



**ANNUAL ACCOUNTS**  
**FY 2019-2020**

**INDIAN GAS EXCHANGE LIMITED**  
**(CIN: U74999DL2019PLC357145)**

**Regd. & Corp. Off.**  
**Unit No. 3-6, 4th Floor,**  
**TDI Centre, District Centre, Jasola,**  
**New Delhi – 110025**  
**website: <http://www.igxindia.com>**

# **INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF INDIAN GAS EXCHANGE LIMITED**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Indian Gas Exchange Limited (“the Company”), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period from 6 November 2019 to 31 March 2020, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“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 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the period from 6 November 2019 to 31 March 2020.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### **Other Information**

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s Directors’ report but does not include the financial statements and our auditor’s report thereon. The Company’s Directors’ report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under applicable laws and regulations.

#### **Management's and Board of Directors' Responsibility for the Financial Statements**

The Company’s Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 does not have any pending litigations which would impact its financial position.;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
  - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since the Company was incorporated in the current year.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16): According to the information and explanations given to us, the Company has not paid any remuneration to its directors during the period from 6 November 2019 to 31 March 2020. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**  
*Chartered Accountants*  
Firm's Registration No.116231W/W-100024

Sd/-

**Ashwin Bakshi**

Partner

Membership No. 506777

UDIN: 20506777AAAAAT2311

Place: New Delhi  
Date: 14 May 2020

**Annexure A referred to in our Independent Auditor's report to the members of Indian Gas Exchange Limited on the financial statements for the period from 6 November to 31 March 2020 ('the period')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a programme of physical verification of its fixed assets by which all fixed assets are verified at least once every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. According to information and explanations provided to us a physical verification of the Company's fixed assets was carried out during the year and the discrepancies noticed on such verification were not material.
- (c) According to the information and explanations given to us, the Company does not hold any immovable property in its name. Accordingly, para 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company is a service company and accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has not made any investment or given any loan or provided any guarantee or security covered under sections 185 and 186 of the Companies Act, 2013. Thus, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for any of the service rendered by the Company. Accordingly, para 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods and Services tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the provisions of Provident Fund, Employees' State Insurance and Duty of customs are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Goods and Services tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no amounts in respect of dues of Income tax, Goods and Services tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company did not have any outstanding dues to any banks, financial institution or the government and did not have any outstanding debentures during the period.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not

raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the period.

- (x) According to the information and explanation provided to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has during the period not paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, the provisions of section 177 of the Act is not applicable to the Company.
- (xiv) According to the information and explanations give 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 or fully or partly convertible debentures during the period. Accordingly, para 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **B S R & Associates LLP**  
*Chartered Accountants*  
Firm's Registration No.116231W/W-100024

Sd/-  
**Ashwin Bakshi**  
Partner

Membership No. 506777  
UDIN: 20506777AAAAAT2311

Place: New Delhi  
Date: 14 May 2020

**Annexure B to the Independent Auditor's report on the financial statements of Indian Gas Exchange Limited for the period from 6 November 2019 to 31 March 2020.**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to financial statements of Indian Gas Exchange Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 (hereinafter referred to as "the Act").

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

**Meaning of Internal Financial controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**  
*Chartered Accountants*  
Firm's Registration No.116231W/W-100024

Place: New Delhi  
Date: 14 May 2020

Sd/-  
**Ashwin Bakshi**  
Partner  
Membership No. 506777  
UDIN: 20506777AAAAAT2311

**Indian Gas Exchange Limited**  
**Balance Sheet as at 31 March 2020**

(All amounts in Rupees lakhs, except wherever stated otherwise)

