



**GOA NATURAL GAS PRIVATE LIMITED**

**ANNUAL REPORT**  
**2017-18**



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## **MESSAGE FROM CHAIRMAN**

Dear Shareholders,

It is with great pleasure that I present before you the 1st Annual Report for your Company Goa Natural Gas Private Limited (GNGPL) along with the Audited Financial Statements for the financial year 2017-18.

Globally, there is an increasing thrust on developing cleaner energy sources to support industrial growth. With natural gas being the preferred fuel in the foreseeable future, City Gas Distribution (CGD) sector is poised for exponential growth. In order to leverage the opportunity, your Company is taking effective steps to reap the benefits of this growth and tackle the emerging challenges simultaneously.

Environment protection is part of our corporate philosophy. Your Company is committed to incorporate leading environmental practices into its business strategy and operations. Your Company aims to continuously improve the way it operates to ensure a safe and healthy work practice at its projects and facilities.

Your Company places Health, Safety and Environment (HSE) at the very heart of the way it does business and plans to connect maximum household in the GA through PNG network and to cover transport sector through CNG in the coming years. This will ensure clean energy and reduce LPG carriage cost in GA Goa, thus GNGPL commits to the environment and yearns to bring a qualitative change in the lives of residents in GA Goa.

Your company has achieved pipeline infrastructure admeasuring 131 Inch KM against the PNGRB target of 130 Inch Km for the MWP first year. The pipeline shall be charged with gas to commence commercial operations shortly. During the period, GNGPL made a capex of INR 38 crore for establishing City Gas



Distribution Network in Goa District and has received Non Review Certificate for the year ended Annual Report 2017-2018 31 March 2018 under section 143(6) (a) of the Companies Act from C&AG.

Your Company has set up PNG infrastructure in residential colonies of Ponda city and earmarked CNG stations to augment the Karnataka – Goa Corridor. Your Company is also implementing IT network for customer online registration and billing. To expand its footprints, GNGPL is associating with Goa State Government on an equity sharing model similar to Indraprastha Gas Ltd, Delhi and Maharashtra Natural Gas Ltd, Pune.

On behalf of Board of Directors and Team GNGPL, I would like to thank all the employees for their consistent endeavour in creating wealth for the stakeholders and in taking the Company forward. I also extend gratitude to parent companies Bharat Petroleum Corporation Limited (BPCL) and GAIL Gas Limited and the Central and State Governments and the nodal Ministry for nurturing GNGPL. Before concluding, I reiterate that your support supplementing the GNGPL team's commitment will help in setting performance benchmarks for years to come. Further, I thank the previous and the existing Board of Directors for their assistance and guidance and role played by them in promoting the Company's operations.

**Thanking You**

**RAJENDRA PUSHPARAJ NATEKAR**

**CHAIRMAN**



**Hon'ble South Goa MP Narendra Sawaikar Launching the work of Laying Internal Gas Pipeline for distribution of Natural Gas in Ponda - Goa**



**Our CEO, Explaining Hon'ble MP South Goa the details of CDG project and its way forward**





## BOARD OF DIRECTORS



Rajendra Pushparaj Natekar

*Chairman*



Shri Shekhar Kumar Agrawal

*Director*



Shri Deepak Sawant

*Director*



Shri Rajeev Garg

*Director*

## KEY MANAGERIAL PERSONNEL

Shri Shashank Sharma

*Company Secretary*

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### Registered Office

Rajan Villa, Plot 3, Journalist Colony  
Porvorim, Goa North,  
Goa-403521.

### Bankers

State Bank of India

### Statutory Auditors

Satish Dhume & Co  
Chartered Accountants  
Firm Reg. No.109314W

**DIRECTORS' REPORT**

To,

**The Members  
Goa Natural Gas Private Limited  
Rajan Villa, Plot No-33 Journalist Colony,  
Porvorim, North Goa – 403521**

The Directors of the Company are pleased to submit 1<sup>st</sup> Directors Report of the Company together with the audited statement of accounts and Auditor's Report thereon ended as on 31<sup>st</sup> March, 2018.

**FINANCIAL RESULTS**

The financial performance of the Company during the year is as follows:-

Particulars	13 <sup>th</sup> January, 2017 - 31 <sup>st</sup> March, 2018
	Amount in (Rs.000)
Total Income	1,051
Total Expenditure exclusive of depreciation	10,113.51
Depreciation	33.29
Total Expenditure inclusive of depreciation	10,146.81
Loss before tax	(9,095.81)
Current tax	17.00
Deferred Tax	(2,349.99)
Loss after tax	(6,762.82)
Transfer to Reserve	NIL
Balance Carried over to Balance Sheet	NIL
Reserves and Surplus (excluding revaluation reserve)	NIL

\*Previous year figures are not displayed, as this is the first year of the Company.



## **BUSINESS PLAN**

The Company was incorporated as a Joint Venture Company (JVC) with Bharat Petroleum Corporation Limited and Gail Gas Limited for the implementation of City Gas Distribution (CGD) business in the State of Goa. The Company has a vision to be the leading Company in storage, sale, supply, distribution and marketing of Compressed Natural Gas (CNG) and Auto LPG as fuel for vehicles and Piped Natural Gas (PNG) for domestic/industrial/commercial purpose. It aims to create value for all its stakeholders while fulfilling its responsibilities to its customers and the environment. The project implementation is currently underway.

The Geographic Area of Goa covers the entire Goa district of approximately 1736 sq. kms. The Company will supply, distribute and market for the following:

- a. CNG as fuel for vehicles
- b. PNG for residential, commercial and industrial purposes
- c. Laying of communication cable along with pipeline network

The Company has successfully achieved first year Minimum Work Programme as mandated by the Petroleum and Natural Gas Regulatory Board (PNGRB).



**MEETINGS OF BOARD**

During the Financial Year 2017-18, the Company held Four (04) Meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013, were adhered to while considering the time gap between two meetings.

<b>S No.</b>	<b>Date of Meeting</b>	<b>No. of Directors Present</b>
1.	01.02.2017	3
2.	16.05.2017	3
3.	14.09.2017	4
4.	13.01.2018	3

Further, the details of the number of meeting attended by each of the Director are as follows:

<b>S. No</b>	<b>Name</b>	<b>Total No. of Board Meeting held During the Year</b>	<b>No. of Board Meeting Attended During the Year</b>
1.	Mr. Srinivas Rao Indumukhi	4	3
2.	Mr. Shekhar Kumar Agrawal	4	3
3.	Mr. Rajeev Garg	4	3
4.	Mr. Deepak Sawant	4	4

**DIVIDEND**

As the Company has incurred losses, the Company has not recommended any dividend for the financial year 2017-18.



