future cash flows that can be generated from the continuing use of these blocks and outflows at the end of its useful life which are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 10%. The Value in Use of producing / developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under the circumstances where further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use. In assessing value in use, the estimated future cash flows from the continuing use of assets and from its disposal at the end of its useful life are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 10% (as at March 31, 2018 -10%). Future cash inflows from sale of crude oil and value added products have been computed using the future prices, on the basis of market-based average prices of Brent crude oil as discounted to match the quality of our crude oil and its Co-relations with benchmark crude. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of notification issued by the Government of India/GSA.
- c. In the block KG-OSN-2001/3, the holding company had in the previous year written off Rs.230 crores towards inventory based on initial valuation by the Buyer as exploration cost written off. However, during FY 2018-19 the valuation was finalised with the help of the independent valuer and on the basis of the report, the holding company has written back the inventory to the extent of Rs.94.90 crores. Balance amount of Rs.1.11 crores includes cost incurred for earlier written off blocks. During FY 2017-18 the holding Company has written off Non-Operated Block CB-ONN-2009/4 amounting to Rs.33.02 Crores. Further holding company has written off Rs. 455.04 crores (net off impairment provision already provided for last year) towards exploration cost for KG OSN 2001/3 block 80% Participating Interest transfer. Balance amount includes cost incurred for earlier written off blocks.
- d. Exceptional item of Rates & Taxes pertains to balance provision of stamp duty as per the order of the Chief Controlling Revenue Authority (CCRA) for stamp duty levied of ₹ 42.87 Crs with regards to the appeal filed against the order of Collector & Additional Superintendent of Stamps for adjudication of stamp duty pursuant to Composite Scheme of Amalgamation and Arrangement approved by Hon'ble Gujarat High Court. The Group had already provided ₹ 25.00 Crs in books of accounts for the same in the financial year 2015-16.

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Note 34 Earnings per share

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Profit attributable to equity holders for (Rs. in Crores):		
Basic earnings	1,618.22	(265.76)
Adjusted for the effect of dilution	1,673.58	(212.44)
Weighted average number of equity Shares for:		
Basic EPS	2559262920	2559262920
Adjusted for the effect of dilution	10736540265	2627164050
Earnings Per Share (Rs.) (EPS)		
(face value of Rs.1/-)		
Basic	6.32	(1.04)
Diluted	1.55	(0.81)

Note 35 Contingent liabilities

1. Claims against the Group not acknowledged as debts which in the opinion of the Management are not tenable/under appeal at various stages:

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Direct & Indirect Tax matters (Ref. note no.20 C point no. 3)	2,139.40	1,980.72
Joint Arrangements (Ref. note a to f below)	200.65	197.77
Guarantee	2,701.41	2,921.50
Other (Ref. note g & h below)	1,236.85	927.18

Above Contingent Liabilities Includes-

In the Case of Gujarat State Petroleum Corporation Limited

- (a) In September 2005, GSPC, as the Operator in KG-OSN-2001/3 block (till 31 March, 2017), had entered into a contract with Atwood Oceanics Pacific Limited ('AOPL') for drilling, completing or abandoning the wells identified by GSPC's drilling program. With respect to certain invoices raised by AOPL during July and August 2009, AOPL has claimed that the said invoices were paid by GSPC after a delay of 733 days in September 2011. Accordingly, AOPL had initiated arbitration proceeding against the JV claiming interest on delayed payment towards the said invoices claiming an amount of Rs. 10.54 Crores (USD1,523,895) [31 March 2018: Rs.9.91 Crores (USD1,523,895)] along with interest at the rate of 1.5% per month from 11 January 2013 till the date of payment. The Honorable Sole Arbitrator, vide arbitral award dated 12 May 2015, has concluded that the JV is not liable to pay the claims of interest on delayed payment towards the invoices as aforesaid and rejected the claims made by AOPL in this regard. AOPL has preferred an appeal under Section 34 of the Arbitration and Conciliation Act, 1996 praying for setting aside of the award passed by the Sole Arbitrator before the District Court, Gandhinagar. The matter is subjudice.
- (b) JODPL: The Company has issued forfeiture notice to Jubilant Offshore Drilling Pvt Ltd (JODPL) against Rs. 493.55 Crore of the capital contribution (excluding applicable interest on capital contribution) made by the Company on behalf of JODPL in KG-OSN-2001/3 until 31st March 2017. Based on relevant clauses of PSC and JOA, it can be reasonably ascertained that the forfeiture notice shall be effected and GSPC shall be assigned commensurate PI towards the capital contribution.
- (c) Profit Petroleum paid under protest for Hazira Block: Joint Arrangement (JV) partners are liable to pay profit petroleum to MoP&NG after recovery of cost petroleum. The Director General of Hydrocarbons (DGH) disallowed an amount of USD 17.745 million (mainly on account of purchase of compressor amounting to USD 11.328 million) from the cost petroleum recovered by JV and demanded profit petroleum on disallowed amount. In the Operating Committee meeting (10th June 2013) it was decided to deposit the amount demanded by the MoP&NG under protest. The Company had deposited Rs. 91.16 crore on this account.

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- (d) Royalty paid under protest for Hazira Block: The Joint Arrangement was charging Royalty on Gas Sales Price and recovering the same from the customers. The Royalty thus collected is shared between GOI and Government of Gujarat in the ratio of 47:53 respectively. The Directorate General of Hydrocarbons (DGH) vide letter dated 6th February, 2013 demanded the royalty amount short paid by the Company @ 9.09 percent instead of 10 percent. DGH was of the view that the Joint Arrangement had computed royalty on gas on Cum-royalty basis using the effective rate of 9.09 percent instead of 10 percent which was not in line with the Royalty Notifications. The Company paid the differential royalty for the period from 2003-04 to 2012-13 in July 2013 under protest. From April 2013, the Company is paying the Royalty (as per above formula) to GOI on monthly basis. As on 31 March 2018, the Company paid Royalty of Rs. 35.99 crore to GOI under protest. As the matter is under arbitration, only GOI portion of the royalty is paid.
- e) In case of cambay block, GSPC has filed an application under Section 9 before Hon'ble Gujarat High Court for stay on the operation and implementation of the Default notice dated May 29, 2018 and letter dated July 29, 2018 issued by Oilex. The High Court has allowed the application vide its order dated 1st November, 2018. GSPC has invoked arbitration against Oilex before Singapore International Arbitration Centre (SIAC) for declaration that default notice and notice of withdrawal by Oilex is invalid and contrary to JOA. Oilex in its counter-reply has made claim of over USD 3.05 million. SIAC has ordered the parties to deposit first tranche of arbitration fee towards constitution of the Arbitral Tribunal. Both parties have deposited the arbitration fee. The Court disposed of the application by granting stay and restraining Oilex from taking any coercive action. SIAC is in the process of establishing Arbitral Tribunal.
- f) The Company had made an investment in a joint Arrangement (JV) incorporated to carry out exploration and production activities in Joint Petroleum Development Area (JPDA) block (JPDA 06-103) in Australia. GSPC holds 20% working interest in the JV through Special Purpose Vehicle (SPV) in GSPC (JPDA) Ltd amounting to Rs. 99.39 crore (31st March 2018: Rs. 98.39 crore) to carry out exploration activities in Australia. Considering the unsuccessful outcome of the exploration activities in the block 100% provision for impairment has been provided in the standalone financial statements to the extent of investment made in the subsidiary - GSPC (JPDA) Ltd amounting to Rs. 99.39 crores as on 31.03.2019 (Rs. 98.39 crores as on 31.03.2018). Moreover, Autoridade Nacional do Petroleo (ANP) has terminated the PSC with condition of paying the penalty of USD 3403758 (Current year Rs. 23.54 Crores (Previous year Rs. 22.12 Crores)) (JPDA Share) for the unfinished work programme. However, Operator and JV partners have protested against the same and ANP has reduced the penalty to USD 2300000 (Current year Rs. 15.91 Crores (Previous year Rs. 14.95 Crores)) (JPDA Share). The final outcome of the same is still awaited.
- (g) The Company had filed a complaint dated 06.04.2011 before PNGRB against GAIL, IOCL and BPCL. PNGRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal. All the parties have preferred appeals against the PNGRB Orders before Appellate Tribunal for Electricity (APTEL) and APTEL has passed an interim order on 23.01.2012 and directed GAIL, IOCL and BPCL to give direct connectivity at Dahej Terminal subject to GSPC giving undertaking in respect of the following: i) GSPC shall open a separate bank account and deposit an amount of Rs. 140 Crores. Accordingly, GSPC has opened and deposited equivalent amount in a separate bank account. ii) From the date of change of delivery point, GSPC shall also deposit differential amount in a separate bank account. (Accordingly company had deposited additional Rs. 75.36 crore in a separate bank account). The Company has submitted the Undertaking to APTEL in respect of the same on 18.02.2012 and deposited amounts as aforesaid. The APTEL has passed common judgment dated 18.12.2013 ("the APTEL Judgment") in the appeals filed by GAIL, IOCL and BPCL and set aside the PNGRB Order. The Company filed an appeal before the Hon'ble Supreme Court against the APTEL Judgment and the Hon'ble Supreme Court has vide its order dated 28.02.2014 directed the Company, as an interim arrangement, to pay the interconnectivity charges at the rate of Rs. 12 / MMBTU from the account separately maintained for the said purpose in accordance with APTEL's Order dated 23.01.2012 as narrated in (i) & (ii) above. Accordingly, company utilized Rs. 176.55 crores for payments to GAIL, IOCL and BPCL as per Interim arrangement order of the Hon'ble Supreme Court. The amount paid net of amount recovered from customers is shown as amount paid under protest in the accounts. Further, the company has also not provided for differential amount charged by vendors above Rs. 12/ MMBTU aggregating to Rs. 42.19 crores. The appeal is pending before the Hon'ble Supreme Court.
- h) Other Contingent liabilities includes Contingent Liability associated with Gas Trading Business Rs. 39.50 Crs.

In the Case of Subsidiary Gujarat State Petronet Limited (Consolidated)

- a) Imbalance and overrun charges as per the 'Modalities of maintaining & operation of Escrow Account under the PNGRB (Access Code for Common or Contract Carrier Natural Gas Pipeline) Regulations, 2008' issued by PNGRB on 7th March 2011, collected for the period prior to 1st April 2011 amounting to ¹ 226.02 Lacs (net of taxes) has been deposited in Escrow Account under protest. However, the same is not recognised as liability as these guidelines are applicable w.e.f. 1st April 2011.

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- b) UPL Limited (UPL) a customer of erstwhile Gujarat Gas Company Limited(now known as Gujarat Gas Limited) filed a complaint before Petroleum and Natural Gas Regulatory Board (PNGRB) against erstwhile GGCL alleging charging of tariff illegally under the City Gas Network Distribution Agreement entered into between the Parties. The matter was decided against the Group by PNGRB. The Group has preferred an appeal at Appellate Tribunal for Electricity (APTEL) against the PNGRB Order. The Group has also sought an interim stay on the PNGRB order which was granted by APTEL. The APTEL has in its order stated that it is an interim order without considering the merits of the case. The Group has submitted bank guarantee of ₹ 40.00 Crs in favour of UPL.
- c) Erstwhile Gujarat Gas Company Limited and Erstwhile GSPC Gas Company Limited (Now collectively known as Gujarat Gas Limited "GGL") had signed Gas supply agreement with Gujarat State Petroleum Corporation Limited (GSPCL) for purchase of Re-gasified liquefied natural gas (RLNG). As per the provision of said agreement, GGL has to pay interconnectivity charges to GSPCL for the supply and purchase of RLNG at Delivery point which is charged to GSPCL by their supplier i.e.PLL Off takers (GAIL India, BPCL, IOCL).PNGRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal. The PLL Offtakers (GAIL) filed appeals against the said PNGRB orders before the Appellate Tribunal for Electricity (APTEL). On 23-February-2012 APTEL had issued an interim order for shifting the Delivery Point from GAIL-GSPL Delivery Point to GSPL-PLL Delivery Point. On 18-December-2013 APTEL issued its judgment and required GSPCL to pay the amount of the difference between Rs. 8.74/MMBTU (exclusive of Service Tax) - earlier connectivity charges and Rs. 19.83/MMBTU (Exclusive of Service Tax) - HVJ/DVPL Zone-1 tariff to GAIL for the period from 20th November 2008 to 29th February 2012.

GSPCL has filed an appeal against the APTEL's above referred judgment before Hon'ble Supreme Court of India (GSPCL vs. GAIL & Others, Civil Appeal No. 2473-2476 of 2014) and the Hon'ble Supreme Court of India had passed the Interim Order on 28th February 2014. The Court has stated that the ends of justice would be met if as a matter of interim arrangement, the appellant is directed to pay interconnectivity charges at the rate of Rs. 12.00 per MMBTU (exclusive of Taxes). The Group has already provided and paid interconnectivity charges at the rate of Rs. 12.00 per MMBTU (exclusive of Taxes).

- d) One of the gas suppliers of the Group has submitted a claim of ₹ 475.59 Crs (P. Y. ₹ 134.90 Crs), for use of domestic allocated gas other than PNG (Domestic) and CNG segments' demand in earlier years (FY 2013-14 to FY 2017-18). The Group has refused this erroneous claim contending that there is gross error in actual domestic gas purchase and actual sales in PNG (Domestic) and CNG segments considered by GAIL and also there is no contractual provisions of the agreement executed with GGL that allow such claim. The management is of the firm view that the Group is not liable to pay any such claim. The Group has already taken up the matter with concerned party/authorities to withdraw the claim.
- e) The Group has initiated an arbitration proceeding against one of the franchisees claiming compensation for loss of revenue While replying to the claim, the said franchisee has also filed a counter claim of ₹ 177.14 Crs (P. Y. ₹ 177.14 Crs) against the Group claiming compensation for various losses. The Group has filed necessary rejoinder to the counter claim strongly refuting the same mainly on the grounds that the claims are wrong and as are not flowing from the same agreement under which the arbitral tribunal has been constituted the tribunal does not have any jurisdiction to adjudicate the claim.

