27 September 2019

Indus Gas Limited

Audited final results for the 12 months ended 31 March 2019

Indus Gas Limited (AIM:INDI), an oil & gas exploration and development company with assets in India, announces its full year results for the 12 months to 31 March 2019.

Highlights

§ The Petroleum & Natural Gas Regulatory Board (PNGRB) received the bid for the laying of a gas pipeline from the gas processing facility for the evacuation of gas from RJ-ON/6 Block and is currently evaluating the bid. This will enable natural gas from RJ-ON/6 block to be delivered to the National Grid.
§ Approvals from the DGH and Government had already been received for the development and enhanced production covering a total field area of 2176 sq. km with approved gas reserves of 1.8 tcf.
§ The gas sand reservoirs were successfully exploited for production.

OPERATIONAL

§ Preparations continued on site during the year for the planned ramp up in production including the drilling of additional wells.
§ Drilling and completion of production wells for the SGL field development continued as planned to meet contracted and planned gas sale requirements.
§ Testing of previously drilled wells.

FINANCIAL

§ Total Revenues (including other operating income) were US$ 60.61 million (2017-18: US$ 60.60 million).
§ Operating profit increased to US$ 53.29 million (2017-18: US$ 51.51 million).
§ Profit before tax increased to US$ 53.90 million (2017-18: US$ 47.81 million).
§ Net Investments made in property, plant and equipment, exploration and evaluation assets amounting to US$ 108.57 million.
§ All repayments under the existing debt terms were made on a timely basis.

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Overview

Indus Gas Limited ("Indus" or "Company") is engaged in oil and gas exploration and development in Block RJ-ON/6, Rajasthan, India. Indus owns a 90% participating interest in the Block (excluding the SGL gas field, in respect of which its participating interest is 63%). Other partners in the block are (i) Focus Energy Ltd., which operates the Block, and (ii) Oil and Natural Gas Corporation (ONGC), India, which is the licensee of the Block. The 'Participative Interest' of Indus as mentioned above is held through its wholly owned subsidiaries iServices Investment Limited, Mauritius and Newbury Oil Company Limited, Cyprus. The Block currently measures an area of 2,176 km² and lies onshore in the highly prospective mid Indus Basin. The first discovery in the Block was made in 2006 and the first commercial production commenced in 2010. The Company has successfully secured approval from the Directorate General of Hydrocarbons (DGH) and government for the integrated Field Development Plan ("FDP") of SSG (Pariwar) & SSF (B&B) discoveries and for the enhancement of production to 90 mmscfd from the SGL field. The Petroleum & Natural Gas Regulatory Board (PNGRB) have received a bid for the laying of a gas pipeline from the gas processing facility for the evacuation of gas from RJ-ON/6 Block and is currently evaluating the bid. This will enable natural gas from RJ-ON/6 block to be delivered to the National Grid.

Chairman's Statement

This has been another notable period of operational progress for the group. The approval of the Field Development Plans combined our application for a pipeline to evacuate gas from the RJ-ON/6 block being lodged with the PNGRB, represented a major milestone achieved in the period under review.

The Company's strong operational and financial performance is highlighted by another year of improved profit generation and the Board continues to anticipate a substantial increase in revenues once the additional gas supplies commence through the new pipeline.

The Board would like to thank their employees, shareholders, bankers and all other stakeholders for their loyalty. The management will continue to focus on the execution of the Company's long-term strategy of achieving both growth in reserves and commercial production. The Indian government continues to prioritise the increase of domestic gas production thereby reducing the dependence on expensive imported energy.

Peter Cockburn
Chairman

Board of Director's Review

We are pleased to announce another strong year of consolidated total revenues (including other operating income) totaling US$ 60.61 million. We have continued to increase operating profits and our stated long term business plan remains on track. The revised Field Development Plan for the SGL area and an integrated Field Development Plan for SSG & SSF area of the Block, for the future enhancement of revenues, had been previously approved by the Management Committee. Building on these earlier successes, the PNGRB has received and are currently evaluating the bid for the construction of a pipeline to evacuate gas from the RJ-ON/6 Block.

Operations

Operational activities over the last year have followed the Group's objectives and are summarised below:

a) drilling of additional wells to support the integrated field development plan;
b) drilling and completion of production wells for the SGL field development continued as planned to meet contracted and planned gas sale requirements;
c) testing various wells previously drilled, where gas shows were encountered to enable the Group to increase its reserve base; and
d) testing the B&B gas recovery potential in addition to gas discovered in the Pariwar formation.

The current drilling programme is progressing on schedule and producing positive results. Following the approval of the FDP for SSG & SSF Development area, we continue to test concepts and obtain log and core data for analysis outside of the SGL area. In the SGL area, work continues to increase our knowledge of the producing intervals. Additional testing is an important element of the operational programme to enhance production and maximize recovery of gas through efficient asset management. Activities such as these will continue to increase as we obtain and act on new data and production history. An important development in respect of the SGL Field was the discovery of new zones within Pariwar. These were located just below the existing producing upper P10 sands. These reservoirs were successfully exploited for production and going forward will add to the reserves and production from both existing and new wells.

Financials

During the financial year, the Company achieved total revenue (including other operating income) of US$ 60.61 million, resulting in reported operating profit of US$ 53.29 million (2017-18 US$ 51.50 million). The reported profit after tax was US$ 37.49 million (2017-18 US$ 33.63 million).
While the Company is not expected to pay any significant taxes on its income for many years in view of the 100% deduction allowed on the capital expenses incurred in the Block, the Company has accrued a non-cash deferred tax liability of US$ 16.41 million as per IFRS requirements.

Post this deferred tax liability provision, the net profit for the year was US$ 37.49 million.

The net expenditure on the purchase of property, plant & equipment was US$ 108.57 million. The property plant and equipment, including development assets and production assets, increased to US$ 851.28 million.

The current assets (excluding cash) as of 31 March 2019 stood at US$ 39.65 million, which includes US$ 9.32 million of inventories and US$ 27.61 million of trade receivables. Receivables of US$ 25 million out of this total of US$ 27.61 million have been realized subsequent to 31st March 2019. The current liabilities of the Company, excluding the related party liability of US$ 0.35 million and current portion of long term debt of US$ 42.87 million, stood at US$ 7.15 million. This comprised mainly of deferred revenue of US$ 5.08 million (GAIL-Take or Pay Obligation) and other liabilities of US$ 2.07 million.

As of 31 March 2019, the outstanding debt of the Company to banks was US$ 139.17 million, out of which US$ 39.17 million was categorised as repayable within a year and the remaining US$ 100 million has been categorised as a long term liability. During the year, the Company repaid an amount of US$ 32.94 million of the outstanding term loan facilities, as per the scheduled repayment plan. As of 31st March 2019, the outstanding unsecured debt from bonds was US$ 153.47 million, out of which US$ 3.69 million was categorized as repayable within a year and the remaining US$ 149.78 million has been categorized as a long term liability.

Outlook

During the next twelve months, we expect a further step change in the growth of the Company and look forward to continued drilling success in both Pariwar and B&B.

Jonathan Keeling
Director

Consolidated Statement of Financial Position

(All amounts in United States Dollars, unless otherwise stated)

	Note	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Intangible assets: exploration and evaluation assets	7	-	-
Property, plant and equipment	8	851,277,557	742,705,287
Tax assets		2,695,055	2,424,527
Other assets		605	709

	Note	31 March 2019	31 March 2018
Total non-current assets		**853,973,217**	**745,130,523**
Current assets			
Inventories	11	9,327,984	8,341,084
Trade receivables		27,617,626	18,185,854
Receivables from related party	17	57,098,640	13,914,912
Other current assets	12	10,957	34,296
Cash and cash equivalents	13	129,152	13,342,498
Total current assets		**94,184,359**	**53,818,644**
Total assets		**948,157,576**	**798,949,167**
LIABILITIES AND EQUITY			
Shareholders' equity			
Share capital	14	3,619,443	3,619,443
Additional paid-in capital	14	46,733,689	46,733,689
Currency translation reserve	14	(9,313,782)	(9,313,781)
Merger reserve	13	19,570,288	19,570,288
Retained earnings	14	139,755,664	102,268,993
Total shareholders' equity		**200,365,302**	**162,878,632**
Liabilities			
Non-current liabilities			
Long term debt, excluding current portion	15	249,722,044	287,451,403
Provision for decommissioning	16	1,606,825	1,581,096
Deferred tax liabilities (net)	9	89,442,675	73,031,531
Payable to related parties, excluding current portion	17	331,088,491	204,640,627
Deferred revenue		25,563,995	25,563,995
Total non-current liabilities		**697,424,030**	**592,268,652**
Current liabilities			
Current portion of long term debt	15	42,869,400	37,299,630
Current portion payable to related parties	17	352,909	355,496
Accrued expenses and other liabilities		20,68,849	1,069,671
Deferred revenue		5,077,086	5,077,086
Total current liabilities		**50,368,244**	**43,801,883**
Total liabilities		**747,792,274**	**636,070,535**
Total equity and liabilities		**948,157,576**	**798,949,167**

(The accompanying notes are an integral part of these consolidated financial statements)

These consolidated financial statements were approved and authorized for issue by the board on 26 September 2019 and was signed on its behalf by:

Peter Cockburn.

