



GUJARAT STATE PETROLEUM CORPORATION LIMITED
(A Govt. of Gujarat Undertaking)

39TH
ANNUAL
REPORT
2017-2018

The central graphic is a large orange circle containing the text "39TH ANNUAL REPORT 2017-2018" in white. The circle is set against a background of various images related to the company's operations, including a scientist in a lab, an LNG ship, a refinery, solar panels, a woman cooking, and industrial machinery.

CONTENTS

GUJARAT STATE PETROLEUM CORPORATION LIMITED

Directors' Report.....	03
Secretarial Audit Report.....	30
Stand Alone Financial Statements	
Independent Auditor's Report on Standalone	33
CAG Comment of Annual Account 2017-18.....	43
Standalone Balance Sheet as at 31 st March, 2018	46
Standalone Profit and Loss Account for the year ended on 31 st March 2018	48
Standalone Cash Flow Statement for the year ended 31 st March 2018.....	50
Statement of changes in equity for the period ended on 31 st March 2018.....	52
Notes to Standalone financial statements for the year ended 31 st March, 2018.....	54
Consolidated Financial Statements	
Independent Auditor's Report on Consolidated	121
CAG Comment of Annual Account 2017-18.....	132
Consolidated Balance Sheet as at 31 st March, 2018	134
Consolidated Statement of Profit & Loss for the year ended 31 st March, 2018.....	136
Consolidated Cash Flow Statement for the year ended on 31 st March 2018.....	138
Consolidated Statement of changes in equity for the period ended on 31 st March, 2018.....	140
Notes to Consolidated financial statements for the year ended 31 st March, 2018.....	141

GUJARAT STATE PETROLEUM CORPORATION LIMITED
39th ANNUAL REPORT 2017-18**Board of Directors**

Dr. J. N. Singh, IAS	Chairman
Shri Arvind Agarwal, IAS (w.e.f. 12 th June, 2018)	Director
Shri Raj Gopal, IAS (w.e.f. 8 th August, 2018)	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
Dr. Yogesh Singh	Independent Director
Dr. T. Natarajan, IAS	Managing Director

Cessation of Director

Shri Anil Mukim, IAS (upto 7th March, 2018)
Shri Sujit Gulati, IAS (w.e.f 16th July, 2018)

Executives

Shri Samir Biswal, Director (Exploration)
Shri Bosebabu, - In charge - KG Asset
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 (w.e.f. 10th November, 2017)
Shri Prakash Karnik, General Manager (E&C)

RT&A

Karvy Computershare Pvt.Ltd.

Statutory Auditors

Talati & Talati
Chartered Accountants.
Ahmedabad

Secretarial Auditor

K. K. Patel & Associates
Company Secretary
Gandhinagar

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	HDFC Bank
Indian Bank	Allahabad Bank
Dena Bank	Axis Bank
Punjab and Sind Bank	Yes Bank
Punjab National Bank	ICICI Bank
Union Bank of India	Syndicate Bank

Corporate & Registered Office
GSPC Bhavan, B/h Udyog Bhavan
Sector-11, Gandhinagar-382010.

DIRECTORS' REPORT

To,
The Members,

Your Directors have the pleasure in presenting the 39th Annual Report along with the Audited Statement of Accounts for the financial year ended 31st March 2018.

STATEMENT OF COMPANY'S AFFAIRS**FINANCIAL PERFORMANCE**

The audited Standalone Financial performance for the year ended March 31, 2018 is summarized below:

Particulars	₹ in crores)	
	31/03/2018	31/03/2017
Revenue from Operations (Net)	10,725.54	9,639.85
Other Income	144.14	171.68
Total Revenue	10,869.68	9,811.53
Production Expenditure-E&P	74.32	174.77
Cost of Traded Goods	9,681.92	8,792.77
Changes in inventories of Finished Goods, Stock in process and Stock in Trade	33.60	(183.73)
Employee Benefits Expense	16.56	14.21
Finance Cost	1,674.81	1,929.69
Depreciation, Amortization, Depletion	210.52	917.68
Impairment	221.60	14,923.54
Diminution in the value of Investment	0	1.00
Provision for Doubtful Debts	0	289.93
Exploration cost written off	491.33	(18.60)
Other Expense	29.66	31.47
Total Expenses	12,434.32	26,872.74
Profit Before Tax and Adjustments	(1,564.64)	(17,061.20)
Tax Expenses	0	758.01
Profit After Tax	(1,564.64)	(16,303.19)
Other Comprehensive Income	792.20	8.66
Total Comprehensive Income For the period	(772.44)	(16,294.53)

*Previous year's figures have been regrouped/reclassified.

The Company has earned Profit before Depreciation Interest and Tax (Operational Profit) of ₹ 1033.62 Crore as compared ₹982.04 Crore in Previous Year recording increase of 5.25%.

During the 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. The Company is in the advanced stage of implementation of its debt realignment plan in order to address the issues associated with high leveraging and negative net worth.

Share Capital

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

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 **12.61 MMSCMD** gas in the financial year 2017-18 with sales outside Gujarat accounting for over 8% of the total sales 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 2017-18 are summarized below:

- The Company achieved **Sales turnover of more than ₹10,500 crores** despite facing stiff competition from various new entrants in the market.

- The Company has procured a total of 38 LNG cargoes under its long term deal as well as spot deals 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
- Concerted gas marketing efforts ensured average yearly volumes of around 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 \approx 140 MMSCM of Gujarat IPPs at competitive prices to meet their sudden spurt in demand
- The Company is currently marketing gas in 6 states namely Gujarat, Maharashtra, Karnataka, Uttar Pradesh, Andhra Pradesh, and Haryana.

The Company has also entered into 40 Master LNG sales & purchase agreements with leading global companies for its short/ medium term gas requirements.

The Company has incorporated two subsidiaries i.e GSPC Offshore Limited and GSPC Energy Limited with initial paid-up capital of ₹5 Lakhs as part of proposed re-structuring.

GSPC Offshore Limited has no financial or operational performance during the financial year.

GSPC Energy Limited has commenced business activities and its financial performance is as follows;

- GSPC Energy Limited has recorded total Income of ₹ 35.85 crore during the financial year 2017-18.
- GSPC Energy Limited has recorded PBT of ₹22.53 Lacs during the financial year 2017-18.

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 KG Block

GSPC was operator of KG-OSN-2001/3 with 80% participating along with 10% held by JODPL and GGR respectively.

During the last financial year, the Board of Directors had approved sale of GSPC's 80% Participating Interest of GSPC in KG-OSN-2001/3 Block to ONGC

A farm-in agreement was executed between GSPC and ONGC on 10th March, 2017. The Government of India has approved the assignment along with transfer of Operatorship to ONGC.

The Company has achieved closure of transaction. The consideration received from ONGC was utilised for partial prepayment of secured term loan on pro-rata basis.

ONGC (the National Oil Company) with financial and technical capabilities is best placed to carry out capital and technology intensive further development and production operations in the DDW and Other Six fields of KG Block with 80% participating interest.

The Company presently holds 10% Participating interest in the KG-OSN-2001/3 as a non operating JV partner.

2.2 Other E&P block

■ Operated Blocks

- Oil production from Ingoli & Sanand East Field of Ahmedabad block is close to 540-580 BOPD (Barrels of Oil per Day) from 6 wells. The FDP (Field Development Plan) of GSAH-5 oil discovery has been approved by MC (Management Committee) and Mining Lease (ML) grant received on 20th March 2018. Preparation for commencement of production is under progress and drilled one development well (GSAH5#D4.) Further testing in this well will be done during the Q1-of the financial year 2018-19. Addendum to FDP for Kalol oil discovery in Sanand East Field is under final stage of DGH review.
- CB-ON/2-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 100 - 150 BOPD & about 20000-25000 cubic meter of gas per day 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 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 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.

- Facility Creation for start of commercial production from Sanand Part-A area is completed and Addendum to Field Development Plan for new oil pool in Kalol

Directors' Report

reservoir is under review. Commercial production has started since May 2017. SE#4 pool is currently producing Oil of about 65 Barrel (BBL) per day. Production from Miroli Part-B is stopped due to high water cut.

- 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 from Ank-21 was continued as per plan. Facility creation for production from Ank-40s has been taken up and expected to be completed in 2018-19 (Q2).

Approval of Appraisal plan for Ank-41s has also been approved by MC along with the recommendation for extension of 18 months under Article 3.8 of PSC. MoPNG approval and PEL also has been granted for 18 months w.e.f. 18.12.2017. Appraisal well Ank-41s-A1 is under drilling.

■ Non Operated Blocks – Domestic

- In non-operated blocks portfolio, some discoveries have been made pursuant to drilling campaign carried out as follows;
 - In the block CB-ONN-2004/1 (Karannagar), about 5-6 Cubic meter of oil is being produced per day from Karannagar-1.
 - In block CB-ONN-2004/2, 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.
 - In block CB-ONN-2004/3, wherein the Company holds 35% PI, 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 2018-19.
 - In block MB-OSN-2005/1, wherein the Company holds 20% PI, 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. Declaration of Commerciality (DOC) has been submitted for all the three discoveries.
 - In GK-OSN-2009/1, appraisal plan is being carried out by Operator while GSPC has opted out.

- Oilex the operator of Cambay Field, (wherein GSPC holds 55% participating interest), after completing the horizontal well C-77H, has started gas production from the well to test tight hydrocarbon potential. Based on the analysis of production data from C-77H and reservoir characterization of Eocene and Oligocene reservoirs, operator has prepared revised FDP. The field's PSC has been extended for next 10 years. M/s. Oilex will further delineate the areal extent of the tight Eocene reservoirs within the field.
- Oilex is the operator of Bhandut Field wherein GSPC holds 60% participating interest Based on the analysis of production data from Bhandut#3 and reservoir characterization of Oligocene reservoirs, operator has prepared revised FDP. The field's PSC has been extended for 10 years.
- GNRL Oil & Gas Ltd is the operator of Dholasan, Allora, Kanawara and North Kathana fields wherein company holds 70% PI. Operator has continued the regular production from all the four fields. Revised FDP for Kanawara field was approved by DGH.
- Niko Resources Limited (NRL), operated Hazira field in which GSPC holds 66.67% Participating Interest (PI), currently it is producing 52,000 SCMD of Gas and 80 BOPD. Further, NRL has sold off its participating interest and Operatorship to M/s Sun Petro Ltd, for that amended Production Sharing Contract has been signed. Since, 1st Jan. 2018, M/s Sun Petro Ltd. is Operator of the Field.
- HOEC [as an Operator of Asjol, North Balol and Palej (CB-ON/7) fields wherein GSPC holds 50%, 45% & 35% Participating Interest (PI) respectively] has continued the regular production as per plan.

■ Non Operated Blocks - International

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 has been adversely affected 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 Treaty (CMATS) for which the Timor Leste Government has initiated arbitration proceedings against the Government of Australia. These developments have created significant commercial uncertainty which has negatively impacted the ability of the Joint Venture partners to meet the obligations under the PSC. Autoridade Nacional do Petroleo (ANP) has issued notice for termination of JPDA06-103 Production Sharing Contract (PSC) and the negotiation is going on between Joint Venture partners and Autoridade Nacional do Petroleo (ANP) for final settlement.

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 2517 Kilometers of Gas Pipeline as on 31st March, 2018.

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 has bagged International Safety Awards from British Safety Council for 5 years continuously.

GSPL is re-certified to Integrated Management Systems (ISO 9001:2008, ISO 14001:2004 & 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%). The Company is authorized to implement the Mallavaram- Bhopal -Bhilwara - Vijapur Pipeline Project (MBBVPL) with pipeline length of 1881 KMs (approx.)

The pipeline will traverse through the State of Andhra Pradesh, Telangana, Maharashtra, Madhya Pradesh Rajasthan and Gujarat.

The Company has awarded EPC Contracts for the initial section of Project from Reliance Gas Transmission India Limited's interconnection point at Kunchanapalli to Ramagundam Fertilizers & Chemicals Limited's Plant at Ramagundam. Project implementation activities are in full swing.

• 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 as follows:

Project	Kms. (approx.)
Mehsana - Bhatinda Pipeline Project (MBPL)	1670
Bhatinda - Jammu Srinagar Project (BJSPL)	740

The pipelines will traverse through the States of Gujarat, Rajasthan, Punjab, Haryana and Jammu and Kashmir.

The Company has awarded EPC Contracts for the initial sections of Projects viz. Barmer-Pali Pipeline, Palanpur-Pali Pipeline and Jalandhar Amritsar Pipeline. Project implementation activities like laying of pipelines, civil construction works etc. for all these three sections are in full swing.

Financial Performance of Subsidiaries in Gas Transmission Business

Gujarat State Petronet Limited (GSPL)

- GSPL has recorded total Income ₹1405.21 crore during the financial year 2017-18 as against ₹1115.76 crore in previous financial year.
- GSPL has recorded PBT of ₹ 1010.81 crore during the financial year 2017-18 as against ₹737.79 crore in previous financial year.
- GSPL has recorded PAT of ₹668.43 crore during the financial year 2017-18 as against ₹496.64 crore in previous financial year.
- GSPL has recorded Total Comprehensive Income (comprising of PAT and Other Comprehensive Income) of ₹ 669.02 crore during the financial year 2017-18 as against ₹ 496.41 crore in previous financial year

GSPL India Transco Limited (GITL)

- GITL has recorded total interest Income of ₹ 2.34 crores and Net Profit of ₹ 1.35 crores during the financial year 2017-18.

GSPL India Gasnet Limited (GIGL)

- GIGL has recorded total interest Income of ₹ 1.74 crores and Net Profit of ₹ 0.90 crores during the financial year 2017-18.

Directors' Report

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.

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.

- **LNG terminal**

GSPC LNG Limited is an associate Company incorporated for developing LNG Receiving, Storage and Regasification Terminal at Mundra, Kachchh, Gujarat with an initial capacity of 5 MMTPA.

The Company have achieved Mechanical Completion for the LNG terminal facilities. Commissioning and subsequent commercial operations shall commence by mid 2018.

Indian Oil Corporation Limited (IOCL) has evinced interest in taking equity stake in the Company and MoU has also been signed with IOCL.

Financial performance of GSPC LNG Limited (GSPC LNG)

- GSPC LNG has recorded total Interest Income of ₹ 10.80 crore during the financial year 2017-18 as against ₹ 11.18 crore in previous financial year. This figures are based on provisional accounts for the FY 2017-18

IV. Downstream Business activities

Operational Performance of Subsidiaries and Associates in Gas Distribution business.

City Gas Distribution

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

- **Gujarat Gas Limited**

Pursuant to implementation of scheme of Amalgamation and Arrangement Gujarat Gas Limited emerged as India's largest city gas distribution player with its presence spread across various districts in the

State of Gujarat, Union Territory of Dadra and Nagar Haveli and the State of Maharashtra.

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 18 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 19 Districts in the State of Gujarat, 1 in the Union Territory of Dadra and Nagar Haveli and 2 Districts in the State of Maharashtra. 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 12.4 Lakh residential, over 13,390 commercial and non-commercial segments and over 3,210 industrial customers.

Gujarat Gas Limited also supplies natural gas in the form of Compressed Natural Gas (CNG) through 291 CNG stations catering to the automotive sector in the operational areas as on 31st March, 2018.

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

The Company held 28.40% holding in Gujarat Gas Limited at the beginning of the financial year. However the Company has sold all its 3,91,06,328 equity shares held in Gujarat Gas Limited to Gujarat State Petronet Limited in March, 2018.

Audited financial performance of Gujarat Gas Limited

- Gujarat Gas has recorded total Income of ₹ 6,375.03 crore during the financial year 2017-18 as against ₹ 5,264.19 crore in previous financial year.
- Gujarat Gas has recorded PBT of ₹ 462.84 crore during the financial year 2017-18 as against ₹303.34 crore in previous financial year.
- Gujarat Gas has recorded PAT for the period (before other comprehensive income) of ₹ 291.36 crore during the financial year 2017-18 as against ₹ 219.50 crore in previous financial year.
- Gujarat Gas has recorded Total Comprehensive Income (after tax) of ₹ 251.24 crore during the financial year 2017-18 as against ₹176.83 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 1,26,763 domestic customers, 281 industrial customers and 558 commercial establishment as well as 70 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 2,48,170 KG during the financial year 2017-18 as against 2,06,468 during financial year 2016-17.

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.

Financial performance of Sabarmati Gas Limited (SGL)

- SGL has recorded total income of ₹ 839.87 Crores during the financial year 2017-18 as against ₹ 687.49 Crores in the previous financial year.
- SGL has recorded PBT of ₹ 114.85 crores during the financial year 2017-18 against the PBT of ₹ 79.32 Crores in the last financial year.,
- SGL has recorded PAT of ₹ 74.54 crores during the financial year 2017-18 as against the PAT of ₹ 42.56 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.

V. 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 successfully commissioned its 351.43 MW combined cycle power plant at Hazira. With the commissioning of the expanded capacity of 351.43MW, the total capacity of the Hazira CCPP (Combine Cycle Power Plant) has gone up from 156.1 MW to 507.53 MW. BHEL has completed EPC contract major activities to conduct CCPP Performance Guarantee test in April, 2018 and PG test is expected to complete in current financial year.

Financial performance of Gujarat State Energy Generation Limited (GSEG)

- GSEG has recorded total Income of ₹353.54 crore during the financial year 2017-18 as against ₹344.26 crore in previous financial year.
- GSEG has recorded PBT of ₹80.11 Crores during the financial year 2017-18 as against profit of Rs. 46.61Crores in the previous financial year.
- GSEG has recorded PAT ₹75.35 crore during the financial year 2017-18 as against profit of ₹46.59 crore in previous financial year.

■ 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 is expected to be completed in the current financial year.

Financial performance of GSPC Pipavav Power Company Limited (GPPC)

- GPPC has recorded total Income of ₹ 411.81 Crores during the financial year 2017-18 as against ₹483.66 Crores in previous financial year.
- GPPC has recorded a PBT of ₹17.64 Crores during the financial year 2017-18 as against the profit of ₹80.85Crores in previous financial year.
- GPPC has recorded a PAT of ₹ 13.88 Crores during the financial year 2017-18 as against profit of ₹ 75.99 Crores in previous financial year.

Directors' Report

GSEG and GPPC have contributed positively to the overall performance of the company during the period under review, by way of ensuring energy security in the state of Gujarat.

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.

VI. 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 ₹14.78 crores during the financial year 2017-18 against ₹15.93 crores in previous financial year.
- GIPL has recorded PBT of ₹3.43 crores during the financial year 2017-18 as against ₹3.95 crores in previous financial year.
- GIPL has recorded PAT of ₹2.49 crores during the financial year 2017-18 as against ₹2.69 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 the oil and gas sector, conduct research and training in petroleum sector, assists in devising technologically 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

There has been no change in the nature of business of the Company.

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 downwards its credit rating from A+ (Rating Watch with Negative Implication) to BBB+ (Rating Watch with Negative Implication) for the Long Term Loan. CRISIL has withdrawn the rating of Short Term Loan on receipt of a no-objection certificate from the respective banks. CRISIL has downwards its credit rating from CRISIL A+ (Rating Watch with Negative Implication) to BBB+ (Rating Watch with Negative Implication) for Unsecured NCDs with 8 years, 10 years and 15-year maturity and from A (Rating Watch with Negative Implication) to BBB for Unsecured NCDs with 60 years of maturity and Compulsorily Convertible Debentures has revised downwards from CRISIL A+r (Rating Watch with Negative Implication) to BBB+r (Rating Watch with Negative Implication).

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

- Weak debt protection metrics and capital structure.
- Networth was negatively impacted in fiscal 2017 by a one-time impairment

CARE has revised downwards its credit rating from A+ (Placed on credit watch) to BBB+ (Stable) for the Long Term Loan. CARE has revised its rating downwards from A1 (Placed on credit watch) to A2 for Short Term Loan. CARE has also revised its rating downwards from A+ (Placed on credit watch) to BBB+ (Stable) for Unsecured NCDs with 8 years, 10 years and 15-year maturity and from A (Placed on credit watch) to BBB (stable) for Unsecured NCDs with 60 years of maturity.

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

- Deterioration in capital structure following provision for heavy impairment losses even exceeding its net-worth reducing its financial flexibility.
- Very high debt levels even post sale of stake in DDW block requiring financial/capital realignment plan to meet timely debt servicing out of cash flows of gas trading business

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 KPMG 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 2017-18.

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.

To ensure that the QHSE management system is functioning satisfactorily, the company has established effective management system and procedures and adopted auditing mechanisms and the recommendations of such audits are consistently implemented. The company has taken many initiatives during the year to achieve continual improvement, which includes comprehensive incident and 'near-miss' reporting and investigation system, establishing emergency response plans, safety and environmental audits and systematic HSE training for employees and contractors. These are periodically reviewed, audited and upgraded for continuous excellence.

The company has achieved an impressive milestone in safety statistics, incident free days for onshore operation and consistently maintained zero incident record. This clearly shows the excellence in safety standards.

Directors' Report

Towards sustainable development of operations, GSPC has been giving importance to environmental protection as one of our primary objective in QHSE. During the reporting period GSPC has commenced green belt plantation at our onshore facilities and also encouraged plantations around our work sites. Our efforts of reducing wastes and emissions are reflected through implementation of 3R principles of wastes management (Reduce, Recycle and Reuse) in our operations.

To create HSE awareness amongst employees and contractors, company organized various promotional programs like; Celebration of National Safety Day and World Environment Day. During the celebration campaign, the company organized various programs and competitions like; safety quiz, safety talk, safety posters, safety slogan and hazard identification. During the year various HSE awareness sessions were conducted for employees & contractor towards Fire and basic safety, Electrical Safety, Defensive Driving, Material Handling, Warehouse safety and Mines Vocational Training.

During the year various onsite emergency mock drills exercise were carried out at regular interval.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as Annexure - III to this Report.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors have developed and implemented Corporate Social Responsibility Policy of the Company. The brief outline of the Corporate Social Responsibility Policy, composition of CSR Committee of Directors, reasons for not spending CSR expenditure and other required disclosures related to CSR are attached herewith as Annexure - IV as per the format prescribed under the Companies (Corporate Social Responsibility) Rules, 2014.

The Company has recorded loss for the average of last three financial years as per the provision of Section - 135 and hence it was not required to spend towards CSR during the financial year.

HR INITIATIVES:

HR initiatives are summarized below:

- The Company continues to focus on initiatives which will contribute towards enhancing the capabilities of the next generation of leaders and promote the development of a high performance culture.
- The Company believes that training and development is of vital importance to create a climate for transforming the thinking where people maximize their technical skills and inner potential which can help the Company in capitalizing the emerging business opportunities through their

involvement. During the year, employees were sent for various training programs and seminars both internal and external trainings.

- We have accomplished this by providing effective, cost-efficient and consistent programs and services that are reflective of the needs of the Company and our stakeholders.

Training and Development initiatives are summarized below:

- **During the year, the Company organized following learning activities for the employees:**

- Artificial Lift Training for employees.

Workshop on "Letter of Credit (LC), Standby Letter of Credit (SBLC) and Bank Guarantee (BG)- Operational Issues"

- Training on MS Excel: Basic & Advance

- **Various Employee Engagement Activities**

- Winter Sports conducted in the month of December 2017

- Session on Stress Management and Health & Lifestyle by a Consultant Clinical Cardiologist, Apollo Hospitals, Ahmedabad.

- Sabrang- Unleash the "Power of We"

- Women's Day Celebration- Health Talk on Breast Cancer Awareness by Dr. Anagha Zope, Oncology, Apollo Hospitals, Ahmedabad.

- Health Talk on "Oral Hygiene and Health Care" at the Onshore Gas Terminal (OGT), Mallavaram.

- Celebration of World Environment Day with the theme "connecting people to nature" for creating awareness for environment protection.

- On the occasion of 47th National Safety week employees at headquarter and at site participated with an objective to create work place safety awareness & enhance motivation among the GSPC employees. The theme of 47th National Safety Day-2018 was "Reinforce Positive Behavior at the Workplace to Achieve Safety & Health Goals"

DIRECTORS & KEY MANAGERIAL PERSONNELS

Appointment of Directors

Shri Anil Mukim, IAS was appointed as Additional Director of the Company w.e.f. 17th October, 2016 consequent to his appointment as Additional Chief Secretary (Finance Department) and his appointment has been regularized at the last Annual General Meeting of the Company.

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 Anil Mukim, IAS has ceased to be Director of the Company w.e.f. 7th March, 2018. The Board of Director of your Company place on record appreciation of services rendered by Shri Anil Mukim, IAS.

Appointment and Resignation of Key Managerial Personnel's.

Shri Gopal Pallipuram Srinivasan has resigned as Chief Financial Officer of the Company w.e.f. 31st May, 2017. Subsequently the Board of Directors has approved appointment of Shri Rajesh Sivadasan as Chief Financial Officer of the Company w.e.f. 10th November, 2017.

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

- Dr. J. N. Singh, IAS as Chairman & Managing Director.
- Dr. T. Natarajan, IAS as Joint 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

6 meetings of Board of Directors were held during the financial year 2017-18.

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
Dr. N. Ravichandran	Member
Dr. Yogesh Singh	Member
Dr. T. Natarajan, IAS	Member

The Audit Committee has recommended the financial statement for the year ended on 31st March, 2018 for approval of the Board at its meeting held on 21st May 2018.

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

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 2017-18.

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

The Company has received comments from C&AG office on the financial statement for the financial year 2017-18. Copy of comments received from C&AG office along with Management response is enclosed after C&AG report.

Directors' Report

SECRETARIAL AUDITOR

The Board of Directors have appointed M/s K. K. Patel and Associates, Practicing Company Secretary to conduct Secretarial Audit for the Financial Year 2017-18.

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, 2018 is annexed herewith as Annexure - V to this Report.

COST AUDITORS

The Board of Director has appointed M/s. Kailash Sankhlecha & Associates as Cost auditor for the financial year 2017-18.

The Company has filed the Cost Audit Report for the financial year 2016-17. The Cost Audit for the financial year 2017-18 is being finalized and the same shall be filed as required.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that,

The Directors 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. 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	₹ in crores
Earnings	NIL
Outgo	5,611.73

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

Chairman

Date : 7th December, 2018
Place : Gandhinagar

Annexure - I

Management Discussion & Analysis

World over, energy supply and demand consumption is undergoing a dramatic shift and the same is being marked as one of the largest transitions in history. The following factors have driven this noticeable change: (a) Consumption growth shifting to countries in the Middle East and developing Asia (b) Solar PV becoming economical than other energy sources (c) abundant natural gas with increase in contribution of natural gas in primary energy basket along with increased share of LNG (c) US becoming largest producer of oil & gas and predicted to meet major portion of additional oil demand in coming decades (d) Transport segment witnessing radical change in the coming years with the onset of Electric Vehicles

India is poised to play a pivotal role while the world oversees such huge energy transition. Currently, India is the fastest growing large economy in the world and our GDP grew by 7.2% in Q3 2017-18. In their recent reports, IMF, World Bank, and ADB are predicting India will grow between 7-8% in 2019 and 2020.

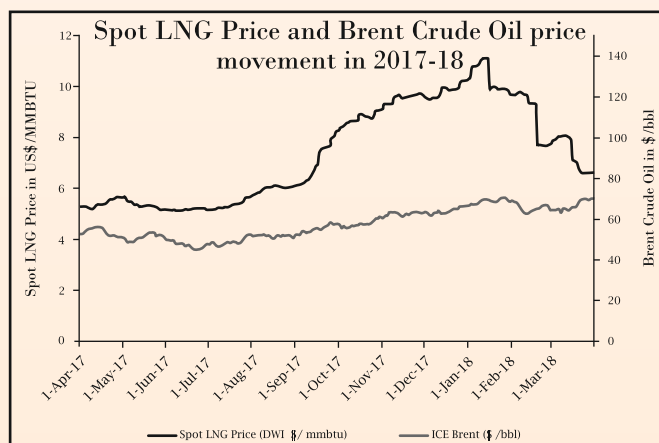
As per the BP *Energy Outlook 2018*, while there would be significant growth in energy consumption in fast growing developing economies, India and China would account for almost half of the growth in global energy demand. In fact, according to this report by the middle of the next decade, the incremental energy consumption in India will surpass that of China.

While natural gas in the primary energy mix was at 6% as per BP *Statistical Review of World Energy 2017*, natural gas consumption stood at 144.75 MMSCMD (FY 2017-18) 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 73.61 MMSCMD (FY 2017-18) accounting for over 50% of the total gas consumed in the Country cashing in on global drop in LNG prices during major portion of the year.

Global LNG production in 2017 jumped to a record high (*y-o-y basis*) mainly driven by the rapid growth of LNG production from Australia and the United States. Most of the demand growth occurred in Asia, mainly influenced by energy policy orientation in China, Korea and Taiwan and demand from North East Asian buyers experienced a strong rebound.

Despite several delayed start-ups, new liquefaction capacity continued to come online in various areas of the world ranging from the United States to Australia, Malaysia and Russia leading to an increase in LNG supply. However, expectations of an LNG surplus and depressed prices have not materialized, as rising imports into China contributed substantially to balancing the market.

During first half of the year (*April to September 2017*) spot LNG price remained at low level due to low demand summer months in Far East countries such as Japan, Korea, China and Taiwan. Average LNG price for delivery in India during this period were around 5.7 US \$/MMBTU. However, the second half (*October to March 2018*) saw a big jump in spot LNG prices as a result of higher demand from Far East countries for meeting winter heating requirement. A major contributor to the same was China where policy decision was taken to replace coal with natural gas for country's energy requirement to tackle worsening pollution. Last year saw China's LNG import jump from 26.154 MTPA in 2016 to 38.692 MTPA in 2017 (*an increase of 48 %*) replacing South Korea as second largest LNG importer.



GOVT OF INDIA INITIATIVES

The reversal in the six-year declining trend assumes significance coming at a time when Govt. of India (GoI) is targeting a ramp up in the share of natural gas in the overall energy basket to 15% by 2030. GoI has revamped its upstream policies and regulations and is trying to bring in transparency and competitiveness to the sector by introduction of different initiatives:

1. E&P

- **Hydrocarbon Exploration Licensing Policy (HELP)** for award of Hydrocarbon Acreages in the Upstream Sector of India in July'17 by way of which bidding criteria has been changed to revenue sharing which will help reduce government intervention.
- **Discovered Small Field Policy** through which GoI has successfully awarded small fields to newer entities in India thus expanding the developers in the oil & gas upstream sector.
- The Open Acreage Licensing Policy (OALP) and National Data Repository (NDR) will help domestic and foreign companies participate in fields of interest and help increase the exploration interest in India's upstream sector.
- **The Enhanced Oil Recovery Policy** aims to promote the use of the latest technology in improving productivity of upstream fields.

2. Natural Gas

- **National Gas Grid:** To have a gas based economy and enhance the share of gas in the energy basket to 15%, the Government has envisaged developing additional 15,000 km of gas pipeline network.
- **City Gas Distribution Network:** GoI targets to increase Piped Line Gas Connection to 1 crore connections to reduce pollution in the cities by 2020. At present, 31 CGD companies are developing CGD networks in 81 GAs in 21 State(s)/UTs which are supplying clean cooking fuel in the form of PNG to about 40 Lakhs consumers in the country. GoI has further envisaged to expand the coverage of CGD networks across the country in synchronisation with the Gas availability and pipeline connectivity.
- **Promotion of CNG/LNG in Transportation Sector:** The Government is promoting the usage of environment friendly transportation fuel, i.e. CNG by expanding the coverage of City Gas Distribution (CGD) network in the country. In order to promote the CNG services in the country, the Government has issued guidelines for making available domestic gas to the CGD entities for meeting the entire requirement of CNG for transport segments.
- **Gas Hub:** Central Government's announcement of policy intentions for setting up of a trading hub to set Indian gas benchmark would also provide a fillip to the upstream activities. Setting up of a gas trading hub requires policy efforts on various fronts that would set the right environment for a trading hub to seamlessly operate and one of it shall also be the boost it shall give Pan-India pipeline development projects.

It is expected that domestic gas production shall increase significantly over the next 5 years from the ongoing development of new fields by ONGC, OIL, Cairn and RIL-BP, besides some increase in CBM production. Several players including players, like ONGC, RIL-BP, Focus Energy and Cairns are expected to bring in gas from new domestic sources including ONGC's Vashishta and S-1 fields in KG offshore, ONGC's Daman, ONGC's Kutch Offshore, RIL - BP's R-series fields in KG Basin, Cairn India Ltd.'s (*now a part of Vedanta Group*) Raageshwari Deep Gas (RDG) field and Focus Energy Ltd.'s block in Rajasthan. All these gas sources would contribute significantly towards volume upside from domestic fields.

Nevertheless, LNG would continue to bridge the gap between demand-supply despite increase in domestic gas production owing to increasing energy requirements of the country backed by strong economic growth. Creation of pipeline infrastructure and new LNG terminals would facilitate increase in overall gas consumption in the Country. Current regasification capacity of 27 MTPA is set to double in a span of 5 years paving way for LNG imports into the Country.

Table1 - LNG import & regasification Infrastructure

LNG terminal	(in MTPA)	
	2017-18	2022-23
PLL, Dahej	15.0	17.5
HLPL, Hazira	5	5
PLL, Kochi	5	5
RGPPL, Dabhol	2	5
GSPC LNG, Mundra	0	5
IOCL Ennore	0	5
SEL, Jafrabad	0	5
H-Energy Jaigarh	0	5
Dhamra LNG	0	5
TOTAL	27	57.5

Directors' Report

Your Company has been consistently approaching customers across several states in order to expand its Gas Trading portfolio and has been successful in tying up even long term volumes with a few customers. With the downstream regulator working towards opening up access to pan-India infrastructure, your Company is confident of making gas available to customers in states other than Gujarat.

Your Company has been able to achieve a right mix of long term and spot supplies in its portfolio and hence has been in a position to market gas across various segments at competitive prices. Your Company has also been successful in implementing contractual structures which provide more flexibility to the customer along with ensuring price competitiveness.

GSPC Group is also working in the right direction of building requisite infrastructure. GSPL's JV companies namely GSPL India Gasnet Limited (GIGL) and GSPL India Transco Ltd. (GITL) are developing the Mehsana-Bhatinda (MBPL), Bhatinda-Jammu-Srinagar (BJSPL) and Mallavaram-Bhilwara-Bhopal-Vijaipur (MBBVPL) pipelines of \approx 4000 kms spanning 9 States and 60 districts of the Country. GIGL has achieved considerable progress in developing its sections for achieving connectivity with GSPL's Gujarat Gas Grid, Cairns fields in Rajasthan and connectivity for Amritsar CGD project.

Upon commissioning of these sections, GIGL shall have attained the distinction of commissioning a part of GoI's vision of National Gas Grid. Commencement of gas supplies through these sections shall provide an impetus for development of balance sections of these pan-India pipelines to ensure availability of gas across several states.

GSPL is also working towards expanding its presence across various industrial clusters / segments in Gujarat. With CGD segment given the highest priority in gas allocation and with the thrust of the Central Govt. on 'Smart Cities', your Company shall continue to participate in CGD business through its existing ventures of Gujarat Gas Ltd. and Sabarmati Gas Ltd. We strongly believe that all these infrastructure initiatives / developments by the Group would facilitate in expanding the business of Gas Trading segment of your Company.

E&P business: Producing Assets

Oil and gas production volumes, which depend on the yield from the company's producing fields, have a significant 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 17 producing fields and 01 producing field 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 also intends to continue exploration activities in its existing exploration blocks to discover new oil and gas reserves for development. 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. 1033.62 Crore as compared Rs. 982.04 Crore in Previous Year recording increase of 5.25%.

During last financial year, the Board had approved the sale of GSPC's 80% Participating Interest of GSPC in KG-OSN-2001/3 Block to ONGC.

The Company has executed Farm-in/Farm-out Agreement with Oil and Natural Gas Corporation (ONGC) for farm-out of 80% PI in KG-OSN-2001/3 (KG Block). The KG Block has substantial gas and condensate reserves however due to technical challenges (High Pressure High Temperature and tight reservoirs in offshore environment), the requisite future capital investment to achieve desired levels of production had pushed the Company towards a highly leveraged position. The Company was unable to infuse further capital for future development which had triggered the strategic transfer of KG Asset to ONGC. ONGC with financial and technical capabilities is best placed to carry out capital and technology intensive further development and production operations in the DDW and Other Six fields of KG Block.

The Government of India has approved the assignment along with transfer of Operatorship *vide* DGH letter dated June 30, 2017. The Company achieved closure of transaction.

However, to recoup the negative impact on financials, the Company has an upside potential from valuation of other six discoveries in KG Block. Moreover, the Company has wide domain of business process in energy value chain with gas trading, Exploration & Production business in onshore blocks and renewable power generation. The Company has strong market presence in the gas trading business which is further fortified with subsidiaries in gas transmission and gas distribution business alongside gas based power generation businesses which have potential for high growth trajectory.

The management of the Company with the support from Government of Gujarat is committed to complete the turnaround of the company by putting in place Financial Realignment Strategy. The Company is devising a detailed realignment plan to improve the financial and operating performance. The Company has already engaged services of independent consultant for preparation of Financial Realignment Plan.

During the 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. The Company is in the advanced stage of implementation of its debt realignment plan in order to address the issues associated with high leveraging and negative net worth.

In view of the business presence of the Company and the measures taken along with the support of GoG, the present accounts have been prepared on a "Going Concern Basis" since in opinion of the management there is no foreseeable situation of the Company otherwise.