The Office of superintendent of stamp issued demand of stamp duty of ₹ 43.53 Crs for the transaction of scheme of amalgamation and arrangement in the financial year 2016-17. The Group had filed the appeal before Chief Controlling Revenue Authority - CCRA on 20.12.2016. During current financial year, the Chief Controlling Revenue Authority (CCRA) had issued order for stamp duty levied of ₹ 42.87 Crs. The Group has paid the balance stamp duty as per the Chief Controlling Revenue Authority - CCRA and settled the matter.

In the Case of Subsidiary GSPC Pipavav Power Company Limited.

While granting further extension of Environmental Clearance to GPPC in 2013, Ministry of Environment and Forest (MoEF), Government of India directed to earmark ₹ 11.70 Crs as one-time capital cost towards CSR activities and a recurring expenditure of ₹ 2.34 Crs on annual basis for such activities till the life of the plant. At present, the Management has decided to hold the implementation of MoEF's directives in this regard. The same has been intimated to MoEF from time to time.

Contingent assets

In the Case of Gujarat State Petroleum Corporation Limited

- (a) The consideration received from ONGC towards 80% PI transfer in KG-OSN-2001/3 block had two components i.e. (i) Consideration towards DDW (ii) Advance floor consideration for Other Six Discoveries amounting to USD 995.26 Million(Rs.6295.02 crores) and USD 200 Million(Rs.1265 crores) respectively. The advance consideration received towards Other Six Discoveries is non-refundable. The final consideration for Other Six Discoveries shall be determined based on Field Development Plan (FDP) of Other Six Discoveries prepared by ONGC for submission to Directorate General of Hydrocarbons (DGH). In the scenario, wherein final consideration as per FDP of Other Six Discoveries is assessed at a value higher than USD 200 Million, the advance consideration received by GSPC shall be adjusted against the same and the balance consideration shall be paid to GSPC. In a scenario, wherein final consideration assessed for Other Six Discoveries is less than or equal to USD 200 Million, GSPC shall retain the non-refundable advance consideration already

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received. However, ONGC has already applied for extension in timeline for submission of FDP. Following the principle of conservatism, the Company has not arrived at the valuation of the six discoveries as it is subject to preparation of FDP by ONGC and GSPC & ONGC agreeing to a value as per the valuation parameters adopted for DDW. Hence, at present the receivable on account of six discoveries cannot be reasonably ascertained.

- b) **Guaranteed Gas Price:** The Company has executed Farm-in Farm-out Agreement with ONGC for farm-out of 80% PI in KG Block in FY 2017-18. The agreement involves annual valuation adjustment linked to existing gas prices during the currency of the respective financial year which is carried forward for the tenure of gas sales and purchase agreement between ONGC and GSPC. As per the terms of valuation adjustment clause of agreement, the Company shall be liable to annually adjust valuation i.e. pay any differential amount to ONGC which shall be evaluated based on difference between actual gas prices during the year and agreed prices for the respective financial year for the actual production quantity. The liability is unascertainable due to linkage of adjustment value to actual production during the year along with actual gas prices which is determined as per 6-month trailing market prices of varied mix of alternative fuels/sources of natural gas notified by PPAC. Both these factors cannot be accurately predicted/estimated, thus the valuation adjustment cannot be quantified with certainty. However, the Company has gas sales purchase agreement with ONGC for the entire natural gas produced from KG Block which is forms a component of gas trading pool, which effectively covers the risk of valuation adjustment under FIFO. Further, as on 31st March, 2019 there is an amount Rs.2.42 crores as surplus with the company for valuation adjustment under FIFO.

In the Case of Subsidiary Gujarat State Petronet Limited (Consolidated)

- a) The Group has raised claim of ₹ 43.08 Crs for net credit of natural gas pipeline tariff as per PNGRB Order with one of the suppliers and supplier is disputing Group's claim and indicating for adjusting the partial claim of ₹ 30.72 Crs out of total claim ₹ 43.08 Crs against disputed liability for use of domestic allocated gas other than PNG (Domestic) and CNG segments' against demand in earlier year.
- b) The Group has filed an appeal before the Appellate Tribunal for Electricity (APTEL) against the PNGRB order related to the matter held that the Gas Swapping Arrangement Guidelines of PNGRB is applicable erroneously. APTEL has issued the order in favour of GGL. The said supplier has filed appeal at Hon'ble Supreme Court of India against the order of APTEL. Presently, the matter is pending in Hon'ble Supreme Court of India. Currently, GGL is paying ₹ 42.46 per mmbtu as transmission charges for domestic gas being purchased and delivered by GAIL at one of the delivery points. If verdict is in favour of GGL, GGL will get refund of ₹ 146.66 Crs from December 2013 till March 2019 and the Group shall endeavour to pass on the benefit to its customers.
- c) The Group is having other certain claims, litigations and proceedings which are pursuing through legal processes. The management believe that probable outcome in all such claims, litigations and proceedings are uncertain. Hence, the disclosure of such claims, litigations and proceedings is not required in the financial statements.

Note 36

Capital commitments

Particulars	₹ in crores	
	As at 31 st March, 2019	As at 31 st March, 2018
Estimated Amount of Contracts remaining to be executed on capital accounts and not provided for		
i. In respect of Joint Arrangements	669.94	550.93
ii. In respect of Others	618.38	628.90
Minimum Work Programme committed under various production Sharing Contracts in India and Outside India.		
i. In India	-	-
ii. Outside India	-	-
Investment Commitments	1,725.16	1,824.07
Estimated amount of Contracts remaining on Revenue Accounts	388.68	330.79

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Note 37

Employee Benefits:

A. Defined contribution plans

1. Company's contribution to Provident Fund is Rs. 20.87 Crores (FY 2017-18 - Rs. 18.68 Crores)
2. Company's contribution to Super Annuation fund is Rs. 3.28 Crores (FY 2017-18 Rs. 1.45 Crores)

B. Defined benefit plans

The following table sets out the funded status of the Gratuity and Leave Encashment Plan and the amounts recognized in Group's consolidated financial statements as at 31st March, 2019; 31st March, 2018 as required by Ind AS 19.

Particular	Gratuity (Funded)		Loyalty Bonus (Unfunded)		Leave Encashment (Funded)		Leave Encashment (Unfunded)		PRMBS (Unfunded)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
I Change in obligation during the year ended 31st March, 2019										
1 Liability at the beginning of the year	70.06	61.97	8.78	6.93	12.51	10.10	43.49	40.11	-	-
2 Interest cost	4.36	4.42	0.66	0.51	0.94	0.73	3.26	2.87	0.01	-
3 Current service cost	7.01	6.72	1.06	1.19	0.79	0.76	3.59	3.41	0.04	-
4 Past service cost	4.36	0.88	-	-	-	-	0.04	-	0.71	-
5 Prior Year Charge	-	-	-	-	-	-	-	-	-	-
6 Benefit Paid	(4.61)	(1.85)	(0.10)	-	(2.11)	(0.23)	(3.31)	(2.01)	-	-
7 Actuarial (gain) / Losses	5.23	(2.26)	(0.58)	0.15	0.36	1.15	5.38	(0.88)	-	-
7a Actuarial (gain) / Loss Due to change in financial assumption	0.01	-	-	-	-	-	0.01	-	-	-
8 Transfer in Obligation	(0.01)	0.18	-	-	-	-	0.84	-	-	-
9 Liability at the end of the year	86.42	70.06	9.82	8.78	12.50	12.51	53.31	43.49	0.75	-
II Change in assets during the year ended 31st March, 2019										
1 Plan assets at the beginning of the year	67.17	53.29	-	-	10.21	9.63	-	-	-	-
2 Expected return of plan assets	4.26	3.34	-	-	0.78	0.68	-	-	-	-
3 Contributions	6.72	11.78	-	-	0.83	0.12	-	-	0.60	-
4 Benefit paid	(4.46)	(1.90)	-	-	(2.11)	(0.23)	-	-	-	-
6 Actuarial gain / (Loss)	(0.84)	(0.18)	-	-	(0.08)	-	-	-	-	-
7 Return on plan Assets exd interest income	1.05	0.70	-	-	-	-	-	-	-	-
8 Transfer in/(out) plan assets	(0.01)	0.14	-	-	-	-	-	-	-	-
9 Plan assets at the end of the year	73.89	67.17	-	-	9.63	10.21	-	-	0.60	-
10 Total Actuarial Gain/(Loss) To Be Recognized	(6.06)	2.08	0.58	(0.15)	(0.44)	(1.15)	(5.38)	0.88	-	-
III Actual Return on plan assets										
1 Expected return of plan assets	4.26	3.34	-	-	0.78	0.68	-	-	-	-
2 Actuarial gain / (loss)	(0.84)	(0.18)	-	-	(0.08)	-	-	-	-	-
3 Actual return on plan assets	3.43	3.16	-	-	0.70	0.68	-	-	-	-
IV Net asset / (liability) recognized in the Balance Sheet as at 31st March, 2019										
1 Liability at the end of the year	86.42	70.06	9.82	8.78	12.50	12.51	53.31	43.49	0.75	-
2 Plan assets at the end of the year	73.89	67.17	-	-	9.63	10.21	-	-	0.60	-
3 Amount recognized in the Balance Sheet (Pre paid)	12.53	2.89	9.82	8.78	2.87	2.31	53.31	43.49	0.16	-

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Particular	₹ in crores)							
	Gratuity (Funded)		Loyalty Bonus (Unfunded)		Leave Encashment (Unfunded)		PRMBS (Unfunded)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
V Expenses recognized in the statement of profit & loss account for the year ended 31st March, 2019								
1 Current service cost	7.01	6.72	1.06	1.19	0.79	0.76	3.59	3.41
2 Interest cost	4.36	4.42	0.66	0.51	0.94	0.73	3.26	2.87
3 Expected return on plan assets	(4.26)	(3.34)	-	-	(0.78)	(0.68)	-	-
4 Actuarial (gain) / Losses	6.06	(2.08)	(0.58)	0.15	0.44	1.15	5.38	(0.88)
5 Benefits Paid	-	-	(0.10)	-	-	-	-	-
6 Transfer in Obligation(net)	-	0.04	-	-	-	-	0.84	-
7 Past service cost	4.36	0.88	-	-	-	-	0.04	-
8 Total expenses	17.53	6.64	1.04	1.85	1.39	1.97	13.12	5.40
VI Balance Sheet reconciliation								
1 Opening net liability	2.89	8.68	8.78	6.93	2.31	0.47	43.49	40.11
2 Expenses as above	17.53	6.64	1.04	1.85	1.39	1.97	13.12	5.40
3 Employer contribution	(6.72)	(11.78)	-	-	(0.83)	(0.12)	-	-
4 Amount Recognized in Other Comprehensive Income	0.22	(1.15)	-	-	0.23	1.17	-	-
5 Benefits Paid	(0.15)	0.05	-	-	-	-	(3.31)	(2.01)
6 Amount recognized in the Balance Sheet	13.78	2.45	9.82	8.78	3.10	3.48	53.30	43.49
7 Expected contribution during next 12 months	9.44	0.13	0.21	0.31	0.60	0.69	1.36	1.50
VII Actuarial Assumptions								
1 Discount Rate	7.55%-7.60%	7.60%-7.7%	7.60%	7.65%	7.60%	7.65%-7.70%	7.55%-7.60%	7.6%-7.70%
2 Rate of return on plan assets	7.55%-7.60%	7.60%-7.7%	-	-	6.98%-7.6%	7.65%-7.70%	-	-
3 Salary Escalation	7% to 10%	7.00%-9.5%	7.00%	7.00%	7.00%	7.00%	7% to 10.0%	7.00%-9.50%
4 Withdrawal Rate	1% to 5%	1% to 5%	1% to 5%	1% to 5%	1% to 5%	1% to 5%	-	-
5 Medical Inflation rate	-	-	-	-	-	-	-	-
Sensitivity %								
Discount rate varied by 0.5%								
Increase +5%	90.75	74.42	9.21	8.21	11.72	11.72	49.84	40.72
Decrease -5%	102.25	83.72	10.49	9.41	13.32	13.38	57.14	46.54
Salary growth rate varied by 0.5%								
Increase +5%	101.80	83.14	10.43	9.35	13.32	13.38	57.06	46.49
Decrease -5%	91.12	74.85	9.26	8.25	11.72	11.71	49.87	40.75
Withdrawal Rate								
Increase + 10%	41.06	32.21	9.78	8.73	12.51	12.54	13.63	10.34
Decrease - 10%	40.89	31.92	9.87	8.83	12.47	12.49	13.58	10.30
Medical Inflation Rate – (0.5% PY NA)								
Increase	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-
							0.68	0.68
							0.82	0.83
							0.73	0.76
							0.83	0.68
							4.00%	4.00%

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Notes

- a. **Investment details** The funded liabilities are managed by LIC and as per the bifurcation provided for planned assets, 100% investment as on 31st March 2019 (100% as on 31st March 2018) is made in Special deposit Scheme. The plans expose the Group to a number of actuarial risks such as Actuarial risk, investment risk, legislative risk, market risk and liquidity risk.

In the Case of Subsidiary Gujarat State Petronet Limited (Consolidated)

Composition of the plan assets	2018-19			2017-18		
	Gratuity	Leave Salary	PRMBS	Gratuity	Leave Salary	PRMBS
Policy of insurance	99.77%-100%	NA	NA	99.85%-100%	NA	-
Bank balance	0.20%	NA	100%	0.12%	NA	-
Others	0%	NA	100%	0%	NA	-

In the Case of Subsidiary Guj Info Petro Limited

The employee's gratuity fund scheme managed by a Trust is defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service to build up the final obligation.

b. Asset-liability matching strategies:

For the gratuity & leave encashment which are funded, Company is expecting to contribute the amount which can mitigate future liability. The estimate of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market. The above information is certified by the actuary. Gratuity and Leave Encashment is administered through duly constituted and approved independent trusts, also through Group gratuity / leave encashment scheme with Life Insurance Corporation of India.