	Note No.	As at 31 March 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4 a	2.12
Intangible assets under development	4 b	284.63
Non-current tax assets (net)	8	0.28
<b>Total non-current assets</b>		<u>287.03</u>
<b>Current assets</b>		
Financial assets		
Investments	10	504.00
Cash and cash equivalent	11	38.23
Loans	5	0.85
Other financial assets- Other recoverable	6	0.34
Other current assets	9	88.55
<b>Total current assets</b>		<u>631.97</u>
<b>TOTAL ASSETS</b>		<u><b>919.00</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	12	1,000.00
Other equity	13	-219.82
<b>Total equity</b>		<u><b>780.18</b></u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities (net)	7	1.40
<b>Total non-current liabilities</b>		<u><b>1.40</b></u>
<b>Current liabilities</b>		
Financial liabilities		
Trade payables	16	106.13
Other financial liabilities	14	-
Other current liabilities	15	31.29
<b>Total current liabilities</b>		<u>137.42</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>919.00</b></u>
Significant accounting policies	3	

The accompanying notes referred to form an integral part of these Ind AS financial statements

As per our report of even date attached

*For B S R & Associates LLP*  
*Chartered Accountants*  
 ICAI Firm Registration Number: 116231W /W-100024

**Sd/-**  
**Ashwin Bakshi**  
*Partner*  
 Membership No.: 506777  
 UDIN: 20506777AAAAAT2311

Place : New Delhi  
 Date : 14 May 2020

*For and on behalf of the Board of Directors of*  
**Indian Gas Exchange Limited**

**Sd/-**  
**Rajiv Srivastava**  
*Director*  
 DIN-03568897

Place : Noida  
 Date : 14 May 2020

**Sd/-**  
**Vineet Harlalka**  
*Director*  
 DIN-08604534

Place : Noida  
 Date : 14 May 2020

**Indian Gas Exchange Limited****Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020***(All amounts in Rupees lakhs, except wherever stated otherwise)*

	Note No.	For the period from 06 November 2019 to 31 March 2020
<b>Revenue</b>		
Revenue from operations	17	10.00
Other income	18	14.84
<b>Total revenue</b>		<u>24.84</u>
<b>Expenses</b>		
Employee benefits expense	19	70.57
Depreciation and amortisation	20	0.05
Other expenses	21	170.92
<b>Total expenses</b>		<u>241.54</u>
<b>Loss before tax</b>		-216.70
<b>Tax expense</b>		
Current tax	22	1.72
Deferred tax charge	7	1.40
<b>Total income tax expense</b>		<u>3.12</u>
<b>Loss for the year (A)</b>		<u><u>-219.82</u></u>
Other comprehensive income (B)		-
<b>Total comprehensive income/ (loss) for the year (A+B)</b>		<u><u>-219.82</u></u>
<b>Earnings/ (loss) per equity share [face value Rs. 10/- per share] (refer to note 12 (a))</b>	23	
Basic (Rs.)		-2.20
Diluted (Rs.)		<u>-2.20</u>

Significant accounting policies

3

The accompanying notes referred to form an integral part of these Ind AS financial statements

As per our report of even date attached

**For B S R & Associates LLP***Chartered Accountants*

ICAI Firm Registration Number: 116231W /W-100024

**Sd/-****Ashwin Bakshi***Partner*

Membership No.: 506777

UDIN: 20506777AAAAAT2311

Place : New Delhi

Date : 14 May 2020

**For and on behalf of the Board of Directors of  
Indian Gas Exchange Limited****Sd/-****Rajiv Srivastava***Director*

DIN-03568897

Place : Noida

Date : 14 May 2020

**Sd/-****Vineet Harlalka***Director*

DIN-08604534

Place : Noida

Date : 14 May 2020

**Indian Gas Exchange Limited****Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020***(All amounts in Rupees lakhs, except wherever stated otherwise)*