Consolidated Statement of Comprehensive Income

(All amounts in United States Dollars, unless otherwise stated)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Revenues	18	60,605,486	60.601,156
Cost of sales		(6,191,595)	(7,611,218)
Gross profit		**54,413,981**	**52,989,938**
Cost and expenses			
Administrative expenses		(1,128,726)	(1,480,268)
Operating profit		**53,285,165**	**51,509,670**
Foreign currency exchange (loss)/gain, net	20	612,594	(4,129,784)
Interest expense		-	-
Interest income		56	432,912
Profit before tax		**53,897,815**	**47,812,798**
Income taxes	10		
- Deferred tax expense		(16,411,144)	(14,183,418)
Profit for the year (attributable to the shareholders of the Group)		**37,486,671**	**33,629,380**
Total comprehensive income for the year (attributable to the shareholders of the Group)		**37,486,671**	**33,629,380**
Earnings per share	22		
Basic		*0.20*	*0.18*
Diluted		*0.20*	*0.18*

(The accompanying notes are an integral part of these consolidated financial statements)

Consolidated Statement of Changes in Equity

(All amounts in United States Dollars, unless otherwise stated)

	Common stock		Additional paid in capital	Currency translation reserve	Merger reserve	Share option reserve	Retained earnings	Total shareholders' equity
	No. of shares	Amount						
Balance as at 1 April 2017	**182,973,924**	**3,619,443**	**46,733,689**	**(9,313,781)**	**19,570,288**	**-**	**68,639,613**	**129,249,252**
Profit and total comprehensive income for the year.	-	-	-	-	-	-	33,629,380	33,629,380
Amount Transferred to retained earnings								
Balance as at 31 March 2018	**182,973,924**	**3,619,443**	**46,733,689**	**(9,313,781)**	**19,570,288**	**-**	**102,268,993**	**162,878,632**
Comprehensive income for the year	-	-	-	-	-	-	37,486,671	**37,486,671**
Amount transferred to retained earnings								
	-	-	-	-	-	-	-	**-**
Balance as at 31 March 2019	**182,973,924**	**3,619,443**	**46,733,689**	**(9,313,781)**	**19,570,288**	**-**	**139,755,664**	**200,365,303**

(The accompanying notes are an integral part of these consolidated financial statements)

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Consolidated Statement of Cash Flow

(All amounts in United States Dollars, unless otherwise stated)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities			
Profit before tax		53,897,815	47,812,798
Adjustments			
Unrealized exchange (gain)/loss	20	(612,594)	(176,716)
Interest income		(56)	(432,912)
Interest Expense		1	-
Depreciation	7	3,995,414	5,412,465
Changes in operating assets and liabilities			
Inventories		(986,900)	(2,759,581)
Trade receivables		(9,431,672)	(16,140,702)
Other current and non-current assets		23,443	4,664
Payable to related party-operating activities		4,697,750	7,261,017
Provisions for decommissioning		25,729	260,063
Accrued expenses and other liabilities		996,591	988,805
Cash generated from operations		52,605,521	42,229,901
Income taxes paid		(270,528)	(259,217)
Net cash generated from operating activities		**52,334,993**	**41,970,684**
Cash flow from investing activities			
Investment in exploration and evaluation assets			
Purchase of property, plant and equipment [A]		(118,948,933)	(102,603,984)
Interest received		56	432,912
Net cash used in investing activities		**(118,948,877)**	**(102,171,072)**
Cash flow from financing activities			
Repayment of long term debt from banks		(32,942,671)	(113,499,400)
Proceeds from long term debt from banks		-	
Proceeds from issue of bond		-	149,769,799
Proceeds from loans by related parties		108,299,952	44,669,002
Payment of interest		(22,569,737)	(19,005,171)
Net cash generated from financing activities		**52,787,544**	**61,934,230**
Net decrease in cash and cash equivalents		**(13,826,340)**	**1,733,842**
Cash and cash equivalents at the beginning of the year		13,342,498	11,401,788
Effects of exchange differences on cash and cash equivalents		612,994	206,868
Cash and cash equivalents at the end of the year		**129,152**	**13,342,498**

[A] The purchase of property, plant and equipment above, includes additions to exploration and evaluation assets amounting to US$ 9,569,925 (previous year: US$ 5,927,548) transferred to development cost, as explained in Note 7.

(The accompanying notes are an integral part of these consolidated financial statements)

Notes to Consolidated Financial Statements

(All amounts in United States Dollars, unless otherwise stated)

1. INTRODUCTION

Indus Gas Limited ("Indus Gas" or "the Company") was incorporated in the Island of Guernsey on 4 March 2008 pursuant to an Act of the Royal Court of the Island of Guernsey. The Company was set up to act as the holding company of iServices Investments Limited. ("IServices") and Newbury Oil Co. Limited ("Newbury"). IServices and Newbury are companies incorporated in Mauritius and Cyprus, respectively. IServices was incorporated on 18 June 2003 and Newbury was incorporated on 17 February 2005. The Company was listed on the Alternative Investment

Market (AIM) of the London Stock Exchange on 6 June 2008. Indus Gas through its wholly owned subsidiaries iServices and Newbury (hereinafter collectively referred to as "the Group") are engaged in the business of oil and gas exploration, development and production.

Focus Energy Limited ("Focus"), an entity incorporated in India, entered into a Production Sharing Contract ("PSC") with the Government of India ("GOI") and Oil and Natural Gas Corporation Limited ("ONGC") on 30 June 1998 for petroleum exploration and development concession in India known as RJ-ON/06 ("the Block"). Focus is the Operator of the Block. On 13 January 2006, iServices and Newbury entered into an interest sharing agreement with Focus and obtained a 65 per cent and 25 per cent share respectively in the Block. The balance of 10 per cent of participating interest is owned by Focus. The participating interest explained above is subject to any option exercised by ONGC in respect of individual fields (already exercised for all the wells in SGL field as further explained in Note 3).

2. GENERAL INFORMATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adapted by the European Union ('EU'). The consolidated financial statements have been prepared on a going concern basis (refer to note 27), and are presented in United States Dollar (US$). The functional currency of the Company as well as its subsidiaries is US$.

3. JOINTLY CONTROLLED ASSETS

As explained above, the Group through its subsidiaries -Iservices and Newbury has an "Interest sharing arrangement" with Focus in the block which under IFRS 11 Joint Arrangements, is classified as a 'Joint operation'. All rights and obligations in respect of exploration, development and production of oil and gas resources under the 'Interest sharing agreement' are shared between Focus, iServices and Newbury in the ratio of 10 per cent, 65 per cent and 25 per cent respectively.

Under the PSC, the GOI, through ONGC has an option to acquire a 30 per cent participating interest in any discovered field, upon such successful discovery of oil or gas reserves, which has been declared as commercially feasible to develop.

The block is divided into 3 fields - SGL, SSF and SSG.

The SGL field has received its declaration of commercial discovery on 21 January 2008. Subsequent to the declaration of commercial discovery in SGL field, ONGC had exercised the option to acquire a 30 per cent participating interest in the discovered fields on 6 June 2008. The exercise of this option would reduce the interest of the existing partners proportionately.