Other notes:

The Group has provided long service award benefits to its employees who completed 15/20/25 Years of employment with the Group. Accordingly, the Group has provided ₹ 0.81 Cr (Previous year ₹ 0.83 Cr) on account of Long service award benefit. Current Liability as at 31st March 2019 is ₹ 0.08 Cr (Previous year ₹ 0.13 Cr) and Non- Current Liability is ₹ 0.73 Cr (Previous year ₹ 0.70 Cr). Discount rate considered for current year is 7.55% (previous year 7.65%).

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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Note 38

Joint Operations (un incorporated Jont arrangements)

The group has entered into Production Sharing Contracts (PSCs) / Agreements in consortium with various Private/Public Sector & Foreign Companies as stated below with the Ministry of Petroleum & Natural Gas (Government of India), for exploration of oil and gas in the following fields. The group has also entered into Production Sharing Agreements (PSAs)/Work Permits overseas relating to Oil & Gas/ Exploration Areas blocks along with various companies. Pursuant to the PSCs, Joint Operations {unincorporated Joint arrangements (JVs)} have been formed to undertake necessary economic activities for production of Oil and Gas by entering into a Joint Operating Agreement with them. The details are stated below:

I Blocks/Fields currently under exploraiton, development and production

Sr No	Joint arrangements/PSCs	GSPC's PI	Operatorship/Other Partners	PI	
A	Non Operated JVs				
1	Hazira	66.67%(66.67%)	Sun Petrochemicals Private Limited (Operator)	33.33%	
2	Bhandut	60%(60%)	Oilex NL Holdings (India) Ltd (Operator)	40%	
3	Cambay	55%(55%)	Oilex NL (Operator)	30%	
			Oilex NL Holdings (India) Ltd	15%	
4	Asjol	50%(50%)	Hindustan Oil and Exploration Company Limited (Operator)	50%	
5	Palej	50%(50%)	Exploration		
			Hindustan Oil and Exploration Company Limited (Operator)	50%	
			35% (35%)	Development	
			Hindustan Oil and Exploration Company Limited (Operator)	35%	
6	North Balol	45% (45%)	Hindustan Oil and Exploration Company Limited (Operator)	25%	
			GNRL Oil & Gas Limited (Operator) (Formerly Heramec ltd.)	30%	
7	Dholasan	70% (70%)	GNRL Oil & Gas Limited (Operator) (Formerly as Heramec ltd.)	30%	
8	North Kathana	70% (70%)	GNRL Oil & Gas Limited (Operator) (Formerly Heramec ltd.)	30%	
9	Kanawara	70% (70%)	GNRL Oil & Gas Limited (Operator) (Formerly Heramec ltd.)	30%	
10	Allora	70% (70%)	GNRL Oil & Gas Limited (Operator) (Formerly Heramec ltd.)	30%	
11	CB-ONN-2004/1	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%	
12	CB-ONN-2004/2	45% (45%)	Oil and Natural Gas Corporation Limited (Operator)	55%	
13	CB-ONN-2004/3	35% (35%)	Oil and Natural Gas Corporation Limited (Operator)	65%	
14	MB-OSN-2005/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%	
15	GK-OSN-2009/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	40%	
			Indian Oil Corporation Limited	20%	
			Adani Welspun Exploration Ltd	20%	
16	KG-OSN-2001/3(Refer Note a)	10% (10%)	JODPL Pvt. Limited	10%	
			Oil and Natural Gas Corporation Ltd.	80%	
B	GSPC-Operated				
17a	Tarapur	80% (80%)	Geo Global Resources (Barbados) Inc.	20%	
			Development:		
			56% (56%)	Geo Global Resources (Barbados) Inc.	14%
			Oil and Natural Gas Corporation Limited	30%	
17b	Tarapur - Extension phase	80% (80%)	Geo Global Resources (Barbados) Inc.	20%	
18	Unawa	70% (70%)	GNRL Oil & Gas Limited (Formerly Heramec ltd.)	30%	
19a	CB-ONN-2000/1 (Ahmedabad)	50% (50%)	GAIL (India) Ltd	50%	
19b	CB-ONN-2000/1 - (Extension phase) (Refer Note h)	50% (50%)	GAIL (India) Ltd	50%	
20	CB-ONN-2002/3 (Sanand) (Refer Note h)	55% (55%)	Jubilant Oil & Gas Private Limited	20%	
			Hindustan Petroleum Corporation Limited	15%	
			Geo Global Resources (Barbados) Inc.	10%	

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Sr No	Joint arrangements/PSCs	GSPC's PI	Operatorship/Other Partners	PI
21	CB-ONN-2003/2 (Ankleshwar)	75% (62.50%)	Exploration	
			GAIL (India) Ltd	25%
			Geo Global Resources (Barbados) Inc.	12.5%
		50%(50%)	Development & Production:	
			GAIL (India) Ltd	20%
			Jubilant Capital Private Limited	20%
	Geo Global Resources (Barbados) Inc.	10%		

*PI - Participating Interest

** Figures in bracket indicate previous year figures. There is no change in previous year figures unless otherwise stated.

II Blocks/Fields proposed to be surrendered

Sr No	Joint arrangements/PSCs	GSPC's PI	Operatorship/Other Partners	PI
A	Non Operated JVs			
1	MB-OSN-2000/1 (Mumbai) (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	75%
			Indian Oil Corporation Limited	15%
2	MB-DWN-2000/2 (Mumbai)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			Indian Oil Corporation Limited	15%
			GAIL (India) Ltd	15%
			Oil India Lt.	10%
3	CB-ONN-2002/2 (Mehsana) (Refer Note c)	60% (60%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			Geo Global Resources (Barbados) Inc.	10%
4	CY-ONN-2002/1(Cavery) (Refer Note c)	20% (20%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			GAIL (India) Ltd	50%
5	BS(3)-CBM-2003/II (Refer Note c)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
6	CY-DWN-2004/1(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
7	CY-DWN-2004/2(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
8	CY-DWN-2004/4 (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
9*	CY-PR-DWN-2004/2 (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
10*	KG-DWN-2004/1(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
11*	KG-DWN-2004/2(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
12*	KG-DWN-2004/3 (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%

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Sr No	Joint arrangements/PSCs	GSPC's PI	Operatorship/Other Partners	PI
13*	KG-DWN-2004/5(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
			Oil India Limited	10%
14	KG-DWN-2004/6(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			Oil India Limited	10%
15*	MB-OSN-2004/2(Refer Note c)	20% (20%)	Petrogas E&P LLC(Operator)	20%
			GAIL (India) Ltd	20%
			Hindustan Petroleum Corporation Limited	20%
			Indian Oil Corporation Limited	20%
16	CB-ONN-2004/4(Refer Note c)	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%
17	RJ-ONN-2004/1 (Refer Note c)	22.225%(22.225%)	GAIL (India) Ltd (Operator)	22.225%
			Hindustan Petroleum Corporation Limited	22.22%
			BPCL	11.11%
			Hallworthy Shipping Ltd. SA	11.11%
			Nitin Fire Protection Industries Ltd.	11.11%
18 *	KG-OSN-2005/1(Refer Note c)	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			HPCL - Mittal Energy Ltd.	20%
19	KG-DWN-2005/1(Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			Indian Oil Corporation Limited	20%
20	CY-ONN-2005/1	30% (30%)	GAIL (India) Ltd (Operator)	40%
			Bengal Energy Inc.	30%
21	KK-DWN-2005/2	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	90%
22	AN-DWN-2009/5(Refer Note e)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	100%
23	AN-DWN-2009/13(Refer Note e)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	80%
			GAIL (India) Ltd	10%
			NTPC Ltd	10%
24	AA-ONN-2003/1(Assam) (Refer Note c)	20% (20%)	Jubilant oil & Gas Pvt Limited (Operator)	10%
			Jubilant Securities Pvt. Ltd.	35%
			GAIL (India) Ltd	35%
25	CY-DWN-2004/3 (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
26	CY-PR-DWN-2004/1 (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
27	MB-OSN-2005/5 (Refer Note c)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
28	MB-OSN-2005/6 (Refer Note c)	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%
29	CB-ONN-2005/4 (Refer Note c)	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
30	CB-ONN-2005/10 (Refer Note c)	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
31	CB-ONN-2009/4 (Refer Note b)	50% (50%)	Oil and Natural Gas Corporation Limited (Operator)	50%
32*	Sabarmati	60% (60%)	Oilex NL Holdings (India) Ltd (Operator)	40%

* Blocks CY-PR-DWN-2004/2, KG-DWN-2004/1,KG-DWN-2004/2,KG-DWN-2004/3,KG-DWN-2004/5,Sabarmati,KG-OSN-2005/1 & MB-OSN-2004/2 have received the approval from MOPN&G for surrender

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Sr No	Joint arrangements/PSCs	GSPC's PI	Operatorship/Other Partners	PI
B	GSPC - Operated			
33	South Diyur (Egypt) (Refer Note d)	80% (80%)	Alkor Petro Ltd	20%
34	North Hap'y (Egypt)(Refer Note d)	80% (80%)	Petrogas E&P LLC	20%
35	MB-OSN-2004/1(Refer Note c)	20% (20%)	GAIL (India) Ltd	20%
			Hindustan Petroleum Corporation Limited	20%
			Indian Oil Corporation Limited	20%
			Western Drilling Contractors Pvt. Ltd.	20%
36	Block No 19 (Yemen)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
37	Block No 28 (Yemen)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
38	Block No 57 (Yemen)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
39	South Gulf of Suez (Egypt) (Refer Note d)	60% (60%)	Adani Welspun Exploration Ltd	40%
40	KG-ONN-2004/2	40% (40%)	GAIL (India) Ltd	40%
			Petrogas E&P LLC	20%
41	RJ-ONN-2005/3	60% (60%)	Oil and Natural Gas Corporation Limited	40%
42	Timor - JPDA 06/103	20%(20%)	Oilex (JPDA06/103) Ltd (Operator)	10%
			Videocon JPDA 06-103 Limited	20%
			Bharat Petro Resources JPDA Ltd	20%
			Japan Energy Corporation	15%
			Pan Pacific Petroleum NL	15%
43	South East Tungal (Indonesia) (Refer Note d)	50.50%(50.50%)	Essar Oil Ltd	49.50%

Notes

- The group's Participating Interest (80% PI) in KG-OSN-2001/3 has been farmed out to Oil and Natural Gas Corporation (ONGC) through a Farm-in/Farm-out Agreement which was executed on 10th March 2017. The agreed valuation for the transaction is USD 995.26 Million towards KG-Deen Dayal West (DDW) area and USD 200 Million as an advance consideration towards the Other Six Discoveries areas. The consideration towards DDW Field is further subject to adjustment based on gas price while the consideration towards Other Six Discoveries is subject to additional payment by ONGC upon valuation of these discoveries to be carried out upon submission of FDP. The group had declared Commercial Operation Date (COD) w.e.f. 1st April, 2016. As per the agreement, the economic date of transfer for asset i.e. 80% Participating Interest of GSPC is 23:59 hours 31st March 2017. The closure for the transaction has been achieved on 4th August 2017. In August 2002, the group had entered into Carried Interest Agreement (CIA) with Geo Global Resources (India) Inc (GGR), under which the group granted GGR 10.0% carried interest in the KG-OSN-2001/3 block. The group had incurred Rs.1,856.83 Crore on GGR's behalf until 31st March 2017. While GSPC and GGR were at difference of opinions as to obligations under the carried interest agreement, in April 2017, the group has entered into a Deed of Assignment & Assumption of Participating Interest with GGR vide which GGR has surrendered and assigned its 10% Participating Interest in KG-OSN-2001/3 Block to the group. Thus, the group shall hold 10% PI in KG-OSN-2001/3 Block.
- During FY 2017-18 the group along with its Joint arrangement partners have recommended block CB-ONN-2009/4 to be surrendered to Government of India. Accordingly a total exploration cost of Rs.33.04 crores have been written off during FY 2017-18.
- The group along with its Joint arrangement partners have recommended block MB-OSN-2000/1, MB-DWN-2000/2 (Mumbai), CY-ONN-2002/1 (Cauvery), CB-ONN-2002/2, MB-OSN-2004/1, MB-OSN-2004/2, KG-DWN-2004/1, KG-DWN-2004/2, KG-DWN-2004/3, KG-DWN-2004/5, KG-DWN-2004/6, CY-DWN-2004/1, CY-DWN-2004/2, CY-DWN-2004/4, CY-PR-DWN-2004/2, CB-ONN-2004/4, RJ-ONN-2004/1, BS (3)-CBM-2003/II, KG OSN 2005/1, KG DWN 2005/1, KK DWN 2005/2, KG ONN 2004/2, RJ ONN 2005/3, AA-ONN-2003/1, CY-DWN-2004/3, CY-PR-DWN-2004/1, MB-OSN-2005/5, MB-OSN-2005/6, CB-ONN-2005/10 and CB-ONN-2005/4 to be surrendered to Government of India/Appropriate Authorities in earlier periods.
- The group along with its Joint arrangement partners has decided to withdraw from North Ha'py (Egypt) block, South Diyur (Egypt), South Gulf of Suez (Egypt) and South East Tungal Indonesia blocks in earlier years.
- During FY 2013-14 the group has decided to surrender and assign its 10% PI in two ONGC operated blocks namely AN-DWN-2009/5 and AN-DWN-2009/13 block to ONGC w.e.f. 1st April, 2013.
- JPDA-06-103 block is being operated through a Special Purpose Vehicle (SPV) i.e. GSPC JPDA Ltd a 100% subsidiary of the company as per the terms of the PSC.