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 & Managing Director

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

Sr. No	Name of Subsidiary Company	Gujarat State Petronet Limited (G SPL)	G SPL India Gasnet Limited (G IGL)	G SPL India Transco Limited (G ITL)	G SPC ENERGY LIMITED	G SPC OFFSHORE LIMITED	G SPC Pipavav Power Company Limited (G PPC)	G SPC (JPDA) Limited	Guj Info Petro Limited (GIPL)	Gujarat Gas Limited
1	The date since 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	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
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	563.83	387.02	381.00	0.05	0.05	861.84	98.39	0.05	137.68
5	Reserves & surplus	4,501.21	6.60	7.05	(0.16)	(0.35)	(182.23)	(98.06)	49.36	1,708.73
6	Total assets	8,948.53	915.26	429.05	20.41	0.03	2,304.22	0.52	59.92	6,633.31
7	Total Liabilities	3,883.49	521.64	41.00	20.52	0.03	1,624.61	0.19	10.51	4,786.90
8	Investments	4,181.36	-	-	-	-	-	-	-	-
9	Turnover	1,331.75	-	-	35.85	-	409.81	-	12.57	6,339.35
10	Profit before taxation	1,011.18	1.39	2.01	0.23	(0.01)	16.50	(0.06)	3.50	411.31
11	Provision for taxation	342.17	0.49	0.66	0.06	-	3.52	-	0.94	160.07
12	Profit after taxation	669.01	0.90	1.35	0.17	(0.01)	12.99	(0.06)	2.56	251.24
13	Proposed Dividend (%)	15.00	-	-	-	-	-	-	-	40.00
14	% of Ownership (Extent of shareholding)	GSPC holds 37.65%	GSPC holds 19.58%	GSPC holds 19.58%	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 - G SPL India Gasnet Limited(G IGL), G SPL India Transco Limited(G ITL) and G SPC 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. GSPC holds NIL (PY 28.4%), GSPC 54.14(i.e. subsidiary of GSPC holds PY 25.76%) and GSEG (i.e. Associate of GSPC holds 0.19%). Fresh Certificate of incorporation was issued by MCA on 15th May, 2015

Dr. J. N. Singh, IAS
Chairman & Managing Director
DIN : 00955107

Date : 21st May, 2018
Place : Gandhinagar

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

Rajesh Sivadasan
Chief Financial Officer

Sandeep Dave
Company Secretary

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

(Figures in crores except for no. of shares)

Sr. No.	Name of Associates/Joint Ventures	Gujarat State Energy Generation Limited (GSEG)	GSPC LNG Limited (GLL)	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 31-Mar-18	27.02.2007 31-Mar-17	06.06.2006 31-Mar-18	05.09.1994 31-Mar-17
2	Latest audited Balance Sheet Date				
3	Shares of Associate/Joint Ventures held by the company on the year end	11, 35, 41, 817 119.83	11,430,060 11.43	4,494,330 55.10	11,500,000 11.50
4	Amount of Investment	32.59%	13.48%	22.47%	22.55%
5	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**	Control of more than twenty per cent of total share capital
6	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.	N.A.
7	Networth attributable to Shareholding as per latest audited Balance Sheet	79.29	43.30	88.07	(105.66)
	Profit / Loss for the year	25.13	0.84	16.76	-
	Considered in Consolidation				
	Not Considered in Consolidation				

Names of associate or joint ventures which are yet to commence operations - GSPC LNG Limited
#GSEG, SGL and Alcock are associate since their incorporation date as mentioned above. However GLL was incorporated as subsidiary of GSPC and latter on become Associate in financial year 2014-15 due to change in control over Management,

***GSPC along with GSPL (Subsidiary of GSPC) holds 23.56% of equity stake in GSPC LNG Limited

****GSPC along with GSPL (Subsidiary of GSPC) holds 50% of equity stake in Sabarmati Gas Limited

*****GSPC along with GSPL (Subsidiary of GSPC) holds 34.39% of equity stake in Gujarat State Energy Generation Limited

Dr. J. N. Singh, IAS
Chairman & Managing Director
DIN : 00955107

Sandeep Dave
Company Secretary

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

Rajesh Sivadasan
Chief Financial Officer

Date : 21st May, 2018
Place : Gandhinagar

Annexure - III
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March, 2018

[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 Udhyog 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 2017-18.
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 : 21st May, 2018
Place : Gandhinagar

Chairman & Managing Director

Annexure - A

All the business activities contributing 10% or more of the total turnover of the company			
Sl. No.	Name and Description of main Product/ Services	NIC Code of the the Product/ Service	% to total turnover of the company
1	Ancillary Product- Gas Trading	Not Applicable	96.30%

Annexure - B

Particulars of Holding, Subsidiary and Associate Company					
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	37.67	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)
8	GSPC LNG Limited**	U23203GJ2007SGC050115	Associate	7.39	2(6)
9	Gujarat State Energy Generation Limited	U40100GJ1998SGC035212	Associate	32.59	2(6)
10	Sabarmati Gas Limited***	U40200GJ2006PLC048397	Associate	22.47	2(6)
11	Alcock Ashdown (Gujarat) Limited	U74999GJ1994SGC022952	Associate	22.55	2(6)

*The Company had 28.40% holding in Gujarat Gas Limited upto March, 2018. However the Company has sold all its 3,91,06,328 equity shares held in Gujarat Gas Limited to Gujarat State Petronet Limited in March, 2018. However, its status of being subsidiary of GSPC has not changed since Gujarat Gas Limited after the transaction has become subsidiary of GSPL which is a subsidiary of GSPC and hence GGL is subsidiary of GSPC.

**GSPC along with GSPL (Subsidiary of GSPC) holds 23.56% of equity stake in GSPC LNG Limited

***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.

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
d)	Bodies corporates	-	-	-	-	-	-	-	-
e)	Banks/FI	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-
	Sub total (A) (1):-	0	2241010179	2241010179	86.89	0	2241010179	2241010179	86.89
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
	Total shareholding of Promoter (A)=	0	2241010179	2241010179	86.89	0	2241010179	2241010179	86.89
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
1	Non-institutions								
a)	Bodies Corporation								
	i)Indian	240308441	97944300	338252741	13.11	240308441	97944300	338252741	13.11
	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
	Total Public Shareholding - (B)	240308441	97944300	338252741	13.11	240308441	97944300	338252741	13.11
C. Shares held by Custodian for GDRs & ADRs									
		-	-	-	-	-	-	-	-
	Grand Total - (A+B+C)	240308441	2338954479	2579262920	100.00	240308441	2338954479	2579262920	100.00

Annexure - D

Shareholding of Promoters								
Sr.	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

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

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, 2017)		Cumulative Shareholding during the year (i.e. as on 31 st March, 2018)	
		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	192592441	7.47
9	Gujarat Gas Company Limited	20000000	0.78	20000000	0.78
	Total	2579262920	100.00	2579262920	100.00

*including 07 nominees of GoG holding 200 shares each

Annexure - G

Shareholding of Directors and Key Managerial Personnel					
Sr. No.	Particulars of Director and KMPs	Shareholding at the beginning of the year (i.e. 1 st April, 2017)		Cumulative Shareholding during the year (as on 31 st March, 2018)	
		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	14,667	8,675		23,342
ii) Interest due but not paid	-	-		
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	14,667	8,675		23,342
Change in Indebtedness during the financial year				
- Addition	(8,595)	(560)		(9,154)
- Reduction				
Net Change	(8,595)	(560)		(9,154)
Indebtedness at the end of the financial year				
I) Principal Amount	6,072	8,100		14,237
ii) Interest due but not paid				
iii) Interest accrued but not due	25	147		172
Total (i+ii+iii)	6,098	8,262		14,359

Note :- The amounts outstanding for various loans as on 31st March, 2018 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	Total Amount
		Chairman and Managing Director	Jt. Managing Director	
		2017-18	2017-18	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00	2240388.00	2240388.00
	(b) Value of perquisites u/ 17(2) of the Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
	Commission	0.00	0.00	0.00
4	- As % of Profits	0.00	0.00	0.00
	- Others, Specfiy	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	Total(A)	0.00	2240388.00	2240388.00

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 is Chairman and Managing Director

Annexure - J

Remuneration to other Directors										
Sl. No.	Particulars of Remuneration	Shri Anil Mukim, IAS	Shri Sujit Gulati, IAS	Dr. Manjula Subramaniam, IAS (Retd.)	Shri M. M. Srivastava, IAS (Retd.)	Shri K. Kailashnathan, IAS (Retd.)	Dr. Ravindra Dholakia	Prof. N. Ravichandran	Prof. Yogesh Singh	Total Amount
	Period of Directorship	01/04/2017 to 07/03/2018	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	
1	Independent Directors									
	- Fees for attending Board/ Committee Meetings	-	-	-	-	-	60000	37500	22500	120000
	- Commission	-	-	-	-	-	-	-	-	-
	-Others (Out of Pocket Expenses)	-	-	12000	-	-	12000	7500	4500	36000
	Total (1)	-	-	12000	-	-	72000	45000	27000	156000
2	Other Non Executive Directors									
	- Fees for attending Board/ Committee Meetings	-	-	-	82500	22500	-	-	-	105000
	- Commission	-	-	-	-	-	-	-	-	-
	-Others (Out of Pocket Expenses)	15000	15000	-	16500	4500	-	-	-	51000
	Total (2)	15000	15000	-	99000	27000	-	-	-	156000
	Total (3) = (1 + 2)	15000	15000	12000	99000	27000	72000	45000	27000	312000
	Total Managerial Remuneration									

Overall Ceiling as per Act :- Not applicable to Government Companies.
Amounts mentioned in this table is to the direct during financial year 2017-18.

Annexure - K

Remuneration to Key Managerial Personnel other than Managing Director/M/WTD					
Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	KMP (CS & Head Legal)*	KMP (CFO)	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		3913052	2849498	6762550
	(b) Value of perquisites u/ 17(2) of the Income-tax Act, 1961		118143	105342	223485
	(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 a % of Profits				
	-Others, Specify				
5	Others, Please Specify				
	Fixed Pay				
	Total		4031195	2954840	6986035

*Including 25% performance linked incentive

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	Member
3	Dr. N. Ravichandran	Member

3. Average net loss recorded by the company for last three financial years :- ₹ (59,33,37,19,594)

4. Prescribed CSR Expenditure (i.e 2 % Average net loss of the company for last three financial years) :- ₹ (1,18,66,74,392)

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.

Manner in which the amount spent during the financial year is detailed below. :

Sr. No.	CSR Activity identified	Sector in which the project is covered	Area in which CSR activity to be undertaken	Amount (Budget)	Amount Spent on the programe	Cumulative Expenditure	Manner in which the amount is spent
N.A.							

The activities of the Company will generally be in consonance with the Schedule - VII of the Companies Act, 2013. The Company would undertake activities as per the CSR Policy of the Company.

6. **In case the company has failed to spend two percent of average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report. – N.A.**
7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Chairman & Managing Director
(Chairman - CSR Committee)

Secretarial Audit Report

For The Financial Year Ended On 31st March, 2018

[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
GSPC Bhawan, Behind Udyog Bhawan,
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. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings of the Company.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable to the Company being holding Company of Listed Subsidiary Companies.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 is not applicable to the Company.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is not applicable to the Company;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is not applicable to the Company.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, to the extent applicable to the Company;
 - (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 to the extent applicable to the Company since NCDs of the Company is Listed on National Stock Exchange.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 is not applicable to the Company; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 is not applicable to the Company.
- (vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following sector specific laws applicable specifically to the Company:
 - (i) The Petroleum Act, 1934 and rules made thereunder
 - (ii) The Oilfield (Regulation & Development) Act, 1948 and its rules.
 - (iii) The Oil Industry (Development) Act, 1974
 - (iv) Oil Mines Regulation 1984.
 - (v) Environment Protection Act, 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Debt Listing Agreements with National Stock Exchange Limited (NSE) & Securities and Exchange Board of India (Listing Obligation and disclosure requirement) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31.03.2018. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors and Committee of the Board as the case may be.

We further report that

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

We further report that

During the audit period, the Company has taken the following major decision which requires reporting under Companies Act, 2013.

1. A farm-in agreement was executed between GSPC and ONGC in the previous financial year for sale of GSPC's 80% Participating Interest in KG-OSN-2001/3 Block and other Fields (i.e. Deen Dayal West Field of KG Block) to ONGC. The Government of India has approved the assignment along with transfer of Operatorship vide DGH letter dated June 30, 2017. The Company achieved closure of transaction on 4th August 2017.
2. The Board of Directors of the Company at its meeting held on 19th March, 2018 has approved the sale of 3,91,06,328 equity shares held by the Company in Gujarat Gas Limited (GGL) to Gujarat State Petronet Limited (GSPL), subsidiary of the Company. The Shareholders of the Company has approved the same by passing special resolution in Extra Ordinary General Meeting held on 22nd March, 2018. Accordingly, the Company has sold its entire shareholding in Gujarat Gas Limited to GSPL through stock exchange by way of Block deal before the end of the financial year. However, the status of GGL as subsidiary of GSPC has not changed since Gujarat Gas Limited after the transaction has become subsidiary of GSPL which is a subsidiary of GSPC.

For K. K. Patel & Associates

(Kiran Kumar Patel)
FCS No. 6384, CP No. 6352

Date: 21st May, 2018
Place: Gandhinagar

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

Annexure A

To,
The Members,
Gujarat State Petroleum Corporation Limited
GSPC Bhwan, Behind Udhog Bhawan,
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 Statements of the company.*
- 4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.*
- 5. The Secretarial Audit report is not an assurance as to the future viability of the Company.*

For K K Patel & Associates

(Kiran Kumar Patel)
FCS No. 6384, CP No. 6352

Date: 21st May, 2018
Place: Gandhinagar

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Ind AS Financial Statements

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, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards Rules) 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

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

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. 5 & 23 (B) to the Standalone Ind AS Financial Statements which describes that the Company has sold shares of Gujarat Gas Limited during the year and profit on sale of said equity instrument has been transferred to Other Comprehensive Income (OCI) as per the guidance provided under IND AS 109 “Financial Instruments”.
- c) Note No. 23 (B) to the Standalone Ind AS Financial Statements wherein it is stated that the Company has prepared the Standalone Ind AS Financial Statements on a going concern basis, notwithstanding the fact that Company has incurred a net loss during the current and previous Financial Year and the same lead to complete erosion of its net worth as at the current and previous year balance sheet dates. The appropriateness of the said basis is inter alia dependent on Company's ability to successfully implement Turnaround plan/ Financial Realignment Strategy with the support from Government of Gujarat.
- d) 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 ₹1,527.43 Crores (P.Y. ₹1,153.57 Crores) and disclosed by way of a note to the Standalone Ind AS Financial Statements as contingent liability as the matter is disputed.
- e) Note No. 34 to the Standalone Ind AS Financial Statements regarding reasonable uncertainty for final consideration receivable on account of Other Six Discoveries based on Field Development Plan (FDP) to be submitted to DGH by ONGC and subsequent adjustment of advanced floor consideration of ₹1,265 Crores (USD 200 Million) already received against final consideration in case final consideration assessed is higher than advanced floor consideration whereas in a scenario wherein final consideration assessed is less than or equal to USD 200 Million, the Company shall retain the non-refundable advance consideration already received.

Other Matter

- a) Corresponding figures for the year ended 31st March, 2017 on the Standalone Ind AS Financial Statements of the Company have been audited by predecessor auditor who had expressed an unmodified opinion thereon per their report dated May 30, 2017 for the year ended 31st March, 2017 which have been furnished to us by the management and relied upon by us for the purpose of our audit of the annual Standalone Ind AS Financial Statements.
- b) 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 probable hydrocarbon reserves and liability for abandonment costs.
- c) The Standalone Ind AS Financial Statements include the Company's share of:
 - (i) Total assets aggregating to ₹1,295.44 Crores, total liabilities aggregating to ₹25.16 Crores, income aggregating to ₹ 70.00 Crores and expenditure aggregating to ₹34.83 Crores in respect of Thirteen (13) Producing Joint Operations (unincorporated joint ventures), which have been incorporated on the basis of accounts audited by other auditors.
 - (ii) Total assets aggregating to ₹4,351.12 Crores, total liabilities aggregating to ₹55.92 Crores, income aggregating to ₹50.59 Crores and expenditure aggregating to ₹41.21 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 ₹115.32 Crores, total liabilities aggregating to ₹1.94 Crores in respect of Eight (8) 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 ₹347.77 Crores, total liabilities aggregating to ₹16.35 Crores in respect of Thirty Eight (38) 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.

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 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.
- 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 Forty Four (44) Joint Operations (unincorporated joint ventures) for the year ended 31st March, 2018 referred to in sub-paragraph (c)(ii) and (c)(iv) of Other Matter paragraph 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 Report in “**Annexure - B**”.
- 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;
 - 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.

Date : 21st May 2018
Place : Gandhinagar

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

Umesh Talati
(Partner)
Membership No. 034834

“ANNEXURE A” TO THE INDEPENDENT AUDITORS' 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 on the Standalone Ind AS Financial Statements of GUJARAT STATE PETROLEUM CORPORATION LIMITED for the year ended 31st March 2018, 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:

(₹ in crores)

Nature	Number of Cases	Gross Block	Net Block
Freehold Land	13	2.92	2.92
Building	2	6.30	2.31
Total	15	9.22	5.23

(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, 2018 for a period of more than six months from the date they became payable.

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:

Standalone Financial Statements

Name of the statute	Nature of dues	Amount under dispute not yet deposited as on 31.03.2018 (₹ in Crore)	Period to which the amount relates	Forum where the dispute is pending
Income Act 1961	Income Tax Including interest and penalty as applicable.	1.62 8.70 16.81 0.25 0.71 1.18 1.75	1996-1997 1997-1998 1998-1999 1999-2000 2001-2002 2003-2004 2008-2009	High Court
Income Act 1961	Income Tax Including interest and penalty as applicable.	18.02 32.39 79.10 163.11 160.66 242.34 183.08 172.28 301.84 332.81 204.85 263.24 337.34 419.76	1999-2000 2000-2001 2001-2002 2002-2003 2003-2004 2004-2005 2005-2006 2006-2007 2007-2008 2008-2009 2009-2010 2010-2011 2011-2012 2012-2013	Income Tax Appellate Tribunal
Income Act 1961	Income Tax Including interest and penalty as applicable.	1.24 0.11 269.99 95.11	2004-2005 2007-2008 2013-2014 2014-2015	Commissioner of Income Tax (Appeals)
Service Tax -Finance Act 1994	Service Tax Including interest and penalty as applicable	0.10 0.24 0.004 0.09	2006-2007 2007-2008 2008-2009 2005-2006 to 2007-2008	Central Excise and Service Tax Appellate Tribunal
Service Tax -Finance Act 1994	Service Tax Including interest and penalty as applicable	8.05	2002-2003 to 2006-2007	Commissioner of Central Excise

- (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.

- (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
Chartered Accountants
(Firm Regn. No. 110758W)

Umesh Talati
(Partner)
Membership No. 034834

Date : 21st May 2018
Place : Gandhinagar

ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of **GUJARAT STATE PETROLEUM CORPORATION LIMITED** for the year ended 31st March 2018, 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** ("the Company") as of 31st March, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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.

Opinion

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

Date : 21st May 2018

Place : Gandhinagar

For Talati & Talati

Chartered Accountants

(Firm Regn. No. 110758W)

Umesh Talati

(Partner)

Membership No. 034834

“ANNEXURE – C” TO INDEPENDENT AUDITOR'S REPORT

The annexure 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 Standalone Ind AS Financial Statements of **GUJARAT STATE PETROLEUM CORPORATION LIMITED** for the year ended 31st March 2018, we report that:

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

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?

Reply: 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 freehold and leasehold land are held in the name of the Company except in respect of following freehold lands for which title deeds are not made available for our verification:

(₹ in crores)			
Nature	Number of Cases	Gross Block	Net Block
Freehold Land	13	2.92	2.92
Total	13	2.92	2.92

2. Please report whether there are any cases of waiver/ write off of debts/ loan/ interest etc. if yes, the reasons therefore and the amount involved.

Reply: As per the information and explanations given to us and based on the examination of the records of the Company, there are no cases of any waiver of loan/debt/interest during the year.

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

Reply: As per the information and explanations given to us and based on the examination of the records provided to us, we report that the Company does not own any inventory lying with the third parties. Further, the Company has not received any assets as gifts from Govt. or other authorities during the year.

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

Power Sector

Generation

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.

Reply: Not Applicable

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?

Reply: Not Applicable

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?

Reply: Not Applicable

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?

Reply: NIL

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.

Reply: Not Applicable

Services Sector

Trading

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?

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.

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 as per Debtors Policy of the Company.

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

Date : 21st May 2018
Place : Gandhinagar

Umesh Talati
(Partner)
Membership No. 034834

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of Standalone financial statements of **Gujarat State Petroleum Corporation Limited** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the Standalone financial statements of **Gujarat State Petroleum Corporation Limited** for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

CAG Comment & Management response on the same is placed below.

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

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

**Date : 30th November, 2018
Place : Ahmedabad**

ANNEXURE - A
MANAGEMENT RESPONSE TO CAG COMMENT OF ANNUAL ACCOUNT 2017-18

Sr. No.	CAG Comment	GSPC Management Response
1.	<p>A. Comments on Cash Flow Standalone Statement of Cash Flow Cash Flow from Investing Activities Proceeds from Sale of Investments in Subsidiary (₹ 3256.70 crore)</p> <p>As per the Debt Realignment Plan approved by the GoG, the Company has sold its holding in Gujarat Gas Limited to Gujarat State Petronet Limited for ₹ 3256.70 crore. The share transfer has been effected in two tranche and as on 31 March 2018, the consideration for sale of first tranche of ₹ 2050.65 crore was received whereas the balance amount ₹ 1206.05 crore was received on 04 April 2018.</p> <p>However, the Company has shown the total amount of sale value i.e. ₹ 3256.70 crore as 'Proceeds from Sale of Investments in Subsidiary' as cash inflow from Investing activities. This has resulted in overstatement of 'Cash flow from Investing Activities' and understatement of adjustments for changes in working capital (other current assets) under cash flow from Operating Activities by ₹ 1206.05 crore.</p>	<p>The Company has transferred its holding in Gujarat Gas Ltd(GGL) to Gujarat State Petronet Ltd(G SPL) (listed subsidiary of GSPC) through an on-market transaction as per the Debt Realignment Plan approved by the GoG. The same has been disclosed separately under the name "Proceeds from Sale of Investments in subsidiary" under Cash Flow from Investing Activity.</p> <p>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. Hence, it is worth noting that company had completed the transaction before the end of the Financial Year 2017-18 subsequent to which, the Company does not hold any shares of GGL as on 31st March, 2018. Further, the proceeds of the sale were also paid by GSPL before the end of the Financial Year 2017-18 to the exchange.</p> <p>As the settlement was pending with exchange as on 31st March, 2018 the proceeds of 2nd tranche has remained as receivable from exchange. And therefore amount receivable from exchange being part of the current assets is disclosed as change in working capital as a part of operating activities as the receivable amount is not from the buyer of share i.e GSPL but from exchange for pending settlement.</p> <p>Further, more importantly there is no impact of such classifications on the net cash-flow for the year. Also, Education material on Ind-AS 7-Statement of Cash Flows (Revised 2016) issued by ICAI also states that-</p> <p><i>"Cash flows arising from the purchase and sale of securities held as investments are classified as investing activities."</i></p> <p>Hence, GSPC Management is of the view that the classification of entire proceeds from sale of investments (including the balance amount ₹ 1206.05 crore which was received on 4th April 2018) as cash-in-flow in Cash Flow From Investing Activities is more appropriate to present the correct picture of cash-flows during the year to its shareholders and users of the financial statements rather than showing it under cash flow from Operating Activities.</p>
2.	<p>B. Comments on Disclosures Notes to Standalone Financial Statements</p> <p>As per the Para 41 of Ind AS 1, if an entity changes the presentation or classification of items in its financial statements, it shall reclassify comparative amounts unless reclassification is impracticable. When an entity reclassifies comparative amounts, it shall disclose (including as at the beginning of the preceding period):</p>	<p>During the year, the Company has re-classified or re-grouped previous year amount of ₹ 204.96 crore from Capital Work in progress to Producing Properties - E&P. The reclassification is within the broad assets class of Property Plant and Equipment. Details of reclassification is also available in Note 2 to financial statements.</p>

MANAGEMENT RESPONSE TO CAG COMMENT OF ANNUAL ACCOUNT 2017-18

Sr. No.	CAG Comment	GSPC Management Response
	<p>(a) the nature of the re-classification; (b) the amount of each item or class of items that is reclassified; and (c) the reason for the reclassification.</p> <p>During the year, the Company has re-classified or re-grouped previous year amount of ₹ 204.96 crore from Capital Work in progress to Property, Plant and Equipment. Further, the Company has regrouped previous year amount of ₹ 287.61 crore from Other Current Liabilities to Trade payables. However, the nature of re-classification and the reasons for the same have not been disclosed in the Notes to Financial Statements as required by Ind AS 1. The financial statements are deficient to the above extent.</p>	<p>The company has also regrouped previous year amount of ₹ 287.61 crore from Other Current Liabilities to Trade payables. The reclassification has not lead to any material effect on the information in the balance sheet and it is within the broad assets class.</p> <p>Further, the Company has mentioned in its Note no.44 that “The Company has re-classified previous year figures to confirm to this year's classification.”</p> <p>However, GSPC Management has assured the audit that the company will provide specific disclosure (including as at the beginning of the preceding period) of any material reclassification with reasons in future.</p>

Date: 07th December, 2018
Place: Gandhinagar

Chairman

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Standalone Balance Sheet as at 31st March, 2018

(₹ in Crores)

Particulars	Notes	As at 31 st March, 2018	As at 31 st March, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,385.42	1,448.84
Capital work-in-progress	2	118.60	202.07
Investment property	3	0.82	2.49
Intangible assets	4	2.67	2.17
Intangibles under development	4	932.53	1,456.64
Financial assets			
Investment in subsidiary & equity accounted investees	5	3,795.04	6,257.76
Other Investments	6	64.79	67.10
Loans	7	9.14	8.48
Other financial assets	8	103.96	99.35
Other non-current assets	9	118.96	109.34
Total non-current assets		6,531.93	9,654.24
Current assets			
Inventories	10	196.28	229.91
Financial assets			
Trade receivables	11	656.40	625.39
Cash and cash equivalents	12	6.92	3.80
Other bank balances	12	91.02	90.05
Loans	7	155.48	160.97
Other financial assets	8	2,376.08	1,167.21
Other current assets	9	5.60	1.99
Total current assets		3,487.78	2,279.32
Assets held for sale	23	-	8,053.34
TOTAL ASSETS		10,019.71	19,986.90
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	257.93	257.93
Other equity	14	(6,382.68)	(5,609.71)
Total Equity		(6,124.75)	(5,351.78)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	10,957.79	18,105.25
Other financial liabilities	16	11.58	9.74
Provisions	17	156.79	154.82
Deferred revenue/ contract liabilities	18	0.32	0.42
Net employee benefit liabilities	19	8.13	4.61
Deferred tax liabilities (Net)	20	-	0.00
Other non-current liabilities	21	-	3.27
Total non-current liabilities		11,134.61	18,278.11

GUJARAT STATE PETROLEUM CORPORATION LIMITED
(CIN : U23209GJ1979SGC003281)
Standalone Balance Sheet as at 31st March, 2018

Particulars	Notes	(₹ in Crores)	
		As at 31 st March, 2018	As at 31 st March, 2017
Current Liabilities			
Financial liabilities			
Borrowings	15	2,967.47	4,406.71
Trade payables	22	758.26	621.81
Other financial liabilities	16	1,121.95	1,498.98
Other current liabilities	21	102.89	170.37
Deferred revenue/ contract liabilities	18	0.08	0.06
Net employee benefit Liabilities	19	2.77	2.77
Provisions	17	56.43	56.43
Total current liabilities		<u>5,009.85</u>	<u>6,757.13</u>
Liabilities associated with assets held for sale	23	-	303.44
Total Liabilities		<u>16,144.46</u>	<u>25,338.68</u>
TOTAL EQUITY AND LIABILITIES		<u>10,019.71</u>	<u>19,986.90</u>

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
Chartered Accountants
Firm Regn. No. 110758W

Umesh Talati
Partner
Membership No. 34834

Date : 21st May, 2018
Place : Gandhinagar

Dr. J. N. Singh, IAS
Chairman & Managing Director
DIN : 00955107

Sandeep Dave
Company Secretary

Date : 21st May, 2018
Place : Gandhinagar

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

Rajesh Sivadasan
Chief Financial Officer

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Standalone Statement of Profit and Loss for the period ended 31st March, 2018

(₹ in Crores)

Particulars	Notes	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
INCOME			
Revenue from operations	24	10,725.54	9,639.85
Other income	25	144.14	171.68
TOTAL INCOME (A)		10,869.68	9,811.53
EXPENSES			
Production expenditure	26	74.32	174.77
Cost of traded goods	27	9,681.92	8,792.77
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	33.60	(183.73)
Employee benefits expenses	29	16.56	14.21
Finance costs	30	1,674.81	1,929.69
Depreciation and amortization expenses		210.52	917.68
Other expenses	31	29.66	31.46
TOTAL EXPENSES (B)		11,721.39	11,676.85
Profit/ (loss) before exceptional items and tax (A-B)		(851.71)	(1,865.32)
Exceptional items	32	(712.93)	(15,195.88)
Profit/ (loss) before tax		(1,564.64)	(17,061.20)
Tax expense			
Current Tax		-	-
Adjustments of tax for earlier years		-	(48.32)
Deferred Tax		-	(709.69)
Profit/ (loss) after tax for the period including profit/(loss) from discontinued operation (C)		(1,564.64)	(16,303.19)
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		(2.31)	8.65
Remeasurement of post-employment benefit obligations		0.53	0.01
Income tax relating to these items		-	0.00
Other comprehensive income for the period, net of tax (D)		792.20	8.66
Total Comprehensive Income for the Period (C+D)		(772.44)	(16,294.53)
Earnings per equity share (EPS) from discontinued and continuing operations (Face Value of ₹1/- each)			
	33		
Basic (₹)		(6.07)	(63.21)
Diluted (₹)		(5.70)	(61.39)

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Standalone Statement of Profit and Loss for the period ended 31st March, 2018

(₹ in Crores)

Particulars	Notes	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Earnings per equity share (EPS) from discontinued operation-Refer Note No 23 (face value of ₹1/-)	33		
Basic (₹)		-	(0.01)
Diluted (₹)		-	(0.01)
Earnings per equity share (EPS) from continuing operations (face value of ₹1/-)	33		
Basic (₹)		(6.07)	(63.20)
Diluted (₹)		(5.70)	(61.38)

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
Chartered Accountants
Firm Regn. No. 110758W

Umesh Talati
Partner
Membership No. 34834

Date : 21st May, 2018
Place : Gandhinagar

Dr. J. N. Singh, IAS
Chairman & Managing Director
DIN : 00955107

Sandeep Dave
Company Secretary

Date : 21st May, 2018
Place : Gandhinagar

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

Rajesh Sivadasan
Chief Financial Officer

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Standalone Statement of Cash flows for the period ended 31st March, 2018

(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(1,564.64)	(17,061.20)
Adjustments for:		
Depreciation, Amortisation & Depletion	210.52	917.68
Employee benefit Expense	2.75	0.57
Interest & Finance Charges	1,674.81	1,929.69
Loss on Sale of Assets	(0.19)	-
Other non-cash expenses	-	(1.11)
Exploration Cost Written off	491.33	(18.60)
Impairment of oil and gas assets	221.60	14,923.55
Diminution in the value of Investment	-	1.00
Provision for Doubtful Advances	(0.65)	289.58
	1,035.53	981.16
Interest and Dividend Income	(45.48)	(146.22)
Profit on sale of Assets	-	(0.14)
Operating Profit before working capital changes	990.05	834.80
Adjustments for changes in Working Capital		
Long Term Loans & Advances	(0.66)	3.08
Other Non-Current Assets	(2.46)	(183.40)
Inventories	33.63	(183.38)
Trade Receivables	(30.36)	(144.24)
Short Term loan and Advances	5.49	(241.28)
Fixed Deposits with Bank	(0.97)	-
Other Current Assets	(1,212.47)	(18.41)
Other Long Term Liabilities	(3.27)	(3.93)
Long Term Provisions	1.97	-
Trade payables	136.45	68.04
Other Liabilities	50.31	301.02
Cash Generated from Operations	(32.29)	432.30
Taxes (paid)/ refund	(11.77)	121.72
Net Cash Flow from Operating Activities (A)	(44.06)	554.02
CASH FLOW FROM INVESTING ACTIVITIES		
Cash Paid for Purchase of Assets / CWIP including Joint Ventures	(251.36)	(703.51)
Sale proceeds from sale of Participating Interest in Joint Venture	7,749.90	-
Sale of Fixed Assets	0.26	1.62
Investments in Subsidiaries	-	(1.00)
Proceeds from Sale of Investments in subsidiary	3,256.70	-
Inter Corporate Loans to group Companies	-	184.50
Interest and Dividend Income	45.48	146.22
Net Cash Flow from Investing Activities (B)	10,800.98	(372.17)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds /(Repayment) to Secured Loans (net)	(8,486.77)	1,270.34

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Standalone Statement of Cash flows for the period ended 31st March, 2018

(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Repayment for Unsecured Loans (net)	(550.73)	409.72
Interest & Financing Charges	(1,716.30)	(1,864.90)
Net Cash Flow from Financing Activities (C)	(10,753.80)	(184.84)
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	3.12	(2.99)
Cash and Cash equivalents at the Beginning of the Year		
Cash on hand	0.03	0.02
Cheques on Hand	-	-
Bank Balances	3.77	6.77
	3.80	6.79
Cash and Cash equivalents at the End of the Year		
Cash on hand	0.02	0.03
Cheques on Hand	-	-
Bank Balances	6.90	3.77
	6.92	3.80

Notes

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on Cash Flow Statements.
- (ii) Previous year figures have been regrouped, reclassified and recasted wherever considered necessary to confirm to the current year's figures.
- (iii) Change in Liability arising from Financing Activities

(₹ in Crores)

	1 st April, 2017	Cash Flow	Foreign Exchange Movement	31 st March, 2018
Borrowing-Long Term (Refer Note 15)	19,032.17	(7,598.26)	(41.49)	11,392.42
Borrowing-Current (Refer Note 15)	4,406.71	(1,439.24)	-	2,967.47

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
Chartered Accountants
Firm Regn. No. 110758W

Dr. J. N. Singh, IAS
Chairman & Managing Director
DIN : 00955107

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

Umesh Talati
Partner
Membership No. 34834

Sandeep Dave
Company Secretary

Rajesh Sivadasan
Chief Financial Officer

Date : 21st May, 2018
Place : Gandhinagar

Date : 21st May, 2018
Place : Gandhinagar

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Standalone Statement of changes in equity (SOCIE) for the period ended on 31st March 2018
A. Equity Share Capital

Particulars	No. of Shares	Amount (₹ In crores)
Issued, subscribed and paid up share capital		
Equity Shares of ₹ 1/- each fully paid up		
As at 1st April 2017	2,579,262,920	257.93
Changes in equity share capital	-	-
As at 31st March 2018	2,579,262,920	257.93

B. 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, 2016	1.28	3,740.06	347.74	3,245.14	(633.61)	3,984.21	10,684.82
Profit for the year	-	-	-	-	(16,303.19)	-	(16,303.19)
Other comprehensive income for the year	-	-	-	-	-	8.65	8.65
Items of OCI recognised directly in retained earnings	-	-	-	-	-	-	-
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	-	0.01	0.01
Total comprehensive income for the year	1.28	3,740.06	347.74	3,245.14	(16,936.80)	3,992.87	(5,609.71)
Addition during the year	-	-	-	-	-	-	-
Utilisation during the year	-	-	-	-	-	-	-
Any Other Change	-	-	-	0.01	(0.01)	-	-
Balance at March 31, 2017	1.28	3,740.06	347.74	3,245.14	(16,936.79)	3,992.86	(5,609.71)
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	(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	-	-	-	-	-	791.67	791.67
Items of OCI recognised directly in retained earnings	-	-	-	-	-	-	-
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	-	0.53	0.53

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Standalone Statement of changes in equity (SOCIE) for the period ended on 31st March 2018

B. Other equity

(₹ in Crores)

Particulars	Reserves & Surplus					Other Comprehensive Income	Total Equity
	Capital reserve	Securities premium reserve	Debenture redemption reserve	General reserve	Retained earnings		
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)
Issue of Equity Shares	-	-	-	-	-	-	-
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)

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
Chartered Accountants
Firm Regn. No. 110758W

Umesh Talati
Partner
Membership No. 34834

Date : 21st May, 2018
Place : Gandhinagar

Dr. J. N. Singh, IAS
Chairman & Managing Director
DIN : 00955107

Sandeep Dave
Company Secretary

Date : 21st May, 2018
Place : Gandhinagar

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

Rajesh Sivadasan
Chief Financial Officer

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

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, 2018 are approved by the Board of Directors and authorised for issue on 21st May, 2018.

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 in all material aspects 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:

- 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;

Standalone Financial Statements

- 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.

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.

Standalone Financial Statements

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.

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).

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.

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).

credit
initial

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 risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its 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.

Loss.

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.

Standalone Financial Statements

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.

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/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit 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 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.

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.

Standalone Financial Statements

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 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. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income.

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.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- A. Defined benefit plans such as gratuity, leave encashment 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.

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.

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.

(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 SBI buying Selling TT Rates 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.

(o) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of the amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be

Standalone Financial Statements

reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Income from sale of crude oil and gas produced from wells until start of commercial production is adjusted against the cost of such wells.

Income from sale of gas is recognized net of applicable CST/VAT, as applicable when it can be reliably measured and it is reasonable to expect ultimate collection. Any retrospective revision in prices of gas is accounted for in the year of such revision.

Revenue from sale of electricity is recognized on last day of respective month when it can be reliably measured and it is reasonable to expect the ultimate collection.

Revenue 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.

Revenue in respect of 'Take or Pay' quantity of gas (short lifted quantity of gas under the Gas Sale Agreements) is recognized when it can be reliably measured and it is reasonable to expect ultimate collection.

Profit Petroleum is reduced from the revenue from sale of products as Government of India's share in Profit Petroleum. 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.

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

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.

(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.

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 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.

(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 recognised 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.

(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

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

- Ind AS 115 Revenue from contract with customers-

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The core principle of the new standard that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This Standard permits two possible methods of transition i.e. retrospective approach and modified retrospective method.

The effective date for the adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

Based on the preliminary assessment, the company does not expect any significant impacts on transition to Ind AS 115. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options to be considered.