	<b>For the period from 06 November 2019 to 31 March 2020</b>
<b>A. Cash flows from operating activities</b>	
Loss before tax	-216.70
Adjustments for:	
Depreciation and amortisation	0.05
Mark-to-market gain on investments and net gain on sale of investments	-14.84
<b>Operating profit before working capital changes</b>	<b>-231.49</b>
Adjustments for:	
(Increase) in loans, other financial assets and other assets	-89.74
Increase in trade payables, other financial liabilities and other current liabilities	137.43
<b>Cash used in operating activities</b>	<b>-183.80</b>
Income tax paid	-2.00
<b>Net cash used in operating activities</b>	<b>-185.80</b>
<b>B. Cash flows from investing activities</b>	
Purchase of Property, plant and equipment and other intangible assets	-286.80
Purchase of investments	-1,775.99
Sale of investments	1,286.82
<b>Net cash used in investing activities</b>	<b>-775.97</b>
<b>C. Cash flows from financing activities</b>	
Proceeds from issue of equity shares	1,000.00
<b>Net cash flow from financing activities</b>	<b>1,000.00</b>
<b>D. Net increase in cash and cash equivalents during the period (A+B+C)</b>	<b>38.23</b>
<b>E. Cash and cash equivalents at the beginning of the period</b>	<b>-</b>
<b>F. Cash and cash equivalents as at the end of the period (D+E)</b>	<b>38.23</b>

**Notes:**

(i) Cash and cash equivalents consists of the following

**Cash and cash equivalents as at the end of the period (refer to Note 11)**

Balance with banks	
In current accounts	38.23
	<b>38.23</b>

(ii) The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 on 'Statement of Cash Flows, as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereunder.

The accompanying notes referred to form an integral part of these Ind AS financial statements

As per our report of even date attached

*For B S R & Associates LLP*

*Chartered Accountants*

ICAI Firm Registration Number: 116231W /W-100024

**Sd/-**

**Ashwin Bakshi**

*Partner*

Membership No.: 506777

UDIN: 20506777AAAAAT2311

Place : New Delhi

Date : 14 May 2020

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

**Indian Gas Exchange Limited**

**Sd/-**

**Rajiv Srivastava**

*Director*

DIN-03568897

Place : Noida

Date : 14 May 2020

**Sd/-**

**Vineet Harlalka**

*Director*

DIN-08604534

Place : Noida

Date : 14 May 2020

**Indian Gas Exchange Limited****Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020**

(All amounts in Rupees lakhs, except wherever stated otherwise)

**(A) Equity share capital**

Particulars	Note No.	Number of shares	Amount
<b>Balance as at 06 November 2019</b>		-	-
Add: Issue of share capital during the year	12 (a)	1,00,00,000	1,000
<b>Balance as at 31 March 2020</b>		<b>1,00,00,000</b>	<b>1,000</b>

**(B) Other equity**

Particulars	Retained earnings
<b>Balance as at 06 November 2019</b>	-
Loss for the year	(219.82)
<b>Balance as at 31 March 2020</b>	<b>(219.82)</b>

The accompanying notes referred to form an integral part of these Ind AS financial statements

As per our report of even date attached

**For B S R & Associates LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 116231W /W-100024

**Sd/-**

**Ashwin Bakshi**

*Partner*

Membership No.: 506777

UDIN: 20506777AAAAAT2311

Place : New Delhi

Date: 14 May 2020

*For and on behalf of the Board of Directors of*  
**Indian Gas Exchange Limited**

**Sd/-**

**Rajiv Srivastava**

*Director*

DIN-03568897

Place : Noida

Date: 14 May 2020

**Sd/-**

**Vineet Harlalka**

*Director*

DIN-08604534

Place : Noida

Date : 14 May 2020

## **Indian Gas Exchange Limited**

### **Notes to Financial Statements For the period from 06 November 2019 to 31 March 2020**

*(All amounts in Rupees lakhs, except wherever stated otherwise)*

#### **1. Company Information**

The Indian Gas Exchange Limited (IGX) ('the Company'), a wholly owned subsidiary of (Indian Energy Exchange Limited) IEX, was incorporated on 6 November 2019 and domiciled in India as a public limited company and limited by shares (CIN: U74999DL2019PLC357145). IGX is India's first automated national level trading platform to promote and sustain an efficient and robust gas market and to foster gas trading in the country. The platform features multiple buyers and sellers to trade in spot and forward contracts at designated physical hubs. IGX enables efficient and competitive discovery of gas prices.

#### **2. Basis**

##### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

##### **2.2 Basis of measurement**

These financial statements have been prepared on the historical cost basis except for certain financial assets (mutual funds) that are measured at fair value (refer to accounting policy on financial instruments). The methods used to measure fair value is discussed further in notes to financial statements.