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- g. During the financial year 2012-13 the group along with its JV partners have recommended to surrender the three blocks by invoking the termination provision of the PSAs on account of continuation of force majeure events for more than six months. Vide letter dated 13th February, 2013, GSPC led consortium has terminated Production Sharing Agreements (PSAs) for 3 blocks awarded in Republic of Yemen (RoY). PSAs have been terminated on the ground of existence of force majeure event. The Consortium had initiated the arbitration proceedings under the PSAs before the International Chamber of Commerce (ICC), Paris and in the interim stage, obtained order Republic of Yemen not to take steps invoking SBLCs, while Consortium has been directed to extend the validity of SBLCs. Detailed pleadings were filed by both the parties and the final hearing was held from 8-12th September 2014 at the ICC hearing center in Paris. After the final hearing was concluded both the parties had submitted Post Hearing Briefs before the Arbitral Tribunal. Subsequently upon completion of the arbitration proceedings, the final award has been passed by the Arbitral Tribunal on 10 July 2015. The Arbitral Award inter alia: - Declared that the three Production Sharing Agreements (Blocks 19, 28, and 57) have been validly terminated by GSPC Consortium; - Declared that the Republic of Yemen and/or the Yemeni Ministry of Oil and Minerals were and are not entitled under the Production Sharing Agreements to draw on the related Standby Letters of Credits (US\$ 42 million i.e. ~Rs.273.18 crores) issued in their favor by the International Bank of Yemen; - Arbitral Tribunal has awarded costs of approx. USD 3.79 million (~Rs.24.65 crores) in favour of GSPC Consortium. The Said Arbitral Award has been challenged by the Yemen Government by filing Annulment Proceedings in Court Of Appeal at Paris. GSPC Consortium has filed the response to the Annulment Proceedings filed by Yemen Government. The hearing for the matter took place on February 28, 2017. The Annulment Proceedings have also been held in favour of GSPC Consortium by the Paris Court. GSPC consortium is taking steps for enforcement of award. the matter is sub-judice.
- h. During the FY2017-18 GSPC Operated Sanand Block and CB-ONN-2000/1(RFPSC) has received approval for commercial production.
- i. Of the above, 18 fields/blocks are in production, namely Hazira, Bhandut, Cambay, Asjol, Unawa, North Balol, CB-ON/7 (Palej), Dholasan, North Kathana, Kanawara, Allora, CB-ONN-2000/1 (Ahmedabad), Tarapur, CB-ONN-2003/2 (Ankleshwar), KG-OSN-2001/3, CB-ONN-2000/1(RFPSC), Sanand Miroli, CB-ONN-2004/1 and CB-ONN-2004/2 block. Net quantity of group's interest (on gross basis) in proved developed reserves is as follows:

Particulars	Proved Reserves (Oil) (Million MT)*	Proved Reserves (Gas) (Million Cubic Meter)*
Opening Balance for the year ended on 1st April, 2018	0.20	4,107.56
	(0.44)	(40,573.60)
Additions	-	-
	(0.03)	-
** Adjustments on account of change in Reserve estimate	0.16	82.67
	(0.24)	(-103.02)
Deletions		
	-	(36,341.23)
Production	0.03	34.63
	(0.03)	(21.79)
Closing Balance for the year ended on 31st March, 2019	0.33	4,155.60
	(0.20)	(4,107.56)

*Figures in brackets relate to period ended 31st March, 2018

The group's share of reserve has been considered on the basis of the "Reserve" certification provided by Gujarat Energy Research & Management Institute (GERMI) as on 31st March, 2019 and accordingly the proved reserves as on 31st March, 2019 has been worked based on the reserve estimates certified by GERMI and only includes the blocks which are in production.

** Adjustments reflects change in current reserve estimation and earlier reserve estimation based on proved reserves.

- j. The financial statements of the group reflect its share of Assets, Liabilities, Income and Expenditure of the Joint arrangement operations which are accounted on a line to line basis with similar items in the group's accounts to the extent of participating interest of the group as per the various joint arrangement agreements, in compliance of Ind AS-111. The income and expenditure from Joint arrangements are disclosed separately in the Statement of Profit and Loss. The summary of the group's share in Assets & Liabilities of Joint arrangements are as follow: (₹ in crores)

Particulars	As at	As at
	31 st March, 2019	31 st March, 2018
Fixed Assets		
Gross Block	4,466.87	4,433.15
CWIP*	1,587.74	1,579.31
Current Assets	196.53	97.18
Current Liabilities and Provisions	345.90	99.36
Contingent Liabilities	200.65	197.77

*includes stores & spares

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- k. The Statement of Profit and Loss of the group includes its share in Profit or Loss pertaining to the respective Joint arrangements. The summary of Statement of Profit and Loss for the year ended 31st March 2019 is given as under:

Particulars	(₹ in crores)	
	GSPC's Share As at	
	31 st March, 2019 GSPC's Share	31 st March, 2018 GSPC's Share
Income		
Sale of Crude Oil	74.12	76.30
Sale of Gas	33.88	39.50
Increase/(Decrease) in Stock*	(0.53)	(1.87)
Other Income	8.07	4.80
Total	115.54	118.73
Expenditure		
Production Expenses	68.98	48.21
Duties & Taxes	9.10	6.36
Administrative exps.	14.25	19.60
Total Expenditure before Depreciation	92.33	74.17
Profit before depreciation	23.21	44.56

*It includes increase/ (decrease) in stock of crude oil of Hazira Field amounting to Rs.2.68 crore (PY Rs.0.02 crore). The same is not considered in closing stock of crude oil, in line with Joint arrangement's accounting policy.

- l. In FY 2017-18 GSPC and HOEC has submitted the proposal for CB-ON/7 Ring Fenced PSC (RFPSC) to MOPNG which is pending requisite approval. However, GSPC has already paid the requisite amount of USD 1.275 Million (Rs.8.17 Crores) as per the guidelines of MOPNG for signing of CB-ON/7 RFPSC.

Note 39

In the year 1998-99, the Hazira joint Arrangement started the construction of 36" pipeline with a view to evacuate the natural gas production expected from the new Land Based Drilling Platform to major industrial customers lying on the 14 km stretch from Hazira to Mora. The joint Arrangement pursued the Management Committee for approval of the laying of the pipeline and shifting of the delivery point (since no delivery point was defined for natural gas in Hazira PSC), to which DGH/ Government of India ('GoI') did not agree for several reasons including but not limited to the reserves, size of the pipeline etc. In the year 1999-2000, the Company sold this pipeline to its subsidiary company, Gujarat State Petronet Limited (GSPL) for a consideration of Rs.49.50 Crores on as is where is basis. However the joint Arrangement partner M/s. Niko Resources initiated arbitration proceedings against the company and GoI for seeking cost recovery of the said 36" pipeline and settlement of the dispute under PSC. Arbitral Tribunal has passed its award dated 23rd December, 2009. As per the Arbitration Award, the pipelines forms part of the development plan of the joint Arrangement and 'cost recovery' status is applicable to it as per PSC. It is further directed in the Award that the investment multiple ratio and the accounting of profit petroleum be revised with retrospective effect.

The impact of the arbitration award has been given in the audited joint Arrangement accounts for the year ended 31-March-2010 as under:

Particulars	Corresponding effect on	(₹ in crores)
		Amount
Pipeline Revenue	Sundry debtors	137.97
Profit Petroleum to MOP&NG (reversal)	Advances recoverable in cash or kind or value to be received	93.44
Plant & machinery (incurred by joint Arrangement)	Producing properties in progress	25.71
Plant & machinery (additionally incurred by GSPCL)	Other liabilities	70.35
Pipeline expenses (direct & indirect operating expenses)	Other liabilities	65.74

The above mentioned impact of the award is based on the computation performed by the operator M/s Niko Resources. Moreover as per the Arbitration Award, GoI is liable to pay interest at the rate of 9% p.a on the amount of profit petroleum refundable to joint Arrangement from 31/3/2003 till date of payment. The above figures with respect to 36" pipeline for the year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19 have not been updated. Subsequently, the arbitration award has been challenged by the Government of India under Section 34 of the Arbitration and Conciliation Act, 1994 before the Delhi High Court. The High Court of Delhi has set aside the Arbitration Award vide its Order and Judgment dated July 2, 2012 resulting into cost-recovery in respect of the pipeline being disallowed. However, NIKO has preferred a further appeal u/s 37 of the Arbitration and Conciliation Act, 1994 before the division bench of the Delhi High Court. NIKO had also prayed for stay on the Judgment of Single Judge of Delhi High Court however no such stay has been granted. Accordingly, the issue of cost recovery for the pipeline is still sub-judice. Further, the Arbitral Award is still not final in terms of Section 36 of the Arbitration and Conciliation Act, 1994 and in view of the same, the Company has not considered the Arbitration Award and directions under the same as aforesaid while consolidating the Joint Arrangement accounts on a line by line basis.

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Note 40
Segment Information

1. **Description of segment and principal activities** The Company's Board of Directors monitors the operating results of the below business segments separately for the purpose of making decisions about resource allocation and performance assessment and has identified three reportable segments of its business:

- Exploration and production (E&P)** : Company is engaged in oil and gas exploration and production operations
- Gas Trading** : Company is engaged in the procurement of gas from international market to meet the demand of gas across Gujarat.
- Wind power** : Generation of electricity through windmills.
- Gas Transmission** : Group is engaged in transmission of natural gas across Gujarat.
- City Gas Distribution** : Group is engaged in CNG, PNG & Industrial Gas supply across Gujarat.
- Internet & IT** : Group is engaged in providing IT related services.

2. **Segment revenue and expenses**
Revenue and Expenses have been identified to a segment on the basis of operating activities of the segment. Revenue and Expenses which relate to common activities and are not allocable to segment on reasonable basis have been disclosed as "Unallocable".

3. **Segment assets and liabilities**

Segment assets include all operating assets in respective segments comprising of net fixed assets, Capital Work in Progress, current assets, loans and advances. Segment liabilities include operating liabilities and provisions excluding borrowings and deferred tax liabilities.

4. **Information about geographical areas**

All non-current operating assets of the company are held within India and whole revenue generated from external customers are related to indian geography.

5. **Information about product and services**

The Company's revenue from external customers for each product is same as that disclosed below under "segment revenue".

Particulars	As at 31 st March, 2019						As at 31 st March, 2018									
	E & P	Gas Trading	Gas Transportation	Pwer Generation	City Gas Distribution	IT	Un-allocated	Total	E & P	Gas Trading	Gas Transportation	Pwer Generation	City Gas Distribution	IT	Un-allocated	Total
A. Segment revenue																
External sales*	108.00	15,050.27	1,850.80	717.85	7,962.48	16.06	-	25,705.46	115.80	10,562.33	1,321.86	491.77	6,339.35	12.57	-	18,843.68
Inter segment sales	(18.93)	(6,118.64)	(451.49)	(0.00)	(2.13)	(2.13)	-	(6,591.19)	(24.66)	(3,856.84)	(365.46)	0.00	-	(0.11)	(0.01)	(4,247.09)
Total segment revenue	89.07	8,931.63	1,399.31	717.85	7,962.48	13.93	-	19,114.27	91.14	6,705.49	956.40	491.77	6,339.35	12.46	(0.01)	14,596.60
B. Segment results																
Segment results																
Profit(+)/ loss(-)	15.14	1,170.04	1,457.92	326.52	307.66	2.30	856.19	3,279.58	39.61	851.40	1,233.88	36.46	217.99	1.95	-	2,381.29
Unallocated expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,167.45	1,167.45
Operating Profit	15.14	1,170.04	1,457.92	326.52	307.66	2.30	856.19	4,135.77	39.61	851.40	1,233.88	36.46	217.99	1.95	1,167.45	3,548.74
Interest/ dividend Income	-	4.85	-	-	-	2.32	156.24	163.41	-	-	-	-	-	-	116.94	116.94
Other income	8.07	36.74	-	2.28	-	0.11	(9.61)	37.59	-	58.45	-	-	-	19.02	19.02	77.47
Interest Expenses	-	-	-	-	-	(1,229.77)	(1,229.77)	(1,229.77)	(189.45)	-	-	(158.84)	(271.82)	(0.31)	(2,032.28)	(2,032.28)
Depreciation	(152.06)	-	(179.98)	(156.45)	(288.01)	(0.53)	(2.96)	(779.99)	(189.45)	-	(175.04)	(158.84)	(271.82)	(0.31)	(2,97)	(798.43)
Share of profit /loss from Associates & JV	-	-	-	-	-	-	56.85	56.85	-	-	-	-	-	-	67.74	67.74
Provision for taxation	-	-	-	-	-	-	(605.08)	(605.08)	-	-	-	-	-	-	(533.01)	(533.01)
Profit/Loss from ordinary Activities	(128.85)	1,211.63	1,277.94	172.35	19.65	4.20	(778.15)	1,778.77	(149.84)	909.85	1,058.84	(122.38)	(53.83)	1.64	(1,197.11)	447.17
Impairment Recognised	(429.92)	-	-	-	-	-	-	(429.92)	(221.60)	-	-	-	-	-	-	(221.60)
Impairment Reversed	193.41	-	-	-	-	-	193.41	193.41	-	-	-	-	-	-	-	-
Other Exceptional item	93.79	-	-	-	-	-	(17.87)	75.92	(491.33)	-	-	-	-	-	-	(491.33)
Net profit/(loss)	(271.57)	1,211.63	1,277.94	172.35	19.65	4.20	(796.02)	1,618.18	(862.77)	909.85	1,058.84	(122.38)	(53.83)	1.47	(1,196.94)	(265.76)

(Rs. in Crores)

Particulars	As at 31 st March, 2019						As at 31 st March, 2018									
	E & P	Gas Trading	Gas Transportation	Pwer Generation	City Gas Distribution	IT	Un-allocated	Total	E & P	Gas Trading	Gas Transportation	Pwer Generation	City Gas Distribution	IT	Un-allocated	Total
C. Segment assets																
Segment assets	2,870.74	834.71	5,303.92	2,219.04	7,157.53	62.24		18,448.18	4,720.19	696.36	5,300.86	2,436.72	6,661.78	59.92		19,875.83
Unallocated Assets							1,832.21	1,832.21							846.30	846.30
Total Assets	2,870.74	834.71	5,303.92	2,219.04			1,832.21	20,280.39	4,720.19	696.36	5,300.86	2,436.72			846.30	20,722.13
D. Segment Liabilities																
Segment Liabilities	793.54	166.56	317.34	1,461.11	1,629.34	10.07		4,377.96	482.42	525.47	327.24	1,631.45	1,401.15	10.61		4,378.34
Unallocated Liabilities							13,591.93	13,591.93							21,612.45	21,612.45
Total Liabilities	793.54	166.56	317.34	1,461.11			13,591.93	17,969.89	482.42	525.47	327.24	1,631.45			21,612.45	25,990.79
E. Other information																
Capital Expenditure	8.66	-	216.46	3.67	537.59	-	1.62	768.00	138.24	-	289.49	3.05	455.49	-	4.87	891.14
-	-	(10.24)	-	(47.55)	-	-	-	-	-	(7.17)	-	(9.55)	-	-	-	-
Depreciation	152.06	-	179.98	156.45	288.01	0.53	2.73	779.76	189.45	-	175.04	158.84	271.82	0.31	2.97	798.43
Impairment Recognised	(429.92)	-	-	-	-	-	-	(429.92)	(221.60)	-	-	-	-	-	-	(221.60)
Impairment Reversed	193.41	-	-	-	-	-	-	193.41	-	-	-	-	-	-	-	-
Non Cash Expenses other than Depreciation	(93.79)	-	-	8.16	-	0.46	1.00	(84.17)	(491.33)	-	-	6.93	-	-	-	(484.40)

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Note 41

RELATED PARTY TRANSACTIONS

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Company are as follows.