### **TRANSFER TO RESERVES**

As the Company has incurred losses, nil amounts was transferred to General reserve of the Company or into any such other reserve for the financial year 2017-18.

### **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The provisions of Section 177 (1) of the Companies Act, 2013 read with Rule 6 the Companies (Meetings of the Board and its Powers) Rules, 2014 is not applicable to the Company. However, Section 177 (9) of the Companies Act, 2013 read with Rule 7 the Companies (Meetings of the Board and its Powers) Rules, 2014 pertaining to establishment of Vigil Mechanism is applicable to the Company. The Company is in process of establishing a vigil mechanism.

### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company is committed to provide a safe and conducive work environment to its employees. The Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL**

During the year, Mr. Srinivas Rao Indumukhi was appointed as the Additional Director of the Company w.e.f. 01.02.2017. Further, Ms. Deepa Sharma was appointed as the Company Secretary of the Company w.e.f. 16.05.2017. However, Ms. Deepa Sharma resigned from the Position of Company Secretary of the Company w.e.f. 13.01.2018.

### **DECLARATION OF INDEPENDENT DIRECTORS**

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to your Company.



## **CORPORATE GOVERNANCE**

The policy of Corporate Governance is not applicable on the Company, however, the Company believes that good corporate governance is critical in establishing a positive organizational culture and it is evident by responsibility, accountability, consistency, fairness and transparency towards its stakeholders. There are no significant and material orders passed by the regulators or Courts or tribunals impacting the going concern status and Company's operations in future.

## **DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134 OF COMPANIES ACT, 2013:**

The Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) Company being unlisted sub clause (e) of section 134(3) is not applicable.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## **AUDITORS**

M/s Satish Dhume & Co. Chartered Accountants, the Statutory Auditor of the Company, was appointed by Comptroller and Auditor General of India (C&AG) for the FY 2017-18 vide its letter No. CA. V/COY/CENTRAL GOVERNMENT, GNGPL (1)/216 dated 24.07.2017

Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and, therefore, does not call for any further comment.

The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013, during the year under review and hence the said provision is not applicable.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The provision of Section 188 of the Companies Act, 2013, with related parties as defined under Section 2 (76) of the said Act, is not applicable on the Company.

## **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee is not applicable on the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors Qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.



**STATEMENT BY THE DIRECTORS INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION IS MADE OF ITS OWN PERFORMANCE**

The provisions of Section 134(3) (p) of the Companies Act, 2013, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors is not applicable on the Company.

**FRAUD**

No fraud has been reported by the auditors under sub section (12) of Section 143 of the Companies Act, 2013.

**EXTRACT OF ANNUAL RETURN**

Extract of Annual Return forms part of this Report as **Annexure-I**.

**DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE ACT**

During the period, the Company has not accepted deposits from the public under Section 73 of the Companies Act, 2013.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY**

The Board of Directors vide its Meeting dated 13.01.2018 approved a term Loan of Rs. 83,00,00,000/- (Rupees Eighty Three Crore Only) to be taken from State Bank of India. The Loan Agreement in respect of the same has been executed on 19.01.2018. Out of the total amount, a sum of Rs. 5,50,71,460/- (Rupees Five Crore Fifty Lakh Seventy One Thousand Four Hundred and Sixty only) has been drawn as on the date of the report. Except as mentioned herein, there are no material changes and commitments affecting the financial position of the Company that have occurred between the end of the Current financial year and the date of this Report.



### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO:**

- a. Conservation of Energy & Technology Absorption: Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not relevant to its functioning.
- b. Foreign Exchange earnings and outgo: There is no foreign exchange earnings and outgo of the Company during the current financial year as well as previous financial.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Company does not satisfy the criteria prescribed for constitution of Corporate Social Responsibility Committee or adoption of Corporate Social Responsibility Policy, and therefore, the disclosure under this head is not applicable. However, the Company always endeavors to contribute towards the growth of the society.

### **CHANGE IN THE NATURE OF BUSINESS**

The Company has not changed its nature of business during the year under review.

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has adopted adequate Internal Financial Control measures with reference to Financial Statements.





## **ACKNOWLEDGEMENT**

The Directors acknowledge with thanks the support and co-operation extended by the shareholders and employees at all levels.

### **For and on behalf of Board of Directors**

A handwritten signature in black ink, appearing to read 'Srinivas Rao Indumukhi', written over a light blue grid background.

**SRINIVAS RAO INDUMUKHI**

**Director**

**DIN: 02350683**

A handwritten signature in black ink, appearing to read 'Rajeev Garg', written over a light blue grid background.

**RAJEEV GARG**

**Director**

**DIN: 07674683**

**Place: Mumbai**

**Date: 10.05.2018**

**Annexure-1****FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN****FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	U40300GA2017PTC013095
ii.	Registration Date	13/01/2017
iii.	Name of the Company	Goa Natural Gas Private Limited
iv.	Category / Sub-Category of the Company	Company limited by Shares
v.	Address of the Registered office and contact details	Rajan Villa, Plot No-33 Journalist Colony, Porvorim Goa North Goa GA 403521
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/	% to total turnover of the company
1	Electricity, Gas, Steam and Hot water supply	40	The Company is in its initial year of inception and hence just started the Operations.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NOT APPLICABLE**

Sr. No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
-	-	-	-	-	-
-	-	-	-	-	-



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De mat	Physical (In Nos.)	Total (Amount)	% of Total Shares	De mat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<i>1) Indian</i>									
<b>a) Individual/ HUF</b>	-	-	-	-	-	-	-	-	-
<b>b) Central Gov.</b>	-	-	-	-	-	-	-	-	-
<b>c) State Gov.(s)</b>	-	-	-	-	-	-	-	-	-
<b>d) Bodies Corp.</b>	-	25,00,000	2,50,00,000	50	-	75,00,000	7,50,00,000	50	
<b>I) Gail Gas Limited</b>									
<b>) Bharat Petroleum Corporation Limited</b>		25,00,000	2,50,00,000	50		75,00,000	7,50,00,000	50	
<b>e) Any Other</b>									
		50,00,000	5,00,00,000	100	-	1,50,00,000	15,00,00,000	10	



