For Immediate Release Tuesday 25 November 2014

Indus Gas Limited

("Indus" or "the Company")

Interim Results and Operational Update

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 2014.

Consolidated reported adjusted revenues, operating profit and profit before tax for the interim period ending 30 September 2014 were US$ 17.48m (US$19.45 mn interim 2013), US$ 13.41mn (US$16.19 mn interim 2013) and US$ 13.39mn (US$ 16.04mn interim 2013) respectively. As outlined in previous financial statements, these numbers are adjusted for "Take or Pay" receipts, which are reported as deferred revenue in the financial statements. The adjustment for the interim period amounts to US$ 0.43mn (US$9.80mn Interim 2013), reflecting a narrowing of the gap between production and end user demand. During the interim period, there were a number of turbine outages creating a knock-on effect to Indus's gas plant. This triggered an enforced delay before the gas plant came back on-line and hence resulted in several short periods of production down-time. These issues have now been fully resolved with production stable at 33.5 mmcf/d.

We have continued to make provision for a notional deferred tax liability of US$ 5.73mn, in accordance with IFRS requirements.

Since the announcement of the annual results on 24 September 2014, the Company has reached financial close on a new $180mn debt facility and completed its partial drawdown. As of 30 September 2014, Indus had outstanding bank debt of US$ 94.04mn, which has reduced from US$ 110.69mn, in line with the agreed amortisation schedule. This new term debt facility combined with the existing revenue stream will fund the Company's continued operational expansion and enable Indus to meet all of its financial obligations over the next 12 months.

During the period, the Company drilled 4 new successful production wells SGL-15, SGL SB-1, SGL SB-2 and SGL SB-3 in the Pariwar formation to augment current gas production.

The declaration of commerciality (DOC) in respect of the circa 2000 km^2 area, outside of 176 km^2 of previously granted SGL Mining Lease area ("Non -SGL Area"), has been recently approved by the Management Committee, as detailed in the Company's Production Sharing Contract (PSC), consisting of representatives from the Government of India (Ministry of Petroleum and Natural Gas), the Director General of Hydrocarbons and ONGC. This will allow the Company to progress with a Field Development Plan for this 2000 km^2 area. As part of DOC approval process, the Company has relinquished the remaining 1,850 square kilometres on the Eastern side of the Block.

The Government of India has recently issued the new Domestic Natural Gas Pricing Guidelines 2014, which sets the standard benchmark gas price at $5.61 per mmBtu, effective from 1 November 2014. The Company is currently realising US$5 per mmBtu in respect of its existing gas sales contract, which is set to be renegotiated in October 2015.

Commenting, Peter Cockburn, Chairman of Indus, said:

"Indus continues to make very significant operational progress. The new US$ 180mn debt facility will provide the necessary funding for the next expansion phase of our operations. Approval of the DOC and recent policy announcements from the Government of India, including gas pricing, are extremely encouraging. The Board looks forward to the next 12 months with confidence."

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Unaudited Condensed Consolidated Statement of Financial Position

(All amounts in US$, unless otherwise stated)

	Notes	As at 30 September 2014 (Unaudited)	As at 30 September 2013 (Unaudited)	As at 31 March 2014 (Audited)
ASSETS				
Non-current assets				
Intangible assets: exploration and evaluation assets	**7**	-	53,164,502	-
Property, plant and equipment	**8**	442,971,685	320,038,409	408,582,251
Other assets		885	885	885
Total non-current assets		**442,972,570**	**373,203,796**	**408,583,136**
Current assets				
Inventories		7,905,776	4,330,567	9,326,267
Trade receivables		3,645,798	6,863,677	7,847,404
Current tax assets		966,453	468,316	726,511
Other current assets		628,502	96,028	408,645
Cash and cash equivalents		5,038,024	1,312,701	977,028
Total current assets		**18,184,553**	**13,071,289**	**19,285,855**
Total assets		**461,157,123**	**386,275,085**	**427,868,991**
LIABILITIES AND EQUITY				
Shareholders' equity				
Share capital		3,619,443	3,619,443	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
Share option reserve		324,865	324,865	324,865
Retained earnings		18,213,174	2,633,055	10,981,346
Total shareholders' equity		**79,147,678**	**63,567,559**	**71,915,850**

Unaudited Condensed Consolidated Statement of Financial Position (Contd.)