##### **2.3 Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (upto two decimals) except as stated otherwise.

##### **2.4 Current and non-current classification**

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

An asset is current when it is:

- Expected to be realized or intended to be 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 atleast 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 settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

#### *Operating cycle*

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the above definition and nature of business, Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

## **2.5 Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ending 31 March 2020 is included in the following notes:

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of item which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### i). Recognition of deferred tax assets/ (liabilities) – Note 7

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

## **2.6 Measurement of fair values**

The Company's accounting policies and disclosures require/ may require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The team reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company measures financial instruments, such as, investments, at fair value at each reporting date.

### **3. Significant accounting policies**

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

##### **3.1.1. Initial recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

##### **3.1.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

##### **3.1.3 Derecognition**

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

##### **3.1.4 Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss.

Depreciation on the following assets is provided on their estimated useful life ascertained on technical evaluation:

<b>Category of assets</b>	<b>Estimated useful life of assets</b>	<b>Useful life as per schedule II</b>
Computers		
- Other than servers	4 Years	3 Years

Depreciation on additions to/deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the date in which the asset is available for use/disposed.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Where it is probable that future economic benefits derived from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

## **3.2 Intangible assets and intangible assets under development and amortization**

### **3.2.1 Recognition and measurement**

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

### **3.2.2 Derecognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

## **3.3. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand.

## **3.4. 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.

### **3.4.1. Financial assets**

#### ***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 or issue of the financial asset.

#### ***Subsequent measurement***

##### ***a. Debt instruments at amortized cost***

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

**b. Debt instrument at FVTOCI (Fair Value through OCI)**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**c. Debt instrument at FVTPL (Fair value through profit or loss)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**d. Equity Investments**

All equity investments in entities other than tax free bonds and fixed deposits are measured at fair value.

Equity

instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

***e. Derecognition***

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) 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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

***f. Impairment of financial assets***

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Trade receivables under Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

**3.4.2. Financial liabilities**

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

***a. Financial liabilities at amortized cost***

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or 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 costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to trade payables and other contractual liabilities.

***b. Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

***c. 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 or loss.

**3.5. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**3.6. Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

### **3.7. Revenue**

Revenue is measured at the fair value of the consideration received or receivable and amounts receivable for services provided in the normal course of business. The Company recognises revenue when the amount of revenue and related cost can be reliably measured, and it is probable that the collectability of the related receivables is reasonably assured.

Admission fees and Processing fees charged from a prospective member of the exchange at the time of his joining, is recognised when the membership has been approved by the membership committee.

Profit on sales of investments is determined as the difference between the sales price and the carrying value of the investments on disposal of the investments.

### **3.8. Employee Benefits**

#### **Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognized in the Statement of Profit and Loss in the period in which the employee renders the related services. Such obligations are measured on an undiscounted basis.

### **3.9. Impairment of non-financial assets**

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### **3.10. Foreign currency transactions and translation**

Transactions in foreign currencies are translated at the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of equity investments at fair value through OCI (FVOCI), which are recognised in OCI.

### **3.11. Income Tax**

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

### **3.12. Earning per share**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### **3.13. Operating segment**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance.

The Managing Director along with the Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

**Indian Gas Exchange Limited****Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020***(All amounts in Rupees lakhs, except wherever stated otherwise)***4 a. Property, plant and equipment**

Assets	Computer hardware/ equipment	Total
<b>For the period from 06 November 2019 to 31 March 2020</b>		
<b><i>Gross Carrying amount</i></b>		
Opening gross carrying amount	-	-
Additions during the period from 6 Nov 2019 to 31 March 2020	2.17	2.17
Disposal/ adjustments during the period from 6 Nov 2019 to 31 March 2020	-	-
<b>Closing gross carrying amount</b>	<b>2.17</b>	<b>2.17</b>
<b><i>Accumulated Depreciation</i></b>		
Opening accumulated depreciation	-	-
Depreciation charge during the period from 6 Nov 2019 to 31 March 2020	0.05	0.05
Disposals/ adjustments during the period from 6 Nov 2019 to 31 March 2020	-	-
<b>Closing accumulated depreciation</b>	<b>0.05</b>	<b>0.05</b>
<b>Net carrying amount</b>	<b>2.12</b>	<b>2.12</b>

