Unaudited Condensed Consolidated Interim Financial Statements

Indus Gas Limited and its subsidiaries

Six months ended 30 September 2018

Indus Gas Limited (AIM:INDI.L), an oil & gas exploration and development company with assets in India, is pleased to report its interim results for the six month period ending 30 September 2018.

Consolidated reported adjusted revenues, operating profit and profit before tax for the interim period ending 30 September 2018 were US$ 27.78m (US$ 29.39 interim 2017),US$ 23.42m (US$ 25.63m interim 2017) and US$ 23.57m (US$ 23.63m interim 2017) respectively.

The Company has continued to make provision for a notional deferred tax liability of US$ 5.85m (US$ 7.92m interim 2017), in accordance with IFRS requirements.

As recently announced in our full year results, the Petroleum & Natural Gas Regulatory Board (PNGRB) have invited bids for the laying of a Gas Pipeline of 580 Kms for the evacuation of Gas from RJ-ON/6 Block. This new pipeline will connect the gas processing facility located at Langtala to Bhilwara. This will then connect to the National Grid through the Gas Authority of India Limited's (GAIL) Hazira-Vijaypur-Jagdishpur pipeline. The tender process continues to progress and a further update will be provided in due course.

Following the approval by the Director General Of Hydrocarbons (DGH) and the Ministry of Petroleum and Natural Gas (MoP&NG) of the Integrated Field Development Plan for the SSG and SSF area, detailed on-site planning continues for the delivery of the required production ramp once the pipeline is constructed. Planning is also at an advanced stage in respect of the SGL area and the revised Field Development Plan (FDP) for the enhancement of production from the current 33.5 mmscfd to an estimated 90 mmscfd.

Commenting, Peter Cockburn, Chairman of Indus, said:

Indus has reached a very exciting point in its development as a result of management's consistent and successful execution of the Company's long-term strategy of achieving both growth in reserves and commercial production. The Indian economy continues to suffer from a shortage of domestically sourced energy production and Indus remains well placed to contribute to addressing this deficit by working in partnership with the relevant authorities in India.

For further information please contact:

Indus Gas Limited
Peter Cockburn
Jonathan Keeling +44 (0) 20 7877 0022

Arden Partners plc
Steve Douglas
Ciaran Walsh
Dan Gee-Summons +44 (0) 20 7614 5900

Unaudited Condensed Consolidated Statement of Financial Position

(All amounts in US$, unless otherwise stated)

	Notes	As at 30 September 2018 (Unaudited)	As at 30 September 2017 (Unaudited)	As at 31 March 2018 (Audited)
ASSETS				
Non-current assets				
Intangible assets: exploration and evaluation assets	7	-	-	-
Property, plant and equipment	8	796,677,681	684,756,815	742,705,287
Tax assets		2,608,056	2,264,090	2,424,527
Other assets		774	885	709
Total non-current assets		**799,286,511**	**687,021,790**	**745,130,523**
Current assets				
Inventories		8,607,174	5,860,552	8,341,084
Trade receivables		15,642,575	11,879,600	18,185,854
Recoverable from related party		62,071,616	-	13,914,912
Other current assets		54,056	74,368	34,296
Cash and cash equivalents		864,273	1,674,929	13,342,498
Total current assets		**87,239,694**	**19,489,449**	**53,818,644**
Total assets		**886,526,205**	**706,511,239**	**798,949,167**
LIABILITIES AND EQUITY				
Shareholders' equity				
Share capital		36,19,443	36,19,443	3,619,443
Additional paid-in capital		46,733,689	46,733,689	46,733,689
Currency translation reserve		(9,313,781)	(9,313,781)	(9,313,781)
Merger reserve		19,570,288	19,570,288	19,570,288
Retained earnings		119,981,026	84,357,719	102,268,993
Total shareholders' equity		**180,590,665**	**144,967,358**	**162,878,632**
LIABILITIES				
Non-current liabilities				
Long term debt , excluding current portion	9	268,180,256	151,559,044	287,451,403
Provision for decommissioning		1,520,200	1,426,125	1,581,096
Deferred tax liabilities (net)		78,885,614	66,768,667	73,031,531
Payable to related parties, excluding current portion	11	287,040,489	171,354,704	204,640,627
Deferred revenue		25,563,995	25,563,995	25,563,995
Total non-current liabilities		**661,190,554**	**416,672,535**	**592,268,652**
Current liabilities				
Current portion of long term debt	9	37,640,707	116,535,739	37,299,630
Current portion payable to related parties	11	352,985	23,137,203	355,496
Accrued expenses and other liabilities		1,674,208	121,318	1,069,671
Deferred revenue		5,077,086	5,077,086	5,077,086
Total current liabilities		**44,744,986**	**144,871,346**	**43,801,883**
Total liabilities		**705,935,540**	**561,543,881**	**636,070,535**
Total liabilities and equity		**886,526,205**	**706,511,239**	**798,949,167**