However, on exercise of this option, ONGC is liable to pay its share of 30 per cent of the SGL field development costs and production costs incurred after 21 January 2008 and are entitled to a 30 per cent share in the production of gas subject to recovery of contract costs as explained below.

The allocation of the production from the field to each participant in any year is determined on the basis of the respective proportion of each participant's cumulative unrecovered contract costs as at the end of the previous year or where there is no unrecovered contract cost at the end of previous year on the basis of participating interest of each such participant in the field. For recovery of past contract cost, production from the field is first allocated towards exploration and evaluation cost and thereafter towards development cost.

On the basis of the above, gas production for the year ended 31 March 2019 is shared between Focus, iServices and Newbury in the ratio of 10 percent, 65 percent and 25 percent, respectively. ONGC will not be entitled to any participating interest in the production until the full exploration and development cost is recovered by other participants.

The aggregate amounts relating to jointly controlled assets, liabilities, expenses and commitments related thereto that have been included in the consolidated financial statements are as follows:

	31 March 2019	31 March 2018
Non-current assets	851,277,557	742,705,287
Current assets	66,426,624	22,255,996
Non-current liabilities	1,606,825	1,581,096
Current liabilities		
Expenses (net of finance income)	4,697,750	6,761,016
Commitments	NIL	NIL

Further, the SSF and SSG field has also received its declaration of commerciality on 24th November 2014. Subsequent to the declaration of commerciality for SSF and SSG discovery, ONGC did not exercise the option to acquire 30 percent in respect of SSG and SSF field. The participating interest in SSG and SSF field between Focus, I services and Newbury will remain in ratio of 10 percent, 65 percent and 25 percent respectively for exploration, evaluation and development cost, and production revenue for SSF and SSG in the block.

4. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies as a result of adopting the following standards. As a result, company has changed its accounting policies, which has been detailed below:

IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets.

The Group adjusted the impairment model applied to financial assets from an incurred loss to a forward-looking expected credit loss model. The change impacted the calculation of the bad debt allowance for accounts receivable in particular. The Group applies the simplified approach, which allows expected lifetime losses to be recognized for accounts receivable using historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The implementation of IFRS 9 did not have a significant impact to the classification or measurement of financial assets and financial liabilities and on the consolidated statement of comprehensive income in the reporting period. For detailed accounting policy refer note 6.13.

IFRS 15 Revenue from Contracts with Customers

Effective January 1, 2018, the Group has applied IFRS 15 which establishes a comprehensive framework for determining whether, how much and

when revenue is to be recognised. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts. The Group has adopted IFRS 15 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. January 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the profit or loss is not restated - i.e. the comparative information continues to be reported under IAS 18 and IAS 11. The adoption of the standard did not have any material impact to the financial statements of the Group.

For detailed accounting policy refer note 6.6.

5. STANDARDS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE AND YET TO BE APPLIED BY THE GROUP

Summarized in the paragraphs below are standards, interpretations or amendments that have been issued prior to the date of approval of these consolidated financial statements and endorsed by EU and will be applicable for transactions in the Group but are not yet effective. These have not been adopted early by the Group and accordingly, have not been considered in the preparation of the consolidated financial statements of the Group.

Management anticipates that all of these pronouncements will be adopted by the Group in the accounting period beginning after the effective date of each of the pronouncements. Information on the new standards, interpretations and amendments that are expected to be relevant to the Group's consolidated financial statements is provided below.

• **IFRS 16** ***Leases***

On January 13, 2016, the IASB issued the final version of IFRS 16, Leases. IFRS 16 will replace the existing leases Standard, IAS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The effective date for adoption of IFRS 16 is annual periods beginning on or after January 1, 2019, though early adoption is permitted for companies applying IFRS 15 Revenue from Contracts with Customers.

The company will recognize a right-of-use asset and corresponding liability in respect of the net present value of these leases unless they qualify for short-term leases upon the application of IFRS 16. The actual quantification of the impact of the application of IFRS 16 on the consolidated financial statements is ongoing and will depend on future economic conditions, including the Company's incremental borrowing rate and the composition of the Company's Lease Portfolio on January 1 ,2019."

IFRIC 23, ***Uncertainty over Income Tax Treatments***

The IASB has issued IFRIC 23, Uncertainty over Income Tax Treatments ('Interpretation'), to specify how to reflect uncertainty in accounting for income taxes.

IAS 12 provides the recognition and measurement principles for current and deferred tax assets and liabilities. However, it does not provide guidance in relation to accounting of an uncertain tax treatment, pending decision by a relevant taxation authority or court, while measuring current and deferred taxes. The entities would now be required to assess the effect of uncertainties on income tax treatment of items or transactions and depending on the likelihood of the taxation authorities accepting the treatment in the tax return, the entity would either disclose the uncertainty in the financial statements or include an adjustment for the same in the tax provision for that year.

The Interpretation does not introduce any new disclosure requirements, but strengthens the need to comply with the significant disclosure requirements under IAS 1, Presentation of Financial Statements, and IAS 12. The Interpretation is to be applied to the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates, where there is uncertainty over income tax treatments under IAS 12.

Furthermore, if an entity considers a particular amount payable or receivable for interest and penalties, associated with uncertain tax treatment, to be an income tax, then that amount is within the scope of this Interpretation and where a company instead applies IAS 37, Provisions, Contingent Liabilities and Contingent Assets, to these amounts, then it does not apply this Interpretation. The Interpretation would also apply to uncertainty affecting deferred tax assets and liabilities arising out of business combinations (IFRS 3, Business Combinations).

The Interpretation is effective for annual periods beginning on or after 01 January 2019. Earlier application is permitted, if the entity discloses that fact.

The Group is evaluating the requirements of the amendments and its impact if any, on the consolidated financial statements.

6. SUMMARY OF ACCOUNTING POLICIES

The consolidated financial statements have been prepared on a historical basis, except where specified below. A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements are detailed below:

6.1. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the parent company and all of its subsidiary undertakings drawn up to 31 March 2019. The Group consolidates entities which it controls. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

The Group recognises in relation to its interest in a joint operation:

a. its assets, including its share of any assets held jointly;
b. its liabilities, including its share of any liabilities incurred jointly;
c. its revenue from the sale of its share of the output arising from the joint operation;
d. its share of the revenue from the sale of the output by the joint operation; and
e. its expenses, including its share of any expenses incurred jointly.

Intra-Group balances and transactions, and any unrealised gains and losses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or losses of subsidiaries acquired or disposed of during the year are recognised from the date of control of acquisition, or up to the effective date of disposal, as applicable.

6.2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing consolidated financial statements, the Group's management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statement and the

reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The management's estimates for the useful life and residual value of tangible assets, impairment of tangible and intangible assets and recognition of provision for decommissioning represent certain particularly sensitive estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, revenues and expenses is provided in note 26.

6.3. FOREIGN CURRENCIES

The consolidated financial statements have been presented in US$ which is the functional currency of the group entities

Foreign currency transactions are translated into the functional currency of the respective Group entities, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Functional currency is the currency of the primary economic environment in which the entity operates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognised in the profit or loss for the year.

Non-monetary items measured at historical cost are recorded in the functional currency of the entity using the exchange rates at the date of the transaction.

6.4. REVENUE RECOGNITION

Effective April 1, 2018, the Company has applied IFRS 15 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The Company has adopted IFRS 15 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the Statement of Profit and Loss is not restated - i.e. the comparative information continues to be reported under IAS 18 and IAS 11. The adoption of the standard did not have any material impact to the financial statements of the Company.

In accordance with IFRS 15, Revenue from contracts with customers is recognized when or as the Company satisfies a performance obligation by transferring control of a promised good or service to a customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the sale of products and service, net of taxes on sales, estimated rebates and other similar allowances. The transfer of control of natural gas usually coincides with title passing to the customer and the customer taking physical possession.

Any payment received in respect of contractual short lifted gas quantity for which an obligation exists to make-up such gas in subsequent periods is recognised as Contract Liabilities in the year of receipt. Revenue in respect of such contractual short lifted quantity of gas is recognised when such gas is actually supplied or when the customer's right to make up is expired, whichever is earlier.