(All amounts in US $, unless otherwise stated)

	Notes	As at 30 September 2014 (Unaudited)	As at 30 September 2013 (Unaudited)	As at 31 March 2014 (Audited)
LIABILITIES				
Non-current liabilities				
Long term debt from banks, excluding current portion	**9**	76,453,890	93,375,203	85,266,117
Provision for decommissioning		1,191,579	972,552	1,079,946
Deferred tax liabilities (net)		18,413,620	6,271,662	12,687,726
Payable to related parties, excluding current portion	**10**	116,628,106	109,500,515	112,947,262
Deferred revenue		25,049,173	18,815,921	24,618,832
Total non-current liabilities		**237,736,368**	**228,935,853**	**236,599,883**
Current liabilities				
Current portion of long term debt from banks	**9**	17,582,006	17,366,180	17,301,889
Current portion payable to related parties	**10**	121,473,453	71,321,089	96,847,805
Finance lease obligation		-	480	-
Accrued expenses and other liabilities		140,532	6,838	126,478
Deferred revenue		5,077,086	5,077,086	5,077,086
Total current liabilities		**144,273,077**	**93,771,673**	**119,353,258**
Total liabilities		**382,009,445**	**322,707,526**	**355,953,141**
Total liabilities and equity		**461,157,123**	**386,275,085**	**427,868,991**

(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 2014 Unaudited	Six month ended 30 September 2013 Unaudited
Revenue		17,048,656	9,647,267
Cost of sales		(3,007,340)	(2,507,513)
Administrative expenses		(1,061,280)	(753,561)
Profit from operations		**12,980,036**	**6,386,193**
Foreign exchange gain/(loss), net		(22,361)	79,795
Interest expense		-	(225,174)
Interest income		50	8
Profit before tax		**12,957,725**	**6,240,822**
Income taxes			
-Deferred tax charge		(5,725,894)	(2,817,180)
Profit for the period (attributable to the shareholder of the Group)		**7,231,831**	**3,423,642**
Total comprehensive income for the period (attributable to the shareholders of the Group)		**7,231,831**	**3,423,642**
Earnings per share	**11**		
Basic		*0.04*	*0.02*
Diluted		*0.04*	*0.02*
Par value of each share in GBP		*0.01*	*0.01*

(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	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 2014	**182,973,924**	**3,619,443**	**46,733,689**	**(9,313,781)**	**19,570,288**	**324,865**	**10,981,346**	**71,915,850**
Profit for the period	-	-	-	-	-	-	7,231,831	7,231,831
Total comprehensive income for the period	-	-	-	-	-	-	7,231,831	7,231,831
Balance as at 30 September 2014	**182,973,924**	**3,619,443**	**46,733,689**	**(9,313,781)**	**19,570,288**	**324,865**	**18,213,174**	**79,147,678**
Balance as at 1 April 2013	**182,973,924**	**3,619,443**	**46,733,689**	**(9,313,781)**	**19,570,288**	**324,865**	**(790,587)**	**60,143,917**
Profit for the period	-	-	-	-	-	-	3,423,642	3,423,642
Total comprehensive income for the period	-	-	-	-	-	-	3,423,642	3,423,642
Balance as at 30 September 2013	**182,973,924**	**3,619,443**	**46,733,689**	**(9,313,781)**	**19,570,288**	**324,865**	**2,633,055**	**63,567,559**

(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 2014 Unaudited	Six months ended 30 September 2013 Unaudited
(A) Cash flow from operating activities		
Profit before tax	**12,957,725**	**6,240,822**
Adjustments		
Unrealised exchange loss/ (gain)	(737)	2,521
Interest income	(50)	(8)
Interest expense	-	283,139
Provision for decommissioning cost	111,633	63,037
Depreciation	2,538,780	2,157,254
Changes in operating assets and liabilities		
Inventories	1,420,491	1,644,049
Trade receivables	4,201,605	3,062,352
Trade and other payables	3,229,667	1,948,579
Other current and non-current assets	(219,858)	(52,903)
Deferred revenue	430,341	9,797,311
Other liabilities	133,795	(56,710)
Cash generated from operations	**24,803,392**	**25,089,443**
Income taxes paid	(239,942)	(237,460)
Net cash generated from operating activities	**24,563,450**	**24,851,983**
(B) Cash flow from investing activities		
Investment in exploration and evaluation assets	-	(32,899,514)
Purchase of property, plant and equipment	(9,295,829)	13,433,241
Interest received	50	8
Net cash used in investing activities	**(9,295,779)**	**(19,466,265)**