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

Unaudited Condensed Consolidated Statement of Comprehensive Income

(All amounts in US $, unless otherwise stated)

	Notes	Six months ended 30 September 2018 Unaudited	Six month ended 30 September 2017 Unaudited
Revenue		27,775,085	29,391,480
Cost of sales		(3,218,897)	(2,688,457)
Administrative expenses		(1,132,978)	(1,071,345)
Profit from operations		**23,423,210**	**25,631,678**
Foreign exchange gain/(loss), net		142,884	(1,993,054)
Interest income		22	45
Profit before tax		**23,566,116**	**23,638,669**
Income taxes			
-Deferred tax charge		(5,854,083)	(7,920,563)
Profit for the period (attributable to the shareholder of the Group)		**17,712,033**	**15,718,106**
Total comprehensive income for the period (attributable to the shareholders of the Group)		**17,712,033**	**15,718,106**
Earnings per share	**12**		
Basic		*0.10*	*0.09*
Diluted		*0.10*	*0.09*

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

Unaudited Condensed Consolidated Statement of Changes in Equity

(All amounts in US $, unless otherwise stated)

	Share capital Number	Share capital Amount	Additional paid-in capital	Currency translation reserve	Merger reserve	Share option reserve	(Accumulated losses)/ Retained earnings	Total stockholders' equity
Balance as at 1 April 2018	**182,973,924**	**3,619,443**	**46,733,689**	**(9,313,781)**	**19,570,288**	**-**	**102,268,993**	**162,878,632**
Profit for the period	-	-	-	-	-	-	17,712,033	17,712,033
Total comprehensive income for the period	-	-	-	-	-	-	17,712,033	17,712,033
Balance as at 30 September 2018	**182,973,924**	**3,619,443**	**46,733,689**	**(9,313,781)**	**19,570,288**	**-**	**119,981,026**	**180,590,665**
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 for the period	-	-	-	-	-	-	15,718,106	15,718,106
Total comprehensive income for the period	-	-	-	-	-	-	15,718,106	15,718,106
Balance as at 30 September 2017	**182,973,924**	**3,619,443**	**46,733,689**	**(9,313,781)**	**19,570,288**	**-**	**84,357,719**	**144,967,358**

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

Unaudited Condensed Consolidated Statement of Cash Flows

(All amounts in US $, unless otherwise stated)

	Six months ended 30 September 2018 (Unaudited)	Six months ended 30 September 2017 (Unaudited)
(A) Cash flow from operating activities		
Profit before tax	**23,566,116**	**23,638,669**
Adjustments		
Unrealised exchange loss/ (gain)	(142,884)	1,993,054
Interest income	(22)	(45)
Depreciation	2,520,327	2,215,281
Changes in operating assets and liabilities		
Inventories	(266,090)	(279,049)
Trade receivables	2,543,379	(9,834,346)
Trade and other payables	3,171,638	2,899,807
Other current and non-current assets	(19,825)	(35,584)
Provisions for decommissioning	(60,896)	105,092
Other liabilities	602,026	96,745
Cash generated from operations	**31,913,769**	**20,799,624**
Income taxes paid	(183,529)	(98,780)
Net cash generated from operating activities	**31,730,240**	**20,700,844**
(B) Cash flow from investing activities		
Purchase of property, plant and equipment [A]	(92,694,415)	(18,271,141)
Interest received	22	35
Net cash used in investing activities	**(92,694,393)**	**(18,271,106)**
(C) Cash flow from financing activities		
Repayment of long term debt from banks	(18,642,570)	(20,828,000)
Proceed from Related Party	78,449,952	17,209,839
Payment of interest	(11,464,739)	(8,539,329)
Net cash generated from/(used in) financing activities	**48,342,643**	**(12,157,490)**
Net change in cash and cash equivalents	**(12,621,510)**	**(9,727,752)**
Cash and cash equivalents at the beginning of the period	13,342,498	11,401,788
Effect of exchange rate change on cash and cash equivalents	143,285	893
Cash and cash equivalents at the end of the period	**864,273**	**1,674,929**

[A] The purchase of property, plant and equipment above, includes additions to exploration and evaluation assets amounting to Nil (previous period: US$ 13,623,183) transferred to development cost, as explained in Note 7.