6.5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprises Development assets and other properties, plant and equipment used in the gas fields and for administrative purposes. These assets are stated at cost plus decommissioning cost less accumulated depreciation and any accumulated impairment losses.

Development assets are accumulated on a field by field basis and comprise costs of developing the commercially feasible reserve, expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and other costs of bringing such reserves into production. It also includes the exploration and evaluation costs incurred in discovering the commercially feasible reserve, which have been transferred from the exploration and evaluation assets as per the policy mentioned in note 6.6. As consistent with the full cost method, all exploration and evaluation expenditure incurred up to the date of the commercial discovery have been classified under development assets of that field.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss of the year in which the asset is derecognized. However, where the asset is being consumed in developing exploration and evaluation intangible assets, such gain or loss is recognized as part of the cost of the intangible asset.

The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each period end. No depreciation is charged on development assets until production commences.

Depreciation on property, plant and equipment is provided at rates estimated by the management. Depreciation is computed using the straight line method of depreciation, whereby each asset is written down to its estimated residual value evenly over its expected useful life. The useful lives estimated by the management are as follows:

Extended well test equipment	20 years
Bunk houses	5 years
Vehicles	5 years
Other assets	
Furniture and fixture	5 years
Buildings	10 years
Computer equipment	3 years
Other equipment	5 years

Land acquired is recognized at cost and no depreciation is charged as it has an unlimited useful life.

Production assets are depreciated from the date of commencement of production, on a field by field basis with reference to the unit of production method for the commercially probable and proven reserves in the particular field.

Advances paid for the acquisition/ construction of property, plant and equipment which are outstanding as at the end of the reporting period and the cost of property, plant and equipment under construction before such date are disclosed as 'Capital work-in-progress'.

6.6. EXPLORATION AND EVALUATION ASSETS

The Group adopts the full cost method of accounting for its oil and gas interests, having regard to the requirements of *IFRS 6: Exploration for and Evaluation of Mineral Resources*. Under the full cost method of accounting, all costs of exploring for and evaluating oil and gas properties, whether productive or not are accumulated and capitalized by reference to appropriate cost pools. Such cost pools are based on geographic areas and are not larger than a segment. The Group currently has one cost pool being an area of land located in Rajasthan, India.

Exploration and evaluation costs may include costs of license acquisition, directly attributable exploration costs such as technical services and studies, seismic data acquisition and processing, exploration drilling and testing, technical feasibility, commercial viability costs, finance costs to the extent they are directly attributable to financing these activities and an allocation of administrative and salary costs as determined by management. All costs incurred prior to the award of an exploration license are written off as a loss in the year incurred.

Exploration and evaluation costs are classified as tangible or intangible according to the nature of the assets acquired and the classification is applied consistently. Tangible exploration and evaluation assets are recognised and measured in accordance with the accounting policy on property, plant and equipment. To the extent that such a tangible asset is consumed in developing an intangible exploration and evaluation asset, the amount reflecting that consumption is recorded as part of the cost of the intangible asset.

Exploration and evaluation assets are not amortised prior to the conclusion of appraisal activities. Where technical feasibility and commercial viability is demonstrated, the carrying value of the relevant exploration and evaluation asset is reclassified as a development and production asset and tested for impairment on the date of reclassification. Impairment loss, if any, is recognized.

6.7. IMPAIRMENT TESTING FOR EXPLORATION AND EVALUATION ASSETS AND PROPERTY, PLANT AND EQUIPMENT

An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation.

Where there are indicators that an exploration asset may be impaired, the exploration and evaluation assets are grouped with all development/producing assets belonging to the same geographic segment to form the Cash Generating Unit (CGU) for impairment testing. Where there are indicators that an item of property, plant and equipment asset is impaired, assets are grouped at the lowest levels for which there are separately identifiable cash flows to form the CGU. The combined cost of the CGU is compared against the CGU's recoverable amount and any resulting impairment loss is written off in the profit or loss of the year. No impairment has been recognized during the year.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at a re-valued amount, in which case the reversal is treated as a revaluation increase.

6.8. FINANCIAL ASSETS

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires. Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. The value of interest free financial assets and financial liabilities with short term maturities are not discounted at initial recognition if the impact is not material. Financial assets and financial liabilities are measured subsequently as described below.

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- Fair value through other comprehensive income (FVOCI) - debt investment;
- Fair value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

· The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income in statement of comprehensive income.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. This replaced IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach required by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

6.9. FINANCIAL LIABILITIES

The Group's financial liabilities include trade and other payables which are classified as financial liabilities recognized at amortized cost. Financial liabilities are measured subsequently at amortized cost using the effective interest method except for financial liabilities held for trading or designated at fair value through profit or loss ("FVTPL"), that are carried subsequently at fair value with gains or losses recognized in profit or loss in consolidated statement of comprehensive income. All derivative financial instruments that are not designated and effective as hedging

instruments are accounted for as FVTPL.

6.10. INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Inventories of drilling stores and spares are accounted at cost including taxes, duties and freight. The cost of all inventories other than drilling bits is computed on the basis of the first in first out method. The cost for drilling bits is computed based on specific identification method.

6.11. SHARE BASED PAYMENTS

The Group operates equity-settled share-based plans for its employees, directors, consultants and advisors. Where persons are rewarded using share-based payments, the fair values of services rendered by employees and others are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised using the Black Scholes model at the respective measurement date. In the case of employees and others providing services, the fair value is measured at the grant date. The fair value excludes the impact of non-market vesting conditions. All share-based remuneration is recognised as an expense in profit or loss with a corresponding credit to 'Share Option Reserve'.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates and any impact of the change is recorded in the year in which that change occurs.

In addition, where the effect of a modification leads to an increase in the fair value of the options granted, such increase will be accounted for as an expense immediately or over the period of the respective grant.

Upon exercise of share options, the proceeds received up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as additional paid-in capital.

6.12. ACCOUNTING FOR INCOME TAXES

Income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period that are unpaid / un-recovered at the date of the Statement of Financial Position. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred income taxes are calculated using the balance sheet method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the financial statement with their tax base. Deferred tax is, however, neither provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates and laws that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the date of the statement of financial position.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in profit or loss of the year, except where they relate to items that are charged or credited directly to other comprehensive income or equity in which case the related deferred tax is also charged or credited directly to other comprehensive income or equity.

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.

6.13. BORROWING COSTS

Any interest payable on funds borrowed for the purpose of obtaining qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, is capitalised as a cost of that asset until such time as the assets are substantially ready for their intended use or sale.

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

Any associated interest charge from funds borrowed principally to address a short-term cash flow shortfall during the suspension of development activities is expensed in the period.

Transaction costs incurred towards an un-utilised debt facility are treated as prepayments to be adjusted against the carrying value of debt as and when drawn.

6.14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, at bank in demand deposits and deposit with maturities of 3 months or less from inception, which are readily convertible to known amounts of cash. These assets are subject to an insignificant risk of change in value. Cash and cash equivalents are classified as loans and receivables under the financial instruments category.

6.15. LEASING ACTIVITIES

Finance leases which transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, at the fair value of the leased property or the present value of the minimum lease payments, whichever is lower.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly in profit or loss of the year.

All leases other than finance leases are treated as operating leases. Operating lease payments are recognised as an expense in profit or loss on the straight line basis over the lease term.

Where the lease payments in respect of operating leases are made for exploration and evaluation activities or development and production activities, these are capitalized as part of the cost of these assets.

6.16. OTHER PROVISIONS AND CONTINGENT LIABILITIES

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. Where 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 any provision net of any reimbursement is recognized in profit or loss of the year. To the extent such expense is incurred for construction or development of any asset, it is included in the cost of that asset. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expenses.

Provisions include decommissioning provisions representing management's best estimate of the Group's liability for restoring the sites of drilled wells to their original status. Provision for decommissioning is recognised when the Group has an obligation and a reliable estimate can be made. The amount recognised is the present value of the estimated future expenditure. A corresponding item of property, plant and equipment of an amount equivalent to the provision is also recognised and is subsequently depreciated as part of the asset. The unwinding discount is recognised as a finance cost.