- Ind AS 40 - Investment Property - The amendment lays down the principle regarding the transfer of asset to, or from, investment property.
- Ind AS 21 - The Effects of Changes in Foreign Exchange Rates - The amendment lays down principles to determine the date of transaction when a company recognizes a non-monetary prepayment asset or deferred income liability.
- Ind AS 12 - Income Taxes - The amendments explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps.
- Ind AS 28 - Investments in Associates & joint Ventures- The amendment clarifies that a venture capital organisation or a mutual fund or similar entities may elect, at initial recognition, to measure investments in associates or joint venture at fair value through profit & loss separately for each associates or joint venture.
- Ind AS 112- Disclosure of interest in other entities- The amendments clarifies that disclosure requirements also apply to interests that are classified as held for sale or as discontinued operations in accordance with Ind AS 105- Non Current assets held for sale and discontinued operations.

Note 2

Property, plant, equipment as at 31st March 2018

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block		
	As at 1 st April 2017	Addition during the year	Disposal/ Adjustment	As at 31 st March 2018	As at 1 st April 2017	For the year	Impairment during the year	Disposal/ Adjustment	As at 31 st March 2018	As at 31 st March 2018	As at 31 st 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	-	38.60	2.53	2.19	-	-	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	-	-	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

Property, plant, equipment as at 31st March 2017

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block		
	As at 1 st April 2016	Addition during the year	Disposal/ Adjustment	As at 31 st March 2017	As at 1 st April 2016	For the year	Impairment during the year	Disposal/ Adjustment	As at 31 st March 2017	As at 31 st March 2017	As at 31 st March 2016
Tangibles assets :											
Freehold Land	121.44	-	-	121.44	-	-	-	-	-	121.44	121.44
Lease hold Land*	3.66	-	-	3.66	0.04	0.03	-	-	0.07	3.59	3.62
Buildings	21.99	165.77	(152.20)	35.56	1.19	7.26	-	(5.92)	2.53	33.03	20.80
Plant and Machinery	198.89	9,434.59	(8,388.80)	1,244.68	24.34	813.96	616.80	(680.42)	774.68	470.00	174.55
Furniture and Fixture	3.37	8.93	(6.91)	5.39	0.92	1.15	-	(0.38)	1.69	3.70	2.45
Office Equipments	2.77	10.04	(8.47)	4.34	0.68	3.50	-	(2.56)	1.62	2.72	2.09
Computer Equipments	2.91	2.02	(1.08)	3.85	0.79	0.96	-	(0.52)	1.23	2.62	2.12
Vehicles	0.30	-	(0.03)	0.27	0.06	0.06	-	(0.04)	0.08	0.19	0.24
Producing Properties	591.90	8,223.61	(7,293.29)	1,522.22	57.37	89.09	582.45	(18.24)	710.67	811.55	534.53
Total tangible assets	947.23	17,844.96	(15,850.78)	2,941.41	85.39	916.01	1,199.25	(708.08)	1,492.57	1,448.84	861.84
Capital work in progress :											
Exploration & Development										173.41	14,312.41
CWIP Building										2.84	2.86
CWIP Others										25.82	37.85
Total capital work in progress										202.07	14,353.12

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

Notes

a. Exploration and Development cost incurred by the joint ventures 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".

b. Considering the Farm In Farm out Agreement for 80% participating interest, Impairment Test was carried out during FY 2016-17 as per Guidance Note on Accounting for Oil and Gas producing activities read with Ind AS-36 "Impairment of Assets", for the carried interest in KG OSN 2001/3 block (10%) by the Company and impairment was provided for the same in line with the net realisable value.

Borrowing Costs

a. The borrowing costs amounting to ₹ 0.79 crores (FY 2016-17 ₹ 68.19 crores) has been capitalized in the current year as a part of CWIP - Exploration & Development.

Note 3
Investment property as at 31st March 2018

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1 st April 2017	Addition during the year	Disposal/ Adjustment	As at 31 st March 2018	As at 1 st April 2017	For the year	Disposal/ Adjustment	As at 31 st March 2018	As at 31 st March 2018	As at 31 st 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

Investment property as at 31st March 2017

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1 st April 2016	Addition during the year	Disposal/ Adjustment	As at 31 st March 2017	As at 1 st April 2016	For the year	Disposal/ Adjustment	As at 31 st March 2017	As at 31 st March 2017	As at 31 st March 2016
Land and building*	2.56	-	-	2.56	0.04	0.03	-	0.07	2.49	2.52
Total Investment property	2.56	-	-	2.56	0.04	0.03	-	0.07	2.49	2.52

*Includes land of an amount of ₹ 0.15 crores (P.Y ₹ 1.79 crores) which is non depreciable.

Notes

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

(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Rental Income	0.91	0.90
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	0.91	0.90
Depreciation	(0.03)	(0.04)
Profit from investment properties	0.88	0.86

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.

Note 4

Other intangible assets as at 31st March 2018

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1 st April 2017	Addition during the year	Disposal/ Adjustment	As at 31 st March 2018	As at 1 st April 2017	For the year	Disposal/ Adjustment	As at 31 st March 2018	As at 31 st March 2018	As at 31 st 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										
Exploration & Development									932.39	1,456.21
Software									0.14	0.43
Total of Intangible assets under development									932.53	1,456.64

Other intangible assets as at 31st March 2017

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1 st April 2016	Addition during the year	Disposal/ Adjustment	As at 31 st March 2017	As at 1 st April 2016	For the year	Disposal/ Adjustment	As at 31 st March 2017	As at 31 st March 2017	As at 1 st April 2016
Software	5.85	1.68	(2.52)	5.01	2.21	1.64	(1.01)	2.84	2.17	3.64
Total other intangible assets	5.85	1.68	(2.52)	5.01	2.21	1.64	(1.01)	2.84	2.17	3.64
Intangible assets under development ^a										
Exploration & Development									1,456.21	11,065.99
Software									0.43	0.43
Total of Intangible assets under development									1,456.64	11,066.42

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

Note 5
Investments in Subsidiary and Equity accounted investees

(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Non-Current		
A. Investments in quoted equity shares of subsidiary companies ^a		
212,305,270 (31 st March, 2017 : 212,305,270) fully paid up equity shares of Gujarat State Petronet Ltd. of ₹ 10 each	2,633.65	2,633.65
NIL (31 st March, 2017 : 39,106,328) fully paid up equity shares of Gujarat Gas Limited of ₹10 each ^b	-	2,462.72
	<u>2,633.65</u>	<u>5,096.37</u>
B. Investments in unquoted equity shares of subsidiary companies ^a		
840,002,936 (31 st March, 2017 : 840,002,936) fully paid up equity shares of GSPC Pipavav Power Co. Ltd of ₹10 each	840.00	840.00
25,000 (31 st March, 2017 : 25,000) fully paid up equity shares of Guj Info Petro Ltd. of ₹10 each	0.03	0.03
	<u>840.03</u>	<u>840.03</u>
C. Investments in unquoted equity shares of subsidiary companies (at cost)		
50,000 (31 st March, 2017 : 50,000;) fully paid up equity shares of GSPC Offshore Ltd. of ₹10 each	0.05	0.05
50,000 (31 st March, 2017 : 50,000) fully paid up equity shares of GSPC Energy Ltd. of ₹10 each	0.05	0.05
98,390,000 (31 st March, 2017 : 98,390,000) fully paid up equity shares of GSPC JPDA Ltd of ₹10 each	98.39	98.39
Less : Provision for impairment on shares of GSPC JPDA Ltd ^c	(98.39)	(98.39)
	<u>0.10</u>	<u>0.10</u>
D. Investments in unquoted equity shares of equity accounted investees ^a		
113,541,817 (31 st March, 2017 : 113,541,817) fully paid up equity shares of Gujarat State Energy Generation Ltd of ₹10 each	120.10	120.10
11,430,000 (31 st March, 2017 : 11,430,000) fully paid up equity shares of GSPC LNG Ltd of ₹10 each	25.61	25.61
4,494,330 (31 st March, 2017 : 4,494,330) fully paid up equity shares of Sabarmati Gas Ltd of ₹10 each	175.55	175.55
11,500,000 (31 st March, 2017 : 11,500,000) fully paid up equity shares of Alcock Ashdown (Gujarat) Ltd of ₹10 each	11.50	11.50
Less : Provision for impairment on shares of Alcock Ashdown(Gujarat) Ltd. ^c	(11.50)	(11.50)
	<u>321.26</u>	<u>321.26</u>
Total investments in subsidiary and equity accounted investees	<u>3,795.04</u>	<u>6,257.76</u>
Total quoted investments	<u>2,633.65</u>	<u>5,096.37</u>
Total unquoted investments	<u>1,271.28</u>	<u>1,271.28</u>
Provision for impairment on unquoted investments	<u>(109.89)</u>	<u>(109.89)</u>
Total investments	<u>3,795.04</u>	<u>6,257.76</u>
Market Value of Quoted Investments in Subsidiaries	<u>4,023.18</u>	<u>6,435.03</u>

Notes

- a. The Company has opted to consider Fair valuation of investments in Subsidiaries & Equity Accounted Investees on transition date as deemed cost.
- b. Shares of Gujarat Gas Limited have 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. Subsequent to the captioned sale, the Company does not hold any shares of GGL.
- c. The company had made investment in shares of Alcock Ashdown (Gujarat) Ltd. to the tune of ₹ 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 Diminution in value of investment had been provided in the FY 2012-13 for ₹ 11.50 crores.

The company had made an investment through Special Purpose Vehicle (SPV) in GSPC (JPDA) LTD. amounting to ₹ 98.39 crores (31st March, 2017 : ₹ 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 Venture 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

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Non-Current		
A. Investment in quoted equity shares of other companies (measured at fair value through OCI)		
3,697,000 (31st March, 2017 : 3,697,000) fully paid up equity shares of Gujarat Industries Power Company Ltd. of ₹10 each	35.79	38.10
B. Investment in unquoted equity shares of other companies (measured at fair value through OCI)		
29,004,033 (31st March, 2017 : 29,004,033) fully paid up equity shares of ONGC Petro Additions Ltd of ₹10 each	29.00	29.00
Total non-current investments	<u>64.79</u>	<u>67.10</u>
Market Value of Investment in quoted equity shares of other company	<u>35.79</u>	<u>38.10</u>

Notes

- a. 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

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Non-Current		
Loans and Advances to Employees Secured, considered good	9.14	8.48
Total non-current loans	<u>9.14</u>	<u>8.48</u>
Current		
Loans and advances to employees Secured, considered good	0.86	1.57
Loans and Advance to Related Parties Unsecured, considered good	154.62	159.40
Total current loans	<u>155.48</u>	<u>160.97</u>

Note 8
Other financial assets

(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 1 st April, 2017
Non-Current		
Receivable from employees under Own Your Vehicle Scheme (Unsecured - considered good)	0.36	0.73
Site resoration fund - Deposits with banks (Refer Note a)	103.60	98.62
Total non-current financial assets	<u>103.96</u>	<u>99.35</u>
Current		
Amount Receivable for Sale of Investments in Subsidiary	1206.05	-
Advances recoverable in cash or in kind or for value to be received (Unsecured, considered good)		
Others Advances Recoverable	514.43	550.93
Amount receivable under Joint operations	655.23	610.21
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	5.51
Receivable from employees (Unsecured - considered good)	0.22	0.56
Total current financial assets	<u>2,376.08</u>	<u>1,167.21</u>

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, 2018	As at 31 st March, 2017
Non-Current		
Prepaid expense	4.10	4.47
Advance Income Tax and TDS (net of Provision)	112.87	101.10
Deferred employee cost	1.99	3.77
Total non-current non-financial assets	<u>118.96</u>	<u>109.34</u>
Current		
Prepaid expense	2.30	0.36
Deferred employee cost	3.30	1.63
Total current non-financial assets	<u>5.60</u>	<u>1.99</u>

Standalone Financial Statements

Notes

- a. Provision of Tax for the current year is ₹ NIL (31st March, 2017 : 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 ₹ 1,527.43 crores (31st March, 2017 : 1,153.57 crores). However the same is disclosed by way of a note as contingent liabilities vide note no. 35.

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."

Note 10 Inventories

Particulars	₹ in Crores	
	As at 31 st March, 2018	As at 31 st March, 2017
Finished goods - Crude oil (valued at rate specified in COSA)	4.06	2.74
Condensate (As per condensate sale agreement)	30.84	34.06
Traded goods - Liquified natural gas	161.38	193.11
Total inventories	196.28	229.91

Note 11 Trade receivables

Particulars	₹ in Crores	
	As at 31 st March, 2018	As at 31 st March, 2017
Secured, considered good	447.96	441.73
Unsecured, considered good	208.44	183.66
Doubtful	3.31	3.96
Less : Impairment on account of expected credit loss assessment	(3.31)	(3.96)
Total trade receivables	656.40	625.39

Note 12
Cash and cash equivalents & other bank balances

(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Cash and cash equivalents		
Balances with banks		
In current accounts	6.90	3.77
Cash on hand	0.02	0.03
Total cash and cash equivalents	<u>6.92</u>	<u>3.80</u>
Other bank balances		
Margin money deposits	4.33	-
Fixed Deposit		
With original maturity of more than 3 months but less than 12 months	86.69	90.05
Total other bank balances	<u>91.02</u>	<u>90.05</u>

Note 13
Equity share capital

(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Authorised share capital		
300,00,00,000 equity shares of ₹ 1 each		
(31 st March, 2017 : 300,00,00,000 equity shares of ₹ 1 each)	300.00	300.00
Increase/(Decrease) during the year	-	-
Total	<u>300.00</u>	<u>300.00</u>

(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Issued, subscribed and paid up capital		
257,92,62,920 equity shares of ₹ 1 each		
(31 st March, 2017 : 257,92,62,920 equity shares of ₹ 1 each)	257.93	257.93
Total	<u>257.93</u>	<u>257.93</u>

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 ₹ 1 each fully paid	
As at 1st April 2016	2,579,262,920	257.93
Add : Shares issued during the year	-	-
Less: Shares cancelled during the period	-	-
As at 31st March 2017	2,579,262,920	257.93
As at 1st April 2017	2,579,262,920	257.93
At the beginning of the year	-	-
Add : Shares issued during the year	-	-
As at 31st March 2018	2,579,262,920	257.93

Details of shareholder(s) holding more than 5% Equity Shares			(₹ in Crores)
Particulars	As at		
	31 st March, 2018	31 st March, 2017	
Number of Equity Shares			
Government of Gujarat	2,241,010,179	2,241,010,179	
Gujarat State Investment Limited	192,592,441	192,592,441	
% Holding in equity shares			
Government of Gujarat	86.89%	86.89%	
Gujarat State Investment Limited	7.47%	7.47%	

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 ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.
- c. During the year ended 31st March, 2018 the amount of dividend per share recognized as distributions to equity shareholders is ₹ NIL (31st March, 2017 : 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.

Note 14

Other equity

			(₹ in Crores)
Particulars	As at		
	31 st March, 2018	31 st March, 2017	
Capital reserve	1.28	1.28	
Securities premium reserve	3,740.06	3,740.06	
Debenture redemption reserve	347.74	347.74	
General Reserve	3,245.14	3,245.14	
Retained Earnings	(15,791.82)	(16,936.79)	
Other Comprehensive Income	2,074.92	3,992.86	
Total other equity	<u>(6,382.68)</u>	<u>(5,609.71)</u>	

			(₹ in Crores)
Particulars	As at		
	31 st March, 2018	31 st March, 2017	
Capital reserve			
Opening Balance	1.28	1.28	
Add: Addition during the Year	-	-	
Less: Utilisation during the year	-	-	
Total capital reserve	<u>1.28</u>	<u>1.28</u>	

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
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	<u>3,740.06</u>	<u>3,740.06</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Debenture redemption reserve		
Opening Balance	347.74	347.74
Add: Addition during the Year	-	-
Less: Utilisation during the year	-	-
Total Debenture redemption reserve	<u>347.74</u>	<u>347.74</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
General reserve		
Opening Balance	3,245.14	3,245.14
Add: Addition during the Year	-	-
Less: Utilisation during the year	-	-
Total general reserve	<u>3,245.14</u>	<u>3,245.14</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Retained earnings		
Opening Balance	(16,936.79)	(633.61)
Add:		
Profit/(Loss) during the year	(1,564.64)	(16,303.19)
Remeasurement of post employment benefit obligation (net of tax)	(0.53)	0.01
Transfer from OCI (net of Tax)	2,710.14	-
Less: Utilisation during the year	-	-
Total retained earnings	<u>(15,791.82)</u>	<u>(16,936.79)</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Other Comprehensive Income		
FVOCI - equity investments		
Opening Balance	3,992.86	3984.21
Current Year OCI	792.20	-
Transfer to retained earnings for sale of equity instruments	(2,710.14)	8.65
Total Other Comprehensive Income	<u><u>2,074.92</u></u>	<u><u>3992.86</u></u>

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.

Note 15

Borrowings

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Non-current borrowings		
Secured		
Term loan from banks	3,155.00	10,326.51
Compulsory convertible debentures	550.00	550.00
	<u><u>3,705.00</u></u>	<u><u>10,876.51</u></u>
Unsecured		
Non-convertible debentures	6,015.29	5,991.24
Term loan from others - GSFS	1,237.50	1,237.50
	<u><u>7,252.79</u></u>	<u><u>7,228.74</u></u>
Total non-current borrowings	<u><u>10,957.79</u></u>	<u><u>18,105.25</u></u>
Current borrowings		
Secured		
From banks (Loans repayable on demand)	2,367.47	3,229.16
	<u><u>2,367.47</u></u>	<u><u>3,229.16</u></u>
Unsecured		
From banks (Loans repayable on demand)	600.00	1,177.55
	<u><u>600.00</u></u>	<u><u>1,177.55</u></u>
Total current borrowings	<u><u>2,967.47</u></u>	<u><u>4,406.71</u></u>
Current maturities of long term borrowings (Shown as part of other current financial liabilities : Refer Note 16)		
Secured		
Term loan from banks	0.51	495.58
Compulsory Convertible Debentures	24.94	24.94
	<u><u>25.45</u></u>	<u><u>520.52</u></u>
Unsecured		
Term loan from others - GSFS	268.26	265.48
Non Convertible Redeemable Debentures	140.92	140.92
	<u><u>409.18</u></u>	<u><u>406.40</u></u>
Total current maturities of non-current borrowings	<u><u>434.63</u></u>	<u><u>926.92</u></u>

Notes
Secured Loans

- a. State Bank of India had sanctioned a Rupee Term Loan (RTL 1) Facility amounting to ₹ 3,000 Crores (Current outstanding is ₹ 859.09 Crores) in F.Y. 2014-15. During FY 2017-18, the Company has prepaid normal due installment of ₹ 18.75 Crores. In addition to the above, the Company has repaid ₹ 2,047.16 Crores with 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 Pvt.Limited.(JODPL) as on 31st March 2017 amounting to ₹ 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.
- b. Consortium of three member banks lead by Bank of Baroda, London branch has provided Foreign Currency Loan (ECB-1) of USD 200 Million (₹1053.94 Crores) (Current outstanding of USD 18.30 Million i.e. ~₹ 119.03 Crores). The Company has prepaid USD 61.72 Million (i.e. ~ ₹392.91 Crores)from funds received as consideration from ONGC. The Company based on the request of Indian Bank, repaid entire outstanding loan of Indian Bank, Singapore. 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 ₹ 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 (₹ 1528.70 Crores) (Current outstanding of USD 60.80 Million i.e. ~₹ 395.47 Crores) and USD 75 Million (Current outstanding of USD 18.57 Million i.e. ₹120.79 Crores) from Export Import Bank of India . The company has prepaid USD 138.59 Million (i.e. ~₹882.26 Crores) (USD 250 Million Facility) and USD 42.36 Million (i.e. ~ ₹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 ₹ 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 (₹ 624.45 Crores) (Current outstanding of USD 24.24 Million i.e. ~₹157.67 Crores). During FY 2017-18, the company has prepaid installment of USD 6.25 Million (i.e. ~₹ 40.42 Crores) as per existing repayment schedule. In addition, the Company has repaid USD 69.51 Million (i.e. ~ ₹442.50 Crores) 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 ₹ 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 (₹ 657.40Crores) (Current outstanding of USD 28.58 Million i.e.~₹185.90 Crores).The Company has prepaid USD 65.17 Million (i.e.~₹414.87 Crores)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 ₹ 485.71 Crores, 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 and charge over receivables of the Company, both present and future, at par with the charge provided to Line of Credit Lenders.
- f. Consortium of thirteen member banks lead by Punjab National Bank has provided Rupee Term Loan (RTL 2) of ₹ 4,500 Crore (Current outstanding of ₹1,389.36 Crore). The Company has prepaid ₹ 3,110.64 Crores with 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 ₹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.

Unsecured

- g. Company has availed Medium Term Loan from Gujarat State Financial Services (GSFS) for the period of 3 years with repayment in 10 equal quarterly installment. (Current outstanding ₹ 1,500 Crores). The repayment schedule has been revised in FY 2017-18 with additional moratorium of one year and an incremental repayment schedule. Subsequent to revision in repayment schedule, no installment of the medium term loan was due in FY 2017-18.
- h. Outstanding unsecured NCDs amounting to ₹ 6,000 crores raised on private placement basis are listed with National Stock Exchange. The details of the same are as follows:

Standalone Financial Statements

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
60 Yrs*	1,000	10.45%	Sep-12
15 Yrs	2,000	9.03%	Mar-13
60 Yrs**	1,000	9.80%	Mar-13

** 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.

Quasi-Equity

I. The Company has raised funds amounting to ₹ 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: ₹81 per debenture) are 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 supposed to be converted into equity shares at the end of the five years.

Conversion term of CCDs

The Compulsory Convertible Debenture (CCDs) will be converted to equity after expiry of 5 (Five) years from the allotment date or date prior to filing of Red Herring Prospectus for IPO with SEBI". The Company has submitted a request for extension of conversion date for IDBI and IFCI which were due in April/May 2018 under the premise that the conversion date for all the three entities may be aligned to ensure similar treatment of respective facilities. Both the institutions are in process of

j. Loan Repayment schedule

Sr. no.	Particulars	Total Outstanding (₹ in crores)*	Maturity period	Rate of Interest (p.a.)	Repayable in 12 months	Repayable in 2 to 4 years	Repayable in 5 to 7 years	Repayable in 8 to 10 years	Repayable in 11 to 15 years	Repayable in 16 to 60 years
1	Rupee Term Loan-1	859.09	30-Sep-24	SBI Base Rate + 50 bps			859.09		-	-
2	Rupee Term Loan-2	1,389.36	31-Mar-29	SBI Base Rate + 50 bps	-			916.86	472.50	-
3	External Commercial Borrowing (ECB-1)	119.03	30-Sep-20	6 m Libor + 340 bps	-	119.03	-	-	-	-
4	External Commercial Borrowing (ECB-2)	516.26	30-Sep-23	6 m Libor + 374 bps		119.89	396.36		-	-
5	External Commercial Borrowing [ECB-3 (Exim)]	157.67	31-Dec-24	6 m Libor + 370 bps			157.67		-	-

j. Loan Repayment schedule

Sr. no.	Particulars	Total Outstanding (₹ in crores)*	Maturity period	Rate of Interest (p.a.)	Repayable in 12 months	Repayable in 2 to 4 years	Repayable in 5 to 7 years	Repayable in 8 to 10 years	Repayable in 11 to 15 years	Repayable in 16 to 60 years
6	External Commercial Borrowing [ECB-4 (SBI)]	185.90	30-Sep-24	6 m Libor + 390 bps			185.90		-	-
7	Non Convertible Debentures	6,000.00	Last re-payment 22 March 2073	9.39% to 10.45 %		1,000.00	3,000.00	-	-	2,000.00
8	GSFS Loan	1,500.00	15-Dec-19	8.25%	262.50	1,237.50	-	-	-	-
	Total	10,727.31			262.50	2,476.42	4,599.02	916.86	472.50	2,000.00

*The amounts outstanding for various loans as on 31st March, 2018 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.

k. Derivative contracts

(i). The company enters into currency option and interest rate swap contracts to hedge its exposure in foreign exchange rate and interest in connection with foreign currency loans however in view of the partial repayment of the facility, GSPC had completely unwinded the existing interest rate swap contracts.

(ii). Nominal amounts of derivative contracts entered into by the company and outstanding as on 31st March, 2018 is NIL (31st March, 2017 : USD 534.09 millions) by way of interest rate swap. Category wise break up is given as below* :

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Interest Rate Swaps		
Currency - US Dollars* : 4 contracts of USD 534.09 million	-	3,462.96
Total	-	3,462.96

*Foreign Currency loans that are not hedged by derivative instruments (Currency) as on 31st March 2018 is USD 150.49 million (31st March 17 : NIL) ₹ 978.86 crores (31st March, 2017 : NIL).

Note 16
Other financial liabilities

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Non-Current		
Other payables (including deposits received from customers)	11.58	9.74
Total non-current financial liabilities	11.58	9.74
Current		
Current maturities of non-current borrowings (Note 15)	434.63	926.92
Payable to/on behalf of joint arrangement	685.53	567.82
Operation and maintenance expense payable	1.79	1.79
Derivative liability ¹	-	2.45
Total current financial liabilities	1,121.95	1,498.98

Notes

¹The Company had entered into Interest rate swap to hedge against interest rate risk in previous year.

Note 17

Provisions			(₹ in Crores)
Particulars	As at 31 st March, 2018	As at 31 st March, 2017	
Non-Current			
Provision for decommissioning obligations	156.79	154.82	
Total non-current provisions	<u>156.79</u>	<u>154.82</u>	
Current			
Provision for profit petroleum	56.43	56.43	
Total current provisions	<u>56.43</u>	<u>56.43</u>	

Movements in Provisions			(₹ in Crores)
Particulars	Non-current	current	
	Provision for decommissioning obligations	Provision for profit petroleum	
At 1 April 2017 (Opening balance)	154.82	56.43	
Add: Unwinding of Discounts	3.18	-	
Add: Provision made during the year	22.92	-	
Less: Provision reversed during the year	(24.12)	-	
At 31 March 2018 (Closing balance)	<u>156.79</u>	<u>56.43</u>	

Note 18

Deferred revenue/ contract liability			(₹ in Crores)
Particulars	As at 31 st March, 2018	As at 31 st March, 2017	
Non-current			
Income received in advance - NC	0.32	0.42	
Total non-current deferred revenue/ contract liability	<u>0.32</u>	<u>0.42</u>	
Current			
Income received in advance	0.08	0.06	
Total current deferred revenue/ contract liability	<u>0.08</u>	<u>0.06</u>	

Note 19

Net employee benefit liabilities			(₹ in Crores)
Particulars	As at 31 st March, 2018	As at 31 st March, 2017	
Non-current			
Provision for gratuity and loyalty bonus	6.56	4.61	
Provision for leave benefits	1.57	-	
Total non-current net employee benefit liabilities	<u>8.13</u>	<u>4.61</u>	
Current			
Provision for gratuity and loyalty bonus	2.08	2.40	
Provision for leave benefits	0.69	0.37	
Total current net employee benefit liabilities	<u>2.77</u>	<u>2.77</u>	

Note 20
Tax expense
Amount recognised in statement of profit and loss
(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Current income tax	-	-
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	-	(709.69)
Reduction in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Recognition of tax credit	-	-
Change in recognised deductible temporary differences	-	-
Deferred tax expense	-	(709.69)
Excess provision of income tax in respect of previous years	-	(48.32)
Total tax expense for the year	-	(758.01)

Amount recognised in other comprehensive income
(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Items that will not be reclassified to profit or loss (A)		
Remeasurements of the defined benefit plans	0.53	0.01
Equity instruments through other comprehensive income	(2.31)	8.65
Profit on Sale of Equity Instrument	793.98	-
	<u>792.20</u>	<u>8.66</u>
Income tax relating to items that will not be reclassified to profit or loss (B)		
Remeasurements of the defined benefit plans	-	(0.00)
Equity instruments through other comprehensive income	-	(0.00)
	-	0.00
Net amount recognised in other comprehensive income (A+B)		
Remeasurements of the defined benefit plans	0.53	0.01
Equity instruments through other comprehensive income	(2.31)	8.65
Profit on Sale of Equity Instrument	793.98	-
	<u>792.20</u>	<u>8.66</u>

Reconciliation of effective tax rate

Particulars	(₹ in Crores)	
	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Profit before tax	(1,564.64)	(17,061.20)
Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.944%)	(546.75)	(5,961.87)
Reduction in tax rate		
Tax effect of:		
Non-deductible tax expenses		
Deferred tax balances recognised through statement of profit and loss	(512.46)	4.93
Deferred tax impact on items as elaborated in movement of deferred tax balances recognised through OCI	512.45	(0.01)
Provision for impairment not allowable for taxes	249.20	5,247.25
Other Disallowances	297.55	(48.32)
	<u>0.00</u>	<u>(758.01)</u>

Note 20

Deferred tax asset/ (liabilities) [Net]
Movement in deferred tax balances

(₹ in Crores)

Particulars	31 st 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)
On account of impairment of assets and change in depreciation	-	-	-	-	-	-	-	-
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 and maintenance expenses	1.75	(1.75)	-	-	-	-	-	-
Open forward contracts	-	-	-	-	-	-	-	-
CCIRS and IRS	-	-	-	-	-	-	-	-
Tax credit	17.21	(17.21)	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-
Other items	662.47	(662.54)	-	-	-	(0.07)	-	(0.07)
Tax assets/ (liabilities)	<u>0.00</u>	<u>(0.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.00)</u>	<u>743.71</u>	<u>(743.71)</u>
Set off tax								
Net tax assets/ (liabilities)	<u>0.00</u>	<u>(0.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.00)</u>	<u>743.71</u>	<u>(743.71)</u>

(₹ in Crores)

Particulars	31 st March, 2017							
	Net balance April 1, 2016	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	(82.36)	268.03		-	-	185.67	249.48	63.82
On account of impairment of assets and change in depreciation	283.64	(283.64)		-	-	-	-	-
Decommissioning obligations	126.59	7.80		-	-	134.39	134.39	-
Investments	(995.90)	(0.06)		-	-	(995.96)	-	995.96
Loans and borrowings	(26.71)	21.18		-	-	(5.53)	19.54	25.07
Straightlining of operation and maintenance expenses	2.37	(0.62)		-	-	1.75	1.75	-
Open forward contracts	1.01	(1.01)		-	-	-	-	-
CCIRS and IRS	(1.01)	1.01		-	-	-	-	-
Tax credit	-	17.21		-	-	17.21	17.21	-
Provisions	-	-		-	-	-	-	-
Other items	(17.32)	679.79		-	-	662.47	662.47	-
Tax assets/ (liabilities)	(709.69)	709.69				0.00	1,084.85	1,084.85
Set off tax								
Net tax assets/ (liabilities)	(709.69)	709.69				0.00	1,084.85	1,084.85

Tax losses carried forward

Particulars	31 st March, 2018	Expiry Date	31 st March, 2017	Expiry Date
Expire	-	31-Mar-23	94.38	31-Mar-23
Expire	-	31-Mar-24	242.28	31-Mar-24
Expire	11,626.52	31-Mar-25	12,901.63	31-Mar-25
Never Expire	86.24	-	116.74	-
Never Expire	763.90	-	846.54	-

* 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 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.

Note 21
Other current liabilities

(₹ in Crores)

Particulars	As at	
	31 st March, 2018	31 st March, 2017
Non-current		
Others - NC Payable	-	3.27
Total non-current non-financial liabilities	-	3.27
Current		
Statutory liability	77.82	95.41
Other liabilities	25.07	74.96
Total current non-financial liabilities	102.89	170.37

Note 22

Trade payables

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	758.26	621.81
Total trade payables	758.26	621.81

Notes

a. The company has not received any Memorandum from the suppliers whose principal amount remains unpaid as on 31st March' 2018(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 ₹ Nil (31st March, 2017 : ₹ Nil).

Note 23

(A) Discontinued operation held for sale

The assets and liabilities of KG-OSN-2001/3 ("K G Block"), a joint operation of the company, were classified as discontinued operation held for sale in FY 2016-17 based on the binding agreement entered for sale of the company's stake in the block to Oil and Natural Gas Corporation Limited (ONGC, the buyer). The sale was approved by the board of directors in January, 2016. The requisite regulatory approvals were obtained and the transaction has achieved closure in August 2017. The actual sale of asset has been effected in the current financial year thus the consideration received from the transaction has been set-off against asset held for sale.

Based on the requirement of Ind AS 105 - Non Current Asset held for sale (Ind AS 105), the block was and measured at the lower of their carrying amount or fair value less costs to sell, as presented in the table below for 31st March 2017:

Particulars	(₹ in Crores)	
	As at 31 st March, 2017	
Assets		
Non current assets (net of depreciation and amortisation where applicable)		
Producing Properties	7,274.95	
Factory building	141.41	
Office equipments	5.90	
Computer equipment	0.53	
Plant and machinery	7,710.14	
Furniture and fixtures	6.53	
Intangible - Software	1.51	
Building	4.88	
CWIP others	206.58	
Exploration & Development	5,951.23	
Total carrying value of non-current assets (A)	21,303.66	
Liabilities associated with above		
Provision for decommissioning cost	303.44	
Net assets classified as held for sale	21,000.22	
Fair value less cost to sell of above (B)	7,749.90	
Impairment loss recognised in statement of profit or loss as an exceptional item	13,250.32	
(C) = (A) - (B)	13,250.32	

Details of profit and loss attributable to the KG Block is below:

Particulars	3 months ending 31 st March, 2017
Revenue	22.58
Expense	34.29
Profit before tax	<u>(11.71)</u>
Income tax expense	-
Profit after tax	<u>(11.71)</u>

Since the Company had not declared COD in 2015-16, the income earned from the test production was adjusted against the CWIP.

As per the agreement, the economic date of transfer for asset i.e. 80% Participating Interest of GSPC was 23:59 hours 31st March 2017. The Company continued as operator for the block on behalf of ONGC until the closing date i.e. 4th August 2017 and all expenditure incurred from economic date to closing date on behalf of ONGC (i.e. 80% PI) shall be reimbursed by ONGC to the Company on closing date. The final closure of the transaction is pending finalization between the parties.

In August 2002, the Company had entered into Carried Interest Agreement 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 CIA provided that the Company was responsible to incur GGR's share of costs incurred during exploration as well as development phase prior to date of initial commercial production. The Company had incurred ₹ 1856.83 Crore on GGR's behalf until 31st March 2017. However, in April 2017, the Company has entered into a Deed of Assignment of Participating Interest with GGR vide which GGR has surrendered its 10% Participating Interest in KG-OSN-2001/3 to the Company. Thus, the Company shall hold 10% PI in KG-OSN-2001/3.

(B) Going Concern

The Company had executed Farm-in/Farm-out Agreement with Oil and Natural Gas Corporation (ONGC) for farm-out of 80% Participating Interest in KG-OSN-2001/3 (KG Block). The KG Block has substantial gas and condensate reserves however due to technical challenges (High Pressure High Temperature), the requisite future capital investment to achieve desired levels of production had pushed the Company towards a highly leveraged position. The Company was unable to infuse further capital for future development which had triggered the strategic transfer of KG Asset to ONGC. The Company has achieved closure of transaction with requisite approval from Government of Gujarat for the transaction for divestment of GSPC's 80% Participating Interest in KG Block. (Refer Note 23 (A) above) The transaction for sale of Participating Interest in KG Block had led to an impairment in previous financial year and the corresponding amount has been accounted as exploration cost written-off in the present financial year. The financial loss had exceeded the net worth of the Company. However, to recoup the negative impact on financials, the Company has a future upside potential from valuation of other six discoveries in KG Block which shall be determined based on Field Development Plan.

Further, the Company has wide domain of business process in energy value chain with gas trading, Exploration & Production business in onshore blocks and renewable power generation. The Company has strong market presence in the gas trading business which is further fortified with subsidiaries in gas transmission and gas distribution business alongside gas based power generation business which have potential for high growth trajectory.

The management of the Company with the support from Government of Gujarat is committed to complete 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.

As per the Debt Realignment Plan, the Company has sold its holding in Gujarat Gas Ltd to Gujarat State Petronet Ltd. during the year and realised an amount of ₹ 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. 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. The Company has sought approval for Debt Realignment Plan from Government of Gujarat (GoG). The debt realignment plan is targeted to reduce the debt.

Moreover, the Company had obtained all the necessary approvals from Government of Gujarat for achieving closure of transaction with ONGC including a GoG guarantee for valuation adjustment linked to gas price mechanism and necessary support for Turnaround Plan/Financial Realignment Strategy which clearly indicates the continuing support of Government of Gujarat towards the Company.

In view of the strong business presence of the Company, advanced stages of execution of Debt Realignment Plan with the support of GoG, the present accounts have been prepared on a "Going Concern Basis" since in opinion of the management there is no foreseeable situation of the Company otherwise.

Note 24

Revenue from operations

(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Sale of products		
Sale of natural gas - Trading	10,328.68	9,193.73
Sale of gas - Joint venture	14.84	123.45
Sale of oil - Joint venture	76.30	58.13
Sale of electricity - Windmills	44.68	48.84
	<u>10,464.50</u>	<u>9,424.15</u>
Sale of services		
Re-gasification income	229.24	194.51
Transportation income	27.39	14.12
	<u>256.63</u>	<u>208.63</u>
Other operating revenues		
Take or pay income	4.41	7.07
Total revenue from operations	<u>10,725.54</u>	<u>9,639.85</u>

Note 25

Other income

(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Interest Income		
Interest on Deposits with banks	4.58	6.24
Others interest income	27.83	96.90
	<u>32.41</u>	<u>103.14</u>
Dividend from long term investments		
Dividend from subsidiary companies	43.58	41.62
Dividend from other companies	1.90	1.45
	<u>45.48</u>	<u>43.07</u>
Other non-operating income		
Usage charges	2.59	3.55
Other income - Joint ventures	4.80	6.68
Net profit on sale of fixed assets	-	0.14
Net Forex gain - loss	58.45	13.90
Other Non-Operating Income	0.41	1.20
	<u>66.25</u>	<u>25.47</u>
Total other income	<u>144.14</u>	<u>171.68</u>

Notes

a. Interest income includes interest amounting to ₹ NIL (F.Y.2016-17 : NIL) from subsidiary company and ₹22.70 crores (F.Y.2016-17 : ₹ 34.38 crores) from associate company.