Unaudited Condensed Consolidated Statement of Cash Flows

(All amounts in US $, unless otherwise stated) (Cont'd)

	Six months ended 30 September 2014 Unaudited	Six months ended 30 September 2013 Unaudited
(C) Cash flow from financing activities		
Repayment of long term debt from banks	(8,660,000)	(8,660,000)
Payment of Interest	(2,547,412)	(2,957,929)
Repayment of finance lease obligations	-	(2,210)
Net cash used in financing activities	**(11,207,412)**	**(11,620,139)**
Net change in cash and cash equivalents	**4,060,259**	**(6,234,421)**
Cash and cash equivalents at the beginning of the period	977,028	7,546,024
Effect of exchange rate change on cash and cash equivalents	737	1,098
Cash and cash equivalents at the end of the period	**5,038,024**	**1,312,701**
Cash and cash equivalents comprises of		
Balances with banks	5,038,024	1,312,701

(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 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 Company Limited ("Newbury"). iServices and Newbury are companies incorporated in Mauritius and Cyprus respectively. iServices was incorporated in the year 2003 and Newbury was incorporated in the year 2005. Subsequently, the Company was listed on the Alternative Investment Market (AIM) of the London Stock Exchange on 6 June 2008.

Indus Gas, through its subsidiaries iServices and Newbury (hereinafter collectively referred to as "the Group"), is engaged in the business of oil and gas exploration, development and production. The Group owns an aggregate of 90 per cent participating interest in a petroleum exploration and development concession in India known as RJ-ON/06 ("the Block"). The remaining 10 per cent participating interest is owned by Focus Energy Limited ("Focus"). Focus 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 in respect of the Block. The participating interest is subject to any option exercised by ONGC in respect of individual discoveries (already exercised for the SGL Field as further explained in Note 3).

Details of the Company's subsidiaries as at the end of the reporting periods are as follows:

Name of Subsidiary	Principal activity	Place of incorporation	Proportion of ownership interest and voting power held by the Group
iServices Investments Limited	Oil and gas extraction, development and production	Mauritius	100%
Newbury Oil Company Limited	Oil and gas extraction, development and production	Cyprus	100%

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements are for the six months ended 30 September 2014 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 2014.

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 2014.

These unaudited condensed consolidated interim financial statements are for the six months ended 30 September 2014 and have been approved for issue by the Board of Directors on 24 November 2014

The accounting policies applied are consistent with the policies that were applied for the preparation of the consolidated financial statements for the year ended 31 March 31, 2014, except for the adoption of new standards and amendments effective for the Group with effect from 1 January, 2014.

Effective 1 January, the Group has adopted the following standards:
- IFRS 10 'Consolidated Financial Statements'; (effective 1 January 2014)
- IFRS 11 'Joint arrangements'; (effective 1 January 2014)
- IFRS 12 'Disclosure of interests in Other Entities'; (effective 1 January 2014)
- IAS 27 (amendment) 'Separate Financial Statements; (effective 1 January 2014)
- IAS 28 (amendment) 'Investments in associates and Joint Ventures'; (effective 1 January 2014)

These changes to IFRS effective 1 January 2014 have no impact on the Group's accounting policies or financial statements.

3. JOINTLY CONTROLLED ASSETS

The Group is jointly engaged in oil and gas exploration, development and production activities along with Focus. This venture is a jointly controlled asset as defined under *IAS 31: Interest in Joint Ventures*. 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 on had exercised the option to acquire a 30 per cent participating interest in the discovered fields on 6 June 2008.

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 such participant's cumulative unrecovered contract costs as at the end of the previous year or where there are no unrecovered contract costs at the end of previous year, on the basis of participating interest of each participant in the field.

On the basis of above, gas production for the period ended 30 September 2014 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:

	Period ended 30 September 2014 (Unaudited)	Period ended 30 September 2013 (Unaudited)	Year ended 31 March 2014 (Audited)
Non-current assets	442,971,685	373,202,911	408,582,251
Current assets	7,905,776	4,330,567	9,326,267
Non-current liabilities	1,191,579	972,552	1,079,946
Current liabilities	121,289,798	71,321,089	96,847,805
Expenses (net of finance income)	3,229,667	1,948,578	5,684,190
Commitments	-	-	-

The GOI, through ONGC, has option to acquire similar participating interest in any such future successful discovery of oil or gas reserves in the Block that has been declared as commercially feasible to develop.