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

Notes to Unaudited Condensed Consolidated Interim Financial Statements

(All amounts in US $, 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") is 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. Consequent to this, the Group acquired an aggregate of 90 per cent participating interest in the Block and the balance 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 wells (already exercised for SGL field as further explained in Note 4).

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements are for the six months ended 30 September 2018 and are presented in United States Dollar (US$), which is the functional currency of the parent company and other entities in the Group. They have been prepared in accordance with *IAS 34 Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards as adopted by the European union, and should be read in conjunction with the consolidated financial statements and related notes of the Group for the year ended 31 March 2018.

The unaudited condensed consolidated interim financial statements have been prepared on a going concern basis.

The accounting policies applied in these unaudited condensed consolidated interim financial statements are consistent with the policies that were applied for the preparation of the consolidated financial statements for the year ended 31 March 2018.

These unaudited condensed consolidated interim financial statements are for the six months ended 30 September 2018 and have been approved for issue by the Board of Directors.

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

Summarised 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 first 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 13 January 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 1 January 2019 (but not yet endorsed in EU), though early adoption is permitted for companies applying IFRS 15 Revenue from Contracts with Customers.

Management is currently evaluating the impact that this new standard will have on its consolidated financial statements.

- IFRIC 22 Foreign Currency Transactions and Advance Consideration

The amendment clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or nonmonetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the Interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after:
(i) The beginning of the reporting period in which the entity first applies the interpretation or
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Management is currently evaluating the impact that this new standard will have on its consolidated financial statements.

4. JOINTLY CONTROLLED ASSETS

The Group participates in an unincorporated joint arrangement with Focus wherein the Group's interest in this arrangement was classified as jointly controlled assets. Following implementation of IFRS 11: Joint Arrangements, the Group's interest in this arrangement is now classified as 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 had 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.

Subsequent to the declaration of commercial discovery in SGL field on 21 January 2008, 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.

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 are 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 above, gas production for the period ended 30 September 2018 is shared between Focus, iServices and Newbury in the ratio of 10 percent, 65 percent and 25 percent respectively.

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:

Particular	**Period ended 30 September 2018 (Unaudited)**	**Period ended 30 September 2017 (Unaudited)**	**Year ended 31 March 2018 (Audited)**
Non-current assets	796,677,681	684,756,815	742,705,287
Current assets	70,678,790	5,860,552	22,255,996
Non-current liabilities	1,520,200	1,426,125	1,581,096
Current liabilities	-	22,699,519	-
Expenses (net of finance income)	3,171,638	2,899,807	6,761,016
Commitments	-	-	-

Also subsequent to the declaration of commerciality for SSF and SSG discovery on 24 November 2014, 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 the ratio of 10 percent, 65 percent and 25 percent respectively.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the consolidated financial statements as at and for the year ended 31 March 2018.

6. 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 was as under:

	Intangible assets: exploration and evaluation assets
Balance at 01 April 2017	-
Additions [A]	13,623,183
Transfer to development assets [B]	(13,623,183)
Balance as at 30 September 2017	-
Balance at 01 April 2017	-
Additions [A]	5,927,548
Transfer to development assets [B]	(5,927,548)
Balance as at 31 March 2018	-
Balance as at 01 April 2018	-
Additions [A]	-
Transfer to development assets [B]	-
Balance as at 30 September 2018	-

[A] The above includes borrowing costs of US$ Nilfor the period ended 30 September 2018 (30 September 2017: US$ 211,423 and 31 March 2018: US$ 898,344). The weighted average capitalisation rate on funds borrowed generally is 6.86 per cent per annum (30 September 2017: 6.31 per cent per annum and 31 March 2018: 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 are capitalised directly to development cost.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise of the following:

Cost	Land	Extended well test equipment	Development /Production assets	Bunk houses	Vehicles	Other assets	Capital work-in-progress	Total
Balance as at 1 April 2018	**167,248**	**4,324,033**	**777,563,979**	**5,926,920**	**4,767,563**	**1,620,590**	**1,371,441**	**795,741,774**
Additions	-	99,143,	56,512,061	-	-	50,952	88,709	56,750,865
Disposals/Transfers	-	-	-	-	-	-	-	-
Balance as at 30 September 2018	**167,248**	**4,423,176**	**834,076,040**	**5,926,920**	**4,764,563**	**1,671542**	**1,460,150**	**852,492,639**
Accumulated depreciation								
Balance as at 1 April 2018	**-**	**2,105,807**	**39,645,716**	**5,652,284**	**4,059,330**	**1,573,350**	**-**	**53,036,487**
Depreciation for the period	-	86,608	2,520,327	64,916	91,942	14,678	-	**2,778,471**
Balance as at 30 September 2018	**-**	**2,192,415**	**42,166,043**	**5,717,200**	**4,151,272**	**1,588,028**	**-**	**55,814,958**
Carrying value								
As at 30 September 2018	**167,248**	**2,230,761**	**791,909,997**	**209,720**	**616,291**	**83,514**	**1,460,150**	**796,677,681**

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Cost	Land	Extended well test equipment	Development /Production assets	Bunk houses	Vehicles	Other assets	Capital work-in-progress	Total
Balance as at 1 April 2017	**167,248**	**4,120,043**	**688,879,299**	**5,926,920**	**4,734,619**	**15,76,976**	**1,317,908**	**686,722,923**
Additions		203,990	108,684,770		32,944	43,614	53,533	109,018,851
Disposals								

Balance as at 31 March 2018	**167,248**	**4,324,033**	**777,563,979**	**5,926,920**	**4,767,563**	**1,620,590**	**1,371,441**	**795,741,774**
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**
Carrying value as at 31 March 2018	**167,248**	**2,218,226**	**737,918,263**	**274,636**	**708,233**	**47,240**	**1,371,441**	**742,705,287**

Cost	Land	Extended well test equipment	Development /Production assets	Bunk Houses	Vehicles	Other assets	Capital work-in-progress	Total
Balance as at 1 April 2017	**167,248**	**4,120,043**	**668,879,209**	**5,926,920**	**4,734,619**	**1,576,976**	**1,317,908**	**686,722,923**
Additions	-	198,669	47,332,757	7,370	29,689	10,216	43,795	**47,622,496**
Balance as at 30 September 2017	**167,248**	**4,318,712**	**716,211,966**	**5,934,290**	**4,764,308**	**1,587,192**	**1,361,703**	**734,345,419**
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 period	-	150,381	2,215,281	193,711	99,563	68,915	-	**2,727,851**
Balance as at 30 September 2017	**-**	**2,020,995**	**36,448,532**	**5,582,319**	**3,967,361**	**1,569,397**	**-**	**49,588,604**
Carrying value								
As at 30 September 2017	**167,248**	**2,297,717**	**679,763,434**	**351,971**	**796,947**	**17,795**	**1,361,703**	**684,756,815**

Borrowing costs capitalised for the period ended 30 September 2018 amounted to US$ 15,126,753 (30 September 2017: US$ 14,289,270 and 31 March 2018: US$ 32,077,622).

9. LONG TERM DEBT FROM BANKS

	Maturity	30 September 2018 (Unaudited)	30 September 2017 (Unaudited)	31 March 2018 (Audited)
Non-current portion of long term debt	2018/2021	118,303,124	151,559,044	137,661,359
Current portion of long term debt from banks		34,140,022	40,405,397	32,991,123
Total		**152,443,146**	**191,964,441**	**170,652,482**

Current interest rates are variable and weighted average interest for the period was 6.63 per cent per annum (30 September 2017: 6.31 per cent per annum and 31 March 2018: 6.50 per cent per annum). The fair value of the above variable rate borrowings are considered to approximate their carrying amounts.

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	30 September 2018 (Unaudited)	30 September 2017 (Unaudited)	31 March 2018 (Audited)
Non-current portion of long term debt	2022	149,877,132	-	149,790,044
Current portion of long term debt from banks		3,500,685	76,130,342	4,308,507
Total		**153,377,817**	**76,130,342**	**154,098,551**

During the period ended 31 March 2018, the Group has issued USD 150 million notes under the US$ 300 million MTN programme carries interest 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 will be paid semi-annually.