Note 26

Production expenditure - E&P

(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Production expenditure	48.21	137.67
Duties and taxes	6.36	16.72
Other G&A expenses	19.60	20.32
Bidding Expenses	0.15	0.06
Total production expenditure - E&P	<u>74.32</u>	<u>174.77</u>

Note 27
Cost of traded goods

(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Purchase of gas		
Local Purchase of Gas	2,759.42	2,565.23
Import Purchase of Gas	5,885.29	5,169.37
	<u>8,644.71</u>	<u>7,734.60</u>
Other costs		
Import Gas Regasification Charges	606.99	631.86
Gas Transmission Charges	224.50	191.76
Commodity Hedging Cost	205.35	234.39
Other expenses - Gas Trading	0.37	0.16
	<u>1,037.21</u>	<u>1,058.17</u>
Total cost of traded goods	<u>9,681.92</u>	<u>8,792.77</u>

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, 2018	For the period ended 31 st March, 2017
Finished goods		
Closing stock of oil	(34.90)	(36.79)
Opening stock of oil	36.79	2.70
	<u>1.89</u>	<u>(34.09)</u>
Increase/ decrease in stock of oil *	<u>(0.02)</u>	<u>(0.36)</u>
	<u>1.87</u>	<u>(34.45)</u>
Stock in trade		
Closing stock of liquified gas	(161.38)	(193.11)
Opening stock of liquified gas	193.11	43.83
	<u>31.73</u>	<u>(149.28)</u>
Total change in inventories of finished goods, stock in process and stock in trade	<u>33.60</u>	<u>(183.73)</u>

*(Refer Note No:37(l))

Note 29
Employee benefits expenses

(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Salary, wages and allowances	10.02	11.50
Contribution to provident fund and other funds	6.52	2.69
Staff welfare expenses	0.02	0.02
Total employee benefit expenses^a	<u>16.56</u>	<u>14.21</u>

Notes

a. Amount represents net expenditure for corporate.

Standalone Financial Statements

39th Annual Report
2017 - 2018

Note 30

Finance costs

(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Interest Cost	1,658.36	1,912.44
Unwinding of discount on Provisions	2.81	11.37
Other Borrowing Costs (includes bank guarantee, LC charges, bank charges, etc.)	13.64	5.88
Total finance costs	1,674.81	1,929.69

Note 31

Other expenses

(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Expenses related to wind mills		
Operation and maintenance expenses	8.07	6.88
Windmills insurance expenses	0.15	0.15
Total (A)	8.22	7.03
Administrative expenses		
Electricity expenses	0.77	0.32
Rent, Rates & Taxes	0.62	0.64
Repairs and maintenance		
Others	1.36	0.62
Insurance expenses	0.77	0.43
Business development and promotion	0.01	0.09
Advertisement and publicity	0.04	0.08
Administration and establishment	4.31	3.03
Recruitment and training expenses	0.19	0.05
Travelling expenses	1.23	0.81
Stationery and printing	0.59	0.47
Professional and technical expenses	11.36	16.50
Donations	-	1.01
Telephone, trunk calls and postage	0.22	0.25
Vehicle running expenses	0.09	0.05
Bandwidth expenses	0.15	0.06
Payment to auditors	0.15	0.34
Net Loss on Sale/discarding of Fixed Assets	0.19	-
Other expenses	0.04	0.03
Total (B)	22.09	24.78
Provision for doubtful advances (C)	(0.65)	(0.35)

a. Payment to auditors

(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
For statutory audit	0.15	0.17
For other services	-	0.12
For reimbursement of expenses	-	0.05
Total payment to auditors	0.15	0.34

b. Corporate social responsibility expenses

(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Gross amount required to be spent by the Company during the year	-	-
Amount spent during the year on (Paid in Cash) :		
Construction /acquisition of any asset		
On purpose other than above	-	-
Amount spent during the year on (Yet to be Paid in Cash) :		
Construction /acquisition of any asset		
On purpose other than above		
Total corporate social responsibility expenses	<u>-</u>	<u>-</u>

Note 32
Exceptional items

The exceptional Items comprises of the following:

(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Impairment of oil and gas assets	221.60	14,923.55
Diminution in the value of Investment	-	1.00
Provision for Doubtful Debts	-	289.93
Exploration cost written off/ written back	491.33	(18.60)
Total exceptional items	<u>712.93</u>	<u>15,195.88</u>

Notes

a. Impairment Losses mainly comprise of Sanand-Miroli block amounting to ₹215.69 Crores where as impairment loss of previous year was with respect to KG-OSN-2001/3 Block amounting to ₹14,923.54 Crores. Please Refer Note No.23 (Ind AS 105) for details of Non current assets held for sale with respect to assets and liabilities of KG-OSN-2001/3.

b. During the year the Company has written off Non-Operated Block CB-ONN-2009/4 amounting to ₹33.02 Crores. Further company has written off ₹ 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.

During the previous year there was a net foreign exchange gain on amount receivable from partners of overseas blocks. As the exploration loss for the overseas blocks were routed through exploration cost written off, the gain arising out of the

Note 33
Earnings per share

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Profit attributable to equity holders for (₹ in Crores):		
Basic earnings	(1,564.64)	(16,303.19)
Adjusted for the effect of dilution	(1,509.28)	(16,249.87)
Weighted average number of equity Shares for:		
Basic EPS	2,579,262,920	2,579,262,920
Adjusted for the effect of dilution	2,647,164,155	2,647,164,155

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Earnings per equity share (EPS) from continuing & discontinued operation) (face value of ₹ 1/-)		
Basic (₹)	(6.07)	(63.21)
Diluted (₹)	(5.70)	(61.39)
Earnings per equity share (EPS) from discontinued operation-Refer Note No 23 (face value of ₹1/-)		
Basic (₹)	-	(0.01)
Diluted (₹)	-	(0.01)
Earnings per equity share (EPS) from continuing operations (face value of ₹1/-)		
Basic (₹)	(6.07)	(63.20)
Diluted (₹)	(5.70)	(61.38)

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	(₹ in Crores)	
	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
Income Tax (Ref. note no.9 a)	1527.43	1,153.57
Joint Ventures (Ref. note a to g below)	197.77	690.38
Other (Ref. note h & i below)	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 ₹9.91 Crores (USD1,523,895) [31 March 2017: ₹ 9.89 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) GSPC, as the Operator in KG-OSN-2001/3 block (till 31 March, 2017), had entered into a contract with Tuff Drilling Private Limited ('TDPL') for supply and installation of 3,000 hp modular rig in May 2010. Due to the inability of TDPL to provide the rig in the stipulated timelines, the Operator terminated the contract. Against the above actions of the Operator, TDPL has raised claims for ₹ NIL (GSPC's share ₹ NIL)[31st March, 2017: ₹ 719.33 Crores of which GSPC's share: ₹ 647.40 crores].

The Arbitration Tribunal, vide award dated April 15, 2017, has dismissed all the claims made by TDPL against the Operator as well as all the counter claims made by the Operator against TDPL. The time available to TDPL for preferring an appeal against the said award has also expired and no appeal having been preferred by TDPL, the Award has become Final and hence, no contingent liability for the same is considered in current Financial Year.

(c) Guaranteed Gas Price: The Company has executed Farm-in Farm-out Agreement with ONGC for farm-out of 80% PI in KG Block. 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 forms a component of gas trading pool, which effectively covers the risk of valuation adjustment under FIFO.

(d) JODPL: The Company has issued forfeiture notice to Jubilant Offshore Drilling Pvt Ltd (JODPL) against ₹ 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.

(e) Profit Petroleum paid under protest: Joint Venture (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 ₹91.16 crore on this account.

(f) Royalty paid under protest: The Joint Venture 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 Venture 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 ₹ 35.99 crore to GOI under protest. As the matter is under arbitration, only GOI portion of the royalty is paid.

(g) The Company had made an investment in a joint venture (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 ₹98.39 crore (31st March 2017: ₹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 ₹ 98.39 crores as on 31.03.2018 (₹98.39 crores as on 31.03.2017)

Moreover, Autoridade Nacional do Petroleo (ANP) has terminated the PSC with condition of paying the penalty of USD 3403758 (Current year ₹ 22.12 Crores (Previous year ₹ 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 ₹ 14.95 Crores (Previous year ₹ 14.95 Crores)) (JPDA Share). The final outcome of the same is still awaited.

(h) 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 ₹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 ₹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.

Standalone Financial Statements

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 ₹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 ₹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 ₹ 12/ MMBTU aggregating to ₹ 35.86 crores.

The appeal is pending before the Hon'ble Supreme Court.

i) Withholding tax on charter Higher increased in Foreign Currency Components

- IOCL and BPCL unilaterally included a component of \$0.0272/MMBTU in the Foreign Currency Component (FCC) w. e. f. from 1st July 2015 due to withholding tax on PLL's charter higher payments to shipping companies (effectively from Apr 1, 2015 as for the period Apr 1, 2015 to Jun 30, 2015 IOCL / BPCL raised a Debit Note).
- GSPC has been advised by its legal counsel that such amount is not payable under the terms of the Gas Sales Agreement (GSA) with IOCL and BPCL.
- In view of the above, GSPCL has deducted withholding tax component ₹ 15.44 crores from April 2015 to March 2018
- Since the amount is not payable under the GSA, GSPC shall not make payment for such component of \$0.0272/MMBTU included in FCC to IOCL and BPCL and hence, the same is not provided for in books of accounts.

Contingent Asset

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 (₹6295.02 crores) and USD 200 Million (₹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.

Note 35

Capital commitments

A. Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

1. In respect of Joint Ventures ₹ 550.93 crores (31st March 2017 : ₹ 77.75 crores)
2. In respect of others ₹ 1.01 crores (31st March 2017 : ₹ 3.27 crores)

B. Minimum work programme committed under various Production Sharing Contracts in India and Outside India.

1. In India: Nil (31st March 2017 : 3.24 crores)
2. Outside India: Nil (31st March 2017 : Nil)

Note 36
Employee Benefits:
A. Defined contribution plans

1. Company's contribution to Provident Fund is ₹ 2.94 Crores (FY 2016-17 - ₹ 0.78 Crores)
2. Company's contribution to Super Annuation fund is ₹ 0.46 Crores (FY 2016-17 ₹ 0.25 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 company's financial statements as at 31st March, 2018; 31st March, 2017 as required by Ind AS 19.

(₹ in Crores)

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Change in benefit obligation				
1 Liability at the beginning of the year	8.23	6.24	9.25	8.45
2 Interest cost	0.27	0.79	0.67	0.66
3 Current service cost	0.60	1.92	0.66	0.59
4 Past service cost	0.02			
5 Benefit Paid	(0.14)	(0.61)	(0.23)	(0.47)
6 Actuarial (gain) / Losses	(0.28)	(0.11)	1.17	0.02
7 Transfer in Obligation	0.16	-	-	-
8 Liability at the end of the year	8.86	8.23	11.52	9.25
Change in fair value of plan assets				
1 Plan assets at the beginning of the year	8.15	7.26	8.87	6.84
2 Expected return of plan assets	0.66	0.65	0.62	0.62
3 Contributions	0.29	1.01	-	1.89
4 Benefit paid	(0.14)	(0.61)	(0.23)	(0.47)
6 Actuarial gain / (Loss)	(0.09)	(0.16)	-	(0.01)
7 Transfer in Plan Assets	0.12		-	
8 Plan assets at the end of the year	8.99	8.15	9.26	8.87
9 Total Actuarial Gain/(Loss) To Be Recognized	0.19	(0.05)	(1.17)	(0.03)
Actual Return on plan assets				
1 Expected return of plan assets	0.66	0.65	0.62	0.62
2 Actuarial gain / (loss)	(0.09)	(0.16)	-	(0.01)
3 Actual return on plan assets	0.57	0.49	0.62	0.61
Net (asset) / liability recognized in the Balance Sheet				
1 Liability at the end of the year	8.86	8.23	11.52	9.25
2 Plan assets at the end of the year	8.99	8.15	9.26	8.87
3 Amount recognized in the Balance Sheet	(0.13)	0.08	2.26	0.38
Expenses recognized in the statement of profit & loss account for the year				
1 Current service cost	0.60	1.92	0.66	0.59
2 Interest cost	0.27	0.79	0.67	0.66
3 Expected return on plan assets	(0.66)	(0.65)	(0.62)	(0.62)
4 Actuarial (gain) / Losses	(0.19)	0.05	1.17	0.03
5. Transfer in Obligation (net)	0.04			
6 Past service cost	0.02	-	-	-
7 Total expenses*	0.08	2.11	1.88	0.66

(₹ in Crores)

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Balance Sheet reconciliation				
1 Opening net liability	0.08	(1.02)	0.38	1.61
2 Expenses as above	0.08	2.11	1.88	0.66
3 Employer contribution	(0.29)	(1.01)	-	(1.89)
4 Amount recognized in the Balance Sheet	(0.13)	0.08	2.26	0.38
Actuarial Assumptions				
1 Discount Rate	7.65%	7.40%	7.65%	7.40%
2 Rate of return on plan assets	7.65%	7.40%	7.65%	7.40%
3 Salary Escalation	7.00%	7.00%	7.00%	7.00%

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

(₹ in Crores)

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Amount for the current & previous period are as follows:				
Defined Benefit obligation	8.86	8.23	11.52	9.25
Plan asset	8.99	8.15	9.26	8.87
Surplus/(deficit)	0.13	(0.08)	(2.26)	(0.38)
Experience adjustment on plan liability	(0.71)	(0.58)	1.57	0.42
Experience adjustment on plan assets	-	(0.01)	1.20	0.04

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)

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Discount rate varied by 0.5%				
+0.5%	16.63	14.45	10.79	8.64
-0.5%	18.73	15.94	12.32	9.92
Salary growth rate varied by 0.5%				
+0.5%	18.48	15.73	12.32	9.91
-0.5%	16.84	14.61	10.78	8.63

Notes

a. Investment details

Both the funds are managed by LIC and as per the bifurcation provided for planned assets 100% investment as on 31st March 2018 (100% as on 31st March 2017) is made in Special deposit Scheme.

b. Expected Employers contribution for the next financial year

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. Loyalty bonus

The Company has also provided for ₹0.86 crores (FY 2016-17 ₹0.11 crores) towards liability of loyalty bonus (a non-funded defined benefit plan) during the year as per the actuarial valuation.

Note 37
Joint Operations (un incorporated Jont Ventures)

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 Ventures (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 Venture/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)	30%
8	North Kathana	70% (70%)	GNRL Oil & Gas Limited (Operator)	30%
9	Kanawara	70% (70%)	GNRL Oil & Gas Limited (Operator)	30%
10	Allora	70% (70%)	GNRL Oil & Gas Limited (Operator)	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 & Production:	
	56% (56%)	Geo Global Resources (Barbados) Inc.	14%	
		Oil and Natural Gas Corporation Limited	30%	
17b	Tarapur - Extension phase (Refer Note h)	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 J)	50% (50%)	GAIL (India) Ltd	50%
20	CB-ONN-2002/3 (Sanand) (Refer Note J)	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)	62.50% (50%)	Exploration	
			GAIL (India) Ltd	25%
			Geo Global Resources (Barbados) Inc.	12.5%
		50% (50%)	Development & Production:	
			GAIL (India) Ltd	20%
			Jubilant Enpro 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 Venture/PSCs	GSPC's PI	Operatorship/Other Partners	PI
A	Non Operated JVs			
1	MB-OSN-2000/1 (Mumbai) (Refer Note g)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	75%
			Indian Oil Corporation Limited	15%
2	MB-DWN-2000/2 (Mumbai) (Refer Note g)	10% (10%)	Oil and Natural Gas Corporation Limited	50%
			Indian Oil Corporation Limited	15%
			GAIL (India) Ltd	15%
			Oil India Ltd	10%
3	CB-ONN-2002/2 (Mehsana) (Refer Note g)	60% (60%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			Geo Global Resources (Barbados) Inc.	10%
4	CY-ONN-2002/1(Cavery) (Refer Note g)	20% (20%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			GAIL (India) Ltd	50%
5	BS(3)-CBM-2003/II (Refer Note g)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%

II Blocks/Fields proposed to be surrendered

Sr No	Joint Venture/PSCs	GSPC's PI	Operatorship/Other Partners	PI
A	Non Operated JVs			
6	CY-DWN-2004/1 (Refer Note g)	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 g)	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 g)	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 g)	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 g)	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 g)	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 g)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
13 *	KG-DWN-2004/5 (Refer Note g)	10% (10%)	Oil and Natural Gas Corporation Limited	50%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
			Oil India Limited	10%
14	KG-DWN-2004/6 (Refer Note g)	10% (10%)	Oil and Natural Gas Corporation Limited	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			Oil India Limited	10%
15 *	MB-OSN-2004/2 (Refer Note g)	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 g)	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%

Standalone Financial Statements

II Blocks/Fields proposed to be surrendered

Sr No	Joint Venture/PSCs	GSPC's PI	Operatorship/Other Partners	PI
A	Non Operated JVs			
17	RJ-ONN-2004/1 (Refer Note g)	22.225% (22.225%)	GAIL (India) Ltd Hindustan Petroleum Corporation Limited BPCL Hallworthy Shipping Ltd. SA Nitin Fire Protection Industries Ltd.	22.225% 22.22% 11.11% 11.11% 11.11%
18 *	KG-OSN-2005/1 (Refer Note d)	20% (20%)	Oil and Natural Gas Corporation Limited (Operator) HPCL - Mittal Energy Ltd.	60% 20%
19	KG-DWN-2005/1 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator) Indian Oil Corporation Limited	70% 20%
20	CY-ONN-2005/1	30% (30%)	GAIL (India) Ltd Bengal Energy Inc.	40% 30%
21	KK-DWN-2005/2 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	90%
22	AN-DWN-2009/5 (Refer Note f)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	100%
23	AN-DWN-2009/13 (Refer Note f)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator) GAIL (India) Ltd NTPC Ltd	80% 10% 10%
24	AA-ONN-2003/1(Assam) (Refer Note c)	20% (20%)	Jubilant oil & Gas Pvt Limited (Operator) Jubilant Securities Pvt. Ltd. GAIL (India) Ltd	10% 35% 35%
25	CY-DWN-2004/3 (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator) GAIL (India) Ltd Hindustan Petroleum Corporation Limited	70% 10% 10%
26	CY-PR-DWN-2004/1 (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator) GAIL (India) Ltd Hindustan Petroleum Corporation Limited	70% 10% 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

Sr No	Joint Venture/PSCs	GSPC's PI	Operatorship/Other Partners	PI
B	GSPC - Operated			
33	South Diyur (Egypt) (Refer Note e)	80% (80%)	Alkor Petro Ltd	20%
34	North Hap'y (Egypt) (Refer Note e)	80% (80%)	Petrogas E&P LLC	20%
35	MB-OSN-2004/1 (Refer Note g)	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) (Refer Note i)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
37	Block No 28 (Yemen) (Refer Note i)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
38	Block No 57 (Yemen) (Refer Note i)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
39	South Gulf of Suez (Egypt) (Refer Note e)	60% (60%)	Adani Welspun Exploration Ltd	40%
40	KG-ONN-2004/2 (Refer Note c)	40% (40%)	GAIL (India) Ltd	40%
			Petrogas E&P LLC	20%
41	RJ-ONN-2005/3 (Refer Note c)	60% (60%)	Oil and Natural Gas Corporation Limited	40%
42	South East Tungal (Indonesia) (Refer Note c)	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 ₹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 the year the company along with its Joint Venture partners have recommended block CB-ONN-2009/4 to be surrendered to Government of India. Accordingly a total exploration cost of ₹33.04 crores have been written off during the year. During the previous year the company along with its Joint Venture partners had recommended block CY-ONN-2005/1 to be surrendered to Government of India. Accordingly a total exploration cost of ₹33.38 crores have been written off during the FY 2016-17.

c. During F.Y. 2015-16, the company along with its Joint Venture partners have recommended block KG ONN 2004/2, RJ ONN 2005/3, South East Tungal Indonesia, 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. Accordingly a total

Standalone Financial Statements

- d. During F.Y 2014-15, the company along with its Joint Venture partners have recommended block KG OSN 2005/1, KG DWN 2005/1 and KK DWN 2005/2 to be surrendered to Government of India. Accordingly a total exploration cost of ₹ 105.13 crores have been written off during the FY.2014-15.
- e. During F.Y. 2014-15 the company along with its Joint Venture partners has decided to withdraw from South Diyar (Egypt) and South Gulf of Suez (Egypt) blocks and accordingly a total exploration cost of ₹ 397.25 crores have been written off during F.Y.2014-15. During FY 2013-14 the company along with its Joint Venture partners has decided to withdraw from North Ha'py (Egypt) block.
- f. 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.
- g. The company along with its Joint Venture 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 and BS (3)-CBM-2003/II to be surrendered to Government of India.
- h. Company had applied for the extension of exploration phase in Tarapur block and a separate Ring Fence PSC is signed on 5th March, 2016.
- i. 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 ~₹ 273.18 crores) issued in their favor by the International bank of Yemen;
 - Arbitral Tribunal has awarded costs of approx. USD 3.79 million (~₹ 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.
- j. During the FY2017-18 GSPC Operated Sanand Block and CB-ONN-2000/1(RFPSC) has received approval for commercial production.
- k. Of the above, 19 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 1 st April, 2017	0.44	40,573.60
	(0.49)	(209.50)
Additions	0.03	
		(40,493.10)
** Adjustments on account of change in Reserve estimate	(0.24)	(103.02)
	(0.01)	(28.49)
Deletions		36,341.23
	-	-
Production	0.03	21.79
	(0.04)	(157.49)
Closing Balance for the year ended on 31 st March, 2018	0.20	4,107.56
	(0.44)	(40,573.60)

*Figures in brackets relate to period ended 31st March, 2017

The Company's share of reserve has been considered on the basis of the "Reserve" certification provided by M/s. Gaffney, Cline & Associates (GCA) as on 31st August, 2015 and accordingly the proved reserves as on 31st March, 2016 has been worked based on the reserve estimates certified by GCA and only includes the blocks which are in production.

** Adjustments reflects change in reserve estimation as earlier, the reserve estimate was based on proved developed reserves where as since 01.04.2016 company has made change in estimates based on proved reserves. In the previous year KG-OSN-2001/3 had declared COD as 01.04.2016 and accordingly its reserve estimates as on 01.04.2016 has been included above, based on the management estimates. However, due to the change in GSPC share of PI in the block with effect from 01.04.2017 the same reserves are now considered based on 10% PI.

The financial statements of the Company reflect its share of Assets, Liabilities, Income and Expenditure of the Joint Venture 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 venture agreements, in compliance of Ind AS-111. The income and expenditure from Joint Ventures are disclosed separately in the Statement of Profit and Loss. The summary of the Company's share in Assets & Liabilities of Joint Ventures are as follow:

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Fixed Assets		
Gross Block	4,433.15	4,157.12
Depreciation/Depletion Fund	(3,433.50)	(3,055.33)
Net Block	999.65	1,101.79
CWIP*	1,579.31	1,495.61
Current Assets	97.18	51.41
Current Liabilities and Provisions	99.36	429.36
Contingent Liabilities	197.77	690.38

*includes stores & spares

Standalone Financial Statements

1. The Statement of Profit and Loss of the Company includes its share in Profit or Loss pertaining to the respective Joint Operations. The summary of Statement of Profit and Loss for the year ended 31st March 2018 is given as under:

Particulars	(₹ in Crores)			
	As at 31 st March, 2018		As at 31 st March, 2017	
	Aggregate of all JVs	GSPC's Share	Aggregate of all JVs	GSPC's Share
Income				
Sale of Crude Oil	137.81	76.30	133.74	69.47
Sale of Gas	128.60	39.50	188.91	150.58
Increase/(Decrease) in Stock*	9.47	(1.87)	38.64	34.46
Other Income	7.30	4.80	10.10	6.67
Total	283.18	118.73	371.39	261.18
Expenditure				
Production Expenses	157.83	48.21	101.12	67.04
Duties & Taxes	12.02	6.36	47.29	28.40
Administrative exps.	63.09	19.60	110.98	90.96
Total Expenditure before Depreciation	232.94	74.17	259.39	186.40
Profit before depreciation	50.24	44.56	112.00	74.78

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

m. In current Financial Year 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 (₹ 8.17 Crores) as per the guidelines of MOPNG for signing of CB-ON/7 RFPSC.

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:

- 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.

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

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.

5. Information about product and services

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

(₹ in Crores)

Particulars	As at 31 st March, 2018					As at 31 st March, 2017				
	E & P	Gas Trading	Wind Power	Unallocated	Total	E & P	Gas Trading	Wind Power	Unallocated	Total
A. Segment revenue										
External sales*	115.80	10,589.72	44.68	-	10,750.20	208.37	9,409.23	48.84	-	9,666.44
Inter segment sales	(24.66)	-	-	-	(24.66)	(26.79)	-	-	-	(26.79)
Total segment revenue	91.14	10,589.72	44.68	-	10,725.54	181.58	9,409.23	48.84	-	9,639.65
B. Segment results										
Segment results										
Profit(+)/ loss(-)	39.61	851.40	36.46	-	927.47	(1.88)	758.88	55.71	-	812.71
Unallocated expenses	-	-	-	(1,712.80)	(1,712.80)	-	-	-	(1,928.57)	(1,928.57)
Operating Profit	39.61	851.40	36.46	(1,712.80)	(785.33)	(1.88)	758.88	55.71	(1,928.57)	(1,115.86)
Interest/ dividend	-	-	-	77.89	77.89	-	-	-	146.22	146.22
Other income	4.80	58.45	-	3.00	66.25	6.67	-	-	18.99	25.66
Depreciation	(189.45)	-	(18.10)	(2.97)	(210.52)	(860.72)	-	(13.78)	(46.84)	(921.34)
Provision for taxation	-	-	-	-	-	-	-	-	(48.32)	(48.32)
MAT credit entitlement	-	-	-	-	-	-	-	-	-	-
Prior period adjustments	-	-	-	-	-	-	-	-	-	-
Profit/Loss from ordinary Activities	(145.04)	909.85	18.36	(1,634.88)	(851.71)	(855.93)	758.88	41.93	(1,858.52)	(1,913.64)
Excess / short prov of IT										
Exceptional item	(712.93)	-	-	-	(712.93)	(15,195.87)	-	-	-	(15,195.87)
Net profit/(loss)	(857.97)	909.85	18.36	(1,634.88)	(1,564.64)	(16,051.80)	758.88	41.93	(1,858.52)	(17,109.52)
C. Segment assets										
Segment assets	4,720.19	696.36	132.50	-	5,549.05	11,566.63	612.01	104.09	-	12,282.73
Unallocated Assets	-	-	-	4,470.67	4,470.67	-	-	-	7,395.15	7,395.15
Total Assets	4,720.19	696.36	132.50	4,470.67	10,019.71	11,566.63	612.01	104.09	7,395.15	19,677.88
D. Segment Liabilities										
Segment Liabilities	482.41	525.47	6.84	-	1,014.73	24,220.98	180.38	16.01	-	24,417.37
Unallocated Liabilities	-	-	-	15,129.73	15,129.73	-	-	-	1,509.13	1,509.13
Total Liabilities	482.41	525.47	6.84	15,129.73	16,144.46	24,220.98	180.38	16.01	1,509.13	25,926.50
E. Other information										
Capital Expenditure	138.24	-	-	4.87	143.11	(3,413.27)	-	-	1,763.00	(1,650.27)
Additions to non-current assets	-	-	-	-	-	-	-	-	-	-
Depreciation	189.45	-	18.10	2.97	210.52	860.72	-	13.78	46.84	921.34
Non Cash Expenses other than Depreciation	712.93	-	-	-	712.93	15,497.67	-	-	6.95	15,504.62

Standalone Financial Statements

Note 39

In the year 1998-99, the Hazira joint venture 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 venture 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 ₹49.50 Crores on as is where is basis. However the joint venture 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 venture 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 venture accounts for the year ended 31-March-2010 as
(₹ 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 venture)	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 venture 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 and 2017-18 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 Venture accounts on a line by line basis."

Note 40

Related party disclosures

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, GSPC LNG Ltd.

40.1.3 Joint Ventures- GSPL India Gasnet Limited, GSPL India Transco Limited and Sabarmati Gas Ltd,

40.1.4 Key Managerial Personnel:

Name of Key Managerial Personnels:	F.Y. 2017-18		F.Y. 2016-17	
	From Date	To Date	From Date	To Date
Shri Dr. J.N. Singh, IAS (Chairman & Managing Director)	1-Apr-17	31-Mar-18	1-Aug-16	31-Mar-17
Shri Dr. J.N. Singh, IAS (Managing Director)	-	-	11-Apr-16	31-Jul-16
Shri T. Natarajan, IAS (Joint Managing Director)	1-Apr-17	31-Mar-18	1-Aug-16	31-Mar-17
Shri Atanu Chakraborty, IAS	-	-	1-Apr-16	10-Apr-16
Shri Anil Mukim, IAS (Director)	1-Apr-17	7-Mar-18	17-Oct-16	31-Mar-17
Shri Sujit Gulati, IAS (Director)	1-Apr-17	31-Mar-18	7-Jul-16	31-Mar-17
Dr. Manjula Subramaniam, IAS (Retd.) (Woman Independent Director)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17
Shri M. M. Srivastava, IAS (Retd.) (Director)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17
Shri K. Kailashnathan, IAS (Retd.) (Director)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17
Dr. N. Ravichandaran (Independent Director)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17
Prof. Yogesh Singh (Independent Director)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17
Dr. Ravindra Dholakia (Independent Director)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17
Shri Rajesh Sivadasan (CFO)	10-Nov-17	31-Mar-18	-	-
Shri Gopal Srinivasan (CFO)	1-Apr-17	31-May-17	1-Apr-16	31-Mar-17
Shri Sandeep Dave (Company Secretary)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17

40.1.5 Related party disclosure

Transactions during the year with related parties:

Nature of Transaction	Subsidiaries		Associates		Joint Ventures/Venturers		Key Management personnel		TOTAL	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
	(₹ in Crores)									
Income:										
Sale of LNG	3,870.97	3,031.89	84.70	36.08	210.20	188.90	-	-	4,165.87	3,256.87
Gujarat State Petronet Ltd	4.12	16.62	-	-	-	-	-	-	4.12	16.62
Gujarat Gas Limited	3,798.37	2,993.15	-	-	-	-	-	-	3,798.37	2,993.15
GSPC Pipavav Power Company Ltd.	33.87	22.12	-	-	210.20	188.90	-	-	33.87	22.12
Sabarmati Gas Ltd.	-	-	-	-	-	-	-	-	210.20	188.90
Gujarat State Energy Generation Ltd	-	-	84.70	36.08	-	-	-	-	84.70	36.08
GSPC Energy Ltd.	34.61	-	-	-	-	-	-	-	34.61	-
REGASIFICATION INCOME										
Gujarat Gas Limited	33.22	34.55	-	5.67	-	-	-	-	33.22	40.22
GSPC Pipavav Power Company Ltd.	29.15	27.87	-	-	-	-	-	-	29.15	27.87
Gujarat State Energy Generation Ltd	4.07	6.68	-	5.67	-	-	-	-	4.07	6.68
Rent received										
Gujarat State Petronet Ltd	0.74	0.72	0.18	0.17	-	-	-	-	0.92	0.89
GSPC Pipavav Power Company Ltd.	0.09	0.03	-	-	-	-	-	-	0.09	0.03
Gujarat Gas Limited	0.18	0.17	-	-	-	-	-	-	0.18	0.17
Guj Info Petro Ltd	0.04	0.14	-	-	-	-	-	-	0.04	0.14
Gujarat State Energy Generation Ltd	0.43	0.38	0.18	0.17	-	-	-	-	0.43	0.38
Dividend Income										
Gujarat State Petronet Ltd	43.58	41.63	-	-	0.90	0.45	-	-	44.48	42.08
Gujarat Gas Limited	31.85	31.85	-	-	-	-	-	-	31.85	31.85
Sabarmati Gas Ltd.	11.73	9.78	-	-	0.90	0.45	-	-	11.73	9.78
Interest Income										
GSPC Pipavav Power Company Ltd.	0.005	-	22.71	34.38	-	-	-	-	22.71	34.38
Gujarat State Energy Generation Ltd	0.005	-	22.71	34.38	-	-	-	-	0.005	-
Reimbursement of Exp-Received										
Gujarat Gas Limited	9.95	1.94	0.98	0.90	2.05	0.56	-	-	12.98	3.39
Gujarat State Petronet Ltd	0.76	0.21	-	-	-	-	-	-	0.76	0.21
GSPC Pipavav Power Company Ltd.	7.81	0.69	-	-	-	-	-	-	7.81	0.69
GSPC Energy Limited	0.81	1.01	-	-	-	-	-	-	0.81	1.01
Sabarmati Gas Ltd.	0.25	-	-	-	0.39	0.34	-	-	0.25	-
Guj Info Petro Ltd	0.32	0.03	-	-	-	-	-	-	0.39	0.34
Gujarat State Energy Generation Ltd	-	-	0.82	0.67	-	-	-	-	0.32	0.03
GSPC India Gasnet Ltd	-	-	-	-	1.03	0.12	-	-	0.82	0.67
GSPC India Transco Ltd	-	-	-	-	0.63	0.10	-	-	1.03	0.12
GSPC Lng Ltd	-	-	0.16	0.23	-	-	-	-	0.63	0.10
Profit Petroleum Received										
Gujarat State Energy Generation Ltd	-	-	-	0.23	-	-	-	-	0.16	0.23
Expenses:										
Purchase of Gas										
Gujarat State Energy Generation Ltd	-	11.34	-	13.37	-	-	-	-	-	24.71
GSPC Pipavav Power Company Ltd.	-	-	-	13.37	-	-	-	-	-	13.37
	-	-	-	-	-	-	-	-	-	11.34

Nature of Transaction	Subsidiaries		Associates		Joint Ventures/Venturers		Key Management personnel		TOTAL		
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	
	(₹ in Crores)										
Gas transportation charges Gujarat State Petronet Ltd	108.04 108.04	93.41 93.41	- -	- -	- -	- -	- -	- -	- -	108.04 108.04	93.41 93.41
Outsourcing Service Charges Guj Info Petro Ltd	0.89 0.89	0.99 0.99	- -	- -	- -	- -	- -	- -	- -	0.89 0.89	0.99 0.99
Website Development Guj Info Petro Ltd	0.04 0.04	0.24 0.24	- -	- -	- -	- -	- -	- -	- -	0.04 0.04	0.24 0.24
Purchase of Fuel Gujarat Gas Limited	0.05 0.05	0.07 0.07	- -	- -	- -	- -	- -	- -	- -	0.05 0.05	0.07 0.07
Reimbursement of Expenses: Paid Guj Info Petro Ltd	1.29 0.14	0.75 0.04	- -	0.02 -	- -	0.06 -	0.01 -	- -	- -	1.36 0.14	0.77 0.04
Gujarat Gas Limited	0.47	0.22	-	-	-	-	-	-	-	0.47	0.22
Gujarat State Petronet Ltd	0.23	0.41	-	-	-	-	-	-	-	0.23	0.41
GSPC Pipavav Power Company Ltd.	0.46	0.08	-	-	-	0.06	-	-	-	0.46	0.08
GSPL India Gasnet Ltd	-	-	-	-	-	-	0.01	-	-	-	-
GSPL India Transco Ltd	-	-	-	-	-	-	-	-	-	-	0.01
GSPC Lng Ltd	-	-	-	0.02	-	-	-	-	-	-	0.02
Remuneration to Key Managerial Personnel Key management personnel compensation Director Sitting Fees Post employment benefit plan -Non-contributory superannuation plan -Employee group gratuity scheme	- -	- -	- -	- -	- -	- -	- -	1.20 0.92 0.03	1.68 1.16 0.05	1.20 0.92 0.03	1.68 1.16 0.05
Sale of Fixed Assets Guj Info Petro Ltd	- -	0.04 0.04	- -	- -	- -	- -	- -	- -	- -	- -	0.04 0.04
Sale of Investments Gujarat State Petronet Ltd	3,256.70 3,256.70	- -	- -	- -	- -	- -	- -	- -	- -	3,256.70 3,256.70	- -
Purchase of Fixed Assets Guj Info Petro Ltd	0.24 0.24	0.05 -	- -	- -	- -	- -	0.06 -	- -	- -	0.24 0.24	0.11 -
Gujarat State Petronet Ltd.	-	0.02	-	-	-	-	0.06	-	-	-	0.02
GSPL India Transco Ltd	-	0.03	-	-	-	-	-	-	-	-	0.06
Gujarat Gas Limited	-	-	-	-	-	-	-	-	-	-	0.03
Current Assets & Liabilities:											
Debtors Gujarat State Petronet Ltd	151.17 0.44	186.27 3.39	96.64 -	112.01 -	5.73 -	14.64 -	112.01 -	- -	- -	253.54 0.44	312.91 3.39
Gujarat Gas Limited	134.61	182.87	-	-	-	-	-	-	-	134.61	182.87
Gujarat State Energy Generation Ltd	-	-	96.64	112.01	-	-	-	-	-	96.64	112.01
GSPC Pipavav Power Company Ltd.	-	0.01	-	-	-	-	-	-	-	-	0.01
Sabarmati Gas Ltd.	-	-	-	-	5.73	14.64	-	-	-	5.73	14.64
GSPC Energy Limited	16.12	-	-	-	-	-	-	-	-	16.12	-

Standalone Financial Statements

39th Annual Report 2017 - 2018

Nature of Transaction	Subsidiaries		Associates		Joint Ventures/Venturers		Key Management personnel		TOTAL	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
	(₹ in Crores)									
Advance/Receivables										
Gujarat State Petronet Ltd	8.29	1.43	67.05	42.20	0.39	0.14	-	-	75.73	43.77
GSPC Pipavav Power Company Ltd.	7.07	-	-	-	-	-	-	-	7.07	-
GSPC (JPDA) Ltd.	0.20	0.29	-	-	-	-	-	-	0.20	0.29
Guj Info Petro Ltd	0.08	0.16	-	-	-	-	-	-	0.08	0.16
GSPC Energy Limited	0.15	0.08	-	-	-	-	-	-	0.15	0.08
GSPC Offshore Limited	0.30	0.26	-	-	-	-	-	-	0.30	0.26
Gujarat Gas Limited	0.32	0.32	-	-	-	-	-	-	0.32	0.32
GSPC Offshore Limited	0.17	0.32	-	-	-	-	-	-	0.17	0.32
GSPC India Transco Ltd	-	-	-	-	0.21	0.06	-	-	0.21	0.06
GSPC India Gasnet Ltd	-	-	-	-	0.15	0.06	-	-	0.15	0.06
Gujarat State Energy Generation Ltd	-	-	67.04	42.18	-	-	-	-	67.04	42.18
Sabarmati Gas Ltd.	-	-	-	-	0.03	0.02	-	-	0.03	0.02
GSPC Lng Ltd	-	-	0.01	0.02	-	-	-	-	0.01	0.02
Payable										
Gujarat State Petronet Ltd	4.92	5.50	-	0.02	-	-	-	-	4.92	5.52
Gujarat Gas Limited	4.24	5.12	-	-	-	-	-	-	4.24	5.12
Guj Info Petro Ltd	0.07	0.09	-	-	-	-	-	-	0.07	0.09
Gujarat State Energy Generation Ltd	0.22	0.23	-	-	-	-	-	-	0.22	0.23
GSPC Lng Ltd	0.39	0.06	-	-	-	-	-	-	0.39	0.06
GSPC Lng Ltd	-	-	-	0.02	-	-	-	-	-	0.02
Investment in Share Capital (Allotment) *										
Gujarat State Petronet Ltd	1,151.83	1,209.25	142.76	142.76	55.10	55.10	-	-	1,349.69	1,407.11
GSPC Pipavav Power Company Ltd.	213.31	213.31	-	-	-	-	-	-	213.31	213.31
GSPC Lng Ltd	840.00	840.00	-	-	-	-	-	-	840.00	840.00
GSPC (JPDA) Ltd.	98.39	98.39	11.43	11.43	-	-	-	-	11.43	11.43
Guj Info Petro Ltd	0.03	0.03	-	-	-	-	-	-	0.03	0.03
Gujarat Gas Ltd.	57.42	57.42	-	-	-	-	-	-	57.42	57.42
Gujarat State Energy Generation Ltd	-	-	119.83	119.83	-	-	-	-	119.83	119.83
Sabarmati Gas Ltd.	-	-	-	-	55.10	55.10	-	-	55.10	55.10
Alcock Ashdown (Gujarat) Limited (excluding provision for Diminution in value)	-	-	-	-	-	-	-	-	-	-
GSPC Energy Limited	0.05	0.05	11.50	11.50	-	-	-	-	11.50	11.50
GSPC Offshore Limited	0.05	0.05	-	-	-	-	-	-	0.05	0.05
Inter Corporate Loan										
Gujarat State Energy Generation Ltd	-	-	153.44	153.44	-	-	-	-	153.44	153.44

* 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.