A. Associates/Joint Ventures

Name of the entity	Type
Gujarat State Energy Generation Limited	Associates
Sabarmati Gas Limited	Joint Ventures
GSPL India Gasnet Limited	Joint Ventures
GSPL India Transco Limited	Joint Ventures
Alcock Ashdown (Gujarat) Limited	Associates

B. Key Managerial Personnel:

Name of Key Managerial Personnels:	F.Y.2018-19		F.Y.2017-18	
	From Date	To Date	From Date	To Date
Shri Dr. J.N. Singh, IAS (Chairman & Managing Director)	1-Apr-18	11-Jul-18	1-Apr-17	31-Mar-18
Shri Dr. J.N. Singh, IAS (Chairman)	12-Jul-18	31-Mar-19	-	-
Shri T. Natarajan, IAS (Joint Managing Director)	1-Apr-18	11-Jul-18	1-Apr-17	31-Mar-18
Shri T. Natarajan, IAS (Managing Director)	12-Jul-18	31-Mar-19	-	-
Shri Anil Mukim, IAS (Director)	-	-	1-Apr-17	7-Mar-18
Shri Sujit Gulati, IAS (Director)	1-Apr-18	16-Jul-18	1-Apr-17	31-Mar-18
Dr. Manjula Subramaniam, IAS (Retd.) (Woman Independent Director)	1-Apr-18	31-Mar-19	1-Apr-17	31-Mar-18
Shri Arvind Agarwal, IAS (Director)	12-Jun-18	31-Mar-19	-	-
Shri Raj Gopal, IAS (Director)	8-Aug-18	1-Feb-19	-	-
Shri M. M. Srivastava, IAS (Retd.) (Director)	1-Apr-18	31-Mar-19	1-Apr-17	31-Mar-18
Shri K. Kailashnathan, IAS (Retd.) (Director)	1-Apr-18	31-Mar-19	1-Apr-17	31-Mar-18
Dr. N. Ravichandaran (Independent Director)	1-Apr-18	31-Mar-19	1-Apr-17	31-Mar-18
Prof. Yogesh Singh (Independent Director)	1-Apr-18	31-Mar-19	1-Apr-17	31-Mar-18
Dr. Ravindra Dholakia (Independent Director)	1-Apr-18	31-Mar-19	1-Apr-17	31-Mar-18
Shri Rajesh Sivadasan (CFO)	1-Apr-18	31-Mar-19	10-Nov-17	31-Mar-18
Shri Gopal Srinivasan (CFO)	-	-	1-Apr-17	31-May-17
Shri Sandeep Dave (Company Secretary)	1-Apr-18	31-Mar-19	1-Apr-17	31-Mar-18

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C. Related party disclosure
Transactions during the year with related parties:

(₹ in crores)

Nature of Transaction	Associates		Joint Ventures		KMP		TOTAL	
	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018
Income:								
Sale of LNG								
Sabarmati Gas Limited	-	-	-	-	-	-	404.44	294.90
Gujarat State Energy Generation Limited	123.02	84.70	281.41	210.20	-	-	281.41	210.20
	123.02	84.70	281.41	210.20	-	-	123.02	84.70
Regasification Income								
Gujarat State Energy Generation Limited	9.24	-	-	-	-	-	9.24	-
	9.24	-	-	-	-	-	9.24	-
Connectivity Charges Received								
Sabarmati Gas Limited	-	-	1.45	1.77	-	-	1.45	1.77
GSPL India Gasnet Limited	-	-	1.45	1.77	-	-	1.45	1.77
Gas Transportation Income								
Sabarmati Gas Limited	10.53	-	52.10	34.77	-	-	62.64	34.77
Gujarat State Energy Generation Limited	10.53	-	52.10	34.77	-	-	52.10	34.77
	10.53	-	52.10	34.77	-	-	10.53	-
Line Crossing Chages Received								
Sabarmati Gas Limited	-	-	0.05	-	-	-	0.05	-
	-	-	0.05	-	-	-	0.05	-
Rent received								
Gujarat State Energy Generation Limited	0.19	0.18	1.45	1.40	-	-	1.64	1.58
GSPL India Gasnet Limited	0.19	0.18	-	-	-	-	0.19	0.18
GSPL India Transco Limited	-	-	0.57	0.55	-	-	0.57	0.55
Sabarmati Gas Limited	-	-	0.56	0.55	-	-	0.56	0.55
	-	-	0.33	0.30	-	-	0.33	0.30
Dividend Income								
Sabarmati Gas Company Limited.	-	-	2.50	2.00	-	-	2.50	2.00
	-	-	2.50	2.00	-	-	2.50	2.00
Interest Income								
Gujarat State Energy Generation Limited	11.72	22.71	-	-	-	-	11.72	22.71
	11.72	22.71	-	-	-	-	11.72	22.71
Reimbursement of Exp-Received								
Sabarmati Gas Company Limited.	0.90	0.98	9.42	5.53	-	-	10.32	6.51
Gujarat State Energy Generation Limited	0.84	0.82	0.40	0.39	-	-	0.40	0.39
GSPL India Gasnet Limited	-	-	-	-	-	-	0.84	0.82
GSPL India Transco Limited	-	-	5.96	3.33	-	-	5.96	3.33
GSPL LNG Limited	0.06	0.16	3.06	1.81	-	-	3.06	1.81
	0.06	0.16	-	-	-	-	0.06	0.16
Sale of Material - Inventory								
GSPL India Gasnet Limited	-	-	1.22	0.00	-	-	1.22	0.00
	-	-	1.22	0.00	-	-	1.22	0.00

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(₹ in crores)

Nature of Transaction	Associates		Joint Ventures		KMP		TOTAL	
	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018
Expenses:								
Gas transportation charges								
GSPL India Gasnet Limited	-	-	24.19	-	-	-	24.19	-
	-	-	24.19	-	-	-	24.19	-
Reimbursement of Expenses: Paid								
Gujarat State Energy Generation Limited	0.38	2.53	1.68	-	-	-	2.06	2.53
GSPL India Gasnet Limited	0.38	-	-	-	-	-	0.38	-
GSPL India Transco Limited	-	1.31	0.99	-	-	-	0.99	1.31
	-	1.22	0.70	-	-	-	0.70	1.22
Rent Expense								
GSPL India Gasnet Limited	-	-	0.02	-	-	-	0.02	-
	-	-	0.02	-	-	-	0.02	-
Remuneration to KMP (Parent Company)								
Key management personnel compensation	-	-	1.19	-	-	-	1.19	1.20
Director Sitting Fees	-	-	0.95	-	-	-	0.95	0.92
Post employment benefit plan	-	-	0.04	-	-	-	0.04	0.03
-Non-contributory superannuation plan	-	-	0.05	-	-	-	0.05	0.05
-Employee group gratuity scheme (including loyalty bonus)	-	-	0.09	-	-	-	0.09	0.10
Other Long Term benefit	-	-	0.06	-	-	-	0.06	0.10
Remuneration to KMP (Subsidiary Companies)								
Key management personnel compensation	-	-	2.14	-	-	-	2.14	5.86
Director Sitting Fees	-	-	1.71	-	-	-	1.71	1.57
Post employment benefit plan	-	-	0.08	-	-	-	0.08	0.20
-Non-contributory superannuation plan	-	-	0.02	-	-	-	0.02	0.14
-Employee group gratuity scheme	-	-	-	-	-	-	-	0.92
Other Long Term benefit	-	-	0.23	-	-	-	0.23	3.03
	-	-	0.11	-	-	-	0.11	-
Purchase of Assets								
GSPL India Transco Limited	-	-	0.01	-	-	-	0.01	-
	-	-	0.01	-	-	-	0.01	-
Sale of Assets								
Gujarat State Energy Generation Limited	0.01	-	0.09	-	-	-	0.11	-
GSPL India Gasnet Limited	0.01	-	-	-	-	-	0.01	-
GSPL India Transco Limited	-	-	0.03	-	-	-	0.03	-
	-	-	0.07	-	-	-	0.07	-

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C. Related party disclosure
Transactions during the year with related parties:

(₹ in crores)

Nature of Transaction	Associates		Joint Ventures		TOTAL	
	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018
Current Assets & Liabilities:						
Debtors						
Gujarat State Energy Generation Limited	44.01	96.64	6.29	5.73	50.30	102.37
Sabarmati Gas Company Limited	44.01	96.64	-	-	44.01	96.64
	-	-	6.29	5.73	6.29	5.73
Advance/Receivables						
Gujarat State Energy Generation Limited	37.19	67.05	14.33	2.11	51.52	69.16
Sabarmati Gas Company Limited	37.19	67.04	-	-	37.19	67.04
GSPL India Gasnet Limited	-	-	0.04	1.24	0.04	1.24
GSPL India Transco Limited	-	-	0.80	0.49	0.80	0.49
GSPC LNG Limited	-	0.01	13.49	0.38	13.49	0.38
	-	-	-	-	-	0.01
Payable						
Gujarat State Energy Generation Limited	0.27	-	3.53	0.13	3.80	0.13
GSPL India Gasnet Limited	0.27	-	-	-	0.27	-
GSPL India Transco Limited	-	-	0.01	0.08	0.01	0.08
Sabarmati Gas Company Limited	-	-	2.84	0.05	2.84	0.05
	-	-	0.68	-	0.68	-
Investment in Share Capital (Allotment)						
GSPC LNG Limited	290.18	142.76	242.82	203.82	533.00	346.57
GSPL India Gasnet Limited	-	11.43	-	-	-	11.43
GSPL India Transco Limited	-	-	91.52	91.52	91.52	91.52
Gujarat State Energy Generation Limited	-	-	96.20	57.20	96.20	57.20
Sabarmati Gas Company Limited.	278.68	119.83	-	-	278.68	119.83
Alcock Ashdown (Gujarat) Limited (excluding provision for Diminution in value)	-	-	55.10	55.10	55.10	55.10
	11.50	11.50	-	-	11.50	11.50
Investment in Share Capital (Allotment-pending-Share application money)						
Gujarat State Energy Generation Limited	61.47	-	-	-	61.47	-
	61.47	-	-	-	61.47	-
Inter Corporate Loan						
Gujarat State Energy Generation Limited	-	153.44	-	-	-	153.44
	-	153.44	-	-	-	153.44

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Note 42

A. Financial instruments by category and their fair value

(₹ in crores)

As at 31st March 2019	Carrying amount					Fair value			
	FVTPL	FVTOCI	Amotised Cost	Cost	Total	Level 1- Quoted price in active markets	Level 2- Significant observable inputs	Level 3- Significant unobservable inputs	Total
Financial assets									
Investments									
Quoted	-	26.29	-	-	26.29	26.29	-	-	26.29
Unquoted	-	170.56	-	933.28	1,103.84	-	-	170.56	170.56
Loans									
Non-current	-	-	99.34	-	99.34	-	-	-	-
Current	-	-	49.00	-	49.00	-	-	-	-
Trade Receivables	-	-	1,221.91	-	1,221.91	-	-	-	-
Cash and Cash Equivalents	-	-	337.77	-	337.77	-	-	-	-
Other Bank Balances	-	-	573.55	-	573.55	-	-	-	-
Other financial assets									
Non-current	-	-	70.49	-	70.49	-	-	-	-
Current	0.43	-	1,731.15	-	1,731.58	-	-	0.43	0.43
Total financial assets	0.43	196.85	4,083.19	933.28	5,213.75	26.29	-	170.99	197.28
Financial liabilities									
Borrowings									
Non-current	-	-	10,326.72	-	10,326.72	-	-	-	-
Current	-	-	530.54	-	530.54	-	-	-	-
Other financial liabilities									
Non-current	-	-	30.16	-	30.16	-	-	-	-
Current	526.77	-	4,436.74	-	4,963.52	-	-	526.77	526.77
Trade Payables	-	-	323.81	-	323.81	-	-	-	-
Total financial liabilities	526.77	-	15,647.98	-	16,174.75	-	-	526.77	526.77

(₹ in crores)

As at 31st March 2018	Carrying amount					Fair value			
	FVTPL	FVTOCI	Amotised Cost	Cost	Total	Level 1- Quoted price in active markets	Level 2- Significant observable inputs	Level 3- Significant unobservable inputs	Total
Financial assets									
Investments									
Equity instruments - Long term									
Quoted	-	35.79	-	-	35.79	35.79	-	-	35.79
Unquoted	-	29.01	-	727.90	756.91	-	-	29.01	29.01
Bonds - Current									
Unquoted	-	-	-	-	-	-	-	-	-
Loans									
Non-current	-	-	102.26	-	102.26	-	-	-	-
Current	-	-	256.12	-	256.12	-	-	-	-
Trade Receivables	-	-	990.85	-	990.85	-	-	-	-
Cash and Cash Equivalents	-	-	134.67	-	134.67	-	-	-	-
Other Bank Balances	-	-	481.81	-	481.81	-	-	-	-
Other financial assets									
Non-current	-	-	105.13	-	105.13	-	-	-	-
Current	0.24	-	2,463.85	-	2,464.09	-	-	0.24	0.24
Total financial assets	0.24	64.80	4,534.69	727.90	5,327.63	35.79	-	29.25	65.04
Financial liabilities									
Borrowings									
Non-current	-	-	15,926.63	-	15,926.63	-	-	-	-
Current	-	-	2,974.76	-	2,974.76	-	-	-	-
Other financial liabilities									
Non-current	-	-	29.72	-	29.72	-	-	-	-
Current	678.62	-	4,285.58	-	4,964.19	-	-	678.62	678.62
Trade Payables	-	-	968.49	-	968.49	-	-	-	-
Total financial liabilities	678.62	-	24,185.18	-	24,863.80	-	-	678.62	678.62

Fair value of financial assets and 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.