**4 b. Intangible assets under development**

Assets	Computer Software
<b>For the period from 06 November 2019 to 31 March 2020</b>	
Opening balance	-
Additions during the period from 6 Nov 2019 to 31 March 2020	284.63
Disposals/ adjustments during the period from 6 Nov 2019 to 31 March 2020	-
<b>Closing balance</b>	<b>284.63</b>

**5. Loans - current**

Particulars	As at 31 March 2020
<i>Unsecured, considered good, unless otherwise stated</i>	
Security deposits	0.85
<b>Total</b>	<b>0.85</b>

**6. Other financial assets - current**

Particulars	As at 31 March 2020
<i>Unsecured, considered good, unless otherwise stated</i>	
Other advances	0.34
<b>Total</b>	<b>0.34</b>

**Indian Gas Exchange Limited****Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020***(All amounts in Rupees lakhs, except wherever stated otherwise)***7. Deferred tax assets/ (Deferred tax liabilities) (net)**

Particulars	As at 31 March 2020
<b>Deferred tax liability rising on timing differences on account of:</b>	
Investments at fair value through profit or loss	-0.02
Deferred tax liabilities on account of difference between WDV of property, plant and equipment as per books and under Income Tax Act, 1961.	-1.38
<b>Total</b>	<b>-1.40</b>
<b>Movement in deferred tax assets/(liabilities) As at 31 March 2020</b>	

Particulars	Net balance 06 November 2019	Recogn ised in profit or loss	Net balance 31 March 2020
<b>Deferred tax liability</b>			
Deferred tax liabilities on account of difference between WDV of property, plant and equipment as per books and under Income Tax Act, 1961	-	-0.02	-0.02
Investments at fair value through profit or loss	-	-1.38	-1.38
<b>Less: Deferred tax assets</b>	-	-	
<b>Deferred tax assets/(liabilities)</b>	-	<b>-1.40</b>	<b>-1.40</b>

**8. Non-current tax assets (net)**

Particulars	As at 31 March 2020
Non-current tax assets (net)	0.28
<b>Total</b>	<b>0.28</b>

**9. Other assets -current**

Particulars	As at 31 March 2020
<i>Unsecured, considered good, unless otherwise stated</i>	
Prepaid expenses	9.49
Balance with government authorities	79.06
<b>Total</b>	<b>88.55</b>

**Indian Gas Exchange Limited**

**Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020**

(All amounts in Rupees lakhs, except wherever stated otherwise)

**10. Current investments**

Particulars	As at 31 March 2020
<b>A) Investments measured at fair value through profit and loss</b>	
<b>Mutual funds</b>	
<b>Unquoted</b>	
HDFC Arbitrage Fund - Wholesale Plan - Growth - Direct Plan 3,385,961 units of face value of Rs. 10 each.	504.00
<b>Total</b>	<b>504.00</b>
Aggregate value of unquoted investments	504.00

**11. Cash and cash equivalents**

Particulars	As at 31 March 2020
Balances with banks	
- in current accounts	38.23
<b>Total</b>	<b>38.23</b>

**12. Equity share capital**

Particulars	As at 31 March 2020
<b>Authorised equity share capital</b>	
25,000,000 Equity shares of face value of Rs.10 each	2,500.00
	<b>2,500.00</b>
<b>Issued, subscribed and fully paid up equity share capital</b>	
10,000,000 Equity shares of face value of Rs.10 each	1,000.00
	<b>1,000.00</b>

a) **Movements in equity share capital outstanding at the beginning and at the end of the period:**