10. 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.Enterprise 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 of 30 September 2018, 30 September 2017 and 31 March 2018 are as follows:

Transactions during the period

Particulars	Period ended 30 September 2018	Period ended 30 September 2017
Transactions with the Holding Company		
	78,449,950	17,209,839

Particulars	Period ended 30 September 2018	Period ended 30 September 2017
Amount Received	3,949,913	5,072,871
Interest accrued		
Transactions with KMP		
Short term employee benefits	78,815	150,013
Entity over which KMP exercise control		
Share of cost incurred by the Focus in respect of the Block	42,383,977	33,727,257
Remittances	90,780,000	16,870,000

11. PAYABLE TO RELATED PARTIES

Particulars	As at 30 September 2018	As at 30 September 2017	As at 31 March 2018
Entity over which KMP exercise control			
Payable to Focus Energy Limited	(62,071,616)	22,699,519	(13,914,912)
Payable with the Holding Company			
Payables to Gynia Holding Limited	287,040,489	171,354,704	204,640,627
Payable to KMP			
Employee obligation	352,985	437,684	355,496

Directors' remuneration

Directors' remuneration is included under administrative expenses, evaluation and exploration assets or development assets in the unaudited consolidated financial statements allocated on a systematic and rational manner.

Advance for expenditure/Liability payable to Focus

Amounts recoverable from Focus represents advance for expenditure for contract cost in Block RJ-ON/6.

Liability payable to Gynia

* Borrowings from Gynia Holdings Ltd. carries interest rate of 6.5 per cent per annum compounded annually. During the current year, the entire outstanding balance (including interest) was made subordinate to the loans taken from the banks and therefore, is payable along with related interest subsequent to repayment of bank loan in year 2024. Gynia Holding Limited has agreed not to charge any interest on the additional amount of loan given in the year 2017-18 and 2018-19 for a period of two years

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

12. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profits attributable to ordinary shareholders divided by the weighted average number of shares issued during the period.

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

	Period ended 30 September 2018	Period ended 30 September 2017
Profit attributable to shareholders of Indus Gas Limited, for basic and dilutive	17,712,033	15,718,106
Weighted average number of shares (used for basic profit per share)	182,973,924	182,973,924
No. of equivalent shares in respect of outstanding options	-	-
Diluted weighted average number of shares (used for diluted profit per share	182,973,924	182,973,924
Basic earnings per share (US$)	**0.10***	**0.09***
Diluted earnings per share (US$)	**0.10***	**0.09***

**Rounded off to the nearest two decimal places.*

13. COMMITMENTS AND CONTINGENCIES

At 30 September 2018, the Group had capital commitments of US$ Nil (30 September 2017: US$ Nil; 31 March 2018: US$ Nil) in relation to property, plant & equipment – development/producing assets, in the Block.

The Group has no contingencies as at 30 September 2018 (30 September 2017: Nil; 31 March 2018: Nil).

14. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 March 2018.

15. INCOME TAX CREDIT

Indus Gas 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 utilisation of such losses in the future years and thus a deferred tax asset has been created in respect of these.

16. BASIS OF GOING CONCERN ASSUMPTION

As at 30 September 2018, the Group had current liabilities amounting to US$ 44,744,986 majority of which is towards current portion of borrowings from banks and related parties. As at 30 September 2018, the amounts due for repayment (including interest payable) within the next 12 months for long term borrowings are US$ 37,640,707 which the Group expects to meet from its internal generation of cash from operations and by raising additional funds through debt/bond.

17. FINANCIAL INSTRUMENTS

A summary of the Group's financial assets and liabilities by category is mentioned in the table below.

The carrying amounts of the Group's financial assets and liabilities as recognised at the end of the reporting periods under review may also be categorised as follows:

	30 September 2018	30 September 2017	31 March 2018
Non-current assets			
-Other assets	774	885	-
Current assets			
-Trade receivables	15,642,575	11,879,600	18,185,854
-Receivables from related party	62,071,616-	-	13,914,912
-Cash and cash equivalents	864,273	1,674,929	13,342,498
Total financial assets	**78,579,238**	**13,555,414**	**45,443,264**
Financial liabilities measured at amortised cost			
Non-current liabilities			
- Long term debt from banks	268,180,256	151,559,044	287,451,403
- Payable to related parties	287,040,489	171,354,704	204,640,627
Current liabilities			
- Long term debt from banks	37,640,707	116,535,739	37,299,630
- Payable to related parties	352,985	23,137,203	355,496
- Accrued expenses and other liabilities	1,674,208	121,318	1,069,671
Total financial liability measured at amortized cost	**594,888,645**	**462,708,008**	**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 dates.