Commitments and contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised but disclosed in the financial statements when an inflow of economic benefits is probable but when it is virtually certain than the asset is recognised in the financial statements.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the statement of financial position and no disclosure is made.

6.17. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segments and to assess their performance. The Company considers that it operates in a single operating segment being the production and sale of gas.

7. INTANGIBLE ASSETS: EXPLORATION AND EVALUATION ASSETS

Intangible assets comprise of exploration and evaluation assets. Movement in intangible assets is as below:

	Intangible assets: Exploration and Evaluation assets
Balance as at 1 April 2017	**-**
Additions [A]	5,927,548
Transfer to development assets [B]	(5,927,548)
Balance as at 31 March 2018	**-**
Additions [A]	9,569,925
Transfer to development assets [B]	(9,569,925)
Balance as at 31 March 2019	**-**

[A] The above includes borrowing costs of US$ 314,083 (previous year: US$ 859,043). The weighted average capitalisation rate on funds borrowed generally is 6.70 per cent per annum (previous year: 6.50 per cent per annum).

[B] On 19 November 2013, Focus Energy Limited submitted an integrated declaration of commerciality (DOC) to the Directorate General of Hydrocarbons, ONGC, the Government of India and the Ministry of Petroleum and Natural Gas. Upon submission of DOC, exploration and evaluation cost incurred on SSF and SSG field was transferred to development cost. Focus continues to carry out further appraisal activities in the Block, and exploration and evaluation cost incurred subsequent to 19 November 2013, to the extent considered recoverable as per DOC submitted by Focus, is immediately transferred on incurrence to development assets.

Further, field development plan has been approved by Directorate General of Hydrocarbons ('DGH') as on 23 June 2017. Accordingly, the cost incurred on the aforesaid fields from 23 June 2017 is capitalized directly to development cost.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise of the following:

Cost	Land	Extended well test equipment	Development assets	Production assets	Bunk Houses	Vehicles	Other assets	Capital work-in-progress	Total
Balance as at 31 March 2017	**167,248**	**4,120,043**	514,274,733	154,604,476	**5,926,920**	**4,734,619**	**15,76,976**	**1,317,908**	**686,722,923**
Additions/transfers	-	203,990	72,840,134	35,844,636	-	32,944	43,614	53,533	109,018,851
Disposals/transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	**167,248**	**4,324,033**	**587,114,867**	**190,449,112**	**5,926,920**	**4,767,563**	**1,620,590**	**1,371,441**	**795,741,774**
Additions/transfers	-	263,697	90,923,274	21,562,829		5,764	69,510	265491	113,090,565
Disposals/transfers	-	-			-	-	-	-	-
Balance as at 31 March 2019	**167,248**	**4,587,730**	**678,038,141**	**212,011,941**	**5,926,920**	**4,773,327**	**1,690,100**	**1,636,932**	**908,832,339**
Accumulated Depreciation									
Balance as at 1 April 2017	**-**	**1,870,614**	**-**	**34,233,251**	**5,388,608**	**3,867,798**	**1,500,482**	**-**	**46,860,753**
Depreciation for the year	-	235,193	-	5,412,465	263,676	191,532	72,868	-	6,175,734
Balance as at 31 March 2018		**2,105,807**	**-**	**39,645,716**	**5,652,284**	**4,059,330**	**1,573,350**	**-**	**53,036,487**
Depreciation for the year		176,618	-	3,995,473	129,833	183,883	32,484		4,518,291
Balance as at 31 March 2019		**2,282,425**	**-**	**43,641,189**	**5,782,117**	**4,243,213**	**1,605,836**		**57,554,778**
Carrying values									

At 31 March 2018	167,248	2,218,226	587,114,867	150,803,396	274,636	708,233	47,240	1,371,441	**742,705,287**
At 31 March 2019	167,248	2,305,305	678,038,141	168,370,752	144,803	530,114	84,262	1,636,932	**851,277,557**

The balances above represent the Group's share in property, plant and equipment as per Note 3.

Tangible assets comprise development /production assets in respect of SGL field and development assets in respect of SSF and SSG field.

Development assets of SGL field includes the amount of exploration and evaluation expenditure transferred to development cost on the date of the first commercial discovery declared by the Group in 2012 and also includes expenditure incurred for the drilling of further wells in the SGL field to enhance the production activity. Production assets in respect of SGL field includes completed production facilities and under construction Gas gathering station - 2. The Group commenced the production facility in October 2012, and accordingly such production assets have been depreciated since this date.

Development assets of SSF and SSG are explained in note 7. The assessment of these reserves by the Directorate General of Hydrocarbons, ONGC, the Government of India and the Ministry of Petroleum and Natural Gas has been received by the company post 31 March 2017 hence pending the development for production activities, no depreciation has been charged on the same.

The additions in Development/Production assets also include borrowing costs US$ 41,500,334 (previous year: US$ 32,077,511) (including the amount stated in note 7 above). The weighted average capitalisation rate on funds borrowed generally is 6.70 per cent per annum (previous year 6.50 per cent).

The depreciation has been included in the following headings-

	31 March 2019	31 March 2018
Depreciation included in development assets	462,924	763,269
Depreciation included in statement of comprehensive income under the head cost of sales	3,995,414	5,412,465
Total	**4,458,338**	**6,175,734**

9. DEFERRED TAX ASSETS/ LIABILITIES (NET)

Deferred taxes arising from temporary differences are summarized as follows:

	31 March 2019	31 March 2018
Deferred tax assets		
Unabsorbed losses/credits	276,662,093	245,617,558
Total	**276,662,093**	**245,617,558**
Deferred tax liability		
Development assets/ property, plant and equipment	366,104,769	318,649,089
Total	**366,104,769**	**318,649,089**
Net deferred tax liabilities	**89,442,675**	**73,031,531**

a) The Group has recognized deferred tax assets on all of its unused tax losses/unabsorbed depreciation considering there is convincing evidence of availability of sufficient taxable profit in the Group in the future as summarized in note 10.

b) The deferred tax movements during the current year have been recognized in the Consolidated Statement of Comprehensive income

10. INCOME TAXES

Income tax is based on the tax rates applicable on profit or loss in various jurisdictions in which the Group operates. The effective tax at the domestic rates applicable to profits in the country concerned as shown in the reconciliation below have been computed by multiplying the accounting profit by the effective tax rate in each jurisdiction in which the Group operates. The individual entity amounts have then been aggregated for the consolidated financial statements. The effective tax rate applied in each individual entity has not been disclosed in the tax reconciliation below as the amounts aggregated for individual Group entities would not be a meaningful number.

Income tax credit is arising on account of the following:

	31 March 2019	31 March 2018
Deferred tax charge	(16,411,144)	(14,183,418)
Total	**(16,411,144)**	**(14,183,418)**

The relationship between the expected tax expense based on the domestic tax rates for each of the legal entities within the Group and the reported tax expense in profit or loss is reconciled as follows:

	31 March 2019	31 March 2018
Accounting profit for the year before tax	**54,297,815**	**47,812,798**
Effective tax at the domestic rates applicable to profits in the country concerned	23,489,235	20,683,816
Tax impact of bought forward losses lapsed during the year	7,668,185	-
Non allowable expenses/(Non-taxable income)	(14,746,276)	(6,500,398)
Tax expense	**16,411,144**	14,183,418

The reconciliation shown above has been based on the rate 43.26 per cent (previous year: 43.26 per cent) as applicable under Indian tax laws.

The Company's profits are taxable as per the tax laws applicable in Guernsey where zero per cent tax rate has been prescribed for corporates. Accordingly, there is no tax liability for the Group in Guernsey. IServices and Newbury being participants in the PSC are covered under the Indian Income tax laws as well as tax laws for their respective countries. However, considering the existence of double tax avoidance arrangement between Cyprus and India, and Mauritius and India, profits in Newbury and iServices are not likely to attract any additional tax in their local jurisdiction. Under Indian tax laws, Newbury and iServices are allowed to claim the entire expenditure in respect of the Oil Block incurred until the start of commercial production (whether included in the exploration and evaluation assets or development assets) as deductible expense in the first year of commercial production or over a period of 10 years. The Company has opted to claim the expenditure in the first year of commercial production. As the Group has commenced commercial production in 2011 and has generated profits in Newbury and iServices, the management believes there is reasonable certainty of utilization of such losses in the future years and thus a deferred tax asset has been created in respect of these.