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Types of inputs are as under:

Input Level I (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges

Input Level II (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.

Input Level III (Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

FVTOCI in unquoted equity shares	Investments in Equity Shares of Other Entities
	OPAL -Due to recent commissioning of project, fair value of investments in equity shares of OPAL have been considered as equivalent to cost. GSPC LNG has not commenced its commercial production and hence fair value of investments in equity shares of GSPC LNG have been considered as equivalent to cost. Investment was made in the equity shares of Swan LNG Pvt Ltd. in February 2018 and March 2019. Further payments will be made based on the agreed milestones as and when they are due. Management believes that there is no significant change in value of the investments. Accordingly, the investment is disclosed at the transaction price represented by the cash payment made on the date of acquisition.

Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March, 2019 and 31st March, 2018 is as below:

Particulars	(₹ in crores) Amount
As at 1 April 2017	44.06
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	0.01
Gains/ (losses) recognised in consolidated statement of profit or loss	(14.82)
As at 31 March 2018	29.25
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	141.55
Gains/ (losses) recognised in consolidated statement of profit or loss	0.19
As at 31 March 2019	170.99

Transfer out of Level 3

There were no movement in level 3 in either directions during 2018-19 and the year 2017-18. There were no transfers out of level 3 during the year 2018-19 and 2017-18.

Sensitivity analysis

Investments in unquoted equity shares comprises majorly of investments in ONGC Petro Additions Ltd. & Swan LNG Pvt Ltd. On account of lack of adequate information, investments in ONGC Petro Additions Ltd. have not been fair valued. Further, The Group believes that there is no significant change in value of the investments made in the equity shares of Swan LNG Pvt Ltd accordingly it is impracticable to provide the sensitivity analysis of both the companies.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

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(i) Risk management framework

The Group is exposed to financial risks arising from business/operating activities as well as financial instruments. The risks include market risks pertaining to price risk, currency risk and interest rate risk; credit risk and liquidity risk. The finance and commercial team advises the management (including the CFO of Parent Company) which oversees the risk management strategies and procedures. The objective of the teams is to inform the management on financial risks and propose appropriate financial risk governance framework for the company. Based on the inputs from respective teams, analysis and understanding, the management issues directives for mitigation of risks. The management regularly monitors the risks to ensure that financial risks are identified, measured and managed in accordance with risk management policies. The Group's risk management activities pertaining gas trading business are managed by the commercial team, while those pertaining to financing activities are managed by the finance team. All derivative activities are carried out by teams with appropriate skills and experience under supervision as per directives of management. The teams are subject to necessary financial and management control.

(ii) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and deposits with financial institutions and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Group along with relevant mitigation procedures adopted have been enumerated below:

Trade and other receivables

Customers of the Group across the business segments viz. gas trading, power generation, city gas distribution and gas transmission comprise of equity accounted entities and corporates which include public sector undertakings. The Group ratifies the counterparty creditworthiness prior to the contractual agreement and adequate risk mitigation measures are incorporated in the agreement. The counterparty dealings with respect to receivables are governed by the respective group company's debtor's policy which is guiding document. Hence, at this point in time, the group does not perceive credit risk on gas trading receivables. Gas transmission services are generally subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the company's receivables are secured. The Group provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. In CGD business, sales to domestic customers for household purposes like cooking, geyser application, etc., invoices are raised periodically. Security deposits along with connection deposits are taken for mitigation of potential credit risk arising in the event of non-payment of invoices. CNG sales made through operators of the CNG stations owned by the Group and CNG Franchises outlet are exposed to credit risk as amounts so collected is deposited/transferred in company bank account on next working day. Bank Guarantee / Security Deposit is taken to mitigate the credit risk. For CNG sales made through Oil Marketing Companies (OMCs), the Group raises the invoice for quantities sold based on periodicity as per the agreement. The OMCs are well established companies viz. HPCL, BPCL, IOC, Essar Oil Ltd. where no significant credit risk is anticipated. Gujarat Urja Vikas Nigam Limited (GUVNL), a public sector undertaking controlled by the Government of Gujarat, is the single customer for the power generation business. Being a PSU with timely payment track record and adequate credit rating, the group perceives no credit risk.

Since all the customers for the group are based within India, there is no credit risk expected from the outside India. The Group creates an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

Movements in Expected Credit Loss Allowance

Particulars	₹ in crores	
	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of the year	(11.68)	(12.27)
Movements in allowance	(1.21)	0.59
Closing balance	(12.89)	(11.68)

Value of receivables outstanding beyond one year from the due date is not significant. Such receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven creditworthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The provision for impairment of trade receivables, movement of which has been provided below, is not significant / material. Since the Group has a fairly diversified in terms of spread and hence no concentration risk is foreseen.

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Other financial assets

Other financial assets comprises of an amount of Rs. 496.04 Crore which is receivable from Jubilant Offshore Drilling Pvt Ltd (JODPL) pertaining to Production Sharing Contract executed between the parties for KG-OSN-2001/3 block. JODPL had filed a petition for insolvency and Insolvency Restructuring Professional (IRP) was appointed. However, the resolution process did not materialise subsequent to which JODPL has gone into liquidation and a liquidator has been appointed. The Group has issued forfeiture notice to JODPL to recover the outstanding dues. The Group has adequate rights under the Production Sharing Contract to ensure recovery of receivable amounts from JODPL through the future cash flows of KG Block. The Group is assessing way forward and committed to undertake necessary steps. Apart from this, other financial assets comprise of cash and cash equivalents, loans provided to employees and investments in equity shares of companies other than subsidiaries, associates and joint Arrangements. · Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating. The Group reviews their credit-worthiness at regular intervals. · Investments are made in credit worthy companies. · Group has given security deposit to various government authorities (like Municipal corporation, Nagarpalika, Grampanchayat, Road & building division and Irrigation department -of Govt. 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 Group does not have exposure to any credit risk. · Derivative instruments comprise of forward contracts, commodity derivatives, Interest rate swaps and cross currency interest rate swaps where the counter parties are banks with good reputation, and past track record with adequate credit rating. Accordingly no default risk is perceived.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Group's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group has practiced financial diligence and syndicated adequate liquidity in all business scenarios.

Financing arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Floating rate		
Expiring within one year (line of credit and other facilities)	2,160.60	3,121.02
Expiring beyond one year (line of credit and other facilities)	-	-
Total	2,160.60	3,121.02

Further, the Company has also tied-up additional sources of liquidity to meet the liabilities during the respective annual years which has ensured that the Company has a clean track record with no adverse events pertaining to liquidity risk.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31st March, 2019	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	10,326.72	10,326.72	-	10,326.72
Current borrowings	530.54	530.54	530.54	-
Non current financial liabilities	30.16	30.16	-	30.16
Current financial liabilities	4,963.52	4,963.52	4,963.52	-
Trade and other payables	323.81	323.81	323.81	-
Total	16,174.75	16,174.75	5,817.87	10,356.88

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(₹ in crores)

31st March, 2018	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	15,926.63	15,926.63	-	15,926.63
Current borrowings	2,974.76	2,974.76	2,974.76	-
Non current financial liabilities	29.72	29.72	-	29.72
Current financial liabilities	4,964.19	4,964.19	4,964.19	-
Trade and other payables	968.49	968.49	968.49	-
Total	24,863.89	24,863.89	8,907.44	15,956.36

(iv) Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the present/future performance of a business. The market risks include price risk, currency risk and interest rate risk. The primary price risk for the company is commodity price risk i.e. price risk of natural gas that could adversely affect the value of the Group's financial assets, liabilities or expected future cash flows. The currency risk for the Group involves exposure arising from External Commercial Borrowings and payments for supply of natural gas. The interest rate risk involves rate risk linked to borrowings of the Group.

Commodity price risk

The Group's integrated natural gas procurement and trading business (including Liquefied Natural gas (LNG)) is open to price risk which is substantially mitigated through conventional derivative instruments which ensures the hedging of the commodity price at marketable/acceptable level for sale to the customer. The Group has executed commodity swaps and options linked to Brent Crude prices which are highly correlated to natural gas prices. Further, the sales prices are modified appropriately to counter market price movements.

Equity price risk

The Company's exposure to equity securities price risk arises from investments held by the Group which are classified in the balance sheet as fair value through other comprehensive income (FVOCI). The captioned equity investments are publicly traded as they are listed on the NSE Nifty 50 Index as well as in unquoted equity shares of companies of good credit standing.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's other comprehensive income for the period. The analysis is based on the assumption that the index had increased average of the actual movements in quoted prices of equity shares held as investments for the respective periods. All other variables held constant.

(₹ in crores)

Particulars	Impact on Other Comprehensive Income	
	As at	As at
	31st March, 2019	31st March, 2018
NSE NIFTY 50 - increase 6%	1.58	2.15
NSE NIFTY 50 - decrease 6%	(1.58)	(2.15)

Currency risk

The functional currency of all the companies part of the group is Indian Rupees. However, the Group has exposure of USD and JPY denominated External Commercial Borrowing (ECB) as well as receivables and payables in foreign currency. The Group uses combination of Cross currency Interest rate swap, interest rate swaps and forward contracts to manage the foreign currency risk linked to ECB. The currency risk linked to the payables of gas trading business is mitigated by appropriately factoring the same in the sales prices for the natural gas sold to downstream customers. Exposure arising on purchase contracts of gas on account of the fluctuations in the exchange rate is managed by taking corresponding derivative positions. In case of GSPL the currency exposure arising on ECB denominated in JPY was fully hedged using a CCIRS. In case of GSPC the currency exposure on account of USD denominated ECB loans as on 31st March 2018 is reduced subsequent to closure of transaction for 80% PI of KG Block with ONGC. The consideration received for the transaction was utilized to partially novate the ECB loans. The currency risk for the balance ECB loan shall be adequately covered through natural hedge i.e. USD denominated revenue from KG Block pertaining to balance 10% PI with GSPC. Details of the USD denominated ECB outstanding as at each reporting date have been provided below:

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Following is the summary of foreign currency (USD) exposure for the company:

Particulars	(₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Non current borrowings		
ECB - principal and interest	1,040.87	978.86
Buyer's credit	-	-
Net Foreign currency exposure	1,040.87	978.86

The following significant exchange rates have been applied during the year.

Rupees	Average rate		Year-end spot rate	
	2018-19	2017-18	As at 31-Mar-19	As at 31-Mar-18
USD 1	67.10	64.94	69.17	65.04

Sensitivity analysis

Since the JPY denominated ECB is fully hedged, only USD denominated ECB is considered for the below sensitivity analysis

Effect in Rupees	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2019				
USD (7% movement)	72.86	(72.86)	47.40	(47.40)

Effect in Rupees	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2018				
USD (7% movement)	68.52	(68.52)	44.81	(44.81)

Interest rate risk

Interest rate risk is the risk that either fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates i.e. Base Rate/MCL linked in INR denominated loans and 6-month LIBOR linked in USD denominated loans. The Group has substantial mix of USD denominated and INR denominated borrowings. It manages the interest rate risk in INR denominated loans through contractual agreement (i.e. term loan agreement) clauses with the lenders wherein provisions are built-in to allow the Group to prepay the loans without penalty. This clause can be exercised in scenarios that the interest rate under the agreement are not moving in favorable directions and the Group has other available options to switch with borrowings bearing lower interest rates. The interest rate risk of USD denominated loans is mitigated through Interest Rate Swaps which have been executed for the entire ECB liability of the Group.

Variable-rate instruments	(₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Non current - Borrowings	8,226.72	6,557.17
Current - Borrowings	530.54	2,974.76
Current portion of Long term borrowings	557.31	339.47
Total	9,314.57	9,871.40

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Fixed-rate instruments	(₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Non current - Borrowings	2,100.00	9,369.46
Current - Borrowings	-	-
Current portion of Long term borrowings	1,025.64	1,673.15
Total	3,125.64	11,042.61

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. As far as INR denominated borrowings are concerned, the Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and it does not have any designate derivatives (interest rate swaps). However, for USD & JPY denominated borrowings, the Group accounts for fixed rate financial asset or liability at fair value through profit or loss and the Group has designated derivatives (Interest Rate Swaps). Therefore, the profit or loss impact on account of change in interest rates at the reporting date is indicated in the following table. Since no interest rate risk is perceived on fixed rate loans, only variable rate loans have been considered for the purposes of sensitivity disclosed below:

Particulars	(₹ in crores)			
	Profit or loss		Equity, net of tax	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
31st March, 2019				
Non current - Borrowings	82.27	(82.27)	53.52	(53.52)
Current - Borrowings	5.31	(5.31)	3.45	(3.45)
Current portion of Long term borrowings	5.57	(5.57)	3.63	(3.63)
Total	93.15	(93.15)	60.60	(60.60)
31st March, 2018				
Non current - Borrowings	65.57	(65.57)	42.88	(42.88)
Current - Borrowings	29.75	(29.75)	19.45	(19.45)
Current portion of Long term borrowings	3.39	(3.39)	2.22	(2.22)
Total	98.71	(98.71)	64.55	(64.55)

Note 43

Capital management

The Group defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the parent (which is the Group's net asset value). The primary objective of the company's financial framework is to support the pursuit of value growth for shareholders, while ensuring a secure financial base. The Group aims to maintain the net debt ratio, that is, the ratio of net debt to net debt plus equity, of 2:3 with some flexibility of 5%. The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio on 31st March, 2019 was as follows.