4. 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 2014.

5. SEGMENT REPORTING

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

During the six month period ended 30 September 2014, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

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 US$ 442,971,685 as at 30 September 2014 (30 September 2013: US$ 373,202,911, 31 March 2014: US$ 408,582,251).

The Group has a single product, i.e. the sale of natural gas, which is supplied to a single customer, GAIL (India) Limited in a single geographical segment, being India.

6. BASIS OF GOING CONCERN ASSUMPTION

As at 30 September 2014, the Group had current liabilities amounting to US$ 143,770,933 majority of which is towards current portion of borrowings from banks and related party, Focus. The Group expects to meet its next year (year ended 30 September 2015) obligation towards existing bank loans from internal generation of cash from operations.

The Group has obtained a sanction of additional debt of US$ 180 million subsequent to the period end. Part of this debt is to be used for the repayment of payable towards Focus and balance will be utilised towards further appraisal and development expenditure in the Block. Furthermore, during the period ended 30 September 2014, Gynia has also assured the Group to provide support for any cash requirement to meet its obligations towards banks not met through internal generation of cash. Based on this, the unaudited consolidated interim financial statements have been prepared on going concern basis.

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 as at 31 March 2013	**18,427,390**
Additions	34,737,112
Balance at 30 September 2013	**53,164,502**
Additions	24,643,692
Transfer to development assets	(77,808,194)
Balance as at 31 March 2014	-
Additions	15,787,912
Transfer to development assets	(15,787,912)
Balance as at 30 September 2014	-

The Operator (Focus) has filled integrated Declaration of commerciality (DoC) in November 2013. Based on the policy framework for relaxations, extensions and clarifications at the development and production stage under the PSC regime for early monetization of Hydrocarbon discoveries issued by Government of India, Ministry of Petroleum & Natural Gas on 10 November, 2014, the Operator has submitted a request with Directorate General of Hydrocarbons, for continuing appraisal activities till submission of Field Development Plan in October 2015.

The above also includes borrowing costs capitalised of US$ 227,546 for the period ended 30 September 2014 (30 September 2013: US$ 1,029,641, 31 March 2014: US$ 2,810,610).

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 2014	**167,248**	**3,731,437**	**407,065,250**	**5,384,531**	**4,804,502**	**1,478,568**	**1,406,329**	**424,037,865**
Additions	-	583	37,794,322	-	-	7,605	144,151	**37,946,661**

Balance as at 30 September 2014	**167,248**	**3,732,020**	**444,859,572**	**5,384,531**	**4,804,502**	**1,486,173**	**1,550,480**	**461,984,526**
Accumulated depreciation								
Balance as at 1 April 2014	-	**1,043,944**	**6,922,627**	**3,775,601**	**2,519,738**	**1,193,704**	**-**	**15,455,614**
Depreciation for the period	-	167,671	2,538,780	409,413	346,672	94,691	-	**3,557,227**
Balance as at 30 September 2014	**-**	**1,211,615**	**9,461,407**	**4,185,014**	**2,866,410**	**1,288,395**	**-**	**19,012,841**
Carrying value								
As at 30 September 2014	167,248	2,520,405	435,398,165	1,199,517	1,938,092	197,778	1,550,480	**442,971,685**