<b>Sub-total(A)(1):</b>								<b>0</b>	
-									
<b>2) Foreign</b>	<b>N A</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>N A</b>	<b>NA</b>	<b>NA</b>	<b>N A</b>	<b>NA</b>
<b>f) NRIs- Individuals</b>	-	-	-	-	-	-	-	-	-
<b>g) Other- Individuals</b>	-	-	-	-	-	-	-	-	-
<b>h) Bodies Corp.</b>									
<b>i) Banks / FI</b>	-	-	-	-	-	-	-	-	-
<b>j) Any Other....</b>	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)</b>	-	<b>50,00,000</b>	<b>5,00,00,000</b>	<b>100</b>	-	<b>1,50,00,000</b>	<b>15,00,00,000</b>	<b>100</b>	-
<b>B. Public Shareholding</b>	<b>N A</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>N A</b>	<b>NA</b>	<b>NA</b>	<b>N A</b>	<b>NA</b>
<b>1. Institutions</b>									
<b>a) Mutual Funds</b>	-	-	-	-	-	-	-	-	-
<b>b) Banks / FI</b>	-	-	-	-	-	-	-	-	-
<b>c) Central Govt</b>	-	-	-	-	-	-	-	-	-
<b>d) State Govt(s)</b>	-	-	-	-	-	-	-	-	-
<b>e) Venture Capital Funds</b>	-	-	-	-	-	-	-	-	-
<b>f) Insurance Companies</b>	-	-	-	-	-	-	-	-	-
<b>g) FIIs</b>	-	-	-	-	-	-	-	-	-



<b>h) Foreign Venture Capital Funds</b>	-	-	-	-	-	-	-	-	-
<b>i) Others (specify)</b>	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>a) Bodies Corp.</b>	-	-	-	-	-	-	-	-	-
(i) Indian									
(ii) Overseas									
<b>b) Individuals</b>	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
<b>c) Others(Specify)</b>	-	-	-	-	-	-	-	-	-





<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	50,00,000	5,00,00,000	100	-	1,50,00,000	15,00,00,000	100	-



**ii. Shareholding of Promoters**

Sr. no	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
1.	GAIL GAS LIMITED	25,00,000	50	-	75,00,000	50	-	-
2.	BHARAT PETROLEUM CORPORATION LIMITED	25,00,000	50	-	75,00,000	50	-	-
	<b>TOTAL</b>	<b>50,00,000</b>	<b>100</b>		<b>1,50,00,000</b>	<b>100</b>		

**iii. Change in promoters' Shareholding (please specify, if there is no change)**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year:- GAIL GAS LIMITED	25,00,000	50	75,00,000	50



	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase  decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	50, 00,000 equity shares of Rs. 10/- each allotted on 04.08.2017.			
2.	<b>BHARAT PETROLEUM CORPORATION LIMITED</b>	25,00,000	50	75,00,000	50
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase  decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	50, 00,000 equity shares of Rs. 10/- each allotted on 04.08.2017.			
	<b>At the end of the Year</b>	<b>1,50,00,000</b>	<b>100</b>	<b>1,50,00,000</b>	<b>100</b>



iv. *Shareholding Pattern of top ten Shareholders:*

*(Other than Directors, Promoters and Holders of GDRs and ADRs): N. A.*

Sl. no.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	-	-	-	-	-	-
	Date wise Increase/Decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	-	-	-	-	-	
	At the end of the year	-	-	-	-	-	



**v. Shareholding of Directors and Key Managerial Personnel: N.A**

S N	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year		-		-		-
	Date wise Increase/ Decrease in  Promoters shareholding during the  year specifying the reasons for  increase/decre ase (e.g. allotment/  transfer/ bonus/ sweat equity etc):		-		-		-
	At the end of the year		-		-		-



## V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NA	NA	NA	NA
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NA	NA	NA	NA
Change in Indebtedness during the financial year				
- Addition	5,50,71,460	NA	NA	5,50,71,460
- Reduction				
Net Change	5,50,71,460	NA	NA	5,50,71,460
Indebtedness at the end of the financial year				
i) Principal Amount	5,50,71,460	NA	NA	5,50,71,460
ii) Interest due but not paid				
iii).Interest accrued but not due				
Total (i+ii+iii)	5,50,71,46	NA	NA	5,50,71,460





## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A.

Sl. No.	Particulars of Remuneration		Total Amount
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2.	Stock Option	NA	NA
3.	Sweat Equity	NA	NA
4.	Commission - as % of profit - Others, specify...	NA	NA
5.	Others, please specify	NA	NA
6.	Total (A)		
	Ceiling as per the Act		

### B. Remuneration to other directors: NOT APPLICABLE

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u>	NA	NA	NA	NA	NA
	· Fee for attending board committee					



	meetings · Commission · Others, please specify					
	Total (1)	NA	NA	NA	NA	NA
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	NA	NA	NA	NA	NA
	Total (2)	NA	NA	NA	NA	NA
	Total (B)=(1+2)	NA	NA	NA	NA	NA
	Total Managerial Remuneration	NA	NA	NA	NA	NA
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA

**C. Remuneration to Key Managerial Personnel Other than MD /Manager /WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Total
<b>1.</b>	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax	<b>0.12</b>	0.90



	Act, 1961		
2.	Stock Option	NA	NA
3.	Sweat Equity	NA	NA
4.	Commission - as % of profit - Others, specify...	NA	NA
5.	Others, please specify	NA	NA
6.	Total	NA	NA

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. Directors					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. Other Officers In Default					



Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

**For and on behalf of Board of Directors**

**Sd/-**

SRINIVAS RAO INDUMUKHI

Director

DIN: 02350683

**Sd/-**

RAJEEV GARG

Director

DIN: 07674683

**Place:** Mumbai

**Date:** 10.05.2018



## GOA NATURAL GAS PRIVATE LIMITED – MEMORABLE MOMENTS



**Review of our Project Status by Hon'ble CM of Goa Mr. Manohar Parrikar along with all the stakeholders Concerned**



**Signing CNG Sale Agreement with BPCL, HPCL & IOCL**





**MDPE Pipe laying in progress.....**



**STEEL Pipe laying in progress.....**



## Balance Sheet as at March 31, 2018

		Rs in thousands As at 31st March, 2018	
	Particulars	Note No	
I	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	2	1,317.28
	(b) Capital Work in Progress	3	360,722.88
	(c) Financial Assets		
	(i) Loans	4	159.30
	(d) Deferred Tax Assets (net)	5	2,349.99
	(e) Other non-current assets	6	6,995.76
2	<b>Current assets</b>		
	(a) Financial Assets		
	(i) Cash & Cash Equivalents	7	3,354.12
	(ii) Other financial assets	8	20.56
	(b) Current tax assets (net)	9	83.70
	<b>TOTAL ASSETS</b>		<b>375,003.58</b>
II	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	(a) Equity Share Capital	10	150,000.00
	(b) Other Equity	11	(6,762.82)
	<b>Liabilities</b>		
2	<b>Non-current Liabilities</b>		
	(a) Financial Liabilities		
	Long Term Borrowings	12	55,071.46
3	<b>Current Liabilities</b>		
	(a) <b>Financial Liabilities</b>		
	(i) Trade payables	13	163,279.70
	(ii) Other financial liabilities	14	13,415.24
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>375,003.58</b>
Significant Accounting Policies			
		1	
Notes forming part of financial statements		15	
The accompanying notes 1 to 15 are integral part of these Financial Statements			
For and on behalf of Board of Directors		As per our attached report on even date	
		For Satish Dhume & Co.	
		Chartered Accountants	
		Firm Registration No 109314W	
Shashank Sharma	Videsh Sangodkar	K K Sachdeva	
CS	CFO	CEO	
PAN-DYBPS0565L	PAN-BEZPS2870E	PAN:AICPS0615B	
		CA S. R. Dhume	
		Proprietor	
		Membership No 030498	
I S Rao	Rajeev Garg		
DIRECTOR	DIRECTOR		
DIN-02350683	DIN-07674683		
Date: 10.05.2018		Date: 10.05.2018	
Place: Mumbai		Place: Goa	



## Statement of Profit and Loss for the period January 13, 2017 to March 31, 2018

Rs in thousands			
Sr. No.	Particulars	Note No.	For the period from 13th January, 2017 to 31st March, 2018
1	Revenue from Operations		-
2	Other Income	15	1,051.00
	<b>Total</b>		<b>1,051.00</b>
3	<b>Expenses</b>		
	Cost of Material Consumed		-
	Finance cost	16	-
	Depreciation & Amortization	2	33.29
	Other Expenses	17	10,113.51
	<b>Total Expenses</b>		<b>10,146.81</b>
	Profit / (Loss) before exceptional Items & Tax		(9,095.81)
	Exceptional Items		-
	Profit / (Loss) before Tax		(9,095.81)
	Tax Expense		
	Current Tax		17.00
	Deferred Tax	5	(2,349.99)
			(2,332.99)
	Profit / (Loss) from continuing operations after tax		(6,762.82)
	Profit / (Loss) from discontinued operations		-
	Tax Expense of discontinued operations		-
	Profit / (Loss) from discontinued operations after tax		-
	Profit / (Loss) for the period		(6,762.82)
	Other Comprehensive Income		-
	Total Comprehensive Income for the period		(6,762.82)
	Earnings per Equity Share (EPS) for Continuing Operations		
	Basic	Rs	(0.00052)
	Diluted	Rs	(0.00052)
	Earnings per Equity Share (EPS) for Discontinued Operations		
	Basic	Rs	(0.00052)
	Diluted	Rs	(0.00052)
	Earnings per Equity Share (EPS) for Continuing & Discontinued Operations		
	Basic	Rs	(0.00052)
	<b>Diluted</b>	Rs	<b>(0.00052)</b>





Significant Accounting Policies	1	
Notes forming part of financial statements	15	
The accompanying notes 1 to 15 are integral part of these Financial Statements		
For and on behalf of Board of Directors		As per our attached report on even date
		For Satish Dhume & Co.
		Chartered Accountants
		Firm Registration No 109314W
Shashank Sharma	Videsh Sangodkar	K K Sachdeva
CS	CFO	CEO
PAN-DYBPS0565L	PAN-BEZPS2870E	PAN:AICPS0615B
		CA S. R. Dhume
		Proprietor
		Membership No 030498
I S Rao	Rajeev Garg	
DIRECTOR	DIRECTOR	
DIN-02350683	DIN-07674683	
Date: 10.05.2018		Date: 10.05.2018
Place: Mumbai		Place: Goa



### Cash flow Statement for the period from January 13, 2017 to March 31, 2018

Sr. No			For the period from 13th January, 2017 to 31st March, 2018
(A)	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	-	
	Net Profit/Loss before tax		(9,095.81)
	<u>Adjustments For:-</u>	-	
	Finance Cost		-
	Interest Income		(1,006.95)
	Depreciation & Amortization Expenses		33.29
	Operating Profit/Loss before Working Capital Changes		(10,069.46)
	Adjustments for changes in Working Capital:		
	Other Current liabilities		176,694.94
	Other Current Assets		(7,175.62)
	Cash Flow Operations		159,449.86
	Direct Taxes Paid(Net Of Refunds)		(100.70)
	Net Cash Generated/(Used In) from Operating activities		159,349.16
(B)	<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	-	
	Purchase of Fixed Assets		(362,073.45)
	Financial Assets-Loans (NC)		-
	Interest Received		1,006.95
	Net Cash Generated/(Used In) From Investing Activities		(361,066.50)
(C)	<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	-	
	Proceeds From Capital		150,000.00
	Proceeds from Long term borrowings		55,071.46
	Finance Cost		-
	Net Cash Generated/(Used In) From Financing Activities		205,071.46
(A+B+C)	Net Increase/Decrease In Cash & Cash Equivalents		3,354.12
	Cash & cash Equivalents at The Beginning Of The Year		-
	Cash & cash Equivalents at The End Of The Year		3,354.12
	Cash & Bank Balances As Per Balance Sheet		3,354.12



Significant Accounting Policies			1
Notes forming part of financial statements			15
The accompanying notes 1 to 15 are integral part of these Financial Statements			
For and on behalf of Board of Directors			As per our attached report on even date
			For Satish Dhume & Co
			Chartered Accountants
			Firm Registration No 109314W
Shashank Sharma	Videsh Sangodkar	K K Sachdeva	
CS	CFO	CEO	
PAN-DYBPS0565L	PAN-BEZPS2870E	PAN:AICPS0615B	
			S.R Dhume
			Proprietor
			Membership No 030498
I S Rao	Rajeev Garg		
DIRECTOR	DIRECTOR		
DIN-02350683	DIN-07674683		
Date: 10.05.2018			Place: Goa
Place: Mumbai			Date: 10.05.2018