Particulars	(₹ in crores)	
	As at 31 st March, 2019	As at 31 st March, 2018
Total non-current liabilities	12,440.21	20,914.00
Less : Cash and bank balances	911.31	616.48
Adjusted net debt	11,528.90	20,297.52
Total equity	(711.26)	(7,592.85)
Adjusted net debt to adjusted equity ratio	-16.21 times	-2.68 times

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Note 44

Employee stock option plan 2008

In Case of Subsidiary Gujarat Gas Limited

The erstwhile GSPC Gas Company Limited ('e-GSPC'), erstwhile Gujarat Gas Company Limited ('e-GGCL'), erstwhile Gujarat Gas Financial Services Limited ('e-GFSL') and erstwhile Gujarat Gas Trading Company Limited ('e-GTCL') merged with and into GSPC Distribution Network Limited ('GDNL') under the Composite Scheme of Amalgamation and Arrangement (the "Scheme of Amalgamation"). The effective date of Scheme of Amalgamation was 14 May 2015. Upon the Scheme of Amalgamation becoming effective, the name of GDNL has been changed to Gujarat Gas Limited ('GGL') as per the provisions of the Companies Act.

Pursuant to the Scheme of Amalgamation, the Addendum Gujarat Gas Limited Employee Stock Option Plan 2016 ("ESOP 2016") being supplementary to the Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("ESOP 2008") has been formulated for the limited purpose of adopting the ESOP 2008 in the Company.

The e-GGCL had formulated the above ESOP 2008, whereby Stock Options had been granted by e-GGCL to its employees. The ESOP 2008 has been effective from 1 November 2008 for a tenure of 8 years. As on the effective date of the Scheme of Amalgamation, certain employees of e-GGCL to whom Options had been Granted and Vested under the ESOP 2008, have not Exercised the said Options and hence as per the Scheme of Amalgamation, they are the Eligible Employees for the purpose of the ESOP 2016 as follows:

1. Revised Grants have been made to them with effect from the effective date under the Scheme of Amalgamation of 13000 equivalent number of Options-I under the ESOP 2016, against the equivalent number of Options Granted and Vested in them pursuant to the ESOP 2008, which were not Exercised by them on the effective date under the Scheme of Amalgamation.
2. The above Revised Grants of Options-I has been on the basis of the Share Exchange Ratio of 1 (one) equity share of Rs.10/- each of GGL, for every 1 (one) equity share of Rs.2/- each of e-GGCL, pursuant to the Scheme of Amalgamation.
3. The Options-I bear the Exercise Price as per the ESOP 2008. The Exercise Price payable for Options-I under ESOP 2016 is based on the Exercise Price payable by such Eligible Employees under the ESOP 2008 that has been adjusted after taking into account the effect of the Share Exchange Ratio of 1:1 as mentioned above.
4. Upon such Revised Grant of Options-I to the Eligible Employees the Options Granted under the ESOP 2008 stand cancelled and the Eligible Employees shall continue to be bound by all the terms and conditions of the ESOP 2008 in addition to this ESOP 2016.

The Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("ESOP 2008 Trust"). which has been formed and created vide execution of the Deed of Gujarat Gas Company Limited Employee Welfare Stock Option Trust dated 4 November 2008 has been renamed as Gujarat Gas Limited Employee Welfare Stock Option Trust ("ESOP 2016 Trust"). The ESOP 2016 Trust is an irrevocable Trust that functions for the limited purpose of adopting the ESOP 2008 and ESOP 2016 and to hold the existing share inventory of the ESOP 2008 Trust for the benefit of Eligible Employees under ESOP 2016 and the balance to be appropriated in line with the SEBI Regulations.

The ESOP 2016 and the ESOP 2016 Trust are governed by the provisions of the Companies Act 1956 or the Companies Act 2013, as may be applicable and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or the SEBI (Share Based Employee Benefits) Regulation, 2014, as may be applicable.

The ESOP 2008 Trust had purchased out of the funds advanced by the Company, the shares equivalent to the number of options granted. IDBI Trusteeship Services Limited are the Trustees. The Trustees can sell the shares in the market as per the approved scheme and for the year ended on 31st March 2018, there are no purchases from the market.

The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options were approved as per ESOP 2008. The graded vesting of options granted, over a period of 4 years from the date of grant is as follows:

% of Option Vested	Cumulative	Vesting Date
25%	25%	on expiry of two years from their Grant date ('First Vesting Date')
50%	75%	on expiry of three years from their Grant date ('Second Vesting Date')
25%	100%	on expiry of four years from their Grant date ('Third Vesting Date')

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The options are to be exercised within a maximum period of 2 years from the date of vesting. Within the exercise period, the employee would have the option to either purchase the shares from the trust at the exercise price or to give a mandate of sale to the trust at the best available market price, in which event the difference between the net price realized on sale after taxes and charges and the Exercise Price will accrue as gains to the employee.

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. There are no options outstanding as on 31 March 2019 and 31 March 2018.

In Case of Subsidiary Gujarat State Petronet Limited

ESOP 2010 Scheme:

During the Financial Year 2010-11, the Company instituted ESOP-2010. The Board of Directors and the Shareholders approved the plan in the meeting held on 23rd August 2010 and 27th October 2010 respectively, which provides for the issue of 21,28,925 equity shares to the employees of the company. The Compensation Committee administers ESOP-2010. These ESOPs are granted at an exercise price of ₹ 75 per share to be vested over the period of five years and to be exercised within a period of ten years from the date of Grant. Set out below is a summary of options granted under the plan:

Set out below is a summary of options granted under the plan:

Particulars	31 st March, 2019		31 st March, 2018	
	Avg Exercise Price per share option (₹)	Number of options	Avg Exercise per Price share option (₹)	Number of options
Opening Balance	75	3,87,958	75	6,36,226
Granted during the year	75	-	75	-
Exercised during the year	75	(1,37,761)	75	(2,45,860)
Lapsed/cancelled during the year	75	(8,396)	75	(2,408)
Closing balance		2,41,801		3,87,958

Fair value of options granted

The fair value at grant date of options granted during the year ended 31 March 2019 was ₹ 72.45 per option (31 March 2018 ₹ 72.45). The fair value at grant date is determined using the Binomial Model which takes into account the exercise price, the terms of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in the statement of profit and loss as part of employee benefit expenses were as follows:

Particulars	(₹ in crores)	
	Mar-19	Mar-18
Employee option plan	(0.06)	(0.01)

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Note 45 TRANSITION TO IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

In Case of Subsidiary Gujarat State Petronet Limited Consolidated

Effective April 1, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with customers" which resulted in changes in the revenue recognition accounting policy and adjustments to the amounts recognised in the financial statements.

In accordance with the transition provisions in Ind AS 115, the Group has adopted the new standard retrospectively using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted.

In summary, the following adjustments were made:

Balance Sheet as on 1 April, 2018:

(₹ in crores)

Financial line item	Ind AS 18-Carrying Amount	Re-measurement	Ind AS 115-Carrying Amount
Other Equity	2,720.02	(39.82)	2,680.20
Non-Current Liability: Revenue Received in Advance	-	50.52	50.52
Current Liability: Revenue Received in Advance	-	6.30	6.30
Investments in equity accounted investees	591.21	2.86	588.35
Deferred Tax (Asset)	-	(19.86)	(19.86)

Balance Sheet as on 31 March, 2019:

(₹ in crores)

Financial line item	Ind AS 18-Carrying Amount	Re-measurement	Ind AS 115-Carrying Amount
Other Equity	3,785.93	(43.91)	3,742.02
Non-Current Liability: Revenue Received in Advance	-	59.54	59.54
Current Liability: Revenue Received in Advance	-	7.96	7.96
Deferred Tax (Asset)	-	(23.59)	(23.59)

Statement of profit or loss for the year ended March 31, 2019

(₹ in crores)

Financial line item	Ind AS 18-Values	Re-measurement	Ind AS 115-Values
Revenue from contracts with customers	9,563.94	(10.68)	9,553.26
Income tax expense	518.11	(3.73)	514.38
Profit for the period	1,197.34	(6.95)	1,190.40

Explanation of the Re-measurement Adjustment:

Connection charges from customers deferred over the period when the performance obligation is satisfied:

Industrial Customers: The performance obligations as per the contractual arrangement with the customer is to deliver gas over the tenure of the contract. Consequently, the connection charges is to be deferred over the contract period.

Domestic Customer: The connection charges is to be deferred over the period of delivery of gas. It is reasonably expected by the Group that the gas is procured by the customer and supplied by the Group on a perpetual basis. Consequently the connection charges are to be deferred over the useful life of the connection facility (i.e. 18 years).

In Case of Subsidiary Gujarat Info Petro Limited

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with customers" which resulted in changes in the revenue recognition accounting policy and adjustments to the amounts recognised in the financial statements.

In accordance with the transition provisions in Ind AS 115, the Company has adopted the new standard retrospectively using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted

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In summary, the following adjustments were made:

a) Balance Sheet as on April 1 2018

(₹ in crores)

Balance sheet (extract)	Ind AS 18-Carrying Amount	Re-measurement	Ind AS 115-Carrying Amount
Other Equity:			
Retained Earnings	(22.09)	0.16	(21.93)
Current Liability :			
Excess Billing Over Revenue	(1.44)	(0.22)	(1.66)
Deferred Tax Asset	0.80	0.06	0.86

b) Balance Sheet as on 31st March 2019

(₹ in crores)

Balance sheet (extract)	Ind AS 18-Carrying Amount	Re-measurement	Ind AS 115-Carrying Amount
Other Equity:			
Retained Earnings	(24.85)	-	(24.85)
Current Liability :	-	-	-
Excess Billing Over Revenue	(1.41)	-	(1.41)
Deferred Tax Asset	0.80	-	0.80

Note 46

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; and- ensure compliance with the Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013. The Group believes that such presentation is more relevant for understanding of the Group'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 crores)

Sr. No	Particulars	Before Reclassification	Reclassification	After Reclassification
1	Other financial assets			
	Non-current	184.21	(79.08)	105.13
	Current	2,464.69	(0.60)	2,464.09
2	Loans			
	Non-current	22.52	79.74	102.26
	Current	160.39	95.73	256.12
3	Other non-current assets			
	Non-current	507.94	(305.50)	202.44
	Current	88.31	(5.73)	82.58
4	Trade receivable			
	Current	1,086.00	(95.15)	990.85
5	Non Current Tax Assets (Net)			
	Non-current	-	310.58	310.58
6	Other Financial liabilities			
	Non-current	26.75	2.97	29.72
	Current	4,967.48	(3.29)	4,964.19
7	Trade Payable			
	Current	968.17	0.32	968.49

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(₹ in crores)

Sr. No	Particulars	Before Reclassification	Reclassification	After Reclassification
8	Other non-financial liabilities			
	Current	251.41	(2.66)	248.75
	Current Tax Liabilities (Net)			
	Current	-	2.66	2.66
9	Amount of Non Current Operation & Maintenance Expense payable regrouped			
	Other non-current financial Liabilities			
	Operation & Maintenance expense payable	-	1.48	1.48
	Other payable	11.58	(1.48)	10.10
10	Amount Current of other payable regrouped			
	Other current financial Liabilities			
	Payable on behalf of Joint Arrangements	685.53	(28.34)	657.19
	Others	-	28.34	28.34
11	Investment Property			
	Building	2.17	(0.64)	1.53
	Property Plant & Equipment			
	Building	421.97	0.64	422.61

Items of statement of profit and loss before & after reclassification as at 31 March 2018:

(₹ in crores)

Sr. No	Particulars	Before Reclassification	Reclassification	After Reclassification
1	Gas transportation charges reclassified from other expenses to Cost of material consumed and from cost of material consumed to cost of traded goods on the face of statement of profit and loss:			
	Cost of material consumed	730.67	(326.12)	404.55
	Cost of traded goods	9,381.13	405.95	9,787.08
	Other expenses	678.59	(79.83)	598.77

Note 47(a) Statement of salient features of the financial statement of subsidiaries, associates & joint ventures (Form AOC-1)**Subsidiaries**

The Group's subsidiaries as at 31st March 2019 are as below:

Name of Entity	Place of business	% of effective ownership interest held by the Group		% of effective ownership interest held by Non-Controlling Interest	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
Gujarat State Petronet Limited (GSPL)	India	37.64%	37.65%	62.36%	62.35%
Gujarat Gas Limited (GGL)	India	20.39%	20.39%	79.61%	79.61%
Guj Info Petro Limited (GIPL)	India	60.24%	60.24%	39.76%	39.76%
GSPC Pipavav Power Company Limited (GPPC)	India	97.47%	97.47%	2.53%	2.53%
GSPC (JPDA) Limited	India	100.00%	100.00%	0.00%	0.00%
GSPC Energy Limited	India	100.00%	100.00%	0.00%	0.00%
GSPC Offshore Limited	India	100.00%	100.00%	0.00%	0.00%
Social Welfare Trust	India	100.00%	100.00%	0.00%	0.00%
Gujarat Gas Limited Employee welfare stock option trust	India	20.39%	20.39%	79.61%	79.61%

Non-Controlling Interest

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter company eliminations.