Cost	**Land**	**Extended well test equipment**	**Development/ Production assets**	**Bunk houses**	**Vehicles**	**Other assets**	**Capital work-in-progress**	**Total**
Balance as at 1 April 2013	**36,437**	**3,577,517**	**309,075,831**	**5,233,802**	**4,780,493**	**1,423,900**	**2,004,272**	**326,132,252**
Additions	130,811	153,920	97,989,419	150,729	24,009	54,668	426,576	**98,930,132**
Disposals		-	-	-	-	-	(1,024,519)	**(1,024,519)**
Balance as at 31 March 2014	**167,248**	**3,731,437**	**407,065,250**	**5,384,531**	**4,804,502**	**1,478,568**	**1,406,329**	**424,037,865**
Accumulated Depreciation								
Balance as at 1 April 2013	**-**	**709,656**	**2,149,500**	**2,943,680**	**1,778,168**	**958,165**	**-**	**8,539,169**
Depreciation for the year	-	334,288	4,773,127	831,921	741,570	235,539	-	**6,916,445**
Balance as at 31 March 2014	**-**	**1,043,944**	**6,922,627**	**3,775,601**	**2,519,738**	**1,193,704**	**-**	**15,455,614**
Carrying value As at 31 March 2014	**167,248**	**2,687,493**	**400,142,623**	**1,608,930**	**2,284,764**	**284,864**	**1,406,329**	**408,582,251**
As at 30 September 2014	**167,248**	**2,520,405**	**435,398,165**	**1,199,517**	**1,938,092**	**197,778**	**1,550,480**	**442,971,685**

Cost	**Land**	**Extended well test equipment**	**Development /Production assets**	**Bunk Houses**	**Vehicles**	**Other assets**	**Capital work-in-progress**	**Total**
Balance as at 1 April 2013	**36,437**	**3,577,517**	**309,075,831**	**5,233,802**	**4,780,493**	**1,423,900**	**2,004,276**	**326,132,256**
Additions	-	20,295	5,420,517	-	-	43,580	212,982	**5,697,374**
Balance as at 30 September 2013	**36,437**	**3,597,812**	**314,496,348**	**5,233,802**	**4,780,493**	**1,467,480**	**2,217,258**	**331,829,630**
Accumulated depreciation								
Balance as at 1 April 2013	-	**709,656**	**2,149,504**	**2,943,680**	**1,778,168**	**958,165**	**-**	**8,539,173**

Depreciation for the period	-	163,908	2,157,254	420,800	386,533	123,553	-	**3,252,048**
Balance as at 30 September 2013	**-**	**873,564**	**4,306,758**	**3,364,480**	**2,164,701**	**1,081,718**	**-**	**11,791,221**
Carrying value As at 30 September 2013	**36,437**	**2,724,248**	**310,189,590**	**1,869,322**	**2,615,792**	**385,762**	**2,217,258**	**320,038,409**

Borrowing costs capitalised for the period ended 30 September 2014 amounted to US$ 6,126,502 (30 September 2013: US$ 5,420,529 and 31 March 2014: US$ 10,281,753).

Depreciation of development and production assets has been charged in accordance with the Group's accounting policy upon commencement of production.

9. LONG TERM DEBT FROM BANKS

	Maturity	30 September 2014	30 September 2013	31 March 2014
Non-current portion of long term debt	2018/2021	76,453,890	93,375,203	85,266,117
Current portion of long term debt from banks		17,582,006	17,366,180	17,301,889
Total		**94,035,896**	**110,741,383**	**102,568,006**

The Group obtained two term loan facilities from a consortium of banks in the amount of US$110,000,000 and US$40,000,000. Against the loan of US$110,000,000, Indus Gas has drawn US$109,904,073 as at 30 September 2014 (30 September 2013: US$109,904,073, 31 March 2014: US$109,904,073) and the balance has lapsed and can no longer be utilised. The other loan facility of US$40,000,000 has been fully utilised as at 30 September 2014 (30 September 2013: US$ 40,000,000)

The outstanding debts as of 30 September 2014 include a balance of US$ 58,632,708 (30 September 2013: US$ 74,536,801; 31 March 2014: US$ 66,676,801) repayable in quarterly instalments of US$ 3,930,000 (out of which, as on 30 September 2014; US$ 15,982,006 related to sum payable within 12 months including interest payable of US$ 262,006) with the last instalment falling due in May 2018. This loan bears interest of LIBOR plus 500 basis points payable along with each quarterly instalment.

Balance of US$ 35,403,188 (30 September 2013: US$ 37,600,000; 31 March 2014: US$ 36,800,000) is repayable through quarterly instalments of US$ 400,000 (out of which, US$ 1,600,000 relates to sum payable within 12 months period ended 30 September 2015 including interest payable US$ Nil) until March 2019 and thereafter US$3,600,000 until maturity of term with the last instalment falling due in May 2021. This loan bears interest of LIBOR plus 400 basis points payable along with each quarterly instalment.

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

The fair value of the above variable rate borrowings are considered to approximate their carrying amounts.