Note 41
A. Financial instruments by category and their fair value

(₹ in Crores)

As at 31 st March 2018	Carrying amount				Fair value				
	FVTPL	FVTOCI	Amortised 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	-	2,669.44	-	-	2,669.44	2,669.44	-	-	2,669.44
Unquoted	-	1,190.29	-	0.10	1,190.39	-	-	1,190.29	1,190.29
Loans									
Non-current	-	-	9.14	-	9.14	-	9.14	-	9.14
Current	-	-	155.48	-	155.48	-	-	-	-
Trade Receivables	-	-	656.40	-	656.40	-	-	-	-
Cash and Cash Equivalents	-	-	6.92	-	6.92	-	-	-	-
Other Bank Balances	-	-	91.02	-	91.02	-	-	-	-
Other financial assets									
Non-current	-	-	103.96	-	103.96	-	103.96	-	103.96
Current	-	-	2,376.08	-	2,376.08	-	-	-	-
Total financial assets		3,859.73	3,399.00	0.10	7,258.83	2,669.44	113.10	1,190.29	3,972.83
Financial liabilities									
Borrowings									
Non-current	-	-	10,957.79	-	10,957.79	-	10,957.79	-	10,957.79
Current	-	-	2,967.47	-	2,967.47	-	-	-	-
Other financial liabilities									
Non-current	-	-	11.58	-	11.58	-	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		10,969.37		10,969.37

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 31 st March 2017	Carrying amount				Fair value				
	FVTPL	FVTOCI	Amortised 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	-	5,134.47	-	-	5,134.47	5,134.47	-	-	5,134.47
Unquoted	-	1,190.29	-	0.10	1,190.39	-	-	1,190.29	1,190.29
Loans									
Non-current	-	-	8.48	-	8.48	-	8.48	-	8.48
Current	-	-	160.97	-	160.97	-	-	-	-
Trade Receivables	-	-	625.39	-	625.39	-	-	-	-
Cash and Cash Equivalents	-	-	3.80	-	3.80	-	-	-	-
Other Bank Balances	-	-	90.05	-	90.05	-	-	-	-
Other financial assets									
Non-current	-	-	99.35	-	99.35	-	99.35	-	99.35
Current	-	-	1,167.21	-	1,167.21	-	-	-	-
Total financial assets		6,324.76	2,155.25	0.10	8,480.11	5,134.47	107.83	1,190.29	6,432.59
Financial liabilities									
Borrowings									
Non-current	-	-	18,105.25	-	18,105.25	-	18,105.25	-	18,105.25
Current	-	-	4,406.71	-	4,406.71	-	-	-	-
Other financial liabilities									
Non-current	-	-	9.74	-	9.74	-	9.74	-	9.74
Current	2.45	-	1,496.53	-	1,498.98	-	-	-	-
Trade Payables	-	-	621.81	-	621.81	-	-	-	-
Total financial liabilities	2.45		24,640.04		24,642.49		18,114.99		18,114.99

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.

Standalone Financial Statements

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 2 and Level 3 fair values, as well as the significant

Financial instruments measured at fair value

FVTOCI in unquoted equity shares	Investments in Equity Shares of Other Entities OPAL -Due to the uncertainty over project cost and commissioning date investments in equity shares of OPAL have been fair valued using book value. This method may be reconsidered on commencement of commercial operations.
---	---

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, 2018 and 31st March, 2017 is as below:

Particulars	(₹ in Crores) Amount
As at 1 April 2016	1,190.29
Acquisitions/ (disposals)	
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in statement of profit or loss	-
As at 31 March 2017	1,190.29
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in statement of profit or loss	-
As at 31 March 2018	1,190.29

Transfer out of Level 3

There were no transfers out of level 3 during the year 2017-18 and 2016-17.

Sensitivity analysis

Investments in unquoted equity shares comprise of investments in ONGC Petro Additions Ltd. which has recently commenced commercial production. Accordingly, the shares have been valued at Face Value and hence 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:

- a. Credit risk;
- b. Liquidity risk; and
- c. Market risk

(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

Age of Receivables

Particulars	₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Within the credit period		
1-30 days past due	495.07	467.55
31-60 days past due	3.94	26.99
61-90 days past due		
More than 90 days past due	160.70	134.81

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 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, 2018	As at 31 st March, 2017
Balance at the beginning of the year	3.96	3.96
Movements in allowance	0.65	-
Closing balance	3.31	3.96

Standalone Financial Statements

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.

Other financial assets

Other financial assets comprises of an amount of ₹493.56 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 derivative contracts, 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.
- Derivative instruments comprise of forward contracts, 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 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, 2018	As at 31 st March, 2017
Floating rate borrowings		
Expiring within one year (line of credit and other facilities)	2,132.02	1,270.90
Expiring beyond one year (line of credit and other facilities)	-	-
Total	<u>2,132.02</u>	<u>1,270.90</u>

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.

(₹ in Crores)

31 st 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

(₹ in Crores)

31 st March, 2017	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	18,105.25	18,105.25		18,105.25
Current borrowings	4,406.71	4,406.71	4,406.71	
Non current financial liabilities	9.74	9.74		9.74
Current financial liabilities	1,498.98	1,498.98	1,498.98	
Trade and other payables	621.81	621.81	621.81	
Total	24,642.49	24,642.49	6,527.50	18,114.99

(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. After the completion of Debt Realignment plan, the Company shall be 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 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 at 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.

Particulars	₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
NSE NIFTY 50 - increase 6% (31 March 2017 - 9%)	2.15	3.43
NSE NIFTY 50 - decrease 6% (31 March 2017 - 9%)	(2.15)	(3.43)

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.

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

Particulars	₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Non current borrowings		
ECB - principal and interest	978.86	3,463.04
Buyer's credit	-	-
Net Foreign currency exposure	<u>978.86</u>	<u>3,463.04</u>

The currency exposure on account of USD denominated ECB loans as on 31st March, 2018 is reduced subsequent to closure of KG block transaction for 80% PI as discussed in Note No. 23 (A). The consideration received for the 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 the KG block pertaining to balance 10% PI with the Company.

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

Rupees	Average rate		Year-end spot rate	
	2017-18	2016-17	As at 31 st March, 2018	As at 31 st March, 2017
USD 1	64.94	65.59	65.04	64.84

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, 2018				
USD (2% movement)	19.58	(19.58)	12.80	(12.80)
Effect in Rupees				
31st March, 2017				
USD (7% movement)	242.41	(242.41)	158.52	(158.52)

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. After the completion of Debt Realignment plan, the Company shall be reviewing interest rate hedging strategy for the balance foreign currency loans.

Variable-rate instruments	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Non current - Borrowings	3,155.00	10,326.51
Current - Borrowings	2,967.47	4,406.71
Current portion of Long term borrowings	0.51	495.58
Total	<u>6,122.98</u>	<u>15,228.79</u>

Fixed-rate instruments	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Non current - Borrowings	7,802.79	7,778.74
Current - Borrowings	-	-
Current portion of Long term borrowings	434.12	431.34
Total	<u>8,236.91</u>	<u>8,210.09</u>

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	(₹ in Crores)			
	Profit or loss		Equity, net of tax	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
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	<u>(61.23)</u>	<u>61.23</u>	<u>(40.04)</u>	<u>40.04</u>
31st March, 2017				
Non current - Borrowings	(103.27)	103.27	(67.53)	67.53
Current - Borrowings	(44.07)	44.07	(28.82)	28.82
Current portion of Long term borrowings	(4.96)	4.96	(3.24)	3.24
Total	<u>(152.29)</u>	<u>152.29</u>	<u>(99.58)</u>	<u>99.58</u>

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's adjusted net debt to equity ratio on 31st March, 2018 was as follows.

Particulars	₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Total liabilities comprising interest-bearing loans and borrowings	14,359.89	23,438.88
Less : Cash and bank balances	97.94	93.84
Adjusted net debt	14,261.95	23,345.04
Total equity	(6,124.75)	(5,351.78)
Adjusted net debt to adjusted equity ratio	-2.33:1 times	-4.36:1 times

The Company had transferred KG Block (KG-OSN-2001/3) to ONGC. As discussed in note no 23 (A) an impairment loss had been accounted in the previous year having a negative impact on the equity as on 31 March 2017. The negative impact on the capital structure pursuant to accounting for the transaction for KG-OSN-2001/3 is proposed to be remedied through a detailed Debt Realignment Plan. The consideration from transaction from KG-OSN-2001/3 and sale of holding in Gujarat Gas Ltd to Gujarat State Petronet Ltd which has reduced the company's outstanding debt. The debt realignment plan is in advanced stages and the balance portion of debt shall be reduced subsequent to implementation of the plan. The Company is awaiting final approval from Government of Gujarat and consent from the concerned authorities. Please refer to note 23 (B) regarding the Realignment Plan of the Company.

The implementation of the above stated steps towards debt realignment has already indicated improvement in the adjusted net debt to adjusted equity ratio which will undergo further improvement after implementation of Debt Realignment Plan.

Note 43

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 44

The Company has re-classified previous year figures to confirm to this year's classification.

As per our report of even date attached.

For and on behalf of the Board of Directors

For Talati & Talati
Chartered Accountants
Firm Regn. No. 110758W

Dr. J. N. Singh, IAS
Chairman & Managing Director
DIN : 00955107

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

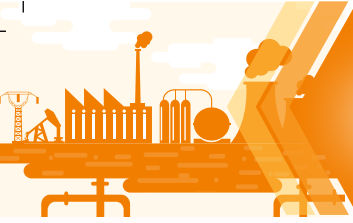
Umesh Talati
Partner
Membership No. 34834

Sandeep Dave
Company Secretary

Rajesh Sivadasan
Chief Financial Officer

Date : 21st May, 2018
Place : Gandhinagar

Date : 21st May, 2018
Place : Gandhinagar



GSPC

GUJARAT STATE PETROLEUM CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS
GUJARAT STATE PETROLEUM CORPORATION LIMITED.

Report on the Consolidated Ind AS Financial statements

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, comprising the Consolidated Balance Sheet as at 31st March, 2018, 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 a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Ind AS Financial Statements”).

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated change in equity of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards Rules) 2015, as amended.

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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate Financial Statements and on the other financial information of the subsidiaries,

associates and jointly controlled entities, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2018, and their consolidated loss (including other comprehensive income), their consolidated cash flows and consolidated change in equity for the year ended on that date.

Emphasis of Matter

Without qualifying 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. 23(B) to the Consolidated Ind AS Financial Statements which describes about the sale of Shares of Gujarat Gas Limited by the Holding Company during the year. Gains on sale of said shares has been transferred to Other Comprehensive Income (OCI) as per the guidance as provided under Ind AS 109 "Financial instruments.
- c) Note No. 23 (B) to the Consolidated Ind AS Financial Statements wherein it is stated that the Holding Company has prepared the Standalone Ind AS Financial Statements on a going concern basis, notwithstanding the fact that Holding Company has incurred a net loss during the current and previous Financial Year and the same lead to complete erosion of its net worth as at the current and previous year balance sheet dates. The appropriateness of the said basis is inter alia dependent on Company's ability to successfully implement Turnaround plan/ Financial Realignment Strategy with the support from Government of Gujarat.
- d) Note No. 35 to the Consolidated Ind AS Financial Statements which regarding non provisioning of disputed Income Tax demands/ claims by the Income Tax Authority amounting to ₹1,527.43 Crores (P.Y. ₹1,153.57 Crores) and disclosed by way of a note to the Consolidated Ind AS Financial Statements as contingent liability as the matter is disputed.
- e) Note No. 35 to the Consolidated Ind AS Financial Statements regarding reasonable uncertainty for final consideration receivable on account of Other Six Discoveries based on Field Development Plan (FDP) to be submitted to DGH by ONGC and subsequent adjustment of advanced floor consideration of ₹1,265 Crores (USD 200 Million) already received against final consideration in case final consideration assessed is higher than advanced floor consideration whereas in a scenario wherein final consideration assessed is less than or equal to USD 200 Million, the Holding Company shall retain the non-refundable advance consideration already received.

Other Matters

- a) We did not audit the Financial Statements and other financial information of Five (5) Subsidiaries and Three (3) Jointly Controlled Entities whose Financial Statements and other financial information are considered in these Consolidated Ind AS Financial Statements. The Ind AS Financial Statements of those subsidiaries reflect total assets of ₹12,043 Crores and net assets of ₹ 3,333 Crores as at 31st March, 2018, and total revenues of ₹7,573 Crores and net cash flows amounting to ₹ 92.17 Crores for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements.

These Ind AS Financial Statements and other financial information have been audited by other auditors 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 and jointly controlled entities, 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 and jointly controlled entities is based solely on the reports of the other auditors.

- b) We did not audit the Ind AS Financial Statements and other financial information of Two (2) Subsidiaries, and Three (3) Associates whose Financial Statements and other financial information are considered in these Consolidated Ind AS Financial Statements. The IND AS Financial Statements of those subsidiaries reflect total assets of ₹2,305 Crores and net assets of ₹680 Crores as at 31st March, 2018, total revenues of ₹ 412 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 ₹26 Crores for the year ended 31st March, 2018, as considered in the Consolidated Ind AS Financial Statements, in respect of Three (3) Associates, whose Ind AS Financial Statements / financial information have not been audited by us.

These Ind AS Financial Statements and financial information are unaudited and 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 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 and associates, is based solely on such unaudited Ind AS Financial Statements and other financial information. In our opinion and according to the information and explanations given to us by the Management, these Ind AS Financial Statements and other financial information are not material to the Group.

- c) The Consolidated Ind AS Financial Statements include the Holding Company's share of:
- (i) Total assets aggregating to Rs. 1,295.44 Crores, total liabilities aggregating to ₹25.16 Crores, income aggregating to ₹70.00 Crores and expenditure aggregating to ₹34.83 Crores in respect of Thirteen (13) Producing Joint Operations (unincorporated joint ventures), which have been incorporated on the basis of accounts audited by other auditors.
 - (ii) Total assets aggregating to ₹ 4,351.12 Crores, total liabilities aggregating to ₹ 55.92 Crores, income aggregating to ₹50.59 Crores and expenditure aggregating to ₹41.21 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 ₹115.32 Crores, total liabilities aggregating to ₹1.94 Crores in respect of Eight (8) 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 ₹347.77 Crores, total liabilities aggregating to ₹16.35 Crores in respect of Thirty Eight (38) 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.
- d) Corresponding figures for the year ended 31st March, 2017 on the Consolidated Ind AS Financial Statements of the Holding Company have been audited by predecessor auditor who had expressed an unmodified opinion thereon per their report dated May 30, 2017 for the year ended 31st March, 2017 which have been furnished to us by the management and relied upon by us for the purpose of our audit of the Consolidated Ind AS Financial Statements.
- e) We have placed reliance on technical/ commercial evaluation by the management of the Holding Company 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 probable hydrocarbon reserves and liability for abandonment costs.

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements except for (i) the unaudited financial information relating to Two (2) Subsidiaries and Three (3) Associates for the year ended 31st March, 2018 referred to in sub-paragraph (b) of Other Matter paragraph above and (ii) the unaudited financial information relating to Forty Four (44) Joint Operations (unincorporated joint ventures) for the year ended 31st March, 2018 referred to in sub-paragraph (c)(ii) and (c)(iv) of Other Matter paragraph 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 relating to preparation of the aforesaid 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.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
 - d. 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.
 - e. 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.
 - f. 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 Report in "Annexure A"; and

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

- i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities - Refer Note No. 35 to the Consolidated Ind AS Financial Statements.
 - ii. Provision has been made in the Consolidated Ind AS Financial Statements, as required under the applicable law or accounting standards, 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.
 - iii. 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, associate companies and jointly controlled entities.
- 2) According to the information and explanations given to us and on the basis of our examination of the records the Group, the title deeds of immovable properties are held in the name of the Group except in respect of following immovable properties for which title deeds are not made available for our verification:

In respect of Holding Company

(₹ in Crores)

Nature	Number of Cases	Gross Block	Net Block
Freehold Land	13	2.92	2.92
Building	2	6.30	2.31
Total	15	9.22	5.23

In respect of Subsidiaries*

(₹ in Crores)

Nature	Number of Cases	Gross Block	Net Block
Freehold Land	2	15.88	15.88
Total	2	15.88	15.88

* Title deeds of immovable properties are held in the name of the Subsidiaries except in respect of One property situated at Survey No. 306-A-/I, Paiki 3, Post- Hazira, Taluka Choryasi, District - Surat admeasuring 13,057 sq. Mtrs., having book value of ₹15.88 Crore as at 31st March, 2018; and Other property situated at Survey No. 150, Mora Village, District - Surat admeasuring 13,557 sq. Mtrs., having book value of Rs. 1 as at 31st March, 2018.

- 3) 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
Chartered Accountants
(Firm Regn. No. 110758W)

Date: 21st May 2018
Place: Gandhinagar

Umesh Talati
(Partner)
Membership No. 034834

"ANNEXURE A" TO THE 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 2018, 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 (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 as of March 31, 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Holding Company as of and for the year ended on that date.

Management's Responsibility for Internal Financial Control

The respective Board of Directors of the Holding Company, its subsidiaries, its associates and jointly controlled entities, are 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") issued by the ICAI 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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 Holding Company, its subsidiaries, associates and jointly controlled entities, 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 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the 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.



GUJARAT STATE PETROLEUM CORPORATION LIMITED

Opinion

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 5 subsidiaries and 3 jointly controlled entities is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Date: 21st May 2018
Place: Gandhinagar

Umesh Talati
(Partner)
Membership No. 034834

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

The annexure 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 year ended 31st March 2018, we report that:

a) Directions under Section 143(5) of The Companies Act, 2013:

In case of Holding Company:

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?

Reply: 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 freehold and leasehold lands are held in the name of the Company except in respect of following freehold lands for which title deeds are not made available for our verification:

In respect of Holding Company

Nature	Number of Cases	Gross Block	Net Block
Freehold Land	13	2.92	2.92
Total	13	2.92	2.92

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

Reply: As per the information and explanations given to us and based on the examination of the records of the Company, there are no cases of any waiver of loan/debt/interest during the year.

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

Reply: As per the information and explanations given to us and based on the examination of the records provided to us, we report that the Company does not own any inventory lying with the third parties. Further, Company has not received any assets as gifts from Govt. or other authorities during the year.

Sr. No.	Particulars	GSPL	GGL	GIPL	GEL	GOL
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?	As per the information and explanations given to us, the Company has clear title/ lease deeds for freehold and leasehold respectively.	One property situated at Survey No. 306-A-/I, Paiki 3, Post- Hazira, Taluka Choryasi, District - Surat admeasuring 13,057 sq. Mtrs., having book value of ₹15.88 Crore as at 31 st March, 2018; and Other property situated at Survey No. 150, Mora Village, District - Surat admeasuring 13,557 sq. Mtrs., having book value of ₹ 1 as at 31 st March, 2018. Title of the property is not held in the name of the Company.	The Company has clear title/ lease deeds for freehold and leasehold properties owned by them.	The Company has no freehold and leasehold property during the period of audit.	The Company has no freehold and leasehold property during the period of audit.

Sr. No.	Particulars	GSPL	GGL	GIPL	GEL	GOL
2.	Please report whether there are any cases of waiver/ write off of debts/ loan/ interest etc. if yes, the reasons there for and the amount involved.	There are no such cases of waiver/ write off of debts/ loans/ interest etc.	There are no such cases of waiver/ write off of debts/ loans/ interest etc.	No. There are no such cases of waiver/ write off of debts/ loans/ interest etc.	No such case has occurred during the period of audit.	There is no such case occur during the period under audit.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	Company does not own any inventory which is lying with the third party. Further, Company has not received any assets as gifts from Govt. or other authorities.	Company does not own any inventory which is lying with the third party. Further, Company has not received any assets as gifts from Govt. or other authorities.	Company does not own any inventory which is lying with the third party. Further, Company has not received any assets as gifts from Govt. or other authorities.	The Company does not have any inventory in their books.	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

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.

Reply: Not Applicable

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?

Reply: Not Applicable

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?

Reply: Not Applicable

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?

Reply: NIL

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.

Reply: Not Applicable

In case of Subsidiaries:

No Adverse Comments.

Service Sector

In case of Holding Company:

Trading

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?

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.

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 as per Debtors Policy of the Company.

In case of Subsidiaries:

Sr. No.	Particulars	GSPL	GGL	GEL	
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?	Not Applicable	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 books of accounts.	Yes. The Company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there again have been properly recorded in books of accounts.	The Commercial activity has not started during the period of audit; therefore the same is not applicable.
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.	Not Applicable	In our opinion and according to the information and explanation given to us, the procedures and the 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 has not started during the period of audit; therefore the same is not applicable.

Sr. No.	Particulars	GSPL	GGL	GEL	
3.	The effectiveness of the system followed in recovery of dues in respect of sales activities may be examined and reported.	Not Applicable	In our opinion and according to the information and explanation 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, Company has effective system of recovery of dues in respect of sales.	The Commercial activity has not 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/State Government or its agencies.

Additional Sub-directions in case of 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 litigation, not put to use or declare surplus? Details may be provided.	As per the information and explanations 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 guideline/ policies of the Government? Comment of the deviation, if any.	The Company does not have any project to be taken up under Public Privet Partnership.
3.	Whether system the monitoring the execution of works vis-a-vis the milestone stipulated in the agreement is in existence and the impact of cost escalation. If any, revenue/ losses from the franchise?	System of monitoring the execution of works vis-a-vis the milestone 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 of deviations.	The Company does not have received/ receivable any fund for specific schemes from central/state agencies.
5.	Whether the bank guarantees have been revalidated in time?	Bank guarantees have been revalidated in timely manner.
6.	Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.	Balance Confirmation has been received in respect of term deposits, bank accounts & cash. Separate disclosure has been made for trade receivables & trade payables.
7.	The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned.	During the year, the Company has not abandoned any projects.

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

Umesh Talati
(Partner)
Membership No. 034834

Date: 21st May 2018
Place: Gandhinagar

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of Consolidated financial statements of **Gujarat State Petroleum Corporation Limited** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the Consolidated financial statements under Section 143 read with Section 129 (4) 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 21May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) read with Section 129 (4) of the Act of the Consolidated financial statements of **Gujarat State Petroleum Corporation Limited** for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6) (b) read with Section 129 (4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related Audit Report:

CAG Comment & Management response on the same is placed below.

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

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

Date : 30th November, 2018
Place : Ahmedabad

ANNEXURE - A

MANAGEMENT RESPONSE TO CAG COMMENT OF ANNUAL ACCOUNT 2017-18

Sr. No.	CAG Comment	GSPC Management Response
1.	<p>A. Comments on Disclosures</p> <p>Notes to Consolidated Financial Statements</p> <p>As per the Para 41 of Ind AS 1, if an entity changes the presentation or classification of items in its financial statements, it shall reclassify comparative amounts unless reclassification is impracticable. When an entity reclassifies comparative amounts, it shall disclose (including as at the beginning of the preceding period):</p> <p>(d) the nature of the re-classification; (e) the amount of each item or class of items that is reclassified; and (f) the reason for the reclassification.</p> <p>During the year, the Company has re-classified or re-grouped previous year amount of ₹ 204.96 crore from Capital Work in progress to Property, Plant and Equipment. Further, the Company has regrouped previous year amount of ₹287.61 crore from Other Current Liabilities to Trade payables. However, the nature of re-classification and the reasons for the same have not been disclosed in the Notes to Financial Statements as required by Ind AS 1. The financial statements are deficient to the above extent.</p>	<p>During the year, the Company has re-classified or re-grouped previous year amount of ₹ 204.96 crore from Capital Work in progress to Producing Properties - E&P. The reclassification is within the broad assets class of Property Plant and Equipment. Details of reclassification is also available in Note 2 to financial statements.</p> <p>The company has also regrouped previous year amount of ₹ 287.61 crore from Other Current Liabilities to Trade payables. The reclassification has not lead to any material effect on the information in the balance sheet and it is within the broad assets class.</p> <p>Further, the Company has mentioned in its Note no.44 that “The Company has re-classified previous year figures to confirm to this year's classification.”</p> <p>However, GSPC Management has assured the audit that the company will provide specific disclosure (including as at the beginning of the preceding period) of any material reclassification with reasons in future.</p>

Date: 07th December, 2018
Place: Gandhinagar

Chairman

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Consolidated Balance Sheet as at 31st March, 2018

(₹ in Crores)

Particulars	Notes	As at 31 st March, 2018	As at 31 st March, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	11,294.52	11,389.56
Capital work-in-progress	2	1,492.84	1,393.32
Investment property	3	2.12	3.79
Goodwill on consolidation	4	186.14	186.14
Other intangible assets	4	443.45	409.39
Intangibles under development	4	932.53	1,457.46
Financial assets			
Investment in equity accounted investees	5	727.90	512.48
Other Investments	6	64.80	67.10
Loans	7	22.52	22.55
Other financial assets	8	184.21	178.55
Deferred tax assets		0.36	0.57
Other non-current assets	9	507.94	512.67
Total non-current assets		15,859.33	16,133.58
Current assets			
Inventories	10	446.95	385.94
Financial assets			
Trade receivables	11	1,086.00	977.73
Cash and cash equivalents	12	134.67	69.03
Other bank balances	12	481.81	926.45
Loans	7	160.39	167.02
Other financial assets	8	2,464.69	1,261.86
Other current assets	9	88.31	62.10
Total current assets		4,862.82	3,850.13
Assets held for sale as a part of discontinued operations		-	8,053.34
TOTAL ASSETS		20,722.15	28,037.05
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	255.93	255.93
Other equity	14	(7,848.78)	(8,808.11)
Total Equity		(7,592.85)	(8,552.18)
Non controlling interest	46	2,324.22	3,624.01
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	15,926.63	22,049.47
Other financial liabilities	16	26.75	24.34
Provisions	17	160.63	158.18
Deferred revenue/ contract liabilities	18	15.18	15.91

GUJARAT STATE PETROLEUM CORPORATION LIMITED
(CIN : U23209GJ1979SGC003281)
Consolidated Balance Sheet as at 31st March, 2018

Particulars	Notes	(₹ in Crores)	
		As at 31 st March, 2018	As at 31 st March, 2017
Net employee benefit liabilities	19	51.15	44.47
Deferred tax liabilities (Net)	20	562.53	470.48
Other non-current liabilities	21	-	3.27
Total non-current liabilities		<u>16,742.87</u>	<u>22,766.12</u>
Current Liabilities			
Financial liabilities			
Borrowings	15	2,974.76	4,413.99
Trade payables	22	968.17	765.79
Other financial liabilities	16	4,967.48	4,312.07
Other current liabilities	21	251.41	318.31
Deferred revenue/ contract liabilities	18	20.20	15.16
Net employee benefit Liabilities	19	8.90	13.35
Provisions	17	56.99	56.99
Total current liabilities		<u>9,247.91</u>	<u>9,895.66</u>
Total Liabilities		<u>25,990.78</u>	<u>32,661.78</u>
Liabilities associated with discontinued operations	23	-	303.44
TOTAL EQUITY AND LIABILITIES		<u>20,722.15</u>	<u>28,037.05</u>

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
Chartered Accountants
Firm Regn. No. 110758W

Dr. J. N. Singh, IAS
Chairman & Managing Director
DIN : 00955107

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

Umesh Talati
Partner
Membership No. 34834

Sandeep Dave
Company Secretary

Rajesh Sivadasan
Chief Financial Officer

Date : 21st May, 2018
Place : Gandhinagar

Date : 21st May, 2018
Place : Gandhinagar

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in Crores)

Particulars	Notes	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
INCOME			
Revenue from operations	24	14,596.60	13,003.16
Other income	25	194.40	273.56
TOTAL INCOME (A)		14,791.00	13,276.72
EXPENSES			
Production expenditure	26	74.32	174.77
Cost of material consumed	27	730.67	813.65
Cost of traded goods	28	9,381.13	8,372.95
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(28.12)	(183.88)
Employee benefits expenses	30	211.26	193.16
Finance costs	31	2,032.28	2,347.76
Depreciation and amortization expenses		798.43	1,494.81
Other expenses	32	678.59	550.81
TOTAL EXPENSES (B)		13,878.56	13,764.03
Profit/ (loss) before exceptional items and tax (A-B)		912.44	(487.30)
Exceptional items	33	(712.93)	(15,194.88)
Profit/ (loss) before tax		199.51	(15,682.18)
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)	46	67.74	41.41
Share of Profit transferred to Minority Interest	46	(628.80)	(482.39)
Tax expense			
Current Tax	20	460.18	302.53
Adjustments of tax for earlier years		(9.28)	(59.59)
Deferred Tax		82.11	(657.80)
Profit/ (loss) after tax for the period including profit from discontinued operation (C)		(894.56)	(15,708.32)
Other comprehensive income			
Items that will not be reclassified to profit or loss :			
Profit on Sale of Equity Instrument		793.98	-

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

Particulars	Notes	₹ in Crores)	
		For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Changes in fair value of FVTOCI equity instruments		(54.50)	(43.75)
Remeasurement of post-employment benefit obligations		1.47	(4.70)
Income tax relating to these items		11.60	14.13
Share of OCI in Associate and JV (Ind AS)		0.06	(0.03)
Income tax relating to these items		(0.01)	0.00
Other comprehensive income for the period, net of tax (D)		752.60	(34.35)
Total Comprehensive Income for the Period (C+D)		(141.96)	(15,742.66)
Earnings per equity share (EPS) - Refer Note 23 (face value of Rs.1/-) for discontinued and continuing operations	34		
Basic (Rs.)		(3.50)	(61.38)
Diluted (Rs.)		(3.20)	(59.59)
Earnings per equity share (EPS) from discontinued operation - Refer Note 34 (face value of Rs.1/-)			
Basic (Rs.)		-	(0.01)
Diluted (Rs.)		-	(0.01)
Earnings per equity share (EPS) from continuing operations - Refer Note 34 (face value of Rs.1/-)			
Basic (Rs.)		(3.50)	(61.37)
Diluted (Rs.)		(3.20)	(59.58)

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
Chartered Accountants
Firm Regn. No. 110758W

Umesh Talati
Partner
Membership No. 34834

Date : 21st May, 2018
Place : Gandhinagar

Dr. J. N. Singh, IAS
Chairman & Managing Director
DIN : 00955107

Sandeep Dave
Company Secretary

Date : 21st May, 2018
Place : Gandhinagar

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

Rajesh Sivadasan
Chief Financial Officer

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Consolidated Statement of Cash flows for the period ended 31st March, 2018

(₹ in Crores)

Particulars	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	199.51	(15,682.18)
Adjustments for:		
Depreciation, Amortisation & Depletion	798.43	1,494.81
Interest & Finance Charges	2,020.21	2,349.70
Loss on Sale of Assets	2.67	9.81
Foreign Exchange Loss/(Gain)	6.80	(8.24)
Other non-cash expenses	3.96	(0.42)
Exploration Cost Written off	491.33	(18.60)
Impairment of oil and gas assets	-	14,923.55
Diminution in the value of Investment	221.60	1.00
Provision for Doubtful Advances	(0.63)	292.65
	<u>3,743.87</u>	<u>3,362.08</u>
Interest and Dividend Income	(82.40)	(189.12)
Profit on sale of Assets	-	(0.14)
Operating Profit before working capital changes	<u>3,661.47</u>	<u>3,172.82</u>
Adjustments for changes in Working Capital		
Long Term Loans & Advances	(4.94)	(17.25)
Other Non-Current Assets	(19.87)	(12.77)
Inventories	(61.39)	(193.33)
Trade Receivables	(72.41)	(100.46)
Short Term loan and Advances	(10.86)	(244.38)
Fixed Deposits with Bank	0.04	16.49
Other Current Assets	(1,212.54)	(18.42)
Other Long Term Liabilities	122.90	29.87
Long Term Provisions	0.47	0.35
Trade payables	167.49	129.93
Other Liabilities	(252.66)	(33.60)
Cash Generated from Operations	<u>2,317.70</u>	<u>2,729.25</u>
Taxes (paid)/ refund	(427.76)	(151.46)
Net Cash Flow from Operating Activities (A)	<u>1,889.94</u>	<u>2,577.79</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Cash Paid for Purchase of Assets / CWIP including Joint Ventures	(1,027.16)	(1,345.30)
Sale proceeds from sale of Participating Interest in Joint Venture	7,749.90	-
Sale of Fixed Assets	20.98	2.02
Other Investments	-	-
Net Proceeds from Investments	287.94	(331.42)
Inter Corporate Loans to group Companies	-	184.50
Interest and Dividend Income	98.02	184.33
Net Cash Flow from Investing Activities (B)	<u>7,129.68</u>	<u>(1,305.87)</u>

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Consolidated Statement of Cash flows for the period ended 31st March, 2018

Particulars	(₹ in Crores)	
	For the period ended 31 st March, 2018	For the period ended 31 st March, 2017
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Equity Share issue	1.84	6.82
Proceeds /(Repayment) to Secured Loans (net)	(6,242.03)	719.14
Repayment for Unsecured Loans (net)	(550.73)	377.50
Interest & Financing Charges	(2,021.95)	(2,289.97)
Dividend (including Corporate Dividend Tax)	(141.08)	(134.21)
Net Cash Flow from Financing Activities (C)	<u>(8,953.95)</u>	<u>(1,320.72)</u>
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	65.66	(48.80)
Cash and Cash equivalents at the Beginning of the Year		
Cash on hand	1.26	0.02
Cheques on Hand	-	-
Bank Balances	67.77	117.81
	<u>69.03</u>	<u>117.83</u>
Cash and Cash equivalents at the End of the Year		
Cash on hand	1.38	1.26
Cheques on Hand	-	-
Bank Balances	133.29	67.77
	<u>134.67</u>	<u>69.03</u>

Notes

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on Cash Flow Statements.

(ii) Previous year figures have been regrouped, reclassified and recasted wherever considered necessary to conform to the current year's figures.

The accompanying notes are integral part of the financial statements.

As per our report of even date attached.

For Talati & Talati
Chartered Accountants
Firm Regn. No. 110758W

Umesh Talati
Partner
Membership No. 34834

Date : 21st May, 2018
Place : Gandhinagar

For and on behalf of the Board of Directors

Dr. J. N. Singh, IAS
Chairman & Managing Director
DIN : 00955107

Sandeep Dave
Company Secretary

Date : 21st May, 2018
Place : Gandhinagar

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

Rajesh Sivadasan
Chief Financial Officer

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN : U23209GJ1979SGC003281)

Consolidated Statement of changes in equity for the period ended on 31st March, 2018

A. Equity Share Capital		A. Equity Share Capital			
Particulars	No. of Shares*	Amount (₹ in crores)	Particulars	No. of Shares*	Amount (₹ in crores)
Issued, subscribed and paid up share capital Equity Shares of ₹ 1/- each fully paid up As at 1 st April 2016	2,579,262,920.00	257.93	Issued, subscribed and paid up share capital Equity Shares of ₹ 1/- each fully paid up As at 1 st April 2017	2,579,262,920.00	257.93
Equity shares issued during the year Treasury Shares held by Subsidiary Company	(20,000,000.00)	(2.00)	Equity shares issued during the year Treasury Shares held by Subsidiary Company	(20,000,000.00)	(2.00)
As at 31 st March 2017	2,559,262,920.00	255.93	As at 31 st March 2018	2,559,262,920.00	255.93

*No of share including share held by group company.