## Statement of Changes in Equity for the year ended March 31, 2018

(a) Equity Share Capital	Rs in thousands	
	As at 31/03/2018	
	No of shares	Amount
Balance at the beginning of the reporting period	-	-
Add: Issue of equity capital during the year	7,500,000	150,000
Balance at the end of the reporting period	7,500,000	150,000
(b) Other Equity	Reserves and Surplus Retained Earnings	Total
Balance at the 13th January 2017	-	-
Profit/(Loss) for the period	(6,762.82)	(6,762.82)
Balance as at 31st March 2018	(6,762.82)	(6,762.82)
For and on behalf of Board of Directors		
As per our attached report on even date		
FOR SATISH DHUME & CO		
CHARTERED ACCOUNTANTS		
Firm Registration No 109314W		
Shashank Sharma	Videsh Sangodkar	K K Sachdeva
CS	CFO	CEO
PAN-DYBPS0565L	PAN-BEZPS2870E	PAN:AICPS0615B
S.R Dhume		
Proprietor		
Membership No 030498		
I S Rao	Rajeev Garg	
DIRECTOR	DIRECTOR	
DIN-02350683	DIN-07674683	
Date: 10.05.2018		Place: Goa
Place: Mumbai		Date: 10.05.2018



## Note 2: Property, Plant and Equipment

Rs in thousands									
Particulars	Gross Block				Depreciation				Net Block
	As at 13.01.2017	Addition/ Adjustments during the Year	Deduction /Adjustments During the Year	As at 31.03.2018	As at 13.01.2017	For the Year	Deduction /Adjustments During the Year	As at 31.03.2018	As at 31.03.2018
<b>Tangible Assets</b>									
Furniture & Fixtures	-	867.34	-	867.34	-	5.65	-	5.65	861.69
Office Equipment	-	7.75	-	7.75	-	0.76	-	0.76	6.99
Computer	-	475.48	-	475.48	-	26.88	-	26.88	448.60
<b>Sub Total (A)</b>	-	1,350.57	-	1,350.57	-	33.29	-	33.29	1,317.28

Note No		(Rs in thousands) As at March 31, 2018
<b>3</b>	Capital Work in Progress	
	Property, Plant and Equipment under erection/ construction	358,222.88
	Capital Advances	2,500.00
		360,722.88
<b>4</b>	Loans	
	(Unsecured considered good unless otherwise stated)	
	Security Deposits	159.30
		159.30
<b>5</b>	Deferred tax Assets	
	Deferred Income tax Assets	
	Losses carried forward	2,409.05
	Deferred Income tax liabilities	
	Property plant and equipment	59.06
	Net Deferred tax assets	2,349.99
<b>6</b>	Other Non-current assets	
	Prepaid expenses	6,995.76
		6,995.76
<b>7</b>	Cash and Cash equivalents	
	Balances with Banks	
	On current accounts	3,354.12
		3,354.12
<b>8</b>	Other Financial assets	
	Advances to suppliers	17.80
	Advances to employees	2.76
		20.56
<b>9</b>	Current Tax Assets (Net)	
	Tax Deducted at source (Net of provision)	83.70
		83.70



Note No		Rs in thousands	
		As at March 31, 2018	
<b>10</b>	Equity Share Capital		
(i)	Authorised 50,000,000 Equity shares of Rs 10 each	500,000	
		500,000	
(ii)	Issued, subscribed and paid up  15,000,000 Equity shares of Rs 10 each fully paid up	150,000	
		150,000	
(iii)	The Company has only one class of shares namely equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per equity share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.		
(iv)	Reconciliation of no. of equity shares		
	Particulars	As at March 31, 2018	
	A Opening Balance	-	
	B Shares issued	15,000,000	
	C Shares bought back	-	
	D Closing balance	15,000,000	
(v)	Details of Shares held By The Shareholders Holding More Than 5% Shares At the End		
	Equity Shares	As at March 31, 2018	
	Gail Gas Limited	No of shares	% holding
		7,500,000	50%
	Bharat Petroleum Corporation Limited.	7,500,000	50%
<b>11</b>	Other Equity		
	Retained Earnings		
	Opening Balance	-	
	Add(Less): Profit(Loss) for the current year	(6,762.82)	
	Closing balance as at March 31, 2018	(6,762.82)	
<b>12</b>	Long Term Borrowings		
	Secured		
	From Bank	55,071.46	
		55,071.46	
	The Loan is secured by a first ranking charge on the fixed assets and current assets of the Company. The Loan will be repayable after 4 years over a period of 10 years starting from January 2022 and ending in March 2032		
<b>13</b>	Trade Payables		
	Dues to Micro, Small and Medium enterprises	5661.362	
	Dues to Others	157,618.34	
		163,279.70	



<b>14</b>	<b>Other Financial Liabilities</b>	
	Book overdraft	3,630.03
	Earnest Money Deposits	1,740.00
	Other Liabilities ( including creditors for expenses and statutory liabilities)	8,045.21
		13,415.24

Note No		As at March 31, 2018	As at March 31, 2018
<b>15</b>	<b>Other Income</b>		
	Interest Income on fixed deposits		1,006.95
	Miscellaneous Income		44.05
			1,051.00
<b>16</b>	<b>Bank Guarantee cost</b>		37,437.26
	Bank charges		6.24
	Interest on Cash credit/ Bank Overdraft		861.54
			38,305.03
	Less: Transfer to Capital Work-In-Progress		38,305.03
			-
<b>17</b>	<b>Other Expenses</b>		
	Bidding Expenses		1,656.79
	Incorporation Expense		4,882.30
	Feasibility Studies		3,574.43
	Office Expenses		1,415.90
	Professional Fees		1,562.40
	Travelling & Communication		3,745.22
	Rent		878.27
	Training Expenses		112.90
	Management Service Cost		28,023.16
	Other Project Expenses		76,730.28
	<b>Total A</b>		<b>122,581.64</b>
	Less: Management Service for employee Cost Transferred to Capital Work-In-Progress (Refer Note 2)		(28,023.16)
	<b>Less: Transfer To IEDC (Incidental Expenditure During Construction)</b>		
	Bidding Expenses	-	
	Incorporation Expense	-	
	Feasibility Studies	-	
	Office Expenses	1,415.90	