The term loans are secured by all the existing assets of subsidiaries of Indus Gas i.e. iServices and Newbury along with the Group's participating interest in the Block RJ-ON/6 to the extent of SGL field and all future receivables from gas sales.

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 2014 and 31 March 2014 are as follow:

Transactions during the period

Particulars	Period ended 30 September 2014	Period ended 30 September 2013
Transactions with the Holding Company		
Interest paid	3,680,844	3,446,748
Transactions with KMP		
Short term employee benefits	394,499	168,253
Entity over which KMP exercise control		
Share of cost incurred by the Focus in respect of the Block	29,801,417	37,846,720
Remittances	4,890,000	33,366,128
Expenses reimbursed	405,510	215,684

Amount outstanding towards related parties

Particulars	Period ended 30 September 2014	Period ended 30 September 2013	Period ended 31 March 2014
Entity over which KMP exercise control			
Payable to Focus Energy Limited	121,289,798	71,321,089	96,783,891
Payable with the Holding Company			
Payables to Gynia Holding Limited*	116,628,106	109,500,515	112,947,262
Payable to KMP			
Employee obligation	183,655	-	63,914

**including interest*

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.

11. PAYABLE TO RELATED PARTIES

Related parties payable comprise of the following:

	30 September 2014	30 September 2013	31 March 2014
- Current liabilities			
Liability payable to Focus	121,289,798	71,321,089	96,783,891
- Non-current liabilities			
Liability payable to Gynia*	116,628,106	109,500,515	112,947,262
Other payables	183,655	-	63,914
	238,101,559	**238,101,559**	**209,795,067**

Liability payable to Focus

Liability payable to Focus represents unpaid amount of the cost share of the Group in respect of 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.

Liability payable to Gynia

Liability payable to Gynia represents loans from the parent company for financing the oil and gas operations and meeting other obligations.

Other payables to related parties comprise of outstanding balances to associated entities and directors. All the amounts are short term. The carrying value of the borrowings and other payables are considered to be a reasonable approximation of fair value.

* Borrowings from Gynia Holdings Ltd. carry an interest rate of 6.5 per cent per annum compounded annually. Out of this loan from Gynia Holdings Ltd., US$ 52 million is subordinated to loans taken from the banks and therefore, is repayable along with related interest subsequent to repayment of bank loans in March 2021. Balance of US$ 54 million is repayable along with related interest in the year ending 31 March 2019. Balance appearing in above table is inclusive of interest payable till reporting date.

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 2014	Period ended 30 September 2013
Profit attributable to shareholders of Indus Gas Limited, for basic and dilutive	7,231,831	3,423,642

Weighted average number of shares (used for basic loss per share)	182,973,924	182,961,102
No. of equivalent shares in respect of outstanding options	96,882	45,965
Diluted weighted average number of shares (used for diluted loss per share	183,070,806	183,007,067
Basic Profit per share (US$)	**0.04***	**0.02***
Diluted Profit per share (US$)	**0.04***	**0.02***

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

13. COMMITMENTS AND CONTINGENCIES

At 30 September 2014, the Group had capital commitments of US$ NIL (30 September 2013: US$ Nil; 31 March 2014: US$ NIL) in relation to property, plant & equipment – development/producing assets, in the Block.

The Group has no contingencies as at 30 September 2014 (30 September 2013: Nil; 31 March 2014: 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 2014.

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 have opted to claim the expenditure in the first year of commercial production. During the year ended 31 March 2011, as the Group has commenced commercial production 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. 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 2014	30 September 2013	31 March 2014
Non-current assets			
-Other assets	885	885	885
Current assets			
-Trade receivables	3,645,798	6,863,677	7,847,404
-Cash and cash equivalents	5,038,024	1,312,701	977,028
Total financial assets	**8,684,707**	**8,177,263**	**8,825,317**

Financial liabilities measured at amortised cost:			
Non-current liabilities			
- Long term debt from banks	76,453,890	93,375,203	85,266,117
- Payable to related parties	116,628,106	109,500,515	112,947,262
Current liabilities			
- Long term debt from banks	17,582,006	17,366,180	17,301,889
- Payable to related parties	121,473,453	71,321,089	96,847,805
- Accrued expenses and other liabilities	140,532	6,838	126,478
Total financial liability measured at amortised cost	**322,277,987**	**291,569,825**	**312,489,551**

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