11. INVENTORIES

Inventories comprise the following:

	31 March 2019	31 March 2018
Drilling and production stores and spares	8,291,996	6,987,268
Fuel	26,350	34,006
Goods in transit	10,09,638	1,319,810
Total	**9,327,984**	**8,341,084**

The above inventories are held for use in the exploration, development and production activities. These are valued at cost determined based on policy explained in paragraph 5.10.

Inventories of US$ 529,007 (previous year: US$ 202,220) were recorded as an expense under the heading 'cost of sales' in the consolidated statement of comprehensive income during the year ended 31 March 2019.

Inventories of US$ 9,142,006 (previous year: US$ 9,158,954) were capitalized as part of exploration and evaluation assets and development assets.

12. OTHER CURRENT ASSETS

	31 March 2019	31 March 2018
Prepayments	10,957	34,296
Total	**10957**	**34,296**

13. CASH AND CASH EQUIVALENTS

	31 March 2019	31 March 2018
Cash at banks in current accounts	129,145	13,342,498
Total	**129,145**	**13,342,498**

The Group only deposits cash surpluses with major banks of high quality credit standing.

14. EQUITY

Authorised share capital
The total authorised share capital of the Company is GBP 5,000,000 divided into 500,000,000 shares of GBP 0.01 each. The total number of shares issued by the Company as at 31 March 2019 is 182,973,924 (previous year: 182,973,924).

--For all matters submitted to vote in the shareholders meeting of the Company, every holder of ordinary shares, as reflected in the records of the Company on the date of the shareholders' meeting has one vote in respect of each share held.

All shareholders are equally eligible to receive dividends and the repayment of capital in the event of liquidation of the individual entities of the Group.

Additional paid in capital
Additional paid-in capital represents excess over the par value of share capital paid in by shareholders in return for the shares issued to them, recorded net of expenses incurred on issue of shares.

Currency translation reserve
Currency translation reserve represents the balance of translation of the entities financial statements into US$ until 30 November 2010 when its functional currency was assessed as GBP. Subsequent to 1 December 2010, the functional currency of Indus Gas was reassessed as US$.

Merger reserve
The balance on the merger reserve represents the fair value of the consideration given in excess of the nominal value of the ordinary shares issued in an acquisition made by the issue of shares of subsidiaries from other entities under common control.

Share option reserve
The amount of share option reserve represents the accumulated expense recognised by the company in its consolidated statement of comprehensive income on account of share based options given by the Company.

Retained earning
Retained earnings include current and prior period retained profits.

15. LONG TERM DEBT

From Banks

	Maturity	31 March 2019	31 March 2018
Non-current portion of long term debt	2021/2024	100,003,278	137,661,359
Current portion of long term debt from banks		39,171,055	32,991,123
Total		**139,174,333**	170,652,482

Current interest rates are variable and weighted average interest for the year was 6.70 per cent per annum (previous year: 6.50 per cent per annum). The fair value of the above variable rate borrowings is considered to approximate their carrying amounts. The maturity profile (undiscounted) is explained in note 29.

Interest capitalised on loans above have been disclosed in notes 7 and 8.

The term loans are secured by following: -

· First charge on all project assets of the Group both present and future, to the extent of SGL Field Development and to the extent of capex incurred out of this facility in the rest of RJ-ON/6 field.

· First charge on the current assets (inclusive of condensate receivable) of the Group to the extent of SGL field.

· First Charge on the entire current assets of the SGL Field and to the extent of capex incurred out of this facility in the rest of RJON/6 field.

From Bonds

	Maturity	31 March 2019	31 March 2018
Non-current portion of long term debt	2022	149,718,766	149,790,044
Current portion of long term debt		3,698,345	4,308,507
Total		**153,417,111**	**154,098,551**

During the period ended 31 March 2018, the Group has issued US Dollar 150 million notes which carries interest at the rate of 8 per cent per annum. These notes are unsecured notes and are fully repayable at the end of 5 years i.e. December 2022, further interest on these notes is paid semi-annually.

16. PROVISION FOR DECOMMISSIONING

		Provision for decommissioning
Balance at 1 April 2017		**1,321,033**
Increase in provision	260,063	
Balance as at 31 March 2018		**1,581,096**
Increase in provision		25,729
Balance as at 31 March 2019		**1,606,825**

As per the PSC, the Group is required to carry out certain decommissioning activities on gas wells. The provision for decommissioning relates to the estimation of future disbursements related to the abandonment and decommissioning of gas wells. The provision has been estimated by the Group's engineers, based on individual well filling and coverage. This provision will be utilised when the related wells are fully depleted. The majority of the cost is expected to be incurred within a period of next 8 years.

17. PAYABLE/ RECEIVABLE TO RELATED PARTIES

Related parties payable comprise the following:

	Maturity	31-Mar-19	31-Mar-18
Current			
Payable to directors	On demand	352,909	355,496
		352,909	**355,496**
Other than current			
Borrowings from Gynia Holdings Ltd.*		331,088,491	204,640,627
		331,088,491	**204,640,627**
Total		**331,441,400**	**204,996,123**

* Borrowings from Gynia Holdings Ltd. carries interest rate of 6.5 per cent per annum compounded annually. The entire outstanding balance (including interest) is subordinate to the loans taken from the banks (detailed in note 15) and therefore, is payable along with related interest subsequent to repayment of bank loan in year 2024.

Interest capitalised on loans above have been disclosed in notes 7 and 8.
Related parties' receivable comprise the following:

	Maturity	31-Mar-19	31-Mar-18
Current			
Amount receivable from Focus	On demand	57,098,640	13,914,912
Total		**57,098,640**	**13,914,912**

Amount receivable from Focus
Amount receivable from Focus represents excess amounts paid to them in respect of the Group's share of contract costs, for its participating interest in Block RJ-ON/6 pursuant to the terms of Agreement for Assignment dated 13 January 2006 and its subsequent amendments from time to time.

18. REVENUE

The Group's revenue disaggregated by primary geographical markets is as follows:

	31-Mar-19	31-Mar-18
Within India	25,122,414	39,801,156
Outside India	35,483,072	20,800,000
	60,605,486	60,601,156

The Group's revenue disaggregated by the portion of revenue recognition is as follows:

	31-Mar-19	31-Mar-18
Goods transferred at a point in time	41,605,486	39,801,156
Services transferred at a point in time	19,000,000	20,800,000
	60,605,486	60,601,156

Sale of Goods (Gas)
The revenue majorly pertains to the sale of natural gas and condensate production (by-product). The group sells its natural gas to GAIL at a price fixed under the agreement. The condensate is sold in the open market through bidding. Further, company has entered into a new gas sale agreement wherein the customer is be liable to pay 50% of the contracted quantity if it does not commence its purchase of gas in the current year.

Other Operating Income
The other operating income represents revenue earned from technical and other support services being rendered to oil and gas exploration companies.

Contractual assets and Contractual Liabilities

	31-Mar-19 Current	Non-current	31-Mar-18 Current	Non-Current
Opening balance of Contract liabilities - Deferred income	5,077,086	25,563,995	5,077,086	25,563,995
Less: Amount of revenue recognised against opening contract liabilities	(5,077,086)	-	(5,077,086)	-
Add: Addition in balance of contract liabilities for current year	5,077,086	-	5,077,086	-
Closing balance of Contract liabilities - Deferred income	**5,077,086**	**25,563,995**	**5,077,086**	**25,563,995**

19. EMPLOYEE COST

Per the PSC, Focus is the Operator of the Block. For SGL field, ONGC has a participative interest of 30% in the development cost. Hence, the share of Iservices and Newbury are proportionately reduced (i.e. 45.5% and 17.5% respectively). For the Non-SGL field, the share of Iservices, Newbury and Focus are in the ratio of 65%, 25% and 10% respectively. The Employee cost attributable to Indus Gas Limited has been allocated in the agreed ratio (refer no 3) by Focus and recorded as cost of sales and administrative expenses in the consolidated statement of comprehensive income amounting to US$ 331,882 (previous year US$ 369,852) and US$ 254,718 (previous year US$ 553,217) respectively. Cost pertaining to the employees of the Group have been included under administrative expense is US$ 172,828 (previous year US$ 155,179).