B. Other equity

Particulars	Employee stock options Outstanding (Net)	Reserves & Surplus										Total Equity		
		Capital reserve	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
Balance at April 1, 2016	11.35	10.01	6.21	-	476.40	4,146.91	415.44	3,276.40	(136.75)	42.03	(377.14)	(659.24)	62.09	7,273.71
Profit for the year												(15,737.07)	(11.39)	(15,737.07)
Other comprehensive income for the year												(0.08)		(11.47)
Remeasurements of post employment benefit obligation, net of tax												0.01		0.01
Total comprehensive income for the year	11.35	10.01	6.21	-	476.40	4,146.91	415.44	3,276.40	(136.75)	42.03	(377.14)	(16,396.38)	50.69	(8,474.83)
Addition during the year				1.02								17.66		18.68
Utilisation during the year	(9.90)			(1.02)		(25,447)	(67.70)	(14,15)		(3.26)			(1.46)	(351.96)
Balance at March 31, 2017	1.45	10.01	6.21	-	476.40	3,892.44	347.74	3,262.25	(136.75)	38.77	(377.14)	(16,378.73)	49.23	(8,808.11)
Restated balance at the beginning of the reporting period	1.45	10.01	6.21	-	476.40	3,892.44	347.74	3,262.25	(136.75)	38.77	(377.14)	(16,378.73)	49.23	(8,808.11)
Profit for the year												929.54	3,501.65	929.54
Other comprehensive income for the year												0.08		3,501.73
Items of OCI recognised directly in retained earnings												2,709.98	(2,709.98)	-
Remeasurements of post employment benefit obligation, net of tax												(0.53)	0.53	-
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)	(12,739.65)	841.43	(4,376.83)
Issue of Equity Shares					0.04									
Any Other Change	(0.44)				476.44	3,893.40	347.74	(0.48)	18.31	1.44	(3,217.59)		(274.17)	(3,471.94)
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)	(12,739.65)	567.26	(7,848.78)

As per our report of even date attached.

For Talati & Talati
 Chartered Accountants
 Firm Regn. No. 110758W

Umesh Talati
 Partner
 Membership No. 34834

 Date : 21st May, 2018
 Place : Gandhinagar

For and on behalf of the Board of Directors

Dr. J. N. Singh, IAS
 Chairman & Managing Director
 DIN : 00955107

Sandeep Dave
 Company Secretary

 Date : 21st May, 2018
 Place : Gandhinagar

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

Rajesh Sivadasan
 Chief Financial Officer

Notes to Consolidated financial statements for the year ended 31st March, 2018**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 for issue by the Parent Company's Board of Directors on 21st May, 2018.

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 in all material aspects 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

(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 atleast 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 31 st March 2018	ownership interest as on 31 st March 2017
Gujarat State Petronet Limited (GSPL)	Subsidiary (By Management Control)	Direct Control	37.65%	37.67%
Gujarat Gas Limited (GGL) (earlier known as GSPC Distribution Networks Limited*)	Subsidiary	Indirect Control	20.39%	38.11%
Guj Info Petro Limited (GIPL)	Subsidiary	Direct Control	60.24%	69.09%
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%	19.60%
GSPL India Transco Limited	JV	Indirect JV	19.58%	19.60%
Sabarmati Gas Ltd	JV	Direct JV	32.82%	32.82%
Gujarat State Energy Generation Limited	Associate	Associate	33.26%	33.26%
GSPC LNG Ltd.	Associate	Associate	13.48%	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%	38.11%

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

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.

(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.

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.

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.

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:

- A. The contractual rights to the cash flows from the financial asset have expired, or
- B. The Group 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 Group has transferred substantially all the risks and rewards of the asset, or
 - ii) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

Impairment of financial assets

The Group 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 Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Group 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 Group 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 Group 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 Group 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 consolidated 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 consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group 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 consolidated 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 Group 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 Group 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 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.

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.

- 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. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income.

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:

- A. Defined benefit plans such as gratuity, leave encashment 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.

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.

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.

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.

(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.

The fair value of options granted under the Employee Stock 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 SBI buying Selling TT Rates 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

- Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of the amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.
- Income from sale of crude oil and gas produced from wells until start of commercial production is adjusted against the cost of such wells.
- Income from sale of gas is recognized net of applicable CST/VAT and profit petroleum, as applicable when it can be reliably measured and it is reasonable to expect ultimate collection. Any retrospective revision in prices of gas is accounted for in the year of such revision.
- Revenue from sale of electricity is recognized on last day of respective month when it can be reliably measured and it is reasonable to expect the ultimate collection
- Gas transmission income is recognized net of service tax/GST in the same period in which the related volumes of gas are delivered to the customers
- In case of city gas distribution business, Sale of Natural Gas is recognized on supply of gas to customers by metered/assessed measurements as no significant uncertainty exists regarding the measurability or collectability of the sale consideration. Sales are billed bi-monthly for domestic customers, monthly/fortnightly for commercial and non-commercial customers and fortnightly for industrial customers. Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to consumers from retail outlets. Sales of natural gas are stated inclusive of excise duty and net of value added tax.

- The amounts charged from customers for gas connections are accounted based on the terms of the underlying contract with customers by accounting the revenue on commencement of the supply of gas to the customer as Connection, Service and Fitting Income under other operating revenue.
- The amounts collected towards connection charges from certain domestic customers are “non-refundable charges”. Accordingly, the same are recognized as revenue as and when the Group commences the supply of gas to the customers and such amount is charged to customers. Until then, the amounts so collected are shown under loans and advances in the balance sheet. The group has provided the installments facility to certain domestic customers towards “connection charges” which are non-refundable, the total amount of such installments are recognized as revenue as and when the group commences the supply of gas to the customers.
- The amounts collected from certain domestic customers which include amount “refundable” in nature. Accordingly, the same are recognized as a liability under head Deposits in the balance sheet.
- In case of power generation business, Sale of electricity is recognized on the basis of amount of invoices for supply of energy determined in accordance with the Techno-Commercial parameters approved in the Power Purchase Agreement / Tariff orders by Gujarat Electricity Regulatory Commission. Revenue is recognized when no significant uncertainty as to the measurability and ultimate collection.
- Revenue from sale of electricity generated from windmills and Solar Plants are recognized on a monthly basis in accordance with the terms of power purchase agreement (PPA).
- In case of IT business, Income from operation & maintenance contracts are recognized over the period of the respective agreements on a time proportion basis.
- Revenue 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.
- Revenue in respect of 'Take or Pay' quantity of gas (short lifted quantity of gas under the Gas Sale Agreements) is recognized when it can be reliably measured and it is reasonable to expect ultimate collection.
- Profit Petroleum is reduced from the revenue from sale of products as Government of India's share in Profit Petroleum. 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 approval.
- Group's share of Revenue from Joint Operations is considered on the basis of Accounts submitted by Joint Ventures.
- Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on 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.
- Insurance claim are accounted for on final acceptance by the insurance Group.

(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.

(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.

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.

(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

The following amended standards are not expected to have a significant impact on the Group'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 Group when it will adopt the respective standards.

- Ind AS 115 Revenue from contract with customers-

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The core principle of the new standard that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This Standard permits two possible methods of transition i.e. retrospective approach and modified retrospective method.

The effective date for the adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

Based on the preliminary assessment, the company does not expect any significant impacts on transition to Ind AS 115. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options to be considered.

- Ind AS 40 - Investment Property - The amendment lays down the principle regarding the transfer of asset to, or from, investment property.
- Ind AS 21 - The Effects of Changes in Foreign Exchange Rates - The amendment lays down principles to determine the date of transaction when a company recognizes a non-monetary prepayment asset or deferred income liability.
- Ind AS 12 - Income Taxes - The amendments explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps.
- Ind AS 28 - Investments in Associates & joint Ventures- The amendment clarifies that a venture capital organisation or a mutual fund or similar entities may elect, at initial recognition, to measure investments in associates or joint venture at fair value through profit & loss separately for each associates or joint venture.
- Ind AS 112- Disclosure of interest in other entities- The amendments clarifies that disclosure requirements also apply to interests that are classified as held for sale or as discontinued operations in accordance with Ind AS 105-Non Current assets held for sale and discontinued operations.

Note - 2
Property, plant, equipment as at 31st March 2018

(₹ in Crores)

Particulars	Gross Block			Depreciation and Amortization			Net Block		
	As at 1 st April 2017	Addition during the year	Disposal/Adjustment	As at 31 st March 2018	Charge For the year	Impairment	Disposal/Adjustment	As at 31 st March 2018	As at 31 st 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	-	2.63	58.75	57.81
Buildings	469.47	21.72	(0.13)	491.06	21.94	-	69.04	422.02	422.36
Plant and Machinery	11,483.56	510.78	(15.85)	11,978.49	639.64	-	2,838.78	9,139.71	9,276.19
Furniture and Fixture	30.42	0.90	(2.58)	28.74	3.60	-	14.11	14.63	18.10
Office Equipments	24.42	1.58	(2.15)	23.85	2.84	-	16.39	7.46	8.88
Computer Equipment	39.05	3.15	(1.51)	40.69	3.96	-	28.15	12.54	13.39
Vehicles	13.77	0.47	(1.66)	12.58	1.77	-	8.11	4.47	5.96
Electrical Installation & Equipment	71.28	6.77	(0.00)	78.05	11.22	-	40.95	37.10	41.55
Communication Equipment	50.84	1.84	-	52.68	6.78	-	23.94	28.74	33.68
Ships	0.06	-	-	0.06	0.01	-	0.03	0.03	0.04
Books	0.33	0.00	-	0.33	0.00	-	0.33	-	-
Producing Properties (being Company's share in Joint Venture)	1,522.21	138.24	-	1,660.45	84.47	-	795.12	865.33	811.56
Total tangible assets	14,465.19	689.15	(22.24)	15,132.10	776.93	-	3,837.58	11,294.52	11,389.56
Capital work in progress : Exploration & Development CWIP Building CWIP Others									
								92.64	173.41
								0.14	2.84
								1,400.06	1,217.07
Total capital work in progress	-	-	-	-	-	-	-	1,492.84	1,393.32

Property, plant, equipment as at 31st March 2017

(₹ in Crores)

Particulars	Gross Block			Depreciation and Amortization			Net Block		
	As at 1 st April 2016	Addition during the year	Disposal/Adjustment	As at 31 st March 2017	Charge For the year	Impairment	Disposal/Adjustment	As at 31 st March 2017	As at 31 st March 2016
Tangibles assets :									
Freehold Land	687.22	12.82	-	700.04	-	-	-	700.04	687.22
Lease hold Land*	50.97	8.77	-	59.74	0.62	-	1.93	57.81	49.66
Buildings	425.43	196.52	(152.48)	469.47	26.53	-	47.11	422.36	398.89
Plant and Machinery	9,905.70	9,985.92	(8,408.06)	11,483.56	1,318.15	616.80	2,207.37	9,276.19	8,947.06
Furniture and Fixture	23.49	13.89	(6.96)	30.42	4.44	-	12.32	18.10	15.21
Office Equipments	21.65	11.27	(8.50)	24.42	5.90	-	15.54	8.88	9.43
Computer Equipment	30.88	9.30	(1.13)	39.05	4.48	-	25.66	13.39	9.17
Vehicles	11.50	2.35	(0.08)	13.77	2.08	-	7.81	5.96	5.72
Ele Installation & Equipment	57.22	14.06	-	71.28	13.50	-	29.73	41.55	40.99
Communication Equipment	44.45	6.39	-	50.84	7.91	-	17.16	33.68	35.20
Ships	0.06	-	-	0.06	0.01	-	0.02	0.04	0.05
Books	0.10	0.23	-	0.33	0.23	-	0.33	-	-
Producing Properties (being Company's share in Joint Venture)	591.90	8,223.61	(7,293.30)	1,522.21	89.09	582.45	(18.26)	811.56	534.53

Consolidated Financial Statements

39th Annual Report 2017 - 2018

Property, plant, equipment as at 31st March 2017

Particulars	Gross Block			Depreciation and Amortization			Net Block		
	As at 1 st April 2016	Addition during the year	Disposal/ Adjustment	As at 31 st March 2017	Charge For the year	Impairment	Disposal/ Adjustment	As at 31 st March 2017	As at 31 st March 2016
Total tangible assets	11,850.57	18,485.13	(15,870.51)	14,465.19	1,472.94	1,199.25	(714.00)	11,389.56	10,733.13
Capital work in progress :									
Exploration & Development								173.41	14,549.60
CWIP Building								2.84	2.84
CWIP Others								1,217.07	1,268.42
Total capital work in progress								1,393.32	15,820.86

*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 ventures 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).
 - Considering the Farm In Farm out Agreement for 80% participating interest, Impairment Test was carried out as per Guidance Note on Accounting for Oil and Gas producing activities read with Ind AS-36 "Impairment of Assets", for the carried interest in KG ONS 2001/3 block (10%) by the Company and impairment is provided for the same in line with the net realisable value.
 - Gujarat Pipavav Power Company Limited (GPPC) 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 GPPC 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 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, GPPC 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, GPPC has right to use the assets for other customer/s in future, if any.

In light of the above aspects of the arrangement, GPPC 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

ii) 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, GPPC 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, GPPC 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
 - GPPC has the right to sell 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 to operating capacity/ productivity of the asset. The criteria allows the arrangement to be 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 GPPC 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 GPPC.
- 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 GPPC disclosed in the Schedule above.

Borrowing Costs and Test Production

- The borrowing costs amounting to ₹0.82 crores (FY 2016-17 ₹ 68.36 crores) has been capitalized in the current year as a part of CWIP.

Contractual Obligations

Note 3
Investment property as at 31st March 2018

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1 st April 2017	Addition during the year	Disposal/ Adjustment	As at 31 st March 2018	As at 1 st April 2017	For the year	Disposal/ Adjustment	As at 31 st March 2018	As at 31 st March 2018	As at 31 st March 2017
Land and building	3.86	-	(1.64)	2.22	0.07	0.03	-	0.10	2.12	3.79
Total Investment property	<u>3.86</u>	<u>-</u>	<u>(1.64)</u>	<u>2.22</u>	<u>0.07</u>	<u>0.03</u>	<u>-</u>	<u>0.10</u>	<u>2.12</u>	<u>3.79</u>

Investment property as at 31st March 2017

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1 st April 2016	Addition during the year	Disposal/ Adjustment	As at 31 st March 2017	As at 1 st April 2016	For the year	Disposal/ Adjustment	As at 31 st March 2017	As at 31 st March 2017	As at 31 st March 2016
Land and building*	3.86	-	-	3.86	0.04	0.03	-	0.07	3.79	3.82
Total Investment property	<u>3.86</u>	<u>-</u>	<u>-</u>	<u>3.86</u>	<u>0.04</u>	<u>0.03</u>	<u>-</u>	<u>0.07</u>	<u>3.79</u>	<u>3.82</u>

*Includes land of an amount of ₹ 1.45 crores which is non depreciable.

Notes

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

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

(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Rental Income	1.05	1.21
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	1.05	1.21
Depreciation	(0.03)	(0.03)
Profit from investment properties	<u>1.02</u>	<u>1.18</u>

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

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, 2018	As at 31 st March, 2017
Investment Properties	2.40	2.40
Total	<u>2.40</u>	<u>2.40</u>

"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:

1. 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
2. Discounted cash flow projections based on reliable estimates of future cash flows
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 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.

Note 4

Goodwill on Consolidation as at 31st March 2018

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1 st April 2017	Addition during the year	Disposal/ Adjustment	As at 31 st March 2018	As at 1 st April 2017	For the year	Disposal/ Adjustment	As at 31 st March 2018	As at 31 st March 2018	As at 31 st 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 1 st April 2017	Addition during the year	Disposal/ Adjustment	As at 31 st March 2018	As at 1 st April 2017	For the year	Disposal/ Adjustment	As at 31 st March 2018	As at 31 st March 2018	As at 31 st 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

Goodwill on Consolidation as at 31st March 2017

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1 st April 2016	Addition during the year	Disposal/ Adjustment	As at 31 st March 2017	As at 1 st April 2016	For the year	Disposal/ Adjustment	As at 31 st March 2017	As at 31 st March 2017	As at 31 st March 2016
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 2017

(₹ in Crores)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1 st April 2016	Addition during the year	Disposal/ Adjustment	As at 31 st March 2017	As at 1 st April 2016	For the year	Disposal/ Adjustment	As at 31 st March 2017	As at 31 st March 2017	As at 31 st March 2016
Right of Use / Right of Way*	321.58	79.42	0.69	400.31	13.24	8.19	0.10	21.33	378.98	308.34
Software	72.81	15.58	2.53	85.86	42.82	13.64	1.01	55.45	30.41	29.99
Total other intangible assets	394.39	95.00	3.22	486.17	56.06	21.83	1.11	76.78	409.39	338.34
Intangible assets under development										
Exploration & Development					-			-	1,456.21	11,066.19
Software					-			-	1.25	0.43
Total of Intangible assets under development	-	-	-	-	-	-	-	-	1,457.46	11,066.62

Notes

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

b. Right of Use (ROU)

Gujarat State Petronet Limited acquires the 'right of use' (hereinafter referred to as 'ROU') for the purpose of laying and maintenance of the underground pipeline and vests in Gujarat State Petronet Limited and Gujarat State Petronet Limited 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, Gujarat State Petronet Limited has paid the compensation/consideration of the ROU -land determined by the competent authority under the Act and any person authorised by Gujarat State Petronet Limited, have unrestricted right of entry and lay pipeline or do any other act necessary for the purpose of laying of pipeline.

Gujarat State Petronet Limited has disclosed the cost incurred for acquisition of ROU as 'Right of Use' in the Intangible Asset schedule. ROU has an indefinite life and hence it is not amortised. However, the same is tested for impairment annually.

* Includes RoU of ₹ 109.30 crs (31st March 2017: ₹ 106.67 crs).

c. Right of Way (ROW) :

The Right of Way (ROW) is amortized over 30 years on straightline method as the same is inextricably linked and dependent on useful life of Gas transmission pipeline(s).

Consolidated Financial Statements

39th Annual Report
2017 - 2018

Note 5

Investments in Equity accounted investees

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Investments in unquoted equity shares of equity accounted investees		
119,791,817 (31 st March, 2017 : 119,791,817) fully paid up equity shares of Gujarat State Energy Generation Ltd of ₹ 10 each	83.66	57.14
36,430,000 (31 st March, 2017 : 36,430,000) fully paid up equity shares of GSPC LNG Ltd of Rs.10 each	41.81	40.34
9,987,400 (31 st March, 2017 : 9,987,400) fully paid up equity shares of Sabarmati Gas Ltd of ₹ 10 each	195.97	158.43
11,500,000 (31 st March, 2017 : 11,500,000) fully paid up equity shares of Alcock Ashdown (Gujarat) Ltd of ₹ 10 each	11.50	11.50
20,12,50,060 (31 st March, 2017: 14,40,50,060) Fully Paid Up Equity Shares of ₹ 10 each of GSPL India Gasnet Limited	204.68	147.01
19,81,20,000 (31 st March, 2017: 10,66,00,000) Fully Paid Up Equity Shares of ₹ 10 each of GSPL India Transco Limited	201.78	109.56
	<u>739.40</u>	<u>523.98</u>
Less : Provision for impairment on shares of Alcock Ashdown(Gujarat) Ltd.	(11.50)	(11.50)
Investments in unquoted equity shares of equity accounted investees	<u><u>727.90</u></u>	<u><u>512.48</u></u>

Notes

a. The company had made investment in shares of Alcock Ashdown (Gujarat) Ltd. to the tune of ₹ 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 Diminution in value of investment had been provided in the FY 2012-13 for ₹ 11.50 crores.

Note 6

Other Investments

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Non-Current		
A. Investment in quoted equity shares of other companies (measured at fair value through OCI)		
3,697,000 (31 st March, 2017 : 3,697,000) fully paid up equity shares of Gujarat Industries Power Company Ltd. of ₹ 10/ each	35.79	38.10
B. Investment in unquoted equity shares of other companies (measured at fair value through OCI)		
29,004,033 (31 st March, 2017 : 29,004,033) fully paid up equity shares of ONGC Petro Additions Ltd of ₹ 10/ each	29.00	29.00
8,730 (31 st March 2017: Nil) Fully Paid Up Equity Shares of Swan LNG Private Limited ₹ 10/- each	0.01	-
200 (31 st March, 2017 : 200) fully paid up Equity shares of Kalapur Co Op Comm Bank Ltd of ₹ 25 /- each	0.00	0.00
Total Non-current Other Investments	<u><u>64.80</u></u>	<u><u>67.10</u></u>

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

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Non-Current (measured at amortised cost)		
Loans and Advances to Employees		
Secured, considered good	22.52	22.55
Total non-current loans	<u>22.52</u>	<u>22.55</u>
Current (measured at amortised cost)		
Loans and advances to employees		
Secured, considered good	4.04	5.02
Loans and Advance to Related Parties		
Secured, considered good	1.73	2.59
Unsecured, considered good	154.62	159.41
Total current loans*	<u>160.39</u>	<u>167.02</u>

* refer note no.42

Note 8
Other financial assets

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Non-Current		
Security deposit given (Unsecured - Considered good)	79.17	75.40
Receivable from employees (Unsecured - considered good)	1.43	1.00
Bank Balances-Escrow Account - PNGRB	-	3.40
Deposits with original maturity more than 12 months	-	0.14
Site resoration fund - Deposits with banks (Refer Note a)	103.61	98.61
Total non-current financial assets	<u>184.21</u>	<u>178.55</u>

Note 8
Other financial assets

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
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)	2.46	0.41
Others	599.45	629.35
Receivable from Joint Operations*	654.47	610.21
Advances recoverable in cash or in kind or for value to be received		
Unsecured Considered good	0.72	0.03
Unsecured, considered doubtful	290.01	290.01
Less : Provision for doubtful advances	(290.01)	(290.01)
Security deposit given (Unsecured - Considered good)	0.71	6.13
Receivable from employees (Unsecured - considered good)	0.59	0.67
Derivative assets	0.24	15.06
Total Current financial assets	<u>2,464.69</u>	<u>1,261.86</u>

- 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-current assets

(₹ in Crores)

Particulars	As at	As at
	31 st March, 2018	31 st March, 2017
Non-Current		
Prepaid expense	61.47	63.93
Advance Income Tax and TDS (net of Provision) ¹	300.82	306.62
Balances with Government Authorities	93.56	93.51
Capital Advances	35.21	37.86
Payment under Protest	11.24	5.85
Deferred employee cost	5.61	4.86
Other non current assets	0.03	0.03
Total Other Non-current assets	507.94	512.67
Current		
Prepaid expense	24.86	19.75
Balances with Government Authorities	50.99	33.30
Deferred employee cost	5.82	2.38
Other current assets	6.64	6.67
Total Other Current assets	88.31	62.10

Notes

- a. Provision of Tax for the current year is ₹ 460.18 (31st March, 2017 : 302.53 crores).

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 ₹ 1,527.43 crores (31st March, 2017 : 1,153.57 crores). However the same is disclosed by way of a note as contingent liabilities vide note no.35.

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

**Note 10
Inventories**

(₹ in Crores)

Particulars	As at	As at
	31 st March, 2018	31 st March, 2017
Finished goods - Crude oil (valued at rate specified in COSA)	4.06	2.74
Traded goods - Liquefied natural gas	213.34	183.70
Line Pack Gas	103.98	97.42
Natural Gas Deferred Delivery (GIT)	16.44	-
Condensate	30.84	34.06
Stores and spares/Project materials	78.29	68.02
Total Inventories	446.95	385.94

**Note 11
Trade receivables**

(₹ in Crores)

Particulars	As at	As at
	31 st March, 2018	31 st March, 2017
Secured, considered good	375.95	298.07
Unsecured, considered good	710.05	679.66
Doubtful	11.68	12.27
Less : Impairment on account of expected credit loss assessment	(11.68)	(12.27)
	1,086.00	977.73
Total Trade receivables	1,086.00	977.73

**Note 12
Cash and cash equivalents***

(₹ in Crores)

Particulars	As at	As at
	31 st March, 2018	31 st March, 2017
Cash and cash equivalents		
Balances with banks		
In current accounts	53.30	36.86
Fixed deposit with original maturity of less than 3 months	79.99	30.91
Cash on hand	1.38	1.26
Total Cash and cash equivalents	134.67	69.03
Other bank balances		
Earmarked balances In unclaimed dividend accounts ^a	3.58	3.79
Escrow Account	40.18	35.79
Margin money deposits	304.39	41.21
Fixed Deposit		
With original maturity of more than 3 months but less than 12 months	129.22	802.61
With original maturity more than 12 months	4.44	43.05
Total Other bank balances	481.81	926.45

* 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, 2018	As at 31 st March, 2017
Authorised share capital		
300,00,00,000 equity shares of ₹ 1 each (31 st March, 2017 : 300,00,00,000 equity shares of ₹ 1 each)	300.00	300.00
Increase/(Decrease) during the year	-	-
Total	<u>300.00</u>	<u>300.00</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Issued, subscribed and paid up capital		
257,92,62,920 equity shares of ₹ 1 each (31 st March, 2017 : 257,92,62,920 equity shares of ₹ 1 each)	257.93	257.93
Treasury Share (held by Subsidiary company)		
2,00,00,000 equity shares of ₹ 1 each (31 st March, 2017 : 2,00,00,000 equity shares of ₹ 1 each)	(2.00)	(2.00)
Total	<u>255.93</u>	<u>255.93</u>

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 2016		
At the beginning of the year	2,579,262,920	257.93
Add : Shares issued during the year	-	-
As at 31st March 2017	<u>2,579,262,920</u>	<u>257.93</u>
As at 1st April 2017		
At the beginning of the year	2,579,262,920	257.93
Add : Shares issued during the year	-	-
As at 31st March 2018	<u>2,579,262,920</u>	<u>257.93</u>

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 2016		
At the beginning of the year	20,000,000	2.00
Add : Shares issued during the year	-	-
As at 31st March 2017	<u>20,000,000</u>	<u>2.00</u>
As at 1st April 2017		
At the beginning of the year	20,000,000	2.00
Add : Shares issued during the year	-	-
As at 31st March 2018	<u>20,000,000</u>	<u>2.00</u>

Details of shareholder(s) holding more than 5% Equity Shares

(₹ in Crores)

Particulars	As at	
	31 st March, 2018	31 st March, 2017
Number of Equity Shares		
Government of Gujarat	2,241,010,179	2,241,010,179
Gujarat State Investment Limited	192,592,441	192,592,441
% Holding in equity shares		
Government of Gujarat	86.89%	86.89%
Gujarat State Investment Limited	7.47%	7.47%

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 ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.
- c. During the year ended 31st March, 2018 the amount of dividend per share recognized as distributions to equity shareholders is ₹ NIL (31st March, 2017 :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.

Note 14
Other equity

(₹ in Crores)

Particulars	As at	
	31 st March, 2018	31 st March, 2017
Capital reserve	10.01	10.01
Securities premium reserve	3,893.40	3,892.44
Debenture redemption reserve	347.74	347.74
General Reserve	3,261.77	3,262.25
Capital Reserve on Common Control & Business combination	(3,594.73)	(377.14)
Employees Stock Options Outstanding (Net)	1.01	1.45
Capital reserve on consolidation	6.21	6.21
Amalgamation and arrangement Reserve	476.44	476.40
Retained Earnings	(12,739.66)	(16,378.74)
Amalgamation and adjustment Reserve	(118.44)	(136.75)
Foreign Currency Translation Reserve	40.21	38.77
Other Comprehensive Income	567.26	49.23
Total Other equity	(7,848.78)	(8,808.11)

(₹ in Crores)

Particulars	As at	
	31 st March, 2018	31 st March, 2017
Capital reserve		
Opening Balance	10.01	10.01
Add/ Less: Addition/ (Utilisation) during the Year	-	-
Total Capital reserve	10.01	10.01

Consolidated Financial Statements

39th Annual Report
2017 - 2018

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Capital reserve on consolidation		
Opening Balance	6.21	6.21
Add/ Less: Addition/ (Utilisation) during the Year	-	-
Total Capital reserve on consolidation	<u>6.21</u>	<u>6.21</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Securities premium reserve		
Opening Balance	3,892.44	4,146.91
Add/ Less: Addition/ (Utilisation) during the Year	0.96	(254.47)
Total Securities premium reserve	<u>3,893.40</u>	<u>3,892.44</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Debenture redemption reserve		
Opening Balance	347.74	415.44
Add/ Less: Addition/ (Utilisation) during the Year	-	(67.70)
Total Debenture redemption reserve	<u>347.74</u>	<u>347.74</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
General reserve		
Opening Balance	3,262.25	3,276.40
Add: Addition during the Year		
Less: Utilisation during the year	(0.48)	(14.15)
Total General reserve	<u>3,261.77</u>	<u>3,262.25</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Employees Stock Options Outstanding (Net)		
Opening Balance	1.45	11.35
Add/ Less: Addition/ (Utilisation) during the Year	(0.44)	(9.90)
Total Employees Stock Options Outstanding (Net)	<u>1.01</u>	<u>1.45</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Foreign Currency Translation Reserve		
Opening Balance	38.77	42.03
Add/ Less: Addition/ (Utilisation) during the Year	1.44	(3.26)
Total Foreign Currency Translation Reserve	<u>40.21</u>	<u>38.77</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Amalgamation and arrangement Reserve		
Opening Balance	476.40	476.40
Add/ Less: Addition/ (Utilisation) during the Year	0.04	-
Total Amalgamation and arrangement Reserve	<u>476.44</u>	<u>476.40</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Capital Reserve on Common Control & Business combination		
Opening Balance	(377.14)	(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>(377.14)</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Amalgamation & Adjustment Reserve		
Opening Balance	(136.75)	(136.75)
Add/ Less: Addition/ (Utilisation) during the Year	18.31	-
Total Amalgamation and adjustment Reserve	<u>(118.44)</u>	<u>(136.75)</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Retained earnings		
Opening Balance	(16,378.74)	(659.24)
Add: Profit during the year	(911.10)	(15,737.15)
Less:		
Add/ Less: Addition/ (Utilisation) during the Year	4,550.18	17.66
Total Retained earnings	<u>(12,739.66)</u>	<u>(16,378.74)</u>

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Other Comprehensive Income		
FVOCI - equity investments		
Opening Balance	49.23	62.09
Increase/(Decrease) fair value of FVOCI equity instruments	(245.46)	(5.00)
Income tax on net fair value gain or loss	3.28	3.54
Current Year OCI	792.20	(11.39)
Transaction with Non-Controlling Interest	(31.99)	-
Total Other Comprehensive Income	<u>567.26</u>	<u>49.23</u>

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.

Note 15
Borrowings

Particulars	₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Non-current borrowings		
Secured		
Term loan from banks*	6,466.20	14,151.40
Secured-Term loan from Financial Institutions	90.97	119.33
Compulsory convertible debentures	550.00	550.00
	<u>7,107.17</u>	<u>14,820.73</u>
Unsecured		
Non-convertible debentures	6,015.29	5,991.24
Term loan from others - GSFS	2,804.17	1,237.50
	<u>8,819.46</u>	<u>7,228.74</u>
Total non-current borrowings	<u>15,926.63</u>	<u>22,049.47</u>
Current borrowings		
Secured		
From banks* (Loans repayable on demand)	2,374.76	3,236.44
	<u>2,374.76</u>	<u>3,236.44</u>
Unsecured		
From banks (Loans repayable on demand)	600.00	1,177.55
	<u>600.00</u>	<u>1,177.55</u>
Total current borrowings	<u>2,974.76</u>	<u>4,413.99</u>
Current maturities of long term borrowings (Shown as part of other current financial liabilities : Refer Note 16)		
Secured		
Term loan from banks	309.73	820.52
Term loan from Financial Institutions	29.74	29.36
Compulsory Convertible Debentures	24.94	24.94
	<u>364.41</u>	<u>874.82</u>
Unsecured		
Term loan from others - GSFS	1,507.29	265.48
Non Convertible Redeemable Debentures	140.92	140.92
	<u>1,648.21</u>	<u>406.40</u>
Total current maturities of non-current borrowings	<u>2,012.62</u>	<u>1,281.22</u>

Notes

Gujarat State Petroleum Corporation Limited
Secured Loans

- a. State Bank of India had sanctioned a Rupee Term Loan (RTL 1) Facility amounting to ₹3,000 Crores (Current outstanding is ₹859.09 Crores) in F.Y. 2014-15. During FY 2017-18, the Company has prepaid normal due installment of ₹18.75 Crores. In addition to the above, the Company has repaid ₹ 2,047.16 Crores with 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 Private Limited (JODPL) as on 31st March 2017 amounting to ₹ 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.
- b. Consortium of three member banks lead by Bank of Baroda, London branch has provided Foreign Currency Loan (ECB-1) of USD 200 Million (₹1053.94 Crores)(Current outstanding of USD 18.30 Million i.e. ~₹119.03 Crores). The Company has prepaid USD 61.72 Million (i.e. ~₹ 392.91 Crores) from funds received as consideration from ONGC. The Company based on the request of Indian Bank, repaid entire outstanding loan of Indian Bank, Singapore. 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 ₹ 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 (₹1528.70 Crores) (Current outstanding of USD 60.80 Million i.e. ₹395.47 Crores) and USD 75 Million (Current outstanding of USD 18.57 Million i.e. ₹ 120.79 Crores) from Export Import Bank of India . The company has prepaid USD 138.59 Million (i.e. ₹ 882.26 Crores) (USD 250 Million Facility) and USD 42.36 Million (i.e. ₹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 ₹ 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 (₹ 624.45 Crores) (Current outstanding of USD 24.24 Million i.e. ₹157.67 Crores). During FY 2017-18, the company has prepaid installment of USD 6.25 Million (i.e. ₹ 40.42 Crores) as per existing repayment schedule. In addition, the Company has repaid USD 69.51 Million (i.e. ₹ 442.50 Crores) 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 ₹ 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 (₹ 657.40 Crores) (Current outstanding of USD 28.58 Million i.e. ₹ 185.90 Crores). The Company has prepaid USD 65.17 Million (i.e. ₹ 414.87 Crores) 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 ₹ 485.71 Crores, 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 and charge over receivables of the Company, both present and future, at par with the charge provided to Line of Credit Lenders.

f. Consortium of thirteen member banks lead by Punjab National Bank has provided Rupee Term Loan (RTL 2) of ₹ 4,500 Crore (Current outstanding of ₹1,389.36 Crore). The Company has prepaid ₹3,110.64 Crores with 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 ₹ 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.

Unsecured Loans:

g. Company has availed Medium Term Loan from Gujarat State Financial Services (GSFS) for the period of 3 years with repayment in 10 equal quarterly installment. (Current outstanding ₹ 1,500 Crores). The repayment schedule has been revised in FY 2017-18 with additional moratorium of one year and an incremental repayment schedule. Subsequent to revision in repayment schedule, no installment of the medium term loan was due in FY 2017-18.

h. Outstanding unsecured NCDs amounting to ₹ 6,000 crores raised on private placement basis are listed with National Stock

Exchange. 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
60 Yrs*	1,000	10.45%	Sep-12
15 Yrs	2,000	9.03%	Mar-13
60 Yrs**	1,000	9.80%	Mar-13

* The company has the call option for these NCDs after 10 years, from date of allotment 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 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.

Quasi-Equity

I. In the F.Y. 2013-14, the Company has raised funds to the tune of ₹550 Crs through issuance of secured compulsory convertible debentures (CCD) on private placement basis. The details of the same 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: ₹ 81 per debenture) are 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 supposed to be converted into equity shares at the end of the five years.

Conversion term of CCDs

The Compulsory Convertible Debenture (CCDs) will be converted to equity after expiry of 5 (Five) years from the allotment date or date prior to filing of Red Herring Prospectus for IPO with SEBI". The Company has submitted a request for extension of conversion date for IDBI and IFCI which were due in April/May 2018 under the premise that the conversion date for all the three entities may be aligned to ensure similar treatment of respective facilities. Both the institutions are in process of obtaining necessary approvals for aligning the conversion date of respective CCDs.

j. 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.

k. In Case of Subsidiary GSPC Pipavav Power Company Limited**Secured Loans**

Term loan from banks are 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 Amreli, Pipavav for 702 MW power project is subject to fulfillment of the condition.

During FY 2017-18 the term loan of IDBI & Karur Vysya Bank was repaid. This both loans were taken over by Dena Bank.

The Secured Term Loan from Vijaya Bank of which maturity is 24th Nov 21 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, Charankha for 5 MW Solar Power project and receivables.

Gujarat State Petroleum Corporation Limited**L. Loan repayment schedule**

(₹ in Crores)

Particulars	Total Outstanding (₹ In crores)	Maturity period	Rate of Interest (p.a.)	Repayable in 12 months	Repayable in 2 to 4 years	Repayable in 5 to 7 years	Repayable in 8 to 10 years	Repayable in 11 to 15 years	Repayable in 16 to 60 years
Rupee Term Loan-1	859.09	30-Sep-24	SBI Base Rate + 50 bps			859.09		-	-
Rupee Term Loan-2	1,389.36	31-Mar-29	SBI Base Rate + 50 bps	-			916.86	472.50	-
External Commercial Borrowing (ECB-1)	119.03	30-Sep-20	6 m Libor + 340 bps	-	119.03	-	-	-	-
External Commercial Borrowing (ECB-2)	516.26	30-Sep-23	6 m Libor + 374 bps		119.89	396.36		-	-
External Commercial Borrowing [ECB-3 (Exim)]	157.67	31-Dec-24	6 m Libor + 370 bps			157.67		-	-
External Commercial Borrowing [ECB-4 (SBI)]	185.90	30-Sep-24	6 m Libor + 390 bps			185.90		-	-
Non Convertible Debentures	6,000.00	Last re-payment 22 March 2073	9.39% to 10.45 %		1,000.00	3,000.00	-	-	2,000.00
GSFS Loan	1,500.00	15-Dec-19	8.25%	262.50	1,237.50	-	-	-	-
Total	10,727.31			262.50	2,476.42	4,599.02	916.86	472.50	2,000.00

**In the Case of Subsidiary Gujarat State Petronet Limited (Consolidated).
Maturity Profile and Rate of Interest of Term Loans^a**

(₹ in Crores)

Rate of Interest	No. of Installm.	Outstanding at 31 st March 2018	2018-19	2019-2027
7.86%	17	120.71	28.13	91.41
1 Year GSEC + 2.175%	5	29.84	12.07	18.10
1 Year MCLR	36	101.57	16.67	133.33
8.25%	3	2,805.70	1,233.33	2,266.67
8.10%	40	543.21	27.62	515.59
7.99%	40	1,683.70	86.30	1,597.40
8.35%	40	100.03	0.02	100.01
Total		5,384.76	1,404.13	4,722.50

a Repayment schedule includes amount of loan sanctioned but to be drawn

In the Case of Subsidiary GSPC Pipavav Power Company Limited.