Particulars	No. of shares	Amount
<b>Equity shares</b>		
Outstanding at the beginning of the period	-	-
Add: Issue of equity shares of Rs. 10 each	1,00,00,000	1,000.00
<b>Outstanding at the end of the period</b>	<b>1,00,00,000</b>	<b>1,000.00</b>

b) **Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity share. The par value of the shares issued was Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

c) **Shares held by Holding company, its subsidiaries and associates**

Particulars	As at 31 March 2020
<b>Equity shares held by Holding company</b>	
10,000,000 Equity shares are held by Indian Energy Exchange Limited*	1,000.00
* includes 6 equity shares held by nominee shareholders	

d) **Details of shareholders holding more than 5% shares in the Company:**

Particulars	31 March 2020	
	No. of shares	% holding
<b>Equity shares of Rs. 10 each, fully paid up held by:</b>		
Indian Energy Exchange Limited*	1,00,00,000	100%
* includes 6 equity shares held by nominee shareholders		

**Indian Gas Exchange Limited****Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020***(All amounts in Rupees lakhs, except wherever stated otherwise)***13. Other equity**

<b>Particulars</b>	<b>As at 31 March 2020</b>
Retained earnings	-219.82
<b>Total</b>	<b>-219.82</b>

**Particulars****As at  
31 March 2020****Retained earnings**

Opening balance	-
Add: Loss for the period from 06 November 2019 to 31 March 2020	-219.82
<b>Closing balance</b>	<b>-219.82</b>

**14. Other financial liabilities - current**

-

**15. Other liabilities - current**

<b>Particulars</b>	<b>As at 31 March 2020</b>
Advance from customers	10.00
Tax deducted at source payable	20.21
GST payable	1.08
<b>Total</b>	<b># 31.29</b>

**16. Trade Payables**

<b>Particulars</b>	<b>As at 31 March 2020</b>
Due to micro and small enterprises *	- #
Due to others	106.13
	<b>106.13</b>

\*The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information available with the Company, there are no amounts required to be disclosed in relation to Micro and Small Enterprises as at 31 March 2020.

**Indian Gas Exchange Limited****Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020***(All amounts in Rupees lakhs, except wherever stated otherwise)***17. Revenue from operations**

<b>Particulars</b>	<b>For the period from 06 November 2019 to 31 March 2020</b>
Sale of services	
Admission, processing and transfer fees	10.00
<b>Total</b>	<b>10.00</b>

**18. Other income**

<b>Particulars</b>	<b>For the period from 06 November 2019 to 31 March 2020</b>
Net gain on sale of investments	6.82
Fair value gain on investments	8.02
<b>Total</b>	<b>14.84</b>

**19. Employee benefits expense**

<b>Particulars</b>	<b>For the period from 06 November 2019 to 31 March 2020</b>
Salaries, wages and bonus	70.00
Staff welfare	0.57
<b>Total</b>	<b>70.57</b>

**20. Depreciation and amortisation**

<b>Particulars</b>	<b>For the period from 06 November 2019 to 31 March 2020</b>
Depreciation on property, plant and equipment	0.05
<b>Total</b>	<b>0.05</b>

**Indian Gas Exchange Limited****Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020***(All amounts in Rupees lakhs, except wherever stated otherwise)***21. Other expenses**

<b>Particulars</b>	<b>For the period from 06 November 2019 to 31 March 2020</b>
Rent	2.91
Technology	14.53
Business promotion/ development	5.85
Legal and professional *	107.92
Travelling and conveyance	3.05
Rates and taxes	19.39
Advertisement	12.98
Miscellaneous	4.29
<b>Total</b>	<b>170.92</b>
* includes auditor remuneration (excluding applicable taxes)	
-Audit fee	8.00
-Outlays	0.30
<b>Total</b>	<b>8.30</b>

**22. Income taxes**

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

**i) Income tax recognised in Statement of Profit and Loss**

	<b>For the period from 06 November 2019 to 31 March 2020</b>
<b>Current tax expense</b>	
Current tax	1.72
<b>Total current tax expense</b>	1.72
<b>Deferred tax expense</b>	
Origination and reversal of temporary differences	1.40
	1.40
<b>Total income tax expense</b>	<b>3.12</b>

**ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

	<b>31 March 2020</b>
Lose before tax	-216.70
Enacted tax rates in India	25.17%
<b>Computed expected tax expenses/(credit)</b>	<b>-54.54</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	
Permanent difference	58.31
Tax rate difference	(0.64)
<b>Income tax expense</b>	<b>3.12</b>