Rs. in crores

Name of the Subsidiary	Balance Sheet							
	Non-current Assets	Current Assets	Total Assets	Non-current Liabilities	Current Liabilities	Total Liabilities	Net Assets	Accumulated NCI
Gujarat State Petronet Limited								
As at 31.03.2019	8,426.36	523.59	8,949.95	1,872.84	1,333.10	3,205.94	5,744.01	1,227.73
As at 31.03.2018	8,317.78	630.75	8,948.53	2,300.53	1,582.96	3,883.49	5,065.04	801.55
Gujarat Gas Limited								
As at 31.03.2019	6,120.94	1,036.59	7,157.53	3,275.31	1,676.95	4,952.26	2,205.27	1,755.62
As at 31.03.2018	5,961.35	700.43	6,661.78	3,296.95	1,498.45	4,795.40	1,866.38	1,485.83
GSPC Pipavav Power Company Limited								
As at 31.03.2019	2,013.35	223.88	2,237.23	841.03	694.68	1,535.71	701.52	17.75
As at 31.03.2018	2,154.52	149.69	2,304.21	996.37	628.23	1,624.60	679.61	17.19
Guj Info Petro Limited								
As at 31.03.2019	5.60	56.64	62.24	1.67	8.40	10.07	52.17	20.74
As at 31.03.2018	4.24	55.68	59.92	0.71	9.80	10.51	49.41	19.65

Rs. in crores

Name of the Subsidiary	Statement of Profit & Loss					Cash Flow Statement			
	Revenue for the year	Profit for the year	Other Comprehensive Income	Total Comprehensive Income	Profit allocated to NCI	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Net Increase/(Decrease) in cash and cash equivalents
Gujarat State Petronet Limited									
For the financial year 2018-19	1,877.26	794.67	(3.98)	790.69	506.66	1,088.23	(7.96)	(1,032.76)	47.51
For the financial year 2017-18	1,331.75	668.43	0.59	669.02	417.14	894.37	(3,173.52)	2,286.48	7.33
Gujarat Gas Limited									
For the financial year 2018-19	8,074.04	418.45	(2.09)	416.36	331.81	956.06	(603.91)	(349.42)	2.73
For the financial year 2017-18	6,375.21	292.44	(40.08)	252.36	212.79	784.67	(429.57)	(273.32)	81.78
GSPC Pipavav Pover Company Limited									
For the financial year 2018-19	1,462.16	21.83	0.08	21.91	0.55	291.08	(18.76)	(212.31)	60.01
For the financial year 2017-18	409.81	12.98	0.01	12.99	0.33	261.36	(20.67)	(264.17)	(23.48)
Guj Info Petro Limited									
For the financial year 2018-19	16.06	2.98	(0.06)	2.92	1.16	1.59	1.11	-	2.70
For the financial year 2017-18	12.57	2.49	0.07	2.56	0.99	(1.78)	1.55	-	(0.23)

Associates and joint ventures

Set out below are the associates and joint ventures of the Group as at 31 March 2019.

Rs. in crores

Name of Entity	Place of business	Relationship	Accounting method	% of ownership interest		Carrying Amount*	
				31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Sabarmati Gas Limited	India	Joint Venture	Equity Method	32.82%	32.82%	238.12	195.97
GSPL India Gasnet Limited	India	Joint Venture	Equity Method	19.58%	19.58%	229.18	204.68
GSPL India Transco Limited	India	Joint Venture	Equity Method	19.58%	19.58%	202.30	201.78
Gujarat State Energy Generation Limited	India	Associate	Equity Method	54.37%	33.26%	263.68	83.66
GSPC LNG Ltd.	India	Associate	Equity Method	N.A.	13.48%	-	41.81
Alcock Ashdown (Gujarat) Limited	India	Associate	Equity Method	22.50%	22.50%	-	-
Total equity accounted investments						933.28	727.91

Set out below is summarised financial information for each associate/joint venture that are material to the Group.

Rs. in crores

Name of the Subsidiary	Balance Sheet							
	Non-current Assets	Current Assets	Total Assets	Non-current Liabilities	Current Liabilities	Total Liabilities	Net Assets	Company's Share in Net Worth
Sabarmati Gas Limited								
As at 31.03.2019	670.10	101.80	771.90	111.27	184.37	295.64	476.26	238.12
As at 31.03.2018	536.93	110.58	647.51	96.93	158.61	255.54	391.97	195.97
GSPL India Gasnet Limited								
As at 31.03.2019	1,501.27	63.86	1,565.13	938.53	185.86	1,124.39	440.74	229.18
As at 31.03.2018	852.27	62.99	915.26	336.08	185.56	521.64	393.62	204.68
GSPL India Transco Limited								
As at 31.03.2019	822.32	23.20	845.52	317.09	139.40	456.49	389.03	202.30
As at 31.03.2018	378.68	50.38	429.06	1.95	39.06	41.01	388.05	201.78
Gujarat State Energy Generation Limited								
As at 31.03.2019	961.02	147.04	1,108.06	238.66	354.61	593.27	514.79	263.68
As at 31.03.2018	1,026.93	190.20	1,217.13	331.04	642.78	973.82	243.31	83.66

Rs. in crores

Name of the Subsidiary	Statement of Profit & Loss					Cash Flow Statement			
	Revenue for the year	Profit for the year	Other Comprehensive Income	Total Comprehensive Income	Company's Share in Total Comprehensive Income	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Net Increase/ (Decrease) in cash and cash equivalents
Sabarmati Gas Limited									
For the financial year 2018-19	1,122.57	100.47	(0.02)	100.45	49.94	149.47	(126.36)	(25.55)	(2.44)
For the financial year 2017-18	839.87	74.54	(0.04)	74.50	39.75	140.57	(113.93)	(26.51)	0.13
GSPL India Gasnet Limited									
For the financial year 2018-19	21.64	(27.80)	(0.07)	(27.87)	(14.50)	2.53	(633.25)	603.12	(27.60)
For the financial year 2017-18	-	0.90	-	0.90	0.47	(0.35)	(408.97)	451.26	41.94
GSPL India Transco Limited									
For the financial year 2018-19	-	0.99	-	0.99	0.51	(0.24)	(355.94)	347.71	(8.47)
For the financial year 2017-18	-	1.35	-	1.35	0.70	(0.33)	(168.41)	176.00	7.26
Gujarat State Energy Generation Limited									
For the financial year 2018-19	465.81	53.59	(2.45)	51.14	21.16	112.63	(21.61)	(126.91)	(35.89)
For the financial year 2017-18	349.64	75.35	1.77	77.12	26.52	196.47	(10.07)	(152.16)	34.24

Particulars	31-Mar-19	31-Mar-18
Commitments - joint ventures	578.56	136.30
Commitments - associates	18.92	4.68
Contingent liabilities - joint ventures	40.77	30.20
Contingent liabilities - associates	16.23	8.25
Total commitments and contingent liabilities	654.48	179.43

Note 47 (b) Additional Information - Intrusion No. 2 of Schedule III

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income			Total Comprehensive Income						
	as % of console-dated net assets as on 31.03.2019	Amount (Rs. in Crore) as on 31.03.2019	as % of console-dated profit or loss for FY 2018-19	Amount (Rs. in Crore) for FY 2018-19	As % of console-dated profit or loss for FY 2017-18	Amount (Rs. in Crore) for FY 2017-18	As % of console-dated profit or loss for FY 2018-19	Amount (Rs. in Crore) for FY 2018-19	As % of console-dated profit or loss for FY 2017-18	Amount (Rs. in Crore) for FY 2017-18				
Parent	134.11%	(10,081.39)	21.63%	349.97	498.71%	(1,325.39)	148.73%	21.73	107.65%	810.18	22.76%	371.71	-105.83%	(515.21)
Subsidiaries:														
Indian														
Gujarat State Petronet Limited	-6.15%	462.33	17.64%	285.53	-94.70%	251.66	-10.25%	(1.50)	0.03%	0.22	17.39%	284.03	51.74%	251.88
Gujarat Gas Limited	-5.96%	448.00	5.25%	84.97	-17.76%	47.21	-2.88%	(0.42)	-1.02%	(7.64)	5.18%	84.55	8.13%	39.57
Guj Info Petro Limited	-0.42%	31.43	0.11%	1.80	-0.57%	1.52	-0.25%	(0.04)	0.01%	0.05	0.11%	1.76	0.32%	1.57
GSPC Pipavav Power Company Limited	-9.10%	683.77	1.31%	21.28	-4.76%	12.65	0.53%	0.08	0.00%	0.01	1.31%	21.36	2.60%	12.66
GSPC (JPDA) Limited	-0.01%	0.74	0.00%	(0.06)	0.02%	(0.06)	0.00%	0.00	0.00%	-	0.00%	(0.06)	-0.01%	(0.06)
GSPC Energy Limited	0.00%	0.16	0.02%	0.28	-0.06%	0.17	0.00%	0.00	0.00%	-	0.02%	0.28	0.03%	0.17
GSPC Offshore Limited	0.00%	(0.31)	0.00%	(0.01)	0.00%	(0.01)	0.00%	0.00	0.00%	-	0.00%	(0.01)	0.00%	(0.01)
Gujarat Gas Limited Employee Welfare Stock Option Trust	0.00%	0.12	0.00%	0.04	-0.01%	0.03	0.00%	-	0.00%	-	0.00%	0.04	0.01%	0.03
Social Welfare Trust	-0.06%	4.68	0.00%	0.00	0.00%	4.64	0.00%	0.00	0.00%	0.00%	0.00%	-	0.00%	-
Non Controlling Interest In All Subsidiaries	0.00%	-	50.44%	816.26	-2,55.50%	679.02	-28.63%	(4.18)	-6.67%	(50.22)	49.73%	812.07	129.16%	628.80
Associates (Investment as per the equity method)														
Indian														
Gujarat State Energy Generation Limited	-3.51%	263.68	1.37%	22.17	-9.98%	26.52	-6.91%	(1.01)	0.00%	-	1.30%	21.16	5.45%	26.52
Sabarmati Gas Limited	-3.17%	238.12	3.09%	49.95	-14.95%	39.74	-0.07%	(0.01)	0.00%	0.01	3.06%	49.94	8.16%	39.75
GSPC LNG Limited	N.A.	N.A.	NA	0.00%	NA	NA	0.00%	-	0.00%	-	0.00%	-	-	-
GSPC India Transco Limited	-2.69%	202.30	0.03%	0.51	-0.26%	0.70	0.00%	-	0.00%	-	0.03%	0.51	0.14%	0.70
GSPC India Gasnet Limited	-3.05%	229.18	-0.89%	(14.46)	-0.18%	0.47	-0.27%	(0.04)	0.00%	-	-0.89%	(14.50)	0.10%	0.47
Alcock Ashdown (Gujarat) Limited	0.00%	-	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
	100.00%	(7,517.19)	100.00%	1,618.22	100.00%	(265.76)	100.00%	14.61	100.00%	752.60	100.00%	1,632.83	100.00%	486.84

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Note 48

The management of the Company with the support from Government of Gujarat has completed the revival of the company by putting in place a Turnaround Plan/Financial Realignment Strategy. The Company has devised a detailed realignment plan to improve the financial and operating performance and which has been implemented in two phases as below.

- a) As per the Debt Realignment Plan, the Company has sold its holding in Gujarat Gas Ltd to Gujarat State Petronet Ltd. during FY 2017-18r and realised an amount of Rs.3,252.79 Crores. The Company's holding in Gujarat Gas Limited has been sold to Gujarat State Petronet Ltd (listed subsidiary of GSPC) through an on-market transaction. The share transfer has been effected in two tranche i.e. free-float shares on 26th March 2018 and lock-in shares on 28th March 2018. As on 31st March,2018 the consideration for sale of first tranche of Gujarat Gas Ltd. shares was received in FY 2017-18. The balance amount of consideration was received on 4th April,2018. Subsequent to the captioned sale, the Company does not hold any shares of GGL.The consideration received has been deployed to reduce the outstanding debt.
- b) The Ministry of Corporate Affairs (MCA), vide order dated 25th April, 2019, has approved the Scheme of Arrangement between Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Investment Limited (GSIL) and GSPC NCD Holders. The scheme of arrangement has approved transfer of GSPC's obligation in form of Non-Convertible Debentures (NCD) amounting to Rs.6,000 crores to GSIL in exchange of 749,06,36,704 fully paid equity shares of face value Rs. 1 each at fair value of Rs.8.01 each (with premium of Rs.7.01 per share).The appointed date of the scheme is 1st April, 2018. The scheme has become effective upon filing of certified copy of the order with Registrar of Companies, Gujarat on 16th May, 2019. Following accounting treatments are given in the books of accounts:
 - (i) The Company has derecognized debenture obligation w.e.f. 1st April, 2018 and shares to be issued as consideration has been classified as "Financial Instrument in Equity Nature".
 - (ii) Authorised Share Capital of the Company, as approved in the scheme, is increased by the company during FY 2019-20.
 - (iii) 749,06,36,704 fully paid equity shares of face value Rs. 1 each at premium of Rs.7.01 per share were issued to GSIL during FY 2019-20.
 - (iv) As the scheme of arrangement became effective from 1st April 2018 on filing on 16th May, 2019, GSPC has serviced half yearly interest on NCD cumulatively amounting to Rs.571.50 crores, due on 30th June, 2018 and 31st December, 2018, for the period 1st January, 2018 to 30th June, 2018 and 1st July, 2018 to 31st December, 2018 respectively. The company has received Rs.571.00 crores from GSIL as advance towards reimbursement of interest serviced to NCD holders. The company is awaiting final directives from Government of Gujarat for the settlement of amount received. Accordingly amount receivable from GSIL and advance received from GSIL has been shown under Advance recoverable and other current financial liabilities respectively on gross basis.

Note 49

Under Ind AS compliant Schedule III, the consolidated financial statements do not include notes such as quantitative information, forex earnings/expense, remuneration to auditors, corporate social responsibility, details required under MSME Act etc. which are not necessary to present true and fair view of the financial statements.

Note 50

In case of balances of Joint Arrangement parties, for cash call and other transactions and also in case of balances of other parties i.e. Trade Receivables, Trade Payables, Loans and Advances and other liabilities the company is in the process of reconciling it with the parties. Adjustments if any will be accounted on reconciliation/settlement of the same.

Note 51

Previous year figures have been regrouped wherever necessary to confirm to current year's classification

As per our report of even date attached.

For and on behalf of the Board of Directors

For Talati & Talati LLP

Chartered Accountants
Firm Regn. No. 110758W/W100377

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

Dr. T. Natarajan, IAS
Managing Director
DIN : 00396367

Amit Shah

Partner
Membership No. 122131

Sandeep Dave
Company Secretary

Rajesh Sivadasan
Chief Financial Officer

Date : 02/07/2019
Place : Gandhinagar

Date : 02/07/2019
Place : Gandhinagar



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GUJARAT STATE PETROLEUM CORPORATION LIMITED

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