(₹ in Crores)

Particulars	Rate of Interest	Maturity	Outstanding as at March 31, 2018	Maturity Profile		
				2018- 2019	2019 - 2024	2024 - 2029
Details of Term Loans From Bank						
Secured Term Loan from Bank of Maharashtra	One Year MCLR+ 0.00%	31-Mar-25	290.95	41.89	209.46	39.59
Secured Term Loan from Allahabad Bank	One Year MCLR+ 0.00%	30-Jun-25	181.07	25.00	125.00	31.07
Secured Term Loan from Dena Bank	One Year MCLR+ 0.00%	30-Jun-25	120.74	16.67	83.33	20.74
Secured Term Loan from Dena Bank (New)	One Year MCLR+ 0.00%	30-Sep-25	23.33	3.11	15.56	4.66
Secured Term Loan from Dena Bank (IDBI take over)	One Year MCLR+ 0.00%	31-Mar-25	174.84	24.99	124.93	24.93
Secured Term Loan from Dena Bank (KVB take over)	One Year MCLR+ 0.00%	31-Mar-25	116.63	16.67	83.34	16.63
Secured Term Loan from OBC Bank	One Year MCLR+ 0.10%	31-Mar-25	116.42	16.67	83.33	16.42
Secured Term Loan from Vijaya Bank	One Year MCLR+ 0.00%	31-Mar-25	58.30	8.33	41.67	8.30
Secured Term Loan from SBI	One Year MCLR+ 0.65%	31-Mar-25	67.29	9.05	45.27	12.97
Secured Term Loan from	One Year MCLR+ 0.00%	24-Nov-21	12.50	3.32	9.18	-
Vijaya Bank *	Total		1,162.07	165.70	821.06	175.31

Installments amount is derived on sanctioned amount of Term Loan.

m. Derivative contracts

(i). The company enters into currency option and interest rate swap contracts to hedge its exposure in foreign exchange rate and interest in connection with foreign currency loans however in view of the partial repayment of the facility, GSPC had completely unwinded the existing interest rate swap contracts.

(ii). Nominal amounts of derivative contracts entered into by the company and outstanding as on 31st March, 2018 is NIL (31st March, 2017 : USD 534.09 millions) by way of interest rate swap. Category wise break up is given as below* :

(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Interest Rate Swaps		
Currency - US Dollars* : 4 contracts of USD 534.09 million	-	3,462.96
Total	-	3,462.96

Gujarat State Petroleum Corporation Limited

*Foreign Currency loans that are not hedged by derivative instruments (Currency) as on 31st March 2018 is USD 150.49 million (31st March 2017 : NIL) ₹ 978.86 crores (31st March, 2017 : NIL).

In Case of Subsidiary Gujarat State Petronet Limited (Consolidated)

For foreign currency loan, the Company has entered into cross currency swap and interest rate swap in order to hedge its foreign currency risks in full.

Note 16**Other financial liabilities**

(₹ in Crores)

Particulars	As at	As at
	31 st March, 2018	31 st March, 2017
Non-Current		
Other payables (including deposits received from customers)	26.75	24.34
Total non-current financial liabilities	26.75	24.34
Current		
Current maturities of non-current borrowings (Note 15)	2,012.62	1,281.22
Payable to Joint Operations	685.53	562.11
Unclaimed dividend	3.58	3.79
Imbalance, overrun & Other charges	36.21	32.68
Capital creditors and other payables	1,521.41	1,380.87
Deposits from customers and others	27.24	20.51
Earnest Money Deposits	2.27	1.71
BG Asia Pacific Holdings Limited	464.78	464.78
Less : Amount deposited in Escrow Account with Citi Bank	(464.78)	(464.78)
Derivative liability ¹	678.62	1,029.18
Total current financial liabilities	4,967.48	4,312.07

Notes

¹The Company had entered into Interest rate swap to hedge against interest rate risk.

Note 17**Provisions**

(₹ in Crores)

Particulars	As at	As at
	31 st March, 2018	31 st March, 2017
Non-Current		
Provision for decommissioning obligations	160.63	158.18
Total non-current provisions	160.63	158.18
Current		
Provision for profit petroleum	56.43	56.43
Provision for Other Expenses	0.56	0.56
Total current provisions	56.99	56.99

Movements in Provisions

(₹ in Crores)

Movements in Provisions	Non-current	Current
	Provision for decommissioning obligations	Provision for profit petroleum & Other
At 1 April 2017 (Opening balance)	158.18	56.99
Add: Unwinding of Discounts	3.65	-
Add: Provision made during the year	22.92	-
Less: Provision reversed during the year	(24.12)	-
At 31 March 2018 (Closing balance)	160.63	56.99

Note 18
Deferred revenue/ contract liability
(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Non-current		
Income received in advance	11.84	11.15
Others	3.34	4.76
Total non-current deferred revenue/ contract liability	<u>15.18</u>	<u>15.91</u>
Current		
Income received in advance	20.20	15.16
Total current deferred revenue/ contract liability	<u>20.20</u>	<u>15.16</u>

Note 19
Net employee benefit liabilities
(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Non-current		
Provision for gratuity	7.26	5.41
Provision for leave encashment	43.51	38.77
Provision for Superannuation	0.38	0.29
Total non-current net employee benefit liabilities	<u>51.15</u>	<u>44.47</u>
Current		
Provision for gratuity and loyalty bonus	6.24	11.20
Provision for leave travel allowance	0.38	0.36
Provision for leave encashment	2.28	1.79
Total current net employee benefit liabilities	<u>8.90</u>	<u>13.35</u>

Note 20
Tax expense
Amount recognised in statement of Consolidated Profit and loss
(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Current income tax	460.18	302.53
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	82.11	(657.80)
Reduction in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Recognition of tax credit	-	-
Change in recognised deductible temporary differences	-	-
Deferred tax expense	<u>542.29</u>	<u>(355.27)</u>
Excess provision of income tax in respect of previous years	(9.28)	(59.59)
Total tax expense for the year	<u>533.01</u>	<u>(414.86)</u>

Amount recognised in other comprehensive income

(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Items that will not be reclassified to profit or loss (A)		
Remeasurements of the defined benefit plans	1.47	(4.70)
Equity instruments through other comprehensive income	739.48	(43.75)
Share of OCI in Associate and JV	0.06	(0.03)
	<u>741.01</u>	<u>(48.48)</u>
Income tax relating to items that will not be reclassified to profit or loss (B)		
Remeasurements of the defined benefit plans	11.60	14.13
Equity instruments through other comprehensive income		-
Share of OCI in Associate and JV	(0.01)	-
	<u>11.59</u>	<u>14.13</u>
Net amount recognised in other comprehensive income (A+B)		
Remeasurements of the defined benefit plans	13.07	9.43
Equity instruments through other comprehensive income	739.48	(43.75)
Share of OCI in Associate and JV	0.05	(0.03)
	<u>752.60</u>	<u>(34.35)</u>

Reconciliation of effective tax rate

(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Profit before tax	(361.56)	(16,123.16)
Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 34.61%)	(125.13)	(5,579.90)
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)	(208.41)
Deferred tax impact on items as elaborated in movement of deferred tax balances recognised through OCI	512.45	(0.01)
Provision for impairment not allowable for taxes	246.81	5,258.99
Refund on completion of assessment for earlier periods	-	48.32
Items with No tax consequences	17.38	8.40
Undistributed reserves of equity accounted investees	4.90	15.97
Chapter VI deductions	(12.55)	(8.51)
Differences between Indian and foreign tax rates	14.52	-
Non-deductible tax expenses	0.16	0.01
Others - Excess / Short Provision	(8.07)	(10.87)
Donation	-	0.31
Incremental deduction allowed under 32AC for Investment in new Plant and Equipments	-	(19.63)
Leasehold amortisation	-	0.13
Impact of LTCG on Land	-	(1.32)
Impact of (Excess)/Short provision of earlier year deferred taxes	-	(0.85)
Impact of (Excess)/Short provision of earlier year current taxes	-	0.21
Unrealised foreign exchange gain/ (Loss)-43A	-	43.39
Depreciation as per Profit and Loss Account	49.18	0.40
Consumption of Stores & Spares-ICDS Adjustment	0.90	0.15
Disallowance U/s 43B	-	0.07

Reconciliation of effective tax rate
(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Disallowance -Others	0.09	-
Interest on HBA	(0.03)	(0.01)
Interest on Income Tax Refund	(0.01)	(1.16)
Interest On Fixed Deposits	(0.62)	(61.20)
Depreciation as per Income tax act	(59.59)	
Preliminary Expenses Allowed U/s. 35D	(0.03)	(0.01)
Interest on Others	0.66	1.19
Recognition of tax effect of previously unrecognised tax losses	3.68	(7.77)
Other items having no tax impact	400.75	107.26
	533.01	(414.86)

Movement in deferred tax balances
(₹ in Crores)

Particulars	31 st 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)	129.83				-	-	-
Decommissioning obligations	309.02	(307.68)				1.34	1.34	-
Other items	240.21	(226.60)	(11.60)	1.44		3.45	3.45	-
Tax assets/ (liabilities)	(469.91)	(82.11)	(11.60)	1.44	-	(562.17)	4.95	(567.12)
Set off tax								
Net tax assets/ (liabilities)	(469.91)	(82.11)	(11.60)	1.44	-	(562.17)	4.95	(567.12)

(₹ in Crores)

Particulars	31 st March, 2017							
	Net balance April 1, 2016	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	(1,033.37)	144.07				(889.30)	860.66	(1,749.96)
On account of impairment of assets and change in depreciation	173.96	(303.80)				(129.84)	-	(129.84)
Decommissioning obligations	100.43	208.59				309.02	309.02	-
Other items	(524.24)	608.94	14.13	141.38		240.21	240.21	-
Tax assets/ (liabilities)	(1,283.22)	657.80	14.13	141.38	-	(469.91)	1,409.89	(1,879.80)
Set off tax								
Net tax assets/ (liabilities)	(1,283.22)	657.80	14.13	141.38	-	(469.91)	1,409.89	(1,879.80)

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

Tax losses carried forward

Particulars	31-Mar-18	Expiry date	31-Mar-17	Expiry date
Expire	-	-	94.38	31-Mar-23
Expire	-	-	242.28	31-Mar-24
Expire	11,626.52	31-Mar-25	12,901.63	31-Mar-25
Expire	143.45	31-Mar-22	139.60	31-Mar-22
Never Expire	1,904.97	-	2,011.82	-

Notes

- The company 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.

Note 21

Other non-financial liabilities

(₹ in Crores)

Particulars	As at	As at
	31 st March, 2018	31 st March, 2017
Non-current		
Other Current Liabilities	-	3.27
Total non-current non-financial liabilities	<u>-</u>	<u>3.27</u>
Current		
Statutory tax liability	106.41	155.21
Advance from customers	119.93	88.13
Others	25.07	74.97
Total current non-financial liabilities	<u>251.41</u>	<u>318.31</u>

Note 22

Trade payables

(₹ in Crores)

Particulars	As at	As at
	31 st March, 2018	31 st March, 2017
Total outstanding dues of micro enterprises and small enterprises*	17.41	7.16
Total outstanding dues of creditors other than micro enterprises and small enterprises	950.76	758.63
Total Trade payables	<u>968.17</u>	<u>765.79</u>

* Refer Note No. 44

Note 23

(A) Discontinued operation held for sale

The assets and liabilities of KG-OSN-2001/3 ("K G Block"), a joint operation of the company, were classified as discontinued operation held for sale in FY 2016-17 based on the binding agreement entered for sale of the company's stake in the block to Oil and Natural Gas Corporation Limited (ONGC, the buyer). The sale was approved by the board of directors in January, 2016. The requisite regulatory approvals were obtained and the transaction has achieved closure in August 2017. The actual sale of asset has been effected in the current financial year thus the consideration received from the transaction has been set-off against asset held for sale.

Based on the requirement of Ind AS 105 - Non Current Asset held for sale (Ind AS 105), the block was and measured at the lower of their carrying amount or fair value less costs to sell, as presented in the table below for 31st March 2017:

Particulars	(₹ in Crores)
	As at 31 st March, 2017
Assets	
<i>Non current assets (net of depreciation and amortisation where applicable)</i>	
Producing Properties	7,274.95
Factory building	141.41
Office equipments	5.90
Computer equipment	0.53
Plant and machinery	7,710.14
Furniture and fixtures	6.53
Intangible - Software	1.51
Building	4.88
CWIP others	206.58
Exploration & Development	5,951.23
Total carrying value of non-current assets (A)	<u>21,303.66</u>
Liabilities associated with above	
Provision for decommissioning cost	303.44
Net assets classified as held for sale	<u>21,000.22</u>
Fair value less cost to sell of above (B)	<u>7,749.90</u>
Impairment loss recognised in statement of profit or loss as an exceptional item (C) = (A) - (B)	<u>13,250.32</u>

Details of profit and loss attributable to the KG Block is below:		(₹ in Crores)
Particulars		As at 31 st March, 2017
Revenue		22.58
Expense		34.29
Profit Before Tax		<u>(11.71)</u>
Income tax expense		-
Profit after tax		<u>(11.71)</u>

Since the group had not declared COD in 2015-16, the income earned from the test production was adjusted against the CWIP.

As per the agreement, the economic date of transfer for asset i.e. 80% Participating Interest of GSPC was 23:59 hours 31st March 2017. The Company continued as operator for the block on behalf of ONGC until the closing date i.e. 4th August 2017 and all expenditure incurred from economic date to closing date on behalf of ONGC (i.e. 80% PI) shall be reimbursed by ONGC to the Company on closing date. The final closure of the transaction is pending finalization between the parties.

In August 2002, the Company had entered into Carried Interest Agreement 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 CIA provided that the Company was responsible to incur GGR's share of costs incurred during exploration as well as development phase prior to date of initial commercial production. The Company had incurred ₹ 1856.83 Crore on GGR's behalf until 31st March 2017. However, in April 2017, the Company has entered into a Deed of Assignment of Participating Interest with GGR vide which GGR has surrendered its 10% Participating Interest in KG-OSN-2001/3 to the Company. Thus, the Company shall hold 10% PI in KG-OSN-2001/3.

(B) Going Concern

The Company had executed Farm-in/Farm-out Agreement with Oil and Natural Gas Corporation (ONGC) for farm-out of 80% PI in KG-OSN-2001/3 (KG Block). The KG Block has substantial gas and condensate reserves however due to technical challenges (High Pressure High Temperature), the requisite future capital investment to achieve desired levels of production had pushed the Company towards a highly leveraged position. The Company was unable to infuse further capital for future development which had triggered the strategic transfer of KG Asset to ONGC. The Company has achieved closure of transaction with requisite approval from Government of Gujarat for the transaction for divestment of GSPC's 80% PI in KG Block. (Refer Note 23 (A) above) The transaction for sale of PI in KG Block had led to an impairment in previous financial year and the corresponding amount has been accounted as exploration cost written-off in the present financial year. The financial loss had exceeded the net worth of the Company. However, to recoup the negative impact on financials, the Company has a future upside potential from valuation of other six discoveries in KG Block which shall be determined based on Field Development Plan.

Further, the Company has wide domain of business process in energy value chain with gas trading, Exploration & Production business in onshore blocks and renewable power generation. The Company has strong market presence in the gas trading business which is further fortified with subsidiaries in gas transmission and gas distribution business alongside gas based power generation business which have potential for high growth trajectory.

The management of the Company with the support from Government of Gujarat is committed to complete 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.

As per the Debt Realignment Plan, the Company has sold its holding in Gujarat Gas Ltd to Gujarat State Petronet Ltd. during the year and realised an amount of ₹ 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. 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. The Company has sought approval for of Debt Realignment Plan from Government of Gujarat (GoG). The debt realignment plan is targeted to reduce the debt.

Moreover, the Company had obtained all the necessary approvals from Government of Gujarat for achieving closure of transaction with ONGC including a GoG guarantee for valuation adjustment linked to gas price mechanism and necessary support for Turnaround Plan/Financial Realignment Strategy which clearly indicates the continuing support of Government of Gujarat towards the Company.

In view of the strong business presence of the Company, advanced stages of execution of Debt Realignment Plan with the support of GoG, the present accounts have been prepared on a "Going Concern Basis" since in opinion of the management there is no foreseeable situation of the Company otherwise.

Note 24**Revenue from operations****(₹ in Crores)**

Particulars	For the year ended	
	31 st March, 2018	31 st March, 2017
Sale of products		
Sale of natural gas - Trading	12,767.47	11,332.80
Sale of gas - Joint venture	14.84	123.44
Sale of oil - Joint venture	76.30	58.13
Sale of electricity	491.77	557.25
	13,350.38	12,071.62
Sale of services		
Re-gasification income	225.17	187.84
Revenue from Transportation of Gas (net)	956.40	672.90
IT Service Income	12.46	12.49
	1,194.03	873.23
Other operating revenues		
Connectivity Charges	52.19	58.31
	52.19	58.31
Total revenue from operations	14,596.60	13,003.16

Note 25
Other income
(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Dividend from long term investments		
Dividend from other companies	1.90	1.45
	<u>1.90</u>	<u>1.45</u>
Other non-operating income		
Usage charges	2.29	2.83
Other income - Joint arrangements	4.80	6.68
Net profit on sale of fixed assets	0.01	0.14
Other Interest Income	57.63	124.83
Net Foreign Exchange Gain	51.65	44.28
Interest from Deposits with banks	57.40	70.20
Other Non Operating Income	18.72	23.15
	<u>192.50</u>	<u>272.11</u>
Total other income	<u>194.40</u>	<u>273.56</u>

Notes

a. Interest income includes interest amounting to ₹ 22.70 crores (F.Y.2016-17 :₹ 34.38 crores) from associate company, interest income on deposits, staff advances, employee loans, delayed payments from customers, interest on income tax refunds.

Note 26
Production expenditure - E&P
(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Production expenditure	48.21	137.67
Duties and taxes	6.36	16.72
Other G&A expenses	19.60	20.32
Bidding Expenses	0.15	0.06
Total production expenditure - E&P	<u>74.32</u>	<u>174.77</u>

Note 27
Cost of material consumed
(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Purchase of natural gas	543.49	655.75
Transportation charges	19.57	11.36
Consumable and commissioning charges	2.59	1.28
Excise duty	165.02	145.26
Total Cost of material consumed	<u>730.67</u>	<u>813.65</u>

a. Purchase of Natural Gas is net off Deferred delivery of Natural Gas(GIT) of ₹ 16.44 Crores.

Note 28

Cost of traded goods

(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Purchase of gas		
Local Purchase of Gas	2,794.79	2,443.31
Import Purchase of Gas	5,885.29	5,169.37
	8,680.08	7,612.68
Other costs		
Import Gas Regasification Charges	606.98	625.18
Gas Transmission Charges	224.50	214.24
Commodity Hedging Cost/ Other expenses	(130.80)	(79.31)
Annuity & Meter Validation Charges	0.37	0.16
	701.05	760.27
Total cost of traded goods	9,381.13	8,372.95

Note 29

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

(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Finished goods		
Closing stock of oil	(34.90)	(36.79)
Opening stock of oil	36.79	2.70
	1.89	(34.09)
Increase/ decrease in stock of oil (Refer Note No.38(l))	(0.02)	(0.36)
	1.87	(34.45)
Stock in trade		
Closing stock of liquified gas	(226.94)	(196.95)
Opening stock of liquified gas	196.95	47.52
	(29.99)	(149.43)
Total change in inventories of finished goods, stock in process and stock in trade	(28.12)	(183.88)

Note 30

Employee benefits expenses

(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Salary, wages and allowances	176.52	163.93
Contribution to provident fund and other funds (Refer note 36)	25.14	20.61
Staff welfare expenses	9.60	8.62
Total employee benefit expenses^a	211.26	193.16

Notes

a. Net expenditure after allocation to Joint Operations.

Note 31

Finance costs

(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Interest Expenses	1,996.34	2,317.53
Unwinding of discount on Provisions and processing fee of loans	4.93	12.52
Other Borrowing Costs (includes bank guarantee, LC charges, bank charges, etc.)	31.01	17.71
Total finance costs	2,032.28	2,347.76

Note 32
Other expenses
(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Expenses related to wind mills		
Operation and maintenance expenses	8.07	6.88
Windmills insurance expenses	0.15	0.15
Total (A)	8.22	7.04
Administrative expenses		
Electricity expenses	1.06	0.60
Rent, rates and taxes	4.83	4.48
Repairs and maintenance		
Others	409.79	317.21
Insurance expenses	11.55	8.32
Business development and promotion	46.51	56.73
Advertisement and publicity	1.03	0.94
Administration and establishment	13.70	10.89
Recruitment and training expense	0.86	0.88
Travelling expenses	4.19	3.17
Stationery and printing	3.50	2.19
Professional and technical expenses	35.75	37.53
Donations	19.71	3.33
Telephone, trunk calls and postage	5.66	5.97
Vehicle running expenses	50.46	38.55
Bandwidth expenses	0.43	0.27
Payment to auditorsa	0.57	0.79
Net loss on sale/ discarding of fixed assets	8.00	9.76
Corporate social responsibility expensesb	27.85	2.28
Other expenses	12.02	22.63
Miscellaneous expenses	10.62	11.00
Total (B)	668.09	537.52
Network Operating and Project Expenses		
Network Operating Expenses	0.07	0.06
Project Expenses	1.66	1.39
Facility Management Charges	0.63	0.98
Total (C)	2.36	2.44
Provision for doubtful advances (D)	(0.08)	3.81
Total other expenses (A+B+C+D)	678.59	550.81

Notes
a. Payment to auditors
(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
For statutory audit	0.54	0.59
For other services	0.02	0.14
For reimbursement of expenses	0.01	0.05
Total payment to auditors	0.57	0.79

b. Corporate social responsibility expenses

Particulars	(₹ in Crores)	
	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Gross amount required to be spent by the Company during the year	23.79	19.96
Amount spent during the year on (Paid in Cash) :		
Construction /acquisition of any asset	0.13	0.23
On purpose other than above	27.73	2.05
Total corporate social responsibility expenses	27.85	2.28

Note 33

Exceptional items

The exceptional Items comprises of the following:

Particulars	(₹ in Crores)	
	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Impairment of oil and gas assets ^a	221.60	14,923.55
Provision for Doubtful Debts	-	289.93
Exploration cost written off ^b	491.33	(18.60)
Total exceptional items	712.93	15,194.88

Notes

a. Impairment Losses mainly comprise of Sanand-Miroli block amounting to ₹ 215.69 Crores where as imparment loss of previous year was w.r.t KG-OSN-2001/3 Block amounting to ₹ 14,923.54 Crores. Please Refer Note No.23 (Ind AS 105) for details of Non current assets held for sale with respect to assets and liabilities of KG-OSN-2001/3.

b. During the year the Company has written off Non-Operated Block CB-ONN-2009/4 amounting to ₹ 33.02 Crores. Further company has written off ₹455.04 crores (net off impairment provision already provided for last year) towards exploration cost for KG OSN 2001/3 block 80% PI transfer. Balance amount includes cost incurred for earlier written off blocks.

During the previous year there was a net foreign exchange gain on amount receivable from partners of overseas blocks. As the exploration loss for the overseas blocks were routed through exploration cost written off, the gain arising out of the

Note 34

Earnings per share

Particulars	(₹ in Crores)	
	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Profit attributable to equity holders for (Rs. in Crores):		
Basic earnings	(894.56)	(15,708.32)
Adjusted for the effect of dilution	(839.20)	(15,655.00)
Weighted average number of equity Shares for:		
Basic EPS	2559262920	2559262920
Adjusted for the effect of dilution	2627164155	2627164155
Earnings Per Share (Rs.) (EPS) from continuing and discontinuing operations: (face value of ₹1/-)		
Basic	(3.50)	(61.38)
Diluted	(3.20)	(59.59)
Earnings per equity share (EPS) from discontinued operation-Refer Note No 23 (face value of ₹1/-)		
Basic (₹)	-	(0.01)
Diluted (₹)	-	(0.01)
Earnings per equity share (EPS) from continuing operations (face value of ₹1/-)		
Basic (₹)	(3.50)	(61.37)
Diluted (₹)	(3.20)	(59.58)

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:

b. Corporate social responsibility expenses

(₹ in Crores)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Income Tax (Ref. note no.9 a)	1980.72	1,661.99
Joint Ventures (Ref. note a to g below)	197.77	690.38
Guarantee	2921.50	2,259.49
Other (Ref. note h & i below)	927.18	332.74

Above Contingent Liabilities Includes-.

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 ₹ 9.91 Crores (USD1,523,895) [31 March 2017: ₹9.89 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) GSPC, as the Operator in KG-OSN-2001/3 block (till 31 March, 2017), had entered into a contract with Tuff Drilling Private Limited ('TDPL') for supply and installation of 3,000 hp modular rig in May 2010. Due to the inability of TDPL to provide the rig in the stipulated timelines, the Operator terminated the contract. Against the above actions of the Operator, TDPL has raised claims for ₹ NIL (GSPC's share ₹ NIL) [31st March, 2017: ₹719.33 Crores of which GSPC's share: ₹647.40 crores]. The Arbitration Tribunal, vide award dated April 15, 2017, has dismissed all the claims made by TDPL against the Operator as well as all the counter claims made by the Operator against TDPL. The time available to TDPL for preferring an appeal against the said award has also expired and no appeal having been preferred by TDPL, the Award has become Final.
- (c) Guaranteed Gas Price: The Company has executed Farm-in Farm-out Agreement with ONGC for farm-out of 80% PI in KG Block. 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 forms a component of gas trading pool, which effectively covers the risk of valuation adjustment under FIFO.
- (d) JODPL: The Company has issued forfeiture notice to Jubilant Offshore Drilling Pvt Ltd (JODPL) against ₹ 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.
- (e) Profit Petroleum paid under protest : Joint Venture (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 ₹ 91.16 crore on this account.

- (f) Royalty paid under protest: The Joint Venture was charging Royalty on Gas Sales Price and recovering the same from the customers. The Royalty thus collected is shared between GOI and GOG 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 Venture 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 ₹ 35.99 crore to GOI under protest.

As the matter is under arbitration, only GOI portion of the royalty is paid.

- g) The Company had made an investment in a joint venture (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 ₹ 98.39 crore (31st March 2017: ₹ 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 ₹ 98.39 crores as on 31.03.2018 (₹98.39 crores as on 31.03.2017)

Moreover, Autoridade Nacional do Petroleo (ANP) has terminated the PSC with condition of paying the penalty of USD 3403758 (Current year ₹22.12 Crores (Previous year ₹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 ₹14.95 Crores (Previous year ₹14.95 Crores)) (JPDA Share). The final outcome of the same is still awaited.

- (h) 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 ₹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 ₹ 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 ₹ 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 ₹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 ₹ 12/ MMBTU aggregating to ₹ 35.86 crores.

The appeal is pending before the Hon'ble Supreme Court.

- I) Withholding tax on charter Higher increased in Foreign Currency Components
- IOCL and BPCL unilaterally included a component of \$0.0272/MMBTU in the Foreign Currency Component (FCC) w. e. f. from 1st July 2015 due to withholding tax on PLL's charter higher payments to shipping companies (effectively from Apr 1, 2015 as for the period Apr 1, 2015 to Jun 30, 2015 IOCL / BPCL raised a Debit Note).

- GSPC has been advised by its legal counsel that such amount is not payable under the terms of the Gas Sales Agreement (GSA) with IOCL and BPCL.
- In view of the above, GSPCL has deducted withholding tax component ₹ 15.44 crores from April 2015 to March 2018
- Since the amount is not payable under the GSA, GSPC shall not make payment for such component of \$0.0272/MMBTU included in FCC to IOCL and BPCL and hence, the same is not provided for in books of accounts.

In Case of Subsidiary Gujarat State Petronet Limited (Consolidated)

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 company by PNGRB. The company has preferred an appeal at Appellate Tribunal for Electricity (APTEL) against the PNGRB Order. The company 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 company has submitted bank guarantee of Rs. 40 Crores in favour of UPL.

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 ₹ 8.74/MMBTU (exclusive of Service Tax) - earlier connectivity charges and ₹ 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 ₹ 12.00 per MMBTU (exclusive of Taxes).

The Company has already provided and paid interconnectivity charges at the rate of ₹ 12.00 per MMBTU (exclusive of Taxes).

One of the gas suppliers of the Company has submitted a claim of ₹ 134.90 Crores (P. Y. ₹ 108.44 Crores), for overdrawn use of gas against demand in earlier years. The company has refuted this erroneous claim contending that no contractual provisions of the agreement executed with GGL allow such claim. The management is of the firm view that the company is not liable to pay any such claim. The company has already taken up the matter with concerned party/authorities to withdraw the claim.

During this year, 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 Crores 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 has issued demand of stamp duty of ₹ 43.53 crores for the transaction of scheme of amalgamation and arrangement. The Company has filed the appeal before Chief Controlling Revenue Authority - CCRA on 20.12.2016 by paying 25% of demand of ₹ 10.88 crores. The Company has already provided the liability of ₹ 25 crores in the books of accounts for the financial year 2015-16.

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 ₹ 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.

Contingent assets**Gujarat State Petroleum Corporation Limited**

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 (₹6295.02 crores) and USD 200 Million (₹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.

The Group is having certain claims, realisation of which is dependent on outcome of legal process being pursued. The management believe that probable outcome in all such claims are uncertain. Hence, the disclosure of such claims is not required in the financial statements.

Note 36**Capital commitments**

Particulars	(₹ in Crores)	
	As at 31 st March, 2018	As at 31 st March, 2017
Estimated Amount of Contracts remaining to be		
I. In respect of Joint Ventures	550.93	77.75
ii. In respect of Others	628.90	1,252.41
Minimum Work Programme committed under		
I. In India	-	3.24
ii. Outside India	-	-
Investment Commitments	1,824.07	1,885.35
Estimated amount of Contracts remaining on Revenue Accounts	330.79	345.92

Note 37**Employee Benefits:****A. Defined contribution plans**

- Company's contribution to Provident Fund is ₹ 18.67 Crores (31st March 2017: ₹ 14.78 Crores)
- Company's contribution to Super Annuation fund is ₹1.45 Crores (31st March 2017: ₹1.25 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, 2018; 31st March, 2017 as required by Ind AS 19.

Particulars	(₹ in Crores)			
	Gratuity (Funded)		Leave Encashment (Funded)	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Change in benefit obligation				
1 Liability at the beginning of the year	61.97	47.73	50.20	41.70
2 Interest cost	4.10	3.99	3.60	3.23
3 Current service cost	6.12	6.54	4.17	4.13
4 Past service cost	0.84	0.50	-	0.48
5 Prior Year Charge	-	-	-	-
6 Benefit Paid	(1.85)	(2.08)	(2.24)	(3.13)

(₹ in Crores)

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
7 Actuarial (gain) / Losses	(1.30)	5.29	0.27	3.79
8 Transfer in Obligation	0.18	-	-	-
9 Liability at the end of the year	70.06	61.97	56.01	50.20
Change in fair value of plan assets				
1 Plan assets at the beginning of the year	53.29	35.29	9.63	7.53
2 Expected return of plan assets	4.04	2.97	0.68	0.68
3 Contributions	11.78	16.52	0.12	1.90
4 Benefit paid	(1.90)	(2.02)	(0.23)	(0.47)
6 Actuarial gain / (Loss)	(0.18)	0.53	0.01	(0.01)
7 Return on plan Assets excl interest income	-	-	-	-
8 Transfer in/(out) plan assets	0.14	-	-	-
9 Plan assets at the end of the year	67.17	53.29	10.21	9.63
10 Total Actuarial Gain/(Loss) To Be Recognized	1.12	(4.76)	(0.26)	(3.80)
Actual Return on plan assets				
1 Expected return of plan assets	4.04	2.97	0.68	0.68
2 Actuarial gain / (loss)	(0.18)	0.53	0.01	(0.01)
3 Actual return on plan assets	3.86	3.50	0.69	0.67
Net (asset) / liability recognized in the Balance Sheet				
1 Liability at the end of the year	70.06	61.97	56.01	50.20
2 Plan assets at the end of the year	67.17	53.29	10.21	9.63
3 Amount recognized in the Balance Sheet Accrued	2.89	8.68	45.80	40.57
Expenses recognized in the statement of profit & loss account for the year				
1 Current service cost	6.12	6.54	4.17	4.13
2 Interest cost	4.10	3.99	3.60	3.23
3 Expected return on plan assets	(4.04)	(2.97)	(0.68)	(0.68)
4 Actuarial (gain) / Losses	(1.12)	4.76	0.26	3.80
5 Transfer in Obligation(net)	0.04	-	-	-
6 Past service cost	0.84	0.50	-	0.48
7 Total expenses	5.94	12.82	7.35	10.96
Balance Sheet reconciliation				
1 Opening net liability	8.68	12.44	40.57	34.17
2 Expenses as above	5.94	12.82	7.35	10.96
3 Employer contribution	(11.78)	(16.52)	(0.12)	(1.90)
4 Benefits paid	0.05	(0.06)	(2.01)	(2.66)
5 Amount recognized in the Balance Sheet	2.89	8.68	45.80	40.57
Actuarial Assumptions				
1 Discount Rate	7.60%-7.70%	7.25%-7.4%	7.60%-7.70%	7.25%-7.4%
2 Rate of return on plan assets	7.60%-7.70%	7.25%-7.4%	7.60%-7.70%	7.40%
3 Salary Escalation	7% to 9.5%	7.00%-9.5%	7% to 9.5%	7% to 9.5%

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)

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Sensitivity %				
Discount rate varied by 0.5%				
Increase +5%	74.41	65.06	52.45	46.80
Decrease -5%	83.72	73.15	59.92	53.96
Salary growth rate varied by 0.5%				
Increase +5%	83.15	72.67	59.87	53.88
Decrease -5%	74.85	65.39	52.46	46.92

Notes

a. Investment details

Both the funds are managed by LIC and as per the bifurcation provided for planned assets 100 % investment as on 31st March 2018 (100% as on 31st March 2017) is made in Special deposit Scheme.

b. Expected Employers contribution for the next financial year

For the gratuity & leave encashment which are funded, Group 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. Loyalty bonus

The Group has also provided for ₹0.86 crores (31st April 2017:-₹ 0.11 crores) towards liability of loyalty bonus (a non-funded defined benefit plan) during the year as per the actuarial valuation.

Note 38
Joint Operations (un incorporated Joint Ventures)

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 Arrangements {unincorporated Joint Ventures (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 Venture/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)	30%
8	North Kathana	70% (70%)	GNRL Oil & Gas Limited (Operator)	30%
9	Kanawara	70% (70%)	GNRL Oil & Gas Limited (Operator)	30%
10	Allora	70% (70%)	GNRL Oil & Gas Limited (Operator)	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%

Note 38

Joint Operations (un incorporated Joint Ventures)

B	GSPC - Operated			
16a	Tarapur		Exploration	
		80% (80%)	Geo Global Resources (Barbados) Inc.	20%
			Development & Production:	
	56% (56%)	Geo Global Resources (Barbados) Inc.	14%	
		Oil and Natural Gas Corporation Limited	30%	
16b	Tarapur - Extension phase (Refer Note i)	80% (80%)	Geo Global Resources (Barbados) Inc.	20%
17	Unawa	70% (70%)	GNRL Oil & Gas Limited (Formerly Heramec ltd.)	30%
18a	CB-ONN-2000/1 (Ahmedabad)	50% (50%)	GAIL (India) Ltd	50%
18b	CB-ONN-2000/1 -(Extension phase) (Refer Note k)	50% (50%)	GAIL (India) Ltd	50%
19	CB-ONN-2002/3 (Sanand) (Refer Note k)	55% (55%)	Jubilant Oil & Gas Private Limited	20%
			Hindustan Petroleum Corporation Limited	15%
			Geo Global Resources (Barbados) Inc.	10%
20	CB-ONN-2003/2 (Ankleshwar)	62.50% (50%)	Exploration	
			GAIL (India) Ltd	25%
			Geo Global Resources (Barbados) Inc.	12.5%
		50% (50%)	Development & Production:	
			GAIL (India) Ltd	20%
			Jubilant Enpro 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 Venture/PSCs	GSPC's PI	Operatorship/Other Partners	PI
A	Non Operated JVs			
1	MB-OSN-2000/1 (Mumbai) (Refer Note g)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	75%
			Indian Oil Corporation Limited	15%
2	MB-DWN-2000/2 (Mumbai) (Refer Note g)	10% (10%)	Oil and Natural Gas Corporation Limited	50%
			Indian Oil Corporation Limited	15%
			GAIL (India) Ltd	15%
			Oil India Ltd	10%
3	CB-ONN-2002/2 (Mehsana)	60% (60%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			Geo Global Resources (Barbados) Inc.	10%
4	CY-ONN-2002/1(Cavery) (Refer Note g)	20% (20%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			GAIL (India) Ltd	50%
5	BS(3)-CBM-2003/II (Refer Note g)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%

II Blocks/Fields proposed to be surrendered

Sr No	Joint Venture/PSCs	GSPC's PI	Operatorship/Other Partners	PI
6	CY-DWN-2004/1 (Refer Note g)	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 g)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
8	CY-PR-DWN-2004/4 (Refer Note g)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
9*	KG-DWN-2004/2 (Refer Note g)	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 g)	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 g)	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 g)	10% (10%)	Oil and Natural Gas Corporation Limited	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
13*	KG-DWN-2004/5 (Refer Note g)	10% (10%)	Oil and Natural Gas Corporation Limited	50%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
			Oil India Limited	10%
14	KG-DWN-2004/6 (Refer Note g)	10% (10%)	Oil and Natural Gas Corporation Limited	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			Oil India Limited	10%
15 *	MB-OSN-2004/2 (Refer Note g)	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 g)	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%

II Blocks/Fields proposed to be surrendered

Sr No	Joint Venture/PSCs	GSPC's PI	Operatorship/Other Partners	PI
17	RJ-ONN-2004/1 (Refer Note g)	22.225% (22.225%)	GAIL (India) Ltd	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 d)	20% (20%)	Oil and Natural Gas Corporation Limited	60%
			HPCL - Mittal Energy Ltd.	20%
19	KG-DWN-2005/1 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited	70%
			Indian Oil Corporation Limited	20%
20	CY-ONN-2005/1	30% (30%)	GAIL (India) Ltd	40%
			Bengal Energy Inc.	30%
21	KK-DWN-2005/2 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	90%
22	AN-DWN-2009/5 (Refer Note f)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	100%
23	AN-DWN-2009/13 (Refer Note f)	0% (0%)	Oil and Natural Gas Corporation Limited	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	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	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	50% (50%)	Oil and Natural Gas Corporation Limited (Operator)	50%
32*	Sabarmati	60% (60%)	Oilex NL Holdings (India) Ltd	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

Sr No	Joint Venture/PSCs	GSPC's PI	Operatorship/Other Partners	PI
B	GSPC - Operated			
33	South Diyur (Egypt)	80% (80%)	Alkor Petro Ltd	20%
34	North Hap'y (Egypt) (Refer Note e)	80% (80%)	Petrogas E&P LLC	20%
35	MB-OSN-2004/1 (Refer Note g)	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) (Refer Note j)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
37	Block No 28 (Yemen) (Refer Note j)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
38	Block No 57 (Yemen) (Refer Note j)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
39	South Gulf of Suez (Egypt)	60% (60%)	Adani Welspun Exploration Ltd	40%
40	KG-ONN-2004/2 (Refer Note c)	40% (40%)	GAIL (India) Ltd	40%
			Petrogas E&P LLC	20%
41	RJ-ONN-2005/3 (Refer Note c)	60% (60%)	Oil and Natural Gas Corporation Limited	40%
42	South East Tungkal (Indonesia) (Refer Note c)	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 ₹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 the year the company along with its Joint Venture partners have recommended block CB-ONN-2009/4 to be surrendered to Government of India. Accordingly a total exploration cost of ₹33.04 crores have been written off during the year. During the previous year the company along with its Joint Venture partners had recommended block CY-ONN-2005/1 to be surrendered to Government of India. Accordingly a total exploration cost of ₹33.38 crores have been written off during the FY 2016-17.

c. During F.Y. 2015-16, the company along with its Joint Venture partners have recommended block KG ONN 2004/2, RJ ONN 2005/3, South East Tungkal Indonesia, 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. Accordingly a total exploration cost of ₹ 679.42 crores have been written off during F.Y. 2015-16

- d. During F.Y 2014-15, the company along with its Joint Venture partners have recommended block KG OSN 2005/1, KG DWN 2005/1 and KK DWN 2005/2 to be surrendered to Government of India. Accordingly a total exploration cost of ₹105.13 crores have been written off during the FY.2014-15.
- e. During F.Y. 2014-15 the company along with its Joint Venture partners has decided to withdraw from South Diyur (Egypt) and South Gulf of Suez (Egypt) blocks and accordingly a total exploration cost of ₹ 397.25 crores have been written off during F.Y.2014-15. During FY 2013-14 the company along with its Joint Venture partners has decided to withdraw from North Ha'py (Egypt) block.
- f. 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.
- g. The company along with its Joint Venture 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 and BS (3)-CBM-2003/II to be surrendered to Government of India.
- h. Company had applied for the extension of exploration phase in Tarapur block and a separate Ring Fence PSC is signed on 5th March, 2016.
- i. 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 ~₹ 273.18 crores) issued in their favor by the International bank of Yemen;
 - Arbitral Tribunal has awarded costs of approx. USD 3.79 million (~₹ 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.
- j. During the FY2017-18 GSPC Operated Sanand Block and CB-ONN-2000/1(RFPSC) has received approval for commercial production.
- k. Of the above, 19 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 1 st April, 2017	0.44	40,573.60
	(0.49)	(209.50)
Additions	0.03	-
	-	(40,493.10)
** Adjustments on account of change in Reserve estimate	(0.24)	(103.02)
	(0.01)	(28.49)
Deletions	-	36,341.23
	-	-
Production	0.03	21.79
	(0.04)	(157.49)
Closing Balance for the year ended on 31 st March, 2018	0.20	4,107.56
	(0.44)	(40,573.60)

*Figures in brackets relate to period ended 31st March, 2017

The Company's share of reserve has been considered on the basis of the "Reserve" certification provided by M/s. Gaffney, Cline & Associates (GCA) as on 31st August, 2015 and accordingly the proved reserves as on 31st March, 2016 has been worked based on the reserve estimates certified by GCA and only includes the blocks which are in production.