	Professional Fees	1,562.40	
	Travelling & Communication	3,745.22	
	RENT	878.27	
	Training Expenses	112.90	
	Other Project Expenses	76,730.28	(84,444.97)
			10,113.51

Calculation of EPS

Particular	Amount
Profit and loss as per SPL	- 6,762.82

Weighted Average No. of Shares

Date of share Allotment	As on 31-3-2017	No. of Shares	Weight	Weighted Avg.
02-02-17	03-08-17	5,000,000	182	2,630,057.80
04-08-17	31-03-18	15,000,000	239	10,361,271.68
			421	12,991,329
				129.91

EPS	(0.00052)
DEPS	(0.00052)





## **NOTE -1:- SIGNIFICANT ACCOUNTING POLICIES**

### **1. Corporate information**

Goa Natural Gas Private Limited (“GNGPL”) is a company domiciled in India with registered office at Plot No. 33, Rajan Villa, Journalist Colony, Porvorim, GOA.

GNGPL is a Joint Venture Company of GAIL Gas Limited {A wholly owned subsidiary of Gail (India) Limited} and Bharat Petroleum Corporation Limited. It was incorporated on 13<sup>th</sup> January, 2017 for the smooth implementation of City Gas Distribution (CGD) projects based on the Joint Venture Agreement of the Consortium. The Consortium, a Joint Venture Company namely M/s. Goa Natural Gas Pvt Ltd., has been authorized by Petroleum and Natural Gas Regulatory Board (PNGRB) for implementing City Gas Distribution Network in the Geographical Area of Goa State.

The financial statements of the company for the year ended 31st March 2018 were authorized for issue by Board of directors (BOD) on 10<sup>th</sup> May 2018.

### **2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Financial Statements for the year ended 31st March 2018 are the first, the Company has prepared in accordance with Ind-AS.

The financial statements have been prepared on a historical cost basis except for certain assets and liabilities which have been measured at fair value or revalued amount. The fact is disclosed in the relevant accounting policy.

The financial statements are presented in Indian Rupees (‘INR’) and the values are rounded to the nearest thousands, except otherwise indicated.



### **3. Significant Accounting Policies**

#### **3.1 Property, plant and equipment**

##### **(i) Tangible Assets**

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in case retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful life specified in Schedule II to the Companies Act, 2013.

The asset's residual values, useful lives and methods of depreciation/amortization are reviewed at each reporting period and adjusted prospectively, if appropriate.

##### **(ii) Capital Work in Progress**

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.



### 3.2 Impairment of assets

The Carrying amount of assets is reviewed at each Balance Sheet date. In case there is any indication of impairment based on Internal /External factors, an Impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount.

### 3.3 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Stores & Spares which meet the definition of property plant and equipment and satisfy the recognition criteria are capitalized as property, plant and equipment.

Net realizable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Raw materials and finished products are valued at cost or net realizable value, whichever is lower.

Stock in process is valued at cost or net realizable value, whichever is lower. It is valued at cost where the finished products in which these are to be incorporated are expected to be sold at or above cost.

Stock of gas in pipeline is valued at cost (FIFO) or net realizable value whichever is lower.

Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realizable value, whichever is lower. It is valued at weighted average cost where the finished products in which they will be incorporated are expected to be sold at/or above cost.

Surplus/obsolete stores and spares are valued at cost or net realizable value, whichever is lower.



Surplus/obsolete capital stores, other than held for use in construction of a capital assets, are valued at lower of cost or net realizable value.

### **3.4 Foreign currency transactions**

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

At each balance sheet date, foreign currency monetary items (such as Cash, Receivables, Loans, Payables, etc.) are reported using the closing exchange rate (BC selling rate for payable and TT buying rate for receivable).

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as gain or loss in the period in which they arise.

Non-monetary items (such as Investments, Fixed Assets, etc.) which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

### **3.5 Revenue and Other Income**

Sales are recognized on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude value added tax. Any retrospective in prices is accounted for in the years of such revision.

Income in respect of MGO of Natural Gas and Interest on delayed realization from customers is not provided. Receipts during the year on account of MGO and Interest on delayed realization are adjusted on receipt basis.



### **3.6 Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale, after netting off any income earned on temporary investment of such funds. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

All other borrowing costs are recognized as expense in the period in which they are incurred.

### **3.7 Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on straight line basis unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **3.8 Taxes**

#### **Current Income Tax**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **Deferred Tax**

Deferred tax is provided, using the balance sheet method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.



The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

### **3.9 Provisions, Contingent liabilities, Contingent assets and Commitments General**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities exceeding Rs.5 Lakhs in each case are disclosed by way of notes to accounts.

Estimated amount of contracts remaining to be executed on capital account are disclosed in each case above Rs.5 Lakhs.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### **3.10 Current versus non-current classification**

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

#### **An asset as current when it is:**

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

#### **A liability is current when:**

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading



- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

### **3.11 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **i) Financial assets**

##### **Classification**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

##### **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### **Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in two broad categories:

##### **a) Financial assets at amortized cost**

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The losses arising from



impairment are recognized in the Statement of profit and loss. This category generally applies to trade and other receivables.

#### **b) Financial assets at fair value**

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** 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.

All other financial asset is measured at fair value through profit or loss.

#### **Derecognition**

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### **Investment in subsidiaries, joint ventures and associates**

The company has accounted for its investment in subsidiaries, joint ventures and associates at cost.

#### **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.





## **ii) Financial liabilities**

All financial liabilities are initially recognized at fair value. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdraft. Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss (FVTPL) or at amortized cost.

All changes in fair value of financial liabilities classified as FVTPL is recognized in the Statement of Profit and Loss. Amortized cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortized cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part on EIR. The EIR amortization is included as finance cost in the Statement of Profit and Loss.

### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

## **iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.



### 3.12 Earnings per share

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

## 4. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

### 4.1 Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

#### **Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies



inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

#### **4.2 Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

##### **Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



For and on behalf of the Board

As per our report of even date  
For Satish Dhume & Co.  
Chartered Accountants  
Firm Registration No.

