



**GUJARAT GAS**

GGI./SEC/2017/461

4<sup>th</sup> October, 2017

To,

Bombay Stock Exchange Limited,  
Phiroze Jijibhoy Tower,  
Dalal Street, Mumbai

National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G  
Block, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051

**Sub: Copy of Annual Report approved and adopted in the Annual General Meeting.**

Dear Sir/Madam,

Pursuant to provisions of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the copy of 5<sup>th</sup> Annual Report approved and adopted in the Annual General Meeting.

We request you to take the above on record.

Thanking You,

Yours faithfully,

**For, Gujarat Gas Limited**

*Rajeshwari Sharma*  
**Rajeshwari Sharma**  
**Company Secretary**  
*Rohar*



## GUJARAT GAS

**GUJARAT GAS LIMITED**  
CIN L40200GJ2012SGC069118

### BOARD OF DIRECTORS

Dr. J. N. Singh, IAS, Chairman (w.e.f. 11th August, 2016)  
Shri Sujit Gulati, IAS (w.e.f. 11th August, 2016)  
Dr. T. Natarajan, IAS (w.e.f. 11th August, 2016)  
Shri Milind Torawane, IAS (w.e.f. 10th August, 2017)  
Shri K. D. Chatterjee (w.e.f. 21st April, 2015)  
Shri Jal Patel (w.e.f. 21st April, 2015)  
Smt. Manjula Shroff (w.e.f. 21st April, 2015)  
Prof. Piyush Kumar Sinha (w.e.f. 16th August, 2017)  
Prof. Vishal Gupta (w.e.f. 16th August, 2017)

Shri G. R. Aloria, IAS (up to 30th July, 2016)  
Shri Atanu Chakraborty, IAS (up to 11th April, 2016)  
Shri L. Chuaungo, IAS (up to 27th June, 2016)  
Shri Mukesh Kumar, IAS (up to 8th August, 2016)  
Prof Pradip Khandwalla (up to 20th April, 2017)  
Shri Ajit Kapadia (up to 20th April, 2017)  
Shri Sanjeev Kumar, IAS (up to 27th June, 2017)

### CHIEF EXECUTIVE OFFICER

Mr. Nitin Patil (w.e.f. 11th August, 2016)

### CHIEF FINANCIAL OFFICER

Mr. Nitesh Bhandari

### COMPANY SECRETARY

Ms. Rajeshwari Sharma

### INTERNAL AUDITORS

Ernst & Young

### SECRETARIAL AUDITORS

Manoj Hurkat & Associates

### REGISTRAR & SHARE TRANSFER AGENT

M/s Karvy Computershare Pvt. Ltd., Hyderabad

### BANKERS & FINANCIAL INSTITUTION

Axis Bank  
Bank of Baroda  
Bank of Maharashtra  
Corporation Bank  
Dena Bank  
HDFC Bank  
ICICI Bank  
IDBI Bank  
IndusInd Bank  
Kotak Mahindra Bank  
Oriental Bank of Commerce  
Punjab National Bank  
RBL Bank  
State Bank of India  
Yes Bank

### STATUTORY AUDITORS FOR FY 2016-17

Manubhai & Shah LLP, Chartered Accountants, G-4, Capstone,  
At Chirag Motors Cross Roads, Sheth Mangaldas Road,  
Ellisbridge, Ahmedabad-380006, Gujarat, India.

### STATUTORY AUDITORS FOR FY 2017-18

S.R.Goyal & Co. Chartered Accountants, SRG House, 2, M. I. Road,  
Opp Ganpati Plaza, Jaipur-302001, Rajasthan, India.

### COST AUDITORS FOR FY 2016-17

Dalwadi & Associates, Cost Accountants  
403, Ashirwad Complex, B/H. Sardar Patel Seva Samaj  
Nr. Mithakhali Six Roads, Ahmedabad - 380006

### COST AUDITORS FOR FY 2017-18

Kailash Sankhlecha and Associates, Cost Accountants.  
504, 3rd eye Residency One, Motera, Ahmedabad.

### REGISTERED OFFICE

Block No. 15, 3rd Floor, Udyog Bhavan, Sector-11, Gandhinagar - 382 011

### CORPORATE OFFICE

2, Shanti Sadan Society, Near Parimal Garden,  
Ellisbridge, Ahmedabad - 380006

## 5<sup>th</sup> ANNUAL REPORT 2016 - 17

CONTENTS	PAGE	CONTENTS	PAGE
(1) Notice	01	(13) Notes to Financial Statements	77
(2) Board's Report	16	<b>Consolidated</b>	
(3) Corporate Governance Compliance Certificate	52	(14) Report of the Comptroller and Auditor General of India	140
(4) Certificate of Compliance with Code of Conduct	53	(15) Independent Auditors' Report	141
(5) Business Responsibility Report (BRR)	54	(16) Balance Sheet	146
(6) Dividend Distribution Policy	62	(17) Statement of Profit and Loss	147
<b>Standalone</b>		(18) Cash Flow Statement	148
(7) Report of the Comptroller and Auditor General of India	63	(19) Statement of Changes in Equity	150
(8) Independent Auditors' Report	64	(20) Notes to Financial Statements	151
(9) Balance Sheet	72	<b>Attendance Slip</b>	217
(10) Statement of Profit and Loss	73	<b>Proxy Form</b>	219
(11) Cash Flow Statement	74	<b>Route Map of Venue of AGM</b>	221
(12) Statement of Changes in Equity	76		



**GUJARAT GAS LIMITED**

Registered Office: Block No. 15, 3rd Floor, Udyog Bhavan, Sector - 11, Gandhinagar - 382011  
Tel: +91-79-26462980 Fax + 91-79-26466249 • website: www.gujaratgas.com,  
E-mail Id: rajeshwari.sharma@gujaratgas.com • CIN: L40200GJ2012SGC069118

**NOTICE OF 5TH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 5th (Fifth) Annual General Meeting of the Members of Gujarat Gas Limited will be held on Thursday, 28th September, 2017, at Seminar Hall - 2 (Sr2), Gate No. 1, Mahatma Mandir, Gandhinagar, Gujarat, at 12:00 noon, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2017, together with the Board's Report, the Report of Auditors thereon and Nil Comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.
2. To declare Dividend on equity shares for the year 2016-17.
3. To re-appoint Dr. T. Natarajan, IAS (DIN: 00396367), who retires by rotation and being eligible offers himself for re-appointment.
4. To authorise the Board of Directors of the Company to fix the remuneration of Statutory Auditors of the Company for the F.Y. 2017-2018, in terms of the provisions of Section 142 of Companies Act, 2013.

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Jal Patel, (DIN: 00065021) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director be and is hereby re-appointed as an Independent Director of the Company to hold office for the second term of 5 years w.e.f. 21/04/2017."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. K.D. Chatterjee, (DIN: 00421999) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director be and is hereby re-appointed as an Independent Director of the Company to hold office for the second term of 5 years w.e.f. 21/04/2017."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Ms. Manjula Devi Shroff, (DIN: 00297159) in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Independent Women Director be and is hereby re-appointed as an Independent Women Director of the Company to hold office for the second term of 5 years w.e.f. 21/04/2017."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Prof. Piyush Kumar Sinha, (DIN: 00484132) who was appointed as an Additional Independent Director of the Company under Section 161 of the Companies Act, 2013 and who holds office till conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for the first term of 2 years w.e.f. 16 August 2017.
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Prof. Vishal Gupta, (DIN: 06405808) who was appointed as an Additional Independent Director of the Company under Section 161 of the Companies Act, 2013 and who holds office till conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for the first term of 2 years w.e.f. 16 August 2017.



10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**  
**RESOLVED THAT** Shri Milind Torawane, IAS, (DIN: 03632394) who was appointed as an Additional Director pursuant to provisions of Sections 149, 152, 161 of the Companies Act, 2013 read with Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.
11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**  
**RESOLVED THAT** approval be and is hereby granted, in terms of Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, to the Board to borrow any sums of money, from time to time from any one or more of the Company's bankers and/or from any other persons, firms, bodies corporate or financial institutions whether by way of cash credit, overdraft, advance or deposits, loans, debentures, bonds, commercial paper, invoice financing, bill discounting etc., as fund based limits, and/or non-fund based limits or otherwise whether unsecured or secured, in rupees or any foreign currency, so that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, however that the total amount upto which the moneys may be borrowed by the Board and outstanding at any time shall not exceed the sum of Rs. 10000 Crores (Rupees Ten Thousand Crores).  
**RESOLVED FURTHER THAT** the authority of the Board to determine the terms and conditions of any borrowings as provided above, may be delegated by the Board to any of its Committee or to such other person(s) and subject to such restrictions or conditions, as the Board may deem fit.  
**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matter and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto, in order to give effect to this resolution and for matters connected therewith or incidental thereto.
12. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**  
**"RESOLVED THAT** pursuant to the provisions of the Section 148 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of M/sKailash Sankhlecha & Associates, Cost Accountants, (firm registration No. 100221) as the Cost Auditors of the Company, whose appointment and remuneration has been recommended by the Audit Committee and approved by the Board of Directors, for conducting the audit of the cost records maintained by the Company for the Financial Year from 1st April 2017 to 31st March 2018, at a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus GST and out of pocket expenses.  
**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, and to take such steps as may be necessary, proper and expedient to give effect to this resolution."

**By Order of the Board  
For, Gujarat Gas Limited  
Rajeshwari Sharma  
Company Secretary**

**Date: 30 August 2017  
Place: Ahmedabad**

**IMPORTANT NOTES:**

- (A) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The proxy form duly completed and signed, should be lodged with the Company, at its registered office at least 48 hours before the time of the meeting.

In terms of Section 105 of the Companies Act, 2013, and rules thereunder, a person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such other person shall not act as a proxy for any other person or member. Proxies submitted on behalf of the limited companies, societies etc. must be supported by appropriate resolution/authority, as applicable.

- (B) The relative Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the special business under item No. 5 to 12 is annexed hereto. The particulars of qualifications, experience and other Directorships etc. of the Directors proposed to be appointed / reappointed are given in the Annexure forming part of this Notice.
- (C) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 22nd September, 2017 to Thursday, 28th September, 2017 (both days inclusive) for the purpose of payment of dividend and for the Annual General Meeting. The dividend, if declared at the Annual General Meeting will be paid on 18th October, 2017, to those members of the Company whose names appears (a) as beneficial owners as at the close of business hours on 21st September, 2017, as per the list to be furnished by the Depositories in respect of the shares held in electronic form; and (b) as Members in the Register of Members of the Company as on 21st September, 2017, after giving effect to all valid share transfers in physical form received on or before 21st September, 2017.
- (D) Registrar and Share Transfer Agents

Your Company has appointed Karvy Computershare Private Limited ("Karvy") as the Share Transfer Agent for physical segment. Karvy also acts as the depository registrar for establishing connectivity with NSDL and CDSL for demat segment. Karvy uses computerized share transfer system for processing transfer of equity shares.

Shareholders are requested to send their share transfer and all other requests and complaints to Karvy Computershare Private Limited at the following address:

Karvy Computershare Private Limited, Unit: GUJARAT GAS LIMITED, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032. Phone Number: 040-67161500 and 040-67161791, Fax Number: 040-67161791

- (E) Dematerialisation of shares and liquidity

Equity shares of your Company can be traded in electronic form only by all the investors. Your Company has established connectivity with both the depositories viz. NSDL and CDSL through its Share Transfer Agent. Equity shares of the Company are under compulsory demat trading by all investors. Considering the advantage of scripless trading, members are encouraged to consider dematerialisation of their shareholding so as to avoid inconvenience in future.

Equity shares of your Company are regularly traded on the BSE Limited and the National Stock Exchange of India Limited. 39.11% equity shares of the Company are held by non-promoter shareholders.

- (F) Correspondence with the Company

Shareholders are requested to correspond with the Company through e-mail to get faster response. Address for correspondence:

Gujarat Gas Limited, 2, Shantisadan Society, Nr. Parimal Garden, Ellis Bridge, Ahmedabad - 380006, India. Telephone Numbers: +91-79-26462980, +91-79-26460095, Fax: +91-79-26466249.

E-mail address of the Company Secretary and Compliance Officer is: rajeshwari.sharma@gujaratgas.com. Shareholders may lodge their complaints and requests on this email address.

- (G) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account / folio no. would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.
- (H) All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 10.30 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and public holidays, from the date hereof, up to the date of the Annual General Meeting.



- (I) The erstwhile Gujarat Gas Company Limited and erstwhile Gujarat Gas Financial Services Limited had paid dividends to its shareholders and pursuant to the Companies Act, 2013, the amount of such dividends pertaining to FY 2009, that was unclaimed/ unpaid have been transferred to the Investor Education and Protection Fund (IEPF) of the Government. Members who have not encashed their dividend warrants pertaining to FY 2010 to FY 2015-16 may approach the Company or its Registrar & Share Transfer Agent for obtaining payment thereof mentioning the relevant folio number or DPID/ Client ID, for issuance of duplicate / revalidated dividend warrant(s). Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified on 5th September, 2016 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, notified on 28th February, 2017, by the Ministry of Corporate Affairs, the Company was required to transfer all the Shares in respect of which Dividend has not been paid or claimed by the Shareholders for seven consecutive years or more to the Demat account of the Investor Education and Protection Fund Authority (IEPF). The MCA vide its aforesaid notification dated 28th February, 2017 extended the time limit till 31st May, 2017 for transfer of shares to IEPF. The MCA vide its general circular no 06/2017 dated 29th May, 2017 had extended the due date of transfer of shares and also clarified that the revised due date of transfer/transmittal of shares shall be notified soon. The Company has transferred unpaid/unclaimed dividend up to the FY 2009 to IEPF.

The Company has been sending reminders to those members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. The Company has uploaded full details (Name, Folio no/DP id/Client id) of such shareholders on its website [www.gujaratgas.com](http://www.gujaratgas.com). Members who have not encashed their dividend pertaining to the FY 2010 till FY 2015-16 are advised to write to the Company or Karvy Computershare Pvt. Ltd. (Karvy), the Registrar and Share Transfer Agent, at Selenium Tower B, Plot 31 - 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Tel: 040 67161500, Fax: 040 67161791, e-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com) immediately for obtaining payment thereof mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).

The aforesaid Rules provides for the manner of transfer of the unpaid and unclaimed dividends to IEPF and the manner of transfer of shares in case any dividend has not been encashed by the shareholders on such shares during the last seven years to the designated demat account of the IEPF Authority. As per the requirement, the Company had sent information to all the shareholders who had not claimed/encashed dividends in the last seven years intimating, amongst other things, the requirements of the aforesaid rules with regard to transfer of shares and that in the event those shareholders do not claim any unclaimed/unpaid dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF demat Account by the due date prescribed as per the aforesaid rules and as amended from time to time. The Company had also simultaneously published notice in the leading newspaper in English and regional language having wide circulation on 21st June, 2017 and uploaded on the "Investors Section" of the Website of the Company viz. [www.gujaratgas.com](http://www.gujaratgas.com) giving details of such shareholders and shares due to transfer. In case valid claim is not received, the respective shares will be credited to the demat account of the IEPF Authority.

- (J) The Board of Directors, in its meeting held on 24th May 2017, had declared a Dividend of Rs. 3 per Share of the face value of Rs. 10/- each, on the paid-up Equity Share Capital of the Company, which if approved by the Members at the said Annual General Meeting, will be paid on 18th October, 2017.
- (K) Members desirous of obtaining any information on any item of business of this meeting are requested to forward the same at least 10 days before the date of the Annual General Meeting to Company Secretary at the Corporate Office of the Company at Gujarat Gas Limited, 2, Shantisadan Society, Near Parimal Garden, Ellis Bridge, Ahmedabad 380006, India, so that the same may be attended to, appropriately.
- (L) Members holding shares in physical form, may avail of the facility of nomination in terms of Section 72 of the Companies Act, 2013, by nominating in the Form-SH 13, as prescribed in the Companies (Share Capital & Debenture) Rules, 2014, any person to whom their shares in the Company shall vest on occurrence of events stated in the Form. Those holding shares in physical form may obtain Form-SH 13 and send the same in duplicate to the RTA. In case of Shares held in dematerialised form, the nomination has to be lodged with the respective DP.
- (M) Members holding physical shares in multiple folios in identical names are requested to send their share certificate to Company's Registrar and Share Transfer Agent, M/s Karvy Computershare Private Ltd. for consolidation. Shareholders are requested to update their addresses, bank account details and ECS details with the depositories if shares are held in demat form and with the Registrar and Share Transfer Agent if shares are held in physical mode.
- (N) Pursuant to section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Annual Report of the Company is being sent through email to those members whose email ID is registered with the Company / Depository. In case any member wants a physical copy of the Annual Report, he may send a request to the Company Secretary at the Corporate Office / RTA. Those members who have not registered their email ID are requested to write to the RTA / their Depository Participant for registering the same.

The Annual Report for F.Y. 2016-2017 as circulated to the members of the Company is also available on the website of the Company [www.gujaratgas.com](http://www.gujaratgas.com).



- (O) Pursuant to Section 139(5) read with Section 142 of the Companies Act, 2013, Comptroller & Auditor General (C&AG) of India have appointed M/s. S. R. Goyal & Co. Chartered Accountants, as the Statutory Auditors of the Company for FY 2017-18 and their remuneration is to be fixed by the Company in the Annual General Meeting. The members may authorise the Board to fix up an appropriate remuneration of Auditors for FY 2017-18.
- (P) Voting through Electronic Means:
- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 including any modifications and amendments, if any, and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS2) issued by The Institute of Company Secretaries of India, the Company is providing facility to the Members to exercise their right to vote by electronic means in respect of the Resolution(s) contained in this Notice. The Company has engaged the services of Karvy Computershare Pvt. Ltd as the Authorised Agency or the Service Provider to provide remote e-voting facility (i.e. the facility of casting votes by a Member by using an electronic voting system from a place other than the venue of the General Meeting).
  - II. The Company shall also provide facility for voting through polling paper which shall be available at the Meeting and Members attending the Meeting, who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the Meeting.
  - III. The cut-off date for the purpose of voting (including remote e-voting) is 21<sup>st</sup> September, 2017. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the Depositories at the close of business hours on 21<sup>st</sup> September, 2017 shall be entitled to avail the facility of voting through Remote E-voting/polling paper. The voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Capital of the Company as on the cut-off date i.e. Thursday, 21<sup>st</sup> September, 2017.
  - IV. The Members who have casted their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
  - V. The Board of Directors have appointed CS Manoj Hurkat & Associates, Practising Company Secretary, (Membership No. FCS4287) as the Scrutinizer, for conducting the voting / poll and remote e-voting process in a fair and transparent manner.
  - VI. The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

Commencement of remote e-voting	09.00 A.M. (IST) on Monday, 25 <sup>th</sup> September, 2017
End of remote e-voting	05.00 P.M. (IST) on Wednesday, 27 <sup>th</sup> September, 2017

**The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure and instructions for e-voting given hereinafter:**

- A. In case a Member receiving an email of the AGM Notice from Karvy [for members whose email IDs are registered with the Company/ Depository Participant(s)]:
- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
  - ii) Enter the login credentials. Event No. followed by Folio No. / DP ID-Client ID will be your User ID, Password will be mentioned in the email. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - iii) After entering these details appropriately, Click on "LOGIN".
  - iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v) You need to login again with the new credentials.
  - vi) On successful login, the system will prompt you to select the "EVENT" i.e. Gujarat Gas Limited.
  - vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned therein. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
  - ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - x) You may then cast your vote by selecting an appropriate option and click on "Submit".



- xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the resolutions(s).
- xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: manojhurkat@hotmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."
- xiii) In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 21 September, 2017, may write to the Karvy on the email Id: evoting@karvy.com or to Mr. Sandeep Sanghi, Contact No. 040-6716 1791, at [Unit: Gujarat Gas Limited], Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.
- B. In case of Members receiving physical copy of the AGM Notice by Post/Courier [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:
- i). User ID and initial password as provided in the letter accompanying the Annual Report.
- ii). Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
- C. The remote e-voting period commences on 09.00 A.M. (IST) on 25th September, 2017 and ends on 05.00 P.M. (IST) on 27th September, 2017. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being 21 September, 2017, may cast their vote by electronic means in the manner and process set out hereinabove.
- The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.
- D. In case of any query pertaining to remote e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>. (Karvy's website).

**(Q) Poll at the Meeting:**

After the items of the Notice have been discussed, the Chairman will order Poll in respect of the items. Poll will be conducted under the supervision of the Scrutinizer appointed for remote e-voting and Poll as stated above. A person, whose name is recorded in the Register of Members or in Register of beneficial owners maintained by the Depositories as on the cut-off date of 21st September, 2017, and who have not casted their vote by remote e-voting, and being present in the Annual General Meeting, either personally or through proxy, only shall be entitled to vote at the Annual General Meeting.

- (R) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Meeting, and thereafter unblock the vote cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will make, within forty eight hours of conclusion of its Annual General Meeting i.e. on or before 30th September, 2017 (12:00 Noon), a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him, who shall declare the result forthwith.
- (S) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gujaratgas.com](http://www.gujaratgas.com) and on the website of Karvy Computershare Pvt Ltd immediately after the Result is declared and shall be simultaneously communicated to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where the Shares of the Company are listed.
- (T) The Resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of requisite number of votes in favour of the Resolutions.
- (U) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.30 A.M. to 6.30 P.M.) on all working days up to and including the date of Annual General Meeting of the Company.
- (V) This Notice is also being sent with Annual Report along with attendance slip, proxy form and route map of the venue of the Meeting.
- (W) MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.**

**By Order of the Board  
For, Gujarat Gas Limited  
Rajeshwari Sharma  
Company Secretary**

**Date: 30 August 2017**

**Place: Ahmedabad**

**ANNEXURE TO THE NOTICE****(I) EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013 AND PARA 1.2.5 OF SECRETARIAL STANDARD ON GENERAL MEETING (SS-2) NOTIFIED UNDER THE COMPANIES ACT, 2013:****Item No 5. Re-Appointment of Mr Jal Patel as an Independent Director for the second term of 5 years w.e.f. 21/04/2017.**

Mr Jal Patel had been appointed as an Independent Director of the Company by the shareholders of the Company in the 3rd Annual General Meeting held on 28th December 2015 to hold office for the period of 2 years effective from 21st April 2015.

As per Section 149 of the Companies Act, 2013 and the Rules thereunder, an Independent Director can be reappointed for a term of upto 5 years on passing of special resolution in general meeting and disclosure of such reappointment in the Board's Report. Also, Schedule IV of the Act inter alia provides for carrying out of performance evaluation by the Board before extending the term of the Independent Director. Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and recommend their appointment to the Board. The NRC has recommended the reappointment of Mr Jal Patel as the Independent Director. Accordingly, the Board has approved the same.

Pursuant to expiry of the first tenure, the Board vide its Circular Resolution dated 21st April, 2017, had approved the re-appointment of Mr Jal Patel, as an Independent Director of the Company for the period of 5 years effective from 21st April 2017. The Government vide its letter dated 10 August 2017 has approved his said appointment as the Independent Director as he fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his re-appointment as the Independent Director of the Company and is independent of the management. Mr. Patel had given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

He and his relatives hold Nil shares of the Company. A notice under section 160 of the Companies Act, 2013, along with the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Independent Director of the Company.

The copy of the letter for his appointment as the Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate Office of the Company situated at 2- Shantisadhan Society, Nr. Parimal Garden, Ellisbridge, Ahmedabad -380 006, during normal business hours on any working day. His particulars of qualification, experience and other Directorships etc. are as below:

<b>Name of Director</b>	Jal Patel
<b>Date of Birth</b>	17th September 1937
<b>Date of the first Appointment on the Board</b>	21st April, 2015
<b>Qualifications</b>	Associate member of Institute of Chartered Accountants of India (ICAI), Associate member of Institute of Company Secretaries of India (ICSI).
<b>Nature of Expertise / Experience</b>	He was associated with the German FAG group of Bearing companies since 1962 where he handled various managerial functions. In 1977, he took over as the Managing Director of the company. Subsequently, he was promoted as the Vice Chairman and Managing Director before retiring in 2000. His areas of expertise include Finance, Accounts and Administration. He is also actively involved with various social and welfare associations and federations as well as various trusts.
<b>Names of other Companies in which the person also holds the directorship</b>	Ineos Styrolution India Limited Elecon Engineering Company Limited ABC Bearings Limited Munjil Auto Industries Limited Jewel Consumer Care Pvt. Ltd.
<b>No. of Share held</b>	Nil
<b>Memberships/ Chairmanships of committees of Board of Directors of Company</b>	Gujarat Gas Limited Audit Committee-Chairman Stakeholder Relationship Committee-Member Risk Management Committee- Member Nomination and Remuneration Committee-Member CSR Committee - Member Business Responsibility Committee - Member
<b>Names of other Companies in which the person also holds the membership of Committees of the board;</b>	1. Ineos Styrolution India Limited Stakeholder Relationship Committee-Member CSR Committee - Member Nomination and Remuneration Committee- Chairman Audit Committee-Chairman

**ANNEXURE TO THE NOTICE**

	2. ABC Bearings Limited Audit Committee-Chairman CSR Committee – Member Nomination and Remuneration Committee-Member 3. Elecon Engineering Company Limited Audit Committee-Chairman Stakeholder Relationship Committee-Chairman
<b>Number of Board Meetings attended during the year</b>	3
<b>Disclosure of relationship between directors inter-se</b>	No relation between Directors

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends the resolution in relation to his re-appointment as an Independent Director for the period of 5 years effective from 21st April 2017, as a special resolution for the approval by the shareholders of the Company.

Except Mr. Jal Patel, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at **Item no. 5** of this notice.

**Item No 6. Re-Appointment of Mr K.D. Chatterjee as an Independent Director for the second term of 5 years w.e.f. 21/04/2017.**

Mr K.D. Chatterjee had been appointed as an Independent Director of the Company by the shareholders of the Company in the 3rd Annual General Meeting held on 28th December 2015 to hold office for the period of 2 years effective from 21st April 2015.

As per Section 149 of the Companies Act, 2013 and the Rules thereunder, an Independent Director can be reappointed for a term of upto 5 years on passing of special resolution in general meeting and disclosure of such reappointment in the Board's Report. Also, Schedule IV of the Act inter alia provides for carrying out of performance evaluation by the Board before extending the term of the Independent Director. Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and recommend their appointment to the Board. The NRC has recommended the reappointment of Mr Chatterjee as the Independent Director. Accordingly, the Board has approved the same.

Pursuant to expiry of the first tenure, the Board vide its Circular Resolution dated 21st April, 2017, had approved the re-appointment of Mr K