**Indian Gas Exchange Limited****Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020***(All amounts in Rupees lakhs, except wherever stated otherwise)***23. Earnings/ (loss) per Share ( ' EPS ' )****(a) Basic and diluted earnings/ (loss) per share (in Rs.)**

	<b>For the period from 06 November 2019 to 31 March 2020</b>
Basic earnings/ (loss) per share	-2.20
Diluted earnings/ (loss) per share	-2.20
Nominal value per share	10.00

**(b) Loss attributable to equity shareholders (used as numerator)**

	<b>For the period from 06 November 2019 to 31 March 2020</b>
Loss attributable to equity holders	(219.82)

**(c) Weighted average number of equity shares (used as denominator) (in Nos.)**

	<b>As at 31 March 2020</b>
Opening balance of issued equity shares	-
<b>Weighted average number of equity shares outstanding at the end of period for calculation of Basic earnings per share</b>	<b>1,00,00,000</b>
<b>Weighted average number of equity shares for calculation of diluted earnings per share</b>	<b>1,00,00,000</b>

**24. Commitments**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 406.01.

**Indian Gas Exchange Limited****Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020***(All amounts in Rupees lakhs, except wherever stated otherwise)***25. Fair Value Measurements****Financial instruments by category and fair values hierarchy**

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**As at 31 March 2020**

Particulars	Carrying amount			Fair value		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>						
<b>Current</b>						
Investments						
- Mutual funds	504.00	-	504.00	-	504.00	-
Loans*	-	0.85	0.85	-	-	-
Cash and cash equivalents*	-	38.23	38.23	-	-	-
Other financial assets-others recoverable*	-	0.34	0.34	-	-	-
	<b>504.00</b>	<b>39.42</b>	<b>543.42</b>	-	<b>504.00</b>	-
<b>Financial liabilities</b>						
<b>Current</b>						
Trade payables*	-	106.13	106.13	-	-	-
	-	<b>106.13</b>	<b>106.13</b>	-	-	-

\*The carrying amounts of trade payables, other current financial liabilities, loans, cash and cash equivalents and other current financial assets, approximates the fair values, due to their short-term nature.

**Valuation technique used to determine fair value:**

Specific valuation techniques used to fair value of financial instruments include:

- the use of NAV for unquoted mutual funds
- the fair value of the remaining financial instruments are discounted at appropriate discounting rate

## Indian Gas Exchange Limited

### Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020

(All amounts in Rupees lakhs, except wherever stated otherwise)

#### 26. Financial Risk Management

The Company's activities expose it to the followings risks arising from the financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

#### Risk Management framework

The Company's Board of Directors ('the Board') has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analysis the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Board provides principles for overall risk management, as well as policies covering specific areas, such as regulatory risk, compliance risk, technology related risk, IT risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Company's Board oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company.

#### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from trade receivables, investments, loans and advances, cash and cash equivalents and deposits with banks and other financial assets. The carrying amount of the financial assets represents maximum credit exposure.

Credit risks on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit agencies. Investments primarily include investments in mutual fund units. The management actively monitors the net asset value of investments in mutual funds, interest rate and maturity period of the investment. The Company does not expect the counterparty to fail to meet its obligations. Further, the Company has not experienced any significant impairment losses in respect of its investments. The loans primarily represent security deposits given for business purpose. Such security deposit will be returned to the Company at the end of contract. Hence, the credit risk associated with such deposits is relatively low. Accordingly, no provision for expected credit loss has been provided in these financial assets.

#### (i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	31 March 2020
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>	
Investments (Non current and current)	504.00
Cash and cash equivalents	38.23
Loans	0.85
Other current financial assets - other recoverable	0.34
	<b>543.42</b>

#### (ii) Provision for expected credit losses

#### Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting periods in respect of these assets.

## Indian Gas Exchange Limited

### Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020

(All amounts in Rupees lakhs, except wherever stated otherwise)

#### 26. Financial Risk Management (Contd....)

##### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, i.e, total cash (including bank deposits under lien) and short-term investments and its anticipated future internally generated funds from operations, will enable it to meet its future known obligations in the ordinary course of business.

##### (i) Financing arrangements

The Company had not entered into any financial arrangement for borrowing facilities.

##### (ii) Maturities of financial liabilities

The following are the contractual maturities of financial liabilities at the reporting date. The contractual cash flow amount are gross and undiscounted.

##### 31 March 2020

Contractual maturities of financial liabilities		Carrying amount	Contractual cash flows					Total
			3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
Trade payables		106.13	106.13	-	-	-	-	106.13
		<b>106.13</b>	<b>106.13</b>	-	-	-	-	<b>106.13</b>

##### Market risk

Market risk is the risk that future cash flows of a financial instruments will fluctuate because of change in market price. Market comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

##### A. Currency risk

Currency Risk is the risk that the future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company is not exposed to the effects of fluctuations in the prevailing foreign exchange rates on its financial position and cash flows since all financial assets / liabilities are receivable / payable in Indian currency.

##### B. Interest rate risk

Interest rate risk is the risk that future cash flows of financial instruments will fluctuate because of change in market interest risks. The Company doesn't have exposure in interest bearing financial instruments.

**Indian Gas Exchange Limited****Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020***(All amounts in Rupees lakhs, except wherever stated otherwise)***27. Capital Management**

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. For the purpose of the Company's capital management, the Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities less cash and cash equivalents. Adjusted equity includes issued equity share capital and other equity comprising retained earnings.

<b>Particulars</b>	<b>As at 31 March 2020</b>
Adjusted net debt	138.82
Less : Cash and cash equivalents	38.23
<b>Adjusted net debt (A)</b>	<b>100.58</b>
<b>Adjusted equity (B)</b>	<b>780.18</b>
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>13%</b>

**28. Operating segments**

The Company is a Gas Exchange. The entire operations are governed by the similar set of risk and returns. Accordingly, the Company's activities/ business is reviewed regularly by the Company's Managing Director along with the Board of Directors of the Company, from an overall business perspective, rather than reviewing its activities as individual standalone components. Thus, the Company has only one operating segment, and no reportable segments in accordance with Ind AS 108 - Operating Segments.

**29. Related party disclosures****a) List of Related parties:****i) Holding Company**

Indian Energy Exchange Limited

**b) Transactions with the related parties are as follows:**

<b>Transactions during the period from 06 November 2019 to 31 March 2020</b>	<b>For the period from 06 November 2019 to 31 March 2020</b>
<b>i. Transaction with Holding company (Indian Energy Exchange Limited)</b>	
Proceeds from issue of share capital	1,000.00
Reimbursement of revenue expenses	137.68
Reimbursement of capital expenses	21.37

**c) Outstanding balances with related parties are as follows:**

<b>Particulars</b>	<b>31 March 2020</b>
<b>Payable to Holding company</b>	
Indian Energy Exchange Limited	3.80

**Indian Gas Exchange Limited**

**Statement of Profit and Loss for the period from 06 November 2019 to 31 March 2020**

*(All amounts in Rupees lakhs, except wherever stated otherwise)*

- 30** In view of pandemic relating to COVID -19, the Company has considered internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of its financial assets, for possible impact on the financial statements. However, the actual impact of COVID-19 on the Company's financial statements may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.
- 31** This is the first year of incorporation of the Company. Hence no corresponding figures for the previous period have been disclosed.

*For B S R & Associates LLP*

*Chartered Accountants*

ICAI Firm Registration Number: 116231W /W-100024

**Sd/-**

**Ashwin Bakshi**

*Partner*

Membership No.: 506777

UDIN: 20506777AAAAAT2311

Place : New Delhi

Date : 14 May 2020

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

**Indian Gas Exchange Limited**

**Sd/-**

**Rajiv Srivastava**

*Director*

DIN-03568897

Place : Noida

Date : 14 May 2020

**Sd/-**

**Vineet Harlalka**

*Director*

DIN-08604534

Place : Noida

Date : 14 May 2020