**Shashank Sharma**  
(CS)  
PAN-DYBPS0565L

**Videsh Sangodkar**  
(CFO)  
PAN- ACDPR7010C

**Kamal Kumar Sachdeva**  
(CEO)  
PAN- AICPS0615B

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**CA. S. R. Dhume**  
Proprietor  
M. No. 030498

**I S Rao**  
(Director)  
DIN- 02350683

**Rajeev Garg**  
(Director)  
DIN- 07674683

Place: Goa  
Dated: 10.05.2018

**NOTE 15:- NOTES ON ACCOUNTS**

1. The company incorporated on January 13, 2017. The present period is the first accounting period; therefore the requirement of disclosure of the corresponding figures for the previous year is not applicable.
2. The company is a joint venture of GAIL Gas Limited (a wholly owned subsidiary of GAIL (India) Limited) and Bharat Petroleum Corporation Limited with equal share holding pattern. The total authorized share capital of the company is Rs.50crore against which equity shares capital worth Rs.15 crore have been issued to promoter companies in the ratio of 1:1.
3. Authorization for development of City Gas Distribution Network in the Geographical Area of Goa State was granted by Petroleum and Natural Gas Regulatory Board (PNGRB) to the then Consortium of GAIL Gas Limited and Bharat Petroleum



Corporation Limited in June, 2016. As per the regulation of PNGRB, Performance Bank Guarantee (PBG) of Rs.1504 crore issued by Indusind Bank, New Delhi valid upto 07.06.2021 has been submitted to PNGRB. The PBG has been issued to Gail Gas Limited against equal amount of corporate guarantee given by M/s. BPCL and M/s. GAIL.

4. The employees working for the company are on deputation from the promoter companies, i.e. GAIL Gas Limited / GAIL and Bharat Petroleum Corporation Limited. The cost of employee benefits is considered on the basis of debit notes raised by the promoter companies. During the year all the employees have been identified as working for project activities only and therefore, the employee cost and travelling expenses have been directly identified to the project activities. Similarly, expenses related to rent, vehicle hire charges and all other expenses have been allocated to Incidental Expenditure During Construction as operation activities have not commenced during the year.
5. The Incidental Expenditure during Construction amounting to Rs. 84,445 Thousand has been allocated to Capital Work in Progress.
6. Capital Work in Progress (CWIP) include asset under construction which are under different stage of completion, capitalization will be done as soon as the assets are ready for use.
7. Share Capital
  - a) The total authorized capital of the Company is Rs.500,000 Thousand against which Rs.150,000 Thousand has been issued as on balance sheet date.
  - b) The Company is a Joint Venture of GAIL Gas Limited and Bharat Petroleum Corporation Limited and the shares are issued to the promoter companies in equal ratio as per the approval of the Board.

**8. Capital Commitment Disclosure**

- (a) The estimated amount of contracts over Rs.5 lakhs amounting to Rs.302, 868 Thousand is remaining to be executed on Capital Accounts and not provided for.
- (b) The provisional liability of Rs. 6,504Thousand has been made in the books of accounts as on 31<sup>st</sup> March, 2018 which will be settled as per actual bills.

**9. Employee Benefits**

All the employees posted at Goa Natural Gas Private Limited are on the rolls GAIL Gas Limited/GAIL and Bharat Petroleum Corporation Limited. The Employees' benefits including salary are being prepared and disbursed and recovered by the promoter companies. The disclosure requirement in terms of Ind AS 19 has not been considered as the same have been complied by the promoter companies.

**10. Dues to Micro, Small and Medium Enterprises**

To the extent, the Company has received intimation from the “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

	Rs. in thousands
Amount due and payable at year end	
Principal	5,661.36
Interest on above principal	-
(The interest payable on such vendors is not likely to be material)	

**11. Additional information pursuant to the provisions of paragraph 5(viii) of Part II of Schedule III to the Companies Act, 2013 is not applicable.****12. Related Party Disclosure:**

**A.** The entire Equity Share Capital of the Company is held by GAIL Gas Limited and Bharat Petroleum Corporation Limited, being the promoter companies.

**B. Related Parties:**

- a)** Relation and name of the related parties are:-



1. Promoter Venture: GAIL Gas Limited (A wholly owned Subsidiary of GAIL (India) Limited) and Bharat Petroleum Corporation Limited.
2. Associate Company: GAIL (India) Limited
3. Key Management Personnel:
  - i. Mr. Kamal Kumar Sachdeva (CEO)
  - ii. Mr. Videsh Gurudas Sangodkar (CFO)
- b) Related Party Transactions/balances outstanding with related parties:

(Rs. in Thousand)

S.No.	Particulars	Promoter Venture	Associate Company	Key Management Personnel
<b>A</b>	<b>GAIL Gas Limited</b>	<b>140,392</b>	-	-
1.	Share of expenditure on account of Feasibility study, Market Survey, Bidding expenses, etc.	128,362	-	-
2.	Reimbursement of Employee Remuneration	12,030	-	-
<b>B</b>	<b>Bharat Petroleum Corporation Limited</b>	<b>86,006</b>	-	-
1.	Share of expenditure on account of Feasibility study, Market Survey, Bidding expenses including expenditure on Detailed Project Report (DPR), Financial Appraisal Report.	79,618	-	-
2.	Reimbursement of Employee Remuneration	6,388	-	-



<b>C</b>	<b>GAIL (India) Limited</b>	<b>41,055</b>		
1.	Expenses on account of Hooking-up of Shipper's Facilities	41,055	-	-
<b>D</b>	<b>Management Contracts including deputation of employees</b>	<b>8,609</b>	-	-
1.	Reimbursement of Remuneration to Key Management Personnel	8,609	-	-

### 13. Earnings per Share:

<b>Particulars</b>	<b>Unit</b>	<b>2017-18</b>
Profit after Tax	(Rs. in Thousand)	(6,763)
Weighted Average No. of Equity Shares	Nos.	5086705
Nominal Value per Share	Rs.	10.00
Earning per Share Basic	Rs.	(0.00052)
Earning per Share Diluted	Rs.	(0.00052)

**14. "Income Taxes"** The Company has created net deferred tax assets in respect of temporary difference and unused carry forward of losses as on 31<sup>st</sup> March 2018





amounting to Rs. 2,350 Thousand. The item- wise details of deferred tax liability/asset are as under: (Rs. in Thousand)

<b>Particulars</b>	<b>31.03.2018</b>
Opening Balance Deferred Tax Assets /(Liabilities)	-
Deferred Tax assets/(Liabilities) arising on account of Fixed Assets	(59)
Deferred Tax assets/(Liabilities) arising on account of unused carry forward of losses/ preliminary expenses	2409
Closing Balance C/F	2350

**15. The details of amount paid/payable to auditor during the year:**

(Rs. in Thousand)

<b>Particulars</b>	<b>2017-18</b>
Statutory Audit Fees	50
Other services	Nil
Reimbursement of expenses	Nil
<b>TOTAL</b>	<b>50</b>

**16. Contingent Liabilities**

Claim against the company not acknowledge as Debt: NIL

Company has contingent Liabilities on account of Bank Guarantee of Rs. 1.125 crore from IndusInd Bank, New Delhi as at 31st March 2018.

**17. As per provisions of Section 203 of the Companies Act, 2013 read with rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment**



rules, 2014, the Company is required to appoint a whole time secretary. The Company is currently in the process of appointing a suitable candidate for the same.

**For and on behalf of the Board**

**As per our report of even date  
For Satish Dhume & Co.  
Chartered Accountants  
Firm Registration No.**

**Shashank Sharma  
(CS)  
PAN-DYBPS0565L**

**Videsh Sangodkar  
(CFO)  
PAN- ACDPR7010C**

**Kamal Kumar Sachdeva  
(CEO)  
PAN-AICPS0615B**

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**CA. S. R. Dhume  
Proprietor  
M. No. 030498**

**I S Rao  
(Director)  
DIN-02350683**

**Rajeev Garg  
(Director)  
DIN- 07674683**

**Place: Goa  
Dated: 10.05.2018**



## **INDEPENDENT AUDITOR'S REPORT**

### **On the Accounts of Goa Natural Gas Private Limited**

### **Revised Report on Standalone IND AS Financial Statements**

We have audited the accompanying standalone IND AS financial statements of **M/s. Goa Natural Gas Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profits (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



### **Auditor's Responsibility**

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

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

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

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

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



## **Opinion**

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

## **Report on other legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that :
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is



- disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure-B”.
- g. With respect to other matters to be included in the Auditor’s Report in accordance with Rule-11 of the Companies (Audit and Auditors ) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements in accordance with generally Accepted Accounting practice- Refer Note 33 to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- h. As required by Section 143(5) of the Companies Act, 2013 please refer to “Annexure-C” enclosed.

For SATISH DHUME & Co.  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 109314W

**Sd/-**  
CA. S. R DHUME  
PROPRIETOR  
M. NO. 030498  
PLACE: GOA  
DATED: 20<sup>th</sup> August 2018



## **“ANNEXURE- A” TO INDEPENDENT AUDITORS’ REPORT**

### **Re: Goa Natural Gas Private Limited**

**(Referred in paragraph 1 of our report on other Legal and Regulatory Requirements)**

- (i)
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
  - b. In our opinion, the fixed assets were physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on verification.
  - c. The company does not have any immovable property in its name.
  - d. The components of Capital Work-in-Progress are lying with the third party and confirmed.
- (ii) There is no inventory of stores, spare parts and natural gas with the Company. Hence, no need to conduct physical verification and maintaining records of inventory by the management.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In respect of loans, investment, guarantees and securities the provisions of section 185 and 186 of the Companies act 2013 have been complied with by the company.
- (v) The company has not accepted deposits in accordance with the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under have been complied with.
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State



Insurance, Income-Tax, Goods and Service tax, Sales tax, Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company did not have any loans or borrowings from financial institutions, government or has not issued any debentures during the year.
- (ix) Based upon the audit procedures performed and the information and explanations given by the Management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) The Company being the private company, section 197 shall not apply. Accordingly paragraph 3(xi) of the Order is not applicable
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year.





- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For SATISH DHUME & Co.  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 109314W

Sd/-  
CA. S. R DHUME  
PROPRIETOR  
M. NO. 030498  
PLACE: GOA  
DATED: 20<sup>th</sup> August, 2018



## **“ANNEXURE-B” TO THE INDEPENDENT AUDITORS’ REPORT**

**Re: Goa Natural Gas Private Limited**

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

We have audited the internal financial controls over financial reporting of Goa Natural Gas Private Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and specified under sub-section 10 of under section 143 of the Companies Act, 2013, to the extent applicable to an



audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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



disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

For SATISH DHUME & Co.  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 109314W

Sd/-

CA. S. R DHUME  
PROPRIETOR  
M. NO. 030498  
PLACE: GOA

DATED: 20<sup>th</sup> August, 2018

**ANNEXURE-C” TO THE INDEPENDENT AUDITORS’ REPORT****Re: Goa Natural Gas Private Limited****DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013**

<b>S. No.</b>	<b>Directions</b>	<b>Auditor’s Remark</b>
1.	Whether the company has clear title/lease deeds for the freehold and leasehold respectively? If not please state the area of freehold and lease hold land for which title/lease deeds are not available.	There is no leasehold or freehold property in the name of the company. Hence no comments are made on requirements of Direction No.1
2.	Please report whether there are any case of waiver/Write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	There are no cases of waiver/write off of debts/loans/interest etc. during the year under audit. Hence no comments are made on requirements of Direction No. 2.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	Proper records are being maintained with regards to inventories lying with the third parties.  No assets are received as gift from Govt. /Any other authorities.

For SATISH DHUME & Co.  
 CHARTERED ACCOUNTANTS  
 FIRM REGN. NO. 109314W

**Sd/-**

CA. S. R DHUME  
 PROPRIETOR  
 M. NO. 030498  
 PLACE: GOA  
 DATED: 20<sup>th</sup> August, 2018



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GOA NATURAL GAS PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH, 2018.**

The preparation of financial statements of Goa Natural Gas Private Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory auditor appointed by the Comptroller and Auditor General of India under section 139(7) of the Act is responsible for expressing opinion on financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide Revised Audit Report dated 20 August, 2018 which supersedes their earlier audit report dated 10 May, 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Goa Natural Gas Private Limited for the year ended 31 March 2018 under section 143(6)(a) of the act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and selective examination of some of the accounting records.

In view of revision(s) made in the statutory audit's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

**Sd/-**

**(Tanuja Mittal)**

**Principal Director of Commercial Audit &  
*ex-officio* Member Audit Board – II, Mumbai**

**Place: Mumbai**

**Date: 30.08.2018**