20. FOREIGN CURRENCY EXCHANGE (LOSS)/ GAIN, NET

The Group has recognized the following in the profit or loss on account of foreign currency fluctuations:

	31 March 2019	31 March 2018
Gain/ (Loss) on restatement of foreign currency monetary receivables and payables	(19,456)	(4,113,835)
Gain/(loss) arising on settlement of foreign currency transactions and restatement of foreign currency balances arising out of Oil block operations	632,050	(15,949)
Total	**612,594**	**(4,129,784)**

21. OPERATING LEASES

Lease payments capitalised under exploration and evaluation assets and development/ production assets during the year ended 31 March 2019 amount to US$ 43,682,502 (previous year US$ 51,376,926). No sublease payments or contingent rent payments were made or received. No sublease income is expected as all assets held under lease agreements are used exclusively by the Group. All the operating leases of the Group can be cancelled and there are no future minimum payments for the existing operating leases. The terms and conditions of these operating leases do not impose any significant financial restrictions on the Group.

22. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

Calculation of basic and diluted earnings per share is as follows:

	31 March 2019	31 March 2018
Profits attributable to shareholders of Indus Gas Limited, for basic and dilutive	37,486,671	33,629,380
Weighted average number of shares (used for basic earnings per share)	182,973,924	182,973,924
Diluted weighted average number of shares (used for Diluted earnings per share)	182,973,924	182,973,924
Basic earnings per share	**0.20**	**0.18**
Diluted earnings per share	**0.20**	**0.18**

23. RELATED PARTY TRANSACTIONS

The related parties for each of the entities in the Group have been summarised in the table below:

Nature of the relationship	Related Party's Name
I. Holding Company	Gynia Holdings Ltd.
II. Ultimate Holding Company	Multi Asset Holdings Ltd. *(Holding Company of Gynia Holdings Ltd.)*
III. Enterprises over which Key Management Personnel (KMP) exercise control *(with whom there are transactions)*	Focus Energy Limited

Disclosure of transactions between the Group and related parties and the outstanding balances as at 31 March 2019 and 31 March 2018 is as under:

Transactions with holding company

Particulars	31 March 2019	31 March 2018
Transactions during the year with the holding company		
Amount received	108,299,250	44,669,114
Interest	18,147,917	10,899,519
Balances at the end of the year		
Total payable*	**331,088,491**	**204,640,627**

**including interest*

Transactions with KMP and entity over which KMP exercise control

Particulars	31-Mar-19	31-Mar-18
Transactions during the year		
Remuneration to KMP		
Short term employee benefits	179,741	142,462
Total	**179,741**	**142,462**
Entity over which KMP exercise control		
Cost incurred by Focus on behalf of the Group in respect of the Block	72,742,272	80,298,008
Remittances to Focus	115,926,000	99,498,082
Balances at the end of the year		
Total receivables*	**57,098,640**	**13,914,912**
Total payable*	**(352,909)**	**355,496**

**including interest*

Directors' remuneration

Directors' remuneration is included under administrative expenses, evaluation and exploration assets or development assets in the consolidated financial statements allocated on a systematic and rational manner. Remuneration by director is also separately disclosed in the directors' report on page 10 of the Annual Report and Accounts.

24. SEGMENT REPORTING

The Chief Operating Decision Maker being the Chief Executive Officer of the Group, reviews the business as one operating segment being the extraction and production of gas. Hence, no separate segment information has been furnished herewith.

All of the non-current assets other than financial instruments and deferred tax assets (there are no employment benefit assets and rights arising under insurance contracts) are located in India and amounted to US$ 851,277,557 (previous year: US$ 742,705,287).

The total revenue from the group is from the sale of natural gas, its by-products (i.e. condensate) and from the technical assistance services to Oil and gas exploration companies. The revenue from the top three customer comprise 98.68% (Previous year: 96.05%).

25. COMMITMENTS AND CONTINGENCIES

The Group has no contingent liabilities as at 31 March 2019 (previous year Nil).

The Group has no commitments as at 31 March 2019 (previous year Nil).

26. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing consolidated financial statements, the Group's management is required to make judgments and estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The judgments and estimates are based on management's best knowledge of current events and actions and actual results from those estimates may ultimately differ.

Significant judgments applied in the preparation of the consolidated financial statements are as under:

Determination of functional currency of individual entities

Following the guidance in IAS 21 "The effects of changes in foreign exchange rates" the functional currency of each individual entity is determined to be the currency of the primary economic environment in which the entity operates. In the management's view each of the individual entity's functional currency reflects the transactions, events and conditions under which the entity conducts its business. The management believes that US$ has been taken as the functional currency for each of the entities within the Group. US$ is the currency in which each of these entities primarily generate and expend cash and also generate funds for financing activities.

Full cost accounting for exploration and evaluation expenditure

The Group has followed 'full cost' approach for accounting exploration and evaluation expenditure against the 'successful efforts' method. As further explained in Note 6.6 and 7, exploration and evaluation assets recorded using 'full cost' approach are tested for impairment prior to reclassification into development assets on successful discovery of gas reserves.

Impairment of tangible assets

The Group follows the guidance of IAS 36 and IFRS 6 to determine when a tangible asset is impaired. This determination requires significant judgment to evaluate indicators triggering impairment. The Group monitors internal and external indicators of impairment relating to its tangible assets. The management has assessed that no such indicators have occurred or exists as at 31 March 2019 to require impairment testing of property, plant and equipment.

Estimates used in the preparation of the consolidated financial statements

Useful life and residual value of tangible assets

The Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. Specifically, production assets are depreciated on a basis of unit of pro
duction (UOP) method which involves significant estimates in respect of the total future production and estimate of reserves. The calculation of UOP rate of depreciation could be impacted to the extent that the actual production in future is different from the forecasted production. During the financial year, the directors determined that no change to the useful lives of any of the property, plant and equipment is required. The carrying amounts of property, plant and equipment have been summarised in note 8.

Recognition of provision for decommissioning cost

As per the PSC, the Group is required to carry out certain decommissioning activities on gas wells. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing and amount of expenditure can also change, for example, in response to changes in reserves or changes in laws and regulations or their interpretation. As a result, there could be adjustments to the provisions established which would affect future financial results. The liabilities estimated in respect of decommissioning provisions have been summarised in note 16.

Impairment testing

As explained above, management carried out impairment testing of property, plant and equipment of the Block on 19 November 2013 on submission of integrated declaration of commerciality report by Focus Energy Limited to the Directorate General of Hydrocarbons, ONGC, the Government of India and the Ministry of Petroleum and Natural Gas. An impairment loss is recognized for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from the Block and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future gross profits. These assumptions relate to future events and circumstances. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

The recoverable amount was determined based on value-in-use calculations, basis gas reserves confirmed by an independent competent person. Selling price of the gas is based on selling price to GAIL which has been agreed for a period of three years which has expired on September 2016 (the Company is presently in negotiations with GAIL for increase in gas price.). The discount rate calculation is based on the Company's weighted average cost of capital adjusted to reflect pre-tax discount rate and amounts to 9% p.a. Management believes that no reasonably possible changes in the assumptions may lead to impairment of property, plants and equipment and intangible assets of the Block.

The company is in the process of negotiating selling prices with GAIL and expects that revised selling price will not be less than the existing selling price. However, the agreement clearly specifies that until both the parties mutually agree to change the selling price, the prices will remain the same.

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the management's assessment, which is adjusted for specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, then deferred tax asset is usually recognized in full. The recoverability of deferred tax assets is monitored as an ongoing basis based on the expected taxable income from the sale of gas.

27. BASIS OF GOING CONCERN ASSUMPTION

The Group has current liabilities amounting to US$ 50,368,244 the majority of which is towards current portion of borrowings from banks and related parties, primarily to Focus. As at 31 March 2019, the amounts due for repayment (including interest payable) within the next 12 months for long term borrowings are US$ 42,869,400 which the Group expects to meet from its internal generation of cash from operations.
Further, the Group is contemplating to raise funds which will be used for planned capital expenditures (including the exploration, appraisal and development of assets).