** Adjustments reflects change in reserve estimation as earlier, the reserve estimate was based on proved developed reserves where as since 01.04.2016 company has made change in estimates based on proved reserves. In the previous year KG-OSN-2001/3 had declared COD as 01.04.2016 and accordingly its reserve estimates as on 01.04.2016 has been included above, based on the management estimates. However, due to the change in GSPC share of PI in the block with effect from 01.04.2017 the same reserves are now considered based on 10%PI.

The financial statements of the Company reflect its share of Assets, Liabilities, Income and Expenditure of the Joint Venture 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 venture agreements, in compliance of Ind AS-111. The income and expenditure from Joint Ventures are disclosed separately in the Statement of Profit and Loss. The summary of the Company's share in Assets & Liabilities of Joint Ventures are as follow:

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Fixed Assets		
Gross Block	4,433.15	4,157.12
Depreciation/Depletion Fund	(3,433.50)	(3,055.33)
Net Block	999.65	1,101.79
CWIP*	1,579.31	1,495.61
Current Assets	97.18	51.41
Current Liabilities and Provisions	99.36	429.36
Contingent Liabilities	197.77	690.38

*includes stores & spares

1. The Statement of Profit and Loss of the Company includes its share in Profit or Loss pertaining to the respective Joint Ventures. The summary of Statement of Profit and Loss for the year ended 31st March 2018 is given as under:

(₹ in Crores)

Particulars	As at 31 st March, 2018		As at 31 st March, 2018	
	Aggregate of all JVs	GSPC's Share	Aggregate of all JVs	GSPC's Share
Income				
Sale of Crude Oil	137.81	76.30	133.74	69.47
Sale of Gas	128.60	39.50	188.91	150.58
Increase/(Decrease) in Stock*	9.47	(1.87)	38.64	34.46
Other Income	7.30	4.80	10.10	6.67
Total	283.18	118.73	371.39	261.18
Expenditure				
Production Expenses	157.83	48.21	101.12	67.04
Duties & Taxes	12.02	6.36	47.29	28.40
Administrative exps.	63.09	19.60	110.98	90.96
Total Expenditure before Depreciation	232.94	74.17	259.39	186.40
Profit before depreciation	50.24	44.56	112.00	74.78

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

m. In current Financial Year 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 (₹ 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 venture 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 venture 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 ₹ 49.50 Crores on as is where is basis. However the joint venture 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 venture 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 venture 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	93.44
Plant & machinery (incurred by joint venture)	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 venture 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 and 2015-16 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 Venture accounts on a line by line basis.

Note 40

Segment Information

1. Description of segment and principal activities

The Company's management 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 six reportable segments of its business:

- a) **Exploration and production (E&P)**: Group is engaged in oil and gas exploration and production operations.
- b) **Gas Trading**: Group is engaged in the procurement of gas from international market to meet the demand of gas across Gujarat and other states.
- c) **Power Generation**: Group is engaged in the generation of electricity through Gas based power plant and windmills.
- d) **Gas Transmission**: Group is engaged in transmission of natural gas across Gujarat.
- e) **City Gas Distribution**: Group is engaged in CNG, PNG & Industrial Gas supply across Gujarat.
- f) **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. Secondary segment reporting

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.

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".

Consolidated Financial Statements

39th Annual Report 2017 - 2018

(₹ in Crores)

Particulars	As at 31st March, 2018							As at 31st March, 2017								
	E & P	Gas Trading	Power Generation	Gas Transmission	City Gas Distribution	Internet, IT	Unallocated	Total	E & P	Gas Trading	Power Generation	Gas Transmission	City Gas Distribution	Internet, IT	Unallocated	Total
A. Segment revenue																
External sales*	115.80	10,625.57	491.77	1,298.59	6,094.31	12.57		18,638.61	208.37	9,409.23	568.59	1,005.97	5,019.00	12.81		16,223.97
Inter segment sales	(24.66)	(3,900.11)		(117.24)				(4,042.01)	(26.79)	(3,061.26)		(132.75)				(3,220.80)
Total segment revenue	91.14	6,725.46	491.77	1,181.35	6,094.31	12.57	-	14,596.60	181.58	6,347.97	568.59	873.22	5,019.00	12.81	-	13,003.17
B. Segment results																
Segment results																
Profit(+)/ loss(-)	39.55	851.63	223.33	1,162.25	734.85	1.53		3,013.14	(1.95)	758.87	307.68	896.44	560.67	1.06		2,522.77
Unallocated Other Income							(1,496.68)	(1,496.68)								(1,788.81)
Operating Profit	39.55	851.63	223.33	1,162.25	734.85	1.53	(1,496.68)	1,516.46	(1.95)	758.87	307.68	896.44	560.67	1.06	(1,788.81)	733.96
Interest/ dividend							116.93	116.93								196.47
Other income	4.80	58.45	0.12			0.27	13.84	77.48	6.67		0.04			0.03	70.34	77.08
Depreciation	(189.45)	-	(173.45)	(154.83)	(271.82)	(0.31)	(8.57)	(798.43)	(860.72)		(170.73)	(156.65)	(257.33)	(0.24)	(49.14)	(1,494.81)
Provision for taxation							(460.18)	(460.18)								(302.53)
Profit/Loss from ordinary Activities	(145.10)	910.08	50.00	1,007.42	463.03	1.49	(1,834.66)	452.26	(856.00)	758.87	136.99	739.79	303.34	0.85	(1,873.67)	(789.83)
Exceptional item	(712.93)	-	-	-	-	-	-	(712.93)	(15,194.89)							(15,194.89)
Excess / short prov of IT	-	-	-	-	-	-	9.28	9.28							59.59	59.59
Deferred tax	-	-	-	-	-	-	(82.11)	(82.11)							657.80	657.80
Net profit/(loss)	(858.03)	910.08	50.00	1,007.42	463.03	1.49	(1,907.49)	(333.50)	(16,050.89)	758.87	136.99	739.79	303.34	0.85	(1,156.29)	(15,267.34)
C. Segment assets																
Segment assets	4,720.71	716.77	2,544.71	3,893.45	6,661.77	59.92		18,597.33	11,566.91	612.05	2,630.87	4,026.13	6,335.05	59.30	2,806.74	25,230.31
Unallocated Assets							2,124.82	2,124.82							2,806.74	2,806.74
Total Assets	4,720.71	716.77	2,544.71	3,893.45	6,661.77	59.92	2,124.82	20,722.15	11,566.91	612.05	2,630.87	4,026.13	6,335.05	59.30	2,806.74	28,037.05
D. Segment Liabilities																
Segment Liabilities	482.60	546.00	1,642.14	285.09	4,795.30	10.51		7,761.65	24,221.65	180.71	1,761.63	202.25	4,619.39	12.46	1,967.13	30,998.09
Unallocated Liabilities							18,229.13	18,229.13							1,967.13	1,967.13
Total Liabilities	482.60	546.00	1,642.14	285.09	4,795.30	10.51	18,229.13	25,990.78	24,221.65	180.71	1,761.63	202.25	4,619.39	12.46	1,967.13	32,965.22
E. Other information																
Capital Expenditure	138.24		22.46	3,442.34	399.41	0.42	355.70	4,358.57	(3,413.27)		51.86	172.04	413.71	0.16	1,771.31	(1,004.19)
Depreciation	189.45	-	173.45	154.83	271.82	0.31	8.57	798.43	860.72		170.73	156.65	257.33	0.24	49.14	1,494.81
Non cash Expenditure other than Depreciation	712.93						-	(712.93)	15,497.67							15,497.67

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

Note 41
Related party disclosure

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	Associate
Sabarmati Gas Company Ltd	Joint venture
GSPC LNG Ltd.	Associate
GSPL India Gasnet Limited	Joint Venture
GSPL India Transco Limited	Joint Venture
Alcock Ashdown (Gujarat) Limited	Associate

B. Key Managerial Personnel:

Name of Key Managerial Personnels:	F.Y.2017-18		F.Y.2016-17	
	From Date	To Date	From Date	To Date
Dr. J.N. Singh, IAS (Chairman & Managing Director)	1-Apr-17	31-Mar-18	1-Aug-16	31-Mar-17
Dr. J.N. Singh, IAS (Managing Director)	-	-	11-Apr-16	31-Jul-16
Shri T. Natarajan, IAS (Joint Managing Director)	1-Apr-17	31-Mar-18	1-Aug-16	31-Mar-17
Shri Atanu Chakraborty, IAS	-	-	1-Apr-16	10-Apr-16
Shri Anil Mukim, IAS (Director)	1-Apr-17	7-Mar-18	17-Oct-16	31-Mar-17
Shri Sujit Gulati, IAS (Director)	1-Apr-17	31-Mar-18	7-Jul-16	31-Mar-17
Dr. Manjula Subramaniam, IAS (Retd.) (Woman Independent Director)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17
Shri M. M. Srivastava, IAS (Retd.) (Director)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17
Shri K. Kailashnathan, IAS (Retd.) (Director)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17
Dr. N. Ravichandaran (Independent Director)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17
Prof. Yogesh Singh (Independent Director)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17
Dr. Ravindra Dholakia (Independent Director)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17
Shri Rajesh Sivadasan (CFO)	10-Nov-17	31-Mar-18	-	-
Shri Gopal Srinivasan (CFO)	1-Apr-17	31-May-17	1-Apr-16	31-Mar-17
Shri Sandeep Dave (Company Secretary)	1-Apr-17	31-Mar-18	1-Apr-16	31-Mar-17

(₹ in Crores)

Nature of Transaction	Associates		Joint Ventures		KMP		Total	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Income:								
Sale of LNG								
Sabarmati Gas Ltd	84.70	36.08	210.20	188.90	-	-	294.90	224.98
Gujarat State Energy Generation Ltd	-	-	210.20	188.90	-	-	210.20	188.90
	84.70	36.08	-	-	-	-	84.70	36.08
Regasification Income								
Gujarat State Energy Generation Ltd	-	5.67	-	-	-	-	-	5.67
	-	5.67	-	-	-	-	-	5.67
Connectivity Charges Received								
Sabarmati Gas Limited	-	-	1.77	1.48	-	-	1.77	1.48
GSPL India Gasnet Ltd	-	-	-	1.48	-	-	-	1.48
	-	-	1.77	-	-	-	1.77	-
Gas Transportation Income								
Sabarmati Gas Ltd	-	5.34	34.77	30.93	-	-	34.77	36.27
Gujarat State Energy Generation Ltd	-	-	34.77	30.93	-	-	34.77	30.93
	-	5.34	-	-	-	-	-	5.34

(₹ in Crores)

Nature of Transaction	Associates		Joint Ventures		KMP		Total	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Line Crossing Chages Received	-	-	-	0.05	-	-	-	0.05
Sabarmati Gas Ltd	-	-	-	0.05	-	-	-	0.05
Rent received	0.18	0.17	1.40	1.30	-	-	1.58	1.47
Gujarat State Energy Generation Ltd	0.18	0.17	-	-	-	-	0.18	0.17
GSPL India Gasnet Ltd	-	-	0.55	0.52	-	-	0.55	0.52
GSPL India Transco Ltd	-	-	0.55	0.52	-	-	0.55	0.52
Sabarmati Gas Ltd	-	-	0.30	0.26	-	-	0.30	0.26
Dividend Income	-	-	2.00	1.00	-	-	2.00	1.00
Sabarmati Gas Ltd	-	-	2.00	1.00	-	-	2.00	1.00
Interest Income	22.71	34.38	-	-	-	-	22.71	34.38
Gujarat State Energy Generation Ltd	22.71	34.38	-	-	-	-	22.71	34.38
Reimbursement of Exp-Received	0.98	1.11	5.53	3.64	-	-	6.51	4.75
Sabarmati Gas Ltd	-	-	0.39	0.34	-	-	0.39	0.34
Gujarat State Energy Generation Ltd	0.82	0.81	-	-	-	-	0.82	0.81
GSPL India Gasnet Ltd	-	-	3.33	2.23	-	-	3.33	2.23
GSPL India Transco Ltd	-	-	1.81	1.07	-	-	1.81	1.07
GSPC LNG Ltd	0.16	0.30	-	-	-	-	0.16	0.30
Profit Petroleum Reimbursement Received	-	0.23	-	-	-	-	-	0.23
Gujarat State Energy Generation Ltd	-	0.23	-	-	-	-	-	0.23
Expenses:								
Purchase of Gas	-	13.37	-	-	-	-	-	13.37
Gujarat State Energy Generation Ltd	-	13.37	-	-	-	-	-	13.37
Interest on OCDs paid	-	-	-	0.35	-	-	-	0.35
Sabarmati Gas Ltd	-	-	-	0.35	-	-	-	0.35
Purchase of CNG	-	-	-	4.39	-	-	-	4.39
Sabarmati Gas Ltd	-	-	-	4.39	-	-	-	4.39
Gas transportation charges	-	-	-	0.69	-	-	-	0.69
Sabarmati Gas Ltd.	-	-	-	0.69	-	-	-	0.69
Reimbursement of Expenses: Paid	-	0.53	2.53	3.21	-	-	2.53	3.74
Gujarat State Energy Generation Ltd	-	0.30	-	-	-	-	-	0.30
GSPC LNG Ltd	-	0.23	-	-	-	-	-	0.23
GSPL India Gasnet Ltd	-	-	1.31	1.83	-	-	1.31	1.83
GSPL India Transco Ltd	-	-	1.22	1.38	-	-	1.22	1.38
Dividend Paid	-	0.07	-	-	-	-	-	0.07
Gujarat State Energy Generation Ltd	-	0.07	-	-	-	-	-	0.07
Remuneration to KMP (parent Company)	-	-	-	-	1.20	1.68	1.20	1.68
Key management personnel compensation					0.92	1.16	0.92	1.16
Director Sitting Fees					0.03	0.05	0.03	0.05
Post employment benefit plan								
-Non-contributory superannuation plan					0.05	0.26	0.05	0.26
-Employee group gratuity scheme					0.20	0.21	0.20	0.21
Remuneration to KMP (subsidiary companies)					5.86	7.78	5.86	7.78
Key management personnel compensation					1.57	1.23	1.57	1.23
Director Sitting Fees					0.20	0.19	0.20	0.19

(₹ in Crores)

Nature of Transaction	Associates		Joint Ventures		KMP		Total	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Post employment benefit plan					0.14	0.07	0.14	0.07
-Non-contributory superannuation plan					0.92	0.91	0.92	0.91
-Employee group gratuity scheme					3.03	5.38	3.03	5.38
Purchase of Assets	-	-	-	0.06	-	-	-	0.06
GSPL India Transco Ltd	-	-	-	0.06	-	-	-	0.06
Sale of Assets	-	-	-	0.01	-	-	-	0.01
GSPL India Transco Ltd	-	-	-	0.01	-	-	-	0.01

C. Transactions during the year with related parties:

(₹ in Crores)

Nature of transaction	Associates		Joint Ventures		TOTAL	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Current Assets & Liabilities:						
Debtors	96.64	112.01	5.73	14.64	102.37	126.65
Gujarat State Energy Generation Ltd.	96.64	112.01	-	-	96.64	112.01
Sabarmati Gas Limited	-	-	5.73	14.64	5.73	14.64
Advance/Receivables	67.05	44.49	2.11	1.51	69.16	46.00
Gujarat State Energy Generation Ltd.	67.04	44.47	-	-	67.04	44.47
Sabarmati Gas Ltd	-	-	1.24	1.01	1.24	1.01
GSPL India Transco Ltd	-	-	0.49	0.22	0.49	0.22
GSPL India Gasnet Ltd	-	-	0.38	0.28	0.38	0.28
GSPC LNG Ltd	0.01	0.02	-	-	0.01	0.02
Payable	-	0.07	0.13	0.25	0.13	0.32
Gujarat State Energy Generation Ltd.	-	0.05	-	-	-	0.05
GSPL India Transco Ltd	-	-	0.08	0.09	0.08	0.09
GSPL India Gasnet Ltd	-	-	0.05	0.13	0.05	0.13
GSPC LNG Ltd	-	0.02	-	-	-	0.02
Sabarmati Gas Limited	-	-	-	0.03	-	0.03
Investment in Share Capital (Allotment)	142.76	142.76	203.82	109.70	346.57	252.46
GSPC LNG Ltd	11.43	11.43	-	-	11.43	11.43
GSPL India Transco Ltd	-	-	91.52	20.80	91.52	20.80
GSPL India Gasnet Ltd	-	-	57.20	33.80	57.20	33.80
Gujarat State Energy Generation Ltd.	119.83	119.83	-	-	119.83	119.83
Sabarmati Gas Limited	-	-	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
Inter Corporate Loan	153.44	153.44	-	-	153.44	153.44
Gujarat State Energy Generation Ltd.	153.44	153.44	-	-	153.44	153.44

Note 42

A. Financial instruments by category and their fair value

(₹ in Crores)

As at 31st March 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments								
Quoted	-	35.79	-	35.79	35.79	-	-	35.79
Unquoted	-	756.90	-	756.90	-	-	756.90	756.90
Loans								
Non-current	-	-	22.52	22.52	-	22.52	-	22.52
Current	-	-	160.39	160.39	-	-	-	-
Trade Receivables	-	-	1,086.00	1,086.00	-	-	-	-
Cash and Cash Equivalents	-	-	134.67	134.67	-	-	-	-
Other Bank Balances	-	-	481.81	481.81	-	-	-	-
Other financial assets								
Non-current	-	-	184.21	184.21	-	184.21	-	184.21
Current	0.24	-	2,464.45	2,464.69	-	-	-	-
Total financial assets	0.24	792.69	4,534.04	5,326.97	35.79	206.72	756.90	999.41
Financial liabilities								
Borrowings								
Non-current	-	-	15,926.63	15,926.63	-	15,926.63	-	15,926.63
Current	-	-	2,974.76	2,974.76	-	-	-	-
Other financial liabilities								
Non-current	-	-	26.75	26.75	-	26.75	-	26.75
Current	678.62	-	4,288.87	4,967.48	-	-	-	-
Trade Payables	-	-	968.17	968.17	-	-	-	-
Total financial liabilities	678.62	-	24,185.18	24,863.80	-	15,953.39	-	15,953.39

(₹ in Crores)

As at 31st March 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments								
Equity instruments - Long term								
Quoted	-	38.10	-	38.10	38.10	-	-	38.10
Unquoted	-	541.49	-	541.49	-	-	541.49	541.49
Bonds - Current								
Unquoted	-	-	-	-	-	-	-	-
Loans								
Non-current	-	-	22.55	22.55	-	22.55	-	22.55
Current	-	-	167.02	167.02	-	-	-	-
Trade Receivables	-	-	977.73	977.73	-	-	-	-
Cash and Cash Equivalents	-	-	69.03	69.03	-	-	-	-
Other Bank Balances	-	-	926.45	926.45	-	-	-	-
Other financial assets								
Non-current	-	-	178.55	178.55	-	178.55	-	178.55
Current	15.06	-	1,246.80	1,261.86	-	-	-	-
Total financial assets	15.06	579.59	3,588.14	4,182.78	38.10	201.10	541.49	780.69
Financial liabilities								
Borrowings								
Non-current	-	-	22,049.47	22,049.47	-	22,049.47	-	22,049.47
Current	-	-	4,413.99	4,413.99	-	-	-	-
Other financial liabilities								
Non-current	-	-	24.34	24.34	-	24.34	-	24.34
Current	1,029.18	-	3,282.89	4,312.07	-	-	-	-
Trade Payables	-	-	765.79	765.79	-	-	-	-
Total financial liabilities	1,029.18	-	30,536.48	31,565.66	-	22,073.81	-	22,073.81

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.

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 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

FVTOCI in unquoted equity shares	Due to the uncertainty over project cost and commissioning date investments in equity shares of OPAL have been fair valued using book value. This method may be reconsidered on commencement of commercial operations.
Cross Currency Interest Rate Swaps (CCIRS) & Interest rate swaps (IRS)	The counter party i.e. bank assists with fair valuation of these instruments. The valuation techniques used by the bank are based on market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. Various inputs including credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads, interest rate curve are used to derive the fair value.

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, 2018 and 31st March, 2017 is as below:

Particulars	Amount
As at 1 April 2016	417.60
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in consolidated statement of profit or loss	123.90
As at 31 March 2017	541.49
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in consolidated statement of profit or loss	215.40
As at 31 March 2018	756.90

Transfer out of Level 3

There were no movement in level 3 in either directions during 2017-18 and the year 2016-17. There were no transfers out of level 3 during the year 2017-18 and 2016-17.

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.

Consolidated Financial Statements

C. Financial risk management

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

- a. Credit risk ;
- b. Liquidity risk ; and
- c. Market risk

(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) 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

(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Balance at the beginning of the year	(12.27)	(11.32)
Movements in allowance	0.59	(0.96)
Closing balance	(11.68)	(12.27)

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.

Other financial assets

Other financial assets comprises of an amount of ₹ 485.71 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 has filed a petition for insolvency and Insolvency Restructuring Professional (IRP) has been appointed. GPSPC 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 management is assessing way forward and committed to undertake necessary steps.

Apart from this, other financial assets comprise of derivative contracts, 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 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

Financing arrangement

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

Movements in Expected Credit Loss Allowance

(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Floating rate		
Expiring within one year (line of credit and other facilities)	3,121.02	1,898.90
Expiring beyond one year (line of credit and other facilities)	-	-
Total	3,121.02	1,898.90

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.

(₹ in Crores)

31st March, 2018	Contractual cash flows			
	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	26.75	26.75	-	26.75
Current financial liabilities	4,967.48	4,967.48	4,967.48	-
Trade and other payables	968.17	968.17	968.17	-
Total	24,863.80	24,863.80	8,910.41	15,953.39

(₹ in Crores)

31st March, 2017	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	22,049.47	22,049.47	-	22,049.47
Current borrowings	4,413.99	4,413.99	4,413.99	-
Non current financial liabilities	24.34	24.34	-	24.34
Current financial liabilities	4,312.07	4,312.07	4,312.07	-
Trade and other payables	765.79	765.79	765.79	-
Total	31,565.66	31,565.66	9,491.85	22,073.81

The Group has reclassified certain long term borrowings as current borrowings pursuant to the reclassification of KG Block as non-current asset held for sale. The reclassification of borrowings is not perceived to have negative impact pertaining to liquidity risk.

(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.

Movements in Expected Credit Loss Allowance

(₹ in Crores)

Particulars	Impact on Other Comprehensive Income	
	As at 31 st March,	As at 31 st March,
NSE NIFTY 50 - increase 6% (31 March 2017 - 9%)	2.15	3.43
NSE NIFTY 50 - decrease 6% (31 March 2017 - 9%)	(2.15)	(3.43)

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 crude oil 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:

(₹ in Crores)

Particulars	As at 31 st March,	As at 31 st March,
Non current borrowings		
ECB - principal and interest	978.86	3,463.04
Total USD denominated exposure	978.86	3,463.04

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

Rupees	Average rate		Year-end spot rate	
	2017-18	2016-17	As at 31-Mar-18	As at 31-Mar-17
USD	64.94	65.59	65.04	64.84
JPY	1.67	1.71	1.62	1.72

Sensitivity analysis

Since the JPY denominated ECB is fully hedged, only USD denominated ECB is considered for the below sensitivity analysis

(₹ in Crores)

Effect in Rupees	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2018 USD (2% movement)	19.58	(19.58)	12.80	(12.80)

(₹ in Crores)

Effect in Rupees	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2017 USD (7% movement)	242.41	(242.41)	158.52	(158.52)

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.

Movements in Expected Credit Loss Allowance

(₹ in Crores)

Variable-rate instruments	As at 31 st March,	As at 31 st March,
Non current - Borrowings	6,557.17	14,270.73
Current - Borrowings	2,974.76	4,413.99
Current portion of Long term borrowings	339.47	849.88
Total	9,871.40	19,534.60

(₹ in Crores)

Variable-rate instruments	As at 31 st March,	As at 31 st March,
Non current - Borrowings	9,369.46	7,778.74
Current - Borrowings	-	-
Current portion of Long term borrowings	1,673.15	431.34
Total	11,042.61	8,210.09

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 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:

(₹ in Crores)

Particulars	Profit or loss		Equity, net of tax	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
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)
31st March, 2017				
Non current - Borrowings	(142.71)	142.71	(93.32)	93.32
Current - Borrowings	(44.14)	44.14	(28.86)	28.86
Current portion of Long term borrowings	(8.50)	8.50	(5.56)	5.56
Total	(195.35)	195.35	(127.74)	127.74

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 Company's adjusted net debt to equity ratio on 31st March, 2018 was as follows.

(₹ in Crores)		
Variable-rate instruments	As at 31st March, 2018	As at 31st March, 2017
Total liabilities	20,914.01	27,744.68
Less : Cash and bank balances	616.48	995.48
Adjusted net debt	20,297.53	26,749.20
Total equity	(7,592.85)	(8,552.18)
Adjusted net debt to adjusted equity ratio	-2.68 times	-3.13 times

The Company had transferred KG Block (KG-OSN-2001/3) to ONGC. As discussed in note no 23 (A) an impairment loss had been accounted in the previous year having a negative impact on the equity as on 31 March 2017. The negative impact on the capital structure pursuant to accounting for the transaction for KG-OSN-2001/3 is proposed to be remedied through a detailed Debt Realignment Plan. The consideration from transaction from KG-OSN-2001/3 and sale of holding in Gujarat Gas Ltd to Gujarat State Petroenet Ltd which has reduced the company's outstanding debt. The debt realignment plan is in advanced stages and the balance portion of debt shall be reduced subsequent to implementation of the plan. The Company is awaiting final approval from Government of Gujarat and consent from the concerned authorities. Please refer to note 23 (B) regarding the Realignment Plan of the Company.

The implementation of the above stated steps towards debt realignment has already indicated improvement in the adjusted net debt to adjusted equity ratio which will undergo further improvement after implementation of Debt Realignment Plan.

Note 44
MSME Disclosure

Information in respect of Micro, Small and Medium Enterprise Development Act, 2006 the company has sought confirmation from the vendors, whether they fall in the category of micro, small and medium enterprise as on the Balance Sheet date. Based on the information available the required disclosure are given below.

(₹ in Crores)		
Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Principal amount remaining unpaid as at the end of accounting year Interest paid by the company in terms of Section 16 of the Micro, Small and Medium	30.48	20.82
Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year		-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006		

(₹ in Crores)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Interest accrued and remaining unpaid at the end of accounting year	0.01	0.01
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006		-

Note 45**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 ₹ 10/- each of GGL, for every 1 (one) equity share of ₹ 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')

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.

Details of movement under the Stock option plan for the year ended 31 March, 2018 is as follows:

Particulars	Year ended 31 st March 2018		Year ended 31 st March 2017	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price
Options outstanding at the beginning of the year	-	-	13,000	332
Add: Options granted during the year	-	-	-	-
Less: Options forfeited during the year	-	-	-	-
Less: Options expired during the year	-	-	-	-
Less: Options exercised during the year	-	-	13,000	332
Options outstanding at end of the year	-	-	-	-

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 2018 and 31 March 2017.

The Company has adjusted gain of ₹ Nil (Previous year ₹ 0.17 Crores) to General Reserve as the difference between the cost incurred by the ESOP Trust for the purchase of shares and the exercise price of those options which have been exercised by the employees.

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:

Particulars	31 st March, 2018		31 st March, 2017	
	Avg Exercise Price per share option (₹)	Number of options	Avg Exercise Price per share option (₹)	Number of options
Opening Balance	75	636,226	75	883,894
Granted during the year	75	-	75	-
Exercised during the year	75	(245,860)	75	(247,668)
Lapsed/cancelled during the year	75	(2,408)	75	-
Closing balance		387,958		636,226

Fair value of options granted

The fair value at grant date of options granted during the year ended 31 March 2018 was ₹ 72.45 per option (31 March 2017 - ₹ 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:

(₹ in Crores)

Particulars	Mar-18	Mar-17
Employee option plan	(0.01)	-

Note 46 : A statement of summarised financial information for each subsidiary that has non controlling interest

(₹ in Crores)

Balance Sheet	GSPL Consolidated		GIPL		GPPC	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Net worth of the company*	3,283.85	5,760.65	49.41	46.85	679.61	666.63
Non Controlling Interest	2,287.56	3,588.67	19.59	18.60	17.07	16.74

(₹ in Crores)

Statement of Profit & Loss	GSPL Consolidated		GIPL		GPPC	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Total Revenue*	7,522.49	6,150.54	14.78	15.93	411.81	483.67
Total Comprehensive Income*	918.93	675.25	2.56	2.65	12.99	75.96
Share of Non Controlling Interest	627.48	479.46	0.99	1.01	0.33	1.92

(₹ in Crores)

Statement of Profit & Loss	GSPL Consolidated		GIPL		GPPC	
	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Net Cash Flow from Operating Activities	1,667.03	1,644.14	(1.79)	(5.24)	266.50	386.67
Net Cash Flow from Investing Activities	(3,604.35)	(834.61)	1.55	3.00	(25.81)	(51.72)
Net Cash Flow from Financing Activities	2,020.44	(871.84)	-	-	(264.17)	(315.82)
Net Cashflows	83.12	(62.31)	(0.24)	(2.24)	(23.48)	19.13

* The amounts disclosed as total revenue and Total Comprehensive Income for the year before inter company eliminations and policy alignments, while share of NCI reported is after considering all such effects.

Additional information - Instruction No 2 of Schedule III

	Net Assets i.e. total assets			Share in profit or loss			Other Comprehensive Income			Total Comprehensive Income						
	as % of consolidated net assets as on 31.03.2018	Amount (₹ in Crore) as on 31.03.2018	as % of consolidated net assets on 31.03.2017	Amount (₹ in Crore) as on 31.03.2017	As % of consolidated profit or loss for FY 2017-18	Amount (₹ in Crore) for FY 2017-18	As % of consolidated profit or loss for FY 2017-18	Amount (₹ in Crore) for FY 2017-18	As % of consolidated profit or loss for FY 2017-18	Amount (₹ in Crore) for FY 2017-18	As % of consolidated profit or loss for FY 2016-17	Amount (₹ in Crore) for FY 2016-17				
Parent	128.04%	(9,722.08)	137.72%	(11,777.85)	142.58%	(1,275.45)	102.10%	(16,037.53)	100.98%	759.97	368640.81%	16.42	363.12%	(515.48)	101.99%	(16,021.11)
Subsidiaries:																
<u>Indian</u>																
Gujarat State Petronet Limited	-4.38%	332.71	-16.43%	1,405.27	-28.13%	251.66	-1.19%	187.08	0.03%	0.22	-1944.46%	(0.09)	-177.43%	251.88	-1.19%	187.00
Gujarat Gas Limited	-4.96%	376.55	-7.33%	626.76	-5.28%	47.21	-0.16%	25.05	-1.02%	(7.64)	-365147.02%	(16.26)	-27.87%	39.57	-0.06%	8.79
Guj Info Petro Limited	-0.39%	29.74	-0.38%	32.35	-0.17%	1.52	-0.01%	1.67	0.01%	0.05	-775.70%	(0.03)	-1.11%	1.57	-0.01%	1.64
GSPC Pipavav Power Company Limited	-8.72%	662.42	-7.60%	649.76	-1.41%	12.65	-0.47%	74.07	0.00%	0.01	-673.64%	(0.03)	-8.92%	12.66	-0.47%	74.04
GSPC (PPDA) Limited	0.00%	0.33	0.00%	(0.39)	0.01%	(0.06)	0.00%	(0.06)	0.00%	-	0.00%	-	0.04%	(0.06)	0.00%	(0.06)
GSPC Energy Limited	0.00%	(0.12)	0.00%	(0.29)	0.02%	0.17	0.00%	(0.01)	0.00%	-	0.00%	-	-0.12%	0.17	0.00%	(0.01)
GSPC Offshore Limited	0.00%	(0.30)	0.00%	(0.29)	0.00%	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	-	0.01%	(0.01)	0.00%	(0.01)
Associates (Investment as per the equity method)																
<u>Indian</u>																
Gujarat State Energy Generation Limited	-1.10%	83.66	-0.67%	57.14	-2.96%	26.52	-0.11%	18.02	0.00%	-	0.00%	-	-18.68%	26.52	-0.11%	18.02
Sabarmati Gas Limited	-2.58%	195.97	-1.85%	158.43	-4.32%	38.61	-0.13%	20.62	0.00%	-	0.00%	-	-27.20%	38.61	-0.13%	20.62
GSPC LNG Limited	-0.55%	41.81	-0.47%	40.34	-0.16%	1.46	-0.01%	1.73	0.00%	-	0.00%	-	-1.03%	1.46	-0.01%	1.73
GSPC India Transco Limited	-2.66%	201.78	-1.28%	109.56	-0.08%	0.69	0.00%	0.48	0.00%	-	0.00%	-	-0.49%	0.69	0.00%	0.48
GSPC India Gasnet Limited	-2.70%	204.68	-1.72%	147.01	-0.05%	0.46	0.00%	0.56	0.00%	-	0.00%	-	-0.32%	0.46	0.00%	0.56
Alcock Ashdown (Gujarat) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	100.00%	(7,592.85)	100.00%	(8,552.18)	100.00%	(894.56)	100.00%	(15,708.32)	100.00%	752.60	100.00%	0.00	100.00%	(141.96)	100.00%	(15,708.31)

Note 47

Under Ind AS compliant Schedule III, the consolidated financial statements do not include notes such as quantitative information, forex earnings/expense etc. which are not necessary to present true and fair view of the financial statements.

Note 48

In case of balances of Joint Operation 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 49

The Group has restated and re-classified previous year figures giving effects of transfer of control within group to make the

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**

Chartered Accountants
Firm Regn. No. 110758W

Dr. J. N. Singh, IAS

Chairman & Managing Director
DIN : 00955107

Dr. T. Natarajan, IAS

Joint Managing Director
DIN : 00396367

Umesh Talati

Partner
Membership No. 34834

Sandeep Dave

Company Secretary

Rajesh Sivadasan

Chief Financial Officer

Date : 21st May, 2018

Place : Gandhinagar

Date : 21st May, 2018

Place : Gandhinagar



GUJARAT STATE PETROLEUM CORPORATION LIMITED
(A Govt. of Gujarat Undertaking)

Regd. Office : GSPC Bhavan, B/h Udyog Bhavan,
Sector - II, Gandhinagar - 382 010,
Gujarat, INDIA.

Phone : +91-79-66701005

Fax : +91-79-23236375

E-mail : gspc@gspc.in

Website : www.gspcgroup.com