28. CAPITAL MANAGEMENT POLICIES

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Debt is calculated as total liabilities (including 'current and non-current liabilities' as shown in the consolidated Statement of Financial Position). Total equity is calculated as 'equity' as shown in the consolidated statement of financial position plus total debt.

	31 March 2019	**31 March 2018**
Total debt (A)	747,392,274	636,070,536
Total equity (B)	200,365,298	162,878,632
Total capital employed (A+B)	948,157,572	798,949,168
Gearing ratio	78.83 percent	79.61 percent

The gearing ratio has marginally decreased since in the current year due to proportionately greater increase in equity as compared to increase in the draw-down of loans from banks and related party to fund additional exploration, evaluation and development activities for the Group.
The Group is not subject to any externally imposed capital requirements. There were no changes in the Group's approach to capital management during the year.

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

A summary of the Group's financial assets and liabilities by category are mentioned in the table below. The carrying amounts of the Group's financial assets and liabilities recognised at the end of the reporting period are as follows:

	31 March 2019	**31 March 2018**
Non-current assets		
Loans and receivables		
- Security deposits	605	709
Current assets		
Loans and receivables		
- Trade receivables	27,617,626	18,185,854
- Receivable from related party	57,098,640	13,914,912
- Cash and cash equivalents	129,145	13,342,498
Total financial assets under loans and receivables	**84,846,016**	**45,443,973**
Non-current liabilities		

	31 March 2019	31 March 2018
Financial liabilities measured at amortised cost:		
- Long term debt	249,722,044	287,451,403
- Payable to related parties	331,088,491	204,640,627
Current liabilities		
Financial liabilities measured at amortised cost:		
- Current portion of long term debt	42,869,400	37,299,630
- Current portion of payable to related parties	352,909	355,496
- Accrued expenses and other liabilities	2,068,849	1,069,671
Total financial liabilities measured at amortised cost	**626,101,693**	**530,816,827**

The fair value of the financial assets and liabilities described above closely approximates their carrying value on the statement of financial position date.

Risk management objectives and policies
The Group finances its operations through a mixture of loans from banks and related parties and equity. Finance requirements such as equity, debt and project finance are reviewed by the Board when funds are required for acquisition, exploration and development of projects.

The Group treasury functions are responsible for managing funding requirements and investments which includes banking and cash flow management. Interest and foreign exchange exposure are key functions of treasury management to ensure adequate liquidity at all times to meet cash requirements.

The Group's principal financial instruments are cash held with banks and financial liabilities to banks and related parties and these instruments are for the purpose of meeting its requirements for operations. The Group's main risks arising from financial instruments are foreign currency risk, liquidity risk, commodity price risk and credit risks. Set out below are policies that are used to manage such risks:

Foreign currency risk
The functional currency of each entity within the Group is US$ and the majority of its business is conducted in US$. All revenues from gas sales are received in US$ and substantial costs are incurred in US$. No forward exchange contracts were entered into during the year.

Entities within the Group conduct the majority of their transactions in their functional currency other than finance lease obligation balances which are maintained in Indian Rupees and amounts of cash held in GBP. All other monetary assets and liabilities are denominated in functional currencies of the respective entities. The currency exposure on account of assets and liabilities which are denominated in a currency other than the functional currency of the entities of the Group as at 31 March 2019 and 31 March 2018 is as follows:

Particulars	Functional currency	Foreign currency	31 March 2019 (Amount in US$)	31 March 2018 (Amount in US$)
Short term exposure- Cash and cash equivalents	US$	Great Britain Pound	17,537	74,015
Short term exposure- Cash and cash equivalents	US$	Singapore Dollar	10,758	1,088,624
Long term exposure- Long term debt	US$	Singapore Dollar	-	790,699
Total exposure			**28,296**	**1,953,338**

As at March 31, 2019, every 1% (increase)/decrease of the respective foreign currencies compared to the functional currency of the Group entities would impact profit before tax by approximately USD (282) and USD 282 respectively.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summaries the maturity profile of the Group's financial liabilities based on contractual undiscounted payments for the liquidity analysis

	0-3 months	3 months to 1 year	1-2 years	2-5 years	5+ years	Total
31 March 2019						
Non-interest bearing	2,421,758	-	-	-	-	2,421,758
Variable interest rate liabilities	11,529,304	33,814,143	36,340,346	75,994,680	-	157,688,473
Fixed interest rate liabilities	3,697,945	-	-	150,000,000	331,088,491	484,786,436
	17,649,007	**33,814,143**	**36,340,346**	**225,994,680**	**331,088,491**	**644,891,667**

	0-3 months	3 months to 1 year	1-2 years	2-5 years	5+ years	Total
31 March 2018						
Non-interest bearing	1,425,167	-	-	-	-	1,425,167
Variable interest rate liabilities	10,988,296	22,002,827	14,400,000	14,400,000	110,862,000	172,653,123
Fixed interest rate liabilities	3,517,808	790,699	-	150,000,000	204,640,627	358,949,134

	0-3 months	3 months to 1 year	1-2 years	2-5 years	5+ years	Total
	15,931,271	**22,793,526**	**14,400,000**	**164,400,000**	**315,502,67**	**533,027,424**

Interest rate risk

The Group's policy is to minimize interest rate risk exposures on the borrowing from the banks and the sum payable to Focus Energy Limited. Borrowing from the Gynia Holdings Ltd. is at fixed interest rate and therefore, does not expose the Group to risk from changes in interest rate. The interest rate on bond is fixed at 8% per annum. The Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Interest rate on US$ 40 million bank borrowing is 4 percent plus LIBOR and on US$ 180 million bank borrowing is 4.1 percent plus LIBOR (detailed in note 15).

The Group's interest rate exposures are concentrated in US$.

The analysis below illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates. Based on volatility in interest rates in the previous 12 months, the management estimates a range of 50 basis points to be approximate basis for the reasonably possible change in interest rates. All other variables are held constant.

	Interest rate	
	+ 0.50 per cent	- 0.50 per cent
31 March 2019	695,853	(695,853)
31 March 2018	870,851	(870,851)

Since the loans are taken specifically for the purpose of exploration and evaluation, development and production activities and according to the Group's policy the borrowing costs are capitalized to the cost of the asset and hence changes in the interest rates do not have any immediate adverse impact on the profit or loss.

Commodity price risks

The Group's share of production of gas from the Block is sold to GAIL. The prices have been agreed for a period of three years which expired in September 2016. As per the terms of contract, after expiry of three years' period, the price will be reviewed periodically and reassessed mutually between the parties. The Company is presently in negotiations with GAIL for increase in gas price. No commodity price hedging contracts have been entered into.

Credit risk

Other receivables such as security deposits and advances with related parties do not comprise of a significant cumulative balance and thus do not expose the Group to a significant credit risk. The Group has concentration of credit risk as some of Group's trade receivables are held with GAIL. However, GAIL has a reputable credit standing and hence the Group does not consider credit risk in respect of these to be significant. As there has been no history of significant write off of receivable balance accordingly management has not recorded any loss allowance on trade receivable

Post reporting date event

No adjusting or significant non adjusting event have occurred between 31 March 2019 and the date of authorization.

30. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	Non-current borrowings
As at April 01, 2018	**529,391,660**
Cash Movement:	
Net proceeds	52,787,544
Other non- cash movements	
Impact of effective interest rate adjustment	738,367
Impact of exchange fluctuations	(42,235)
Interest accruals	40,804,599
Net debts as at March 31, 2019	**623,679,935**
As at April 01, 2017	**435,333,708**
Cash Movement:	
Net proceeds	61,934,230
Other non- cash movements	
Impact of effective interest rate adjustment	1,191,678
Impact of exchange fluctuations	46,100
Interest accruals	30,885,944
Net debts as at March 31, 2018	**529,391,660**

Posting of Annual Report and Accounts

Indus Gas Limited confirms the Company will post its Annual Report and Accounts for the 12 months to 31 March 2019 to shareholders on 30 September 2019. The Annual Report and Accounts is available for review at http://www.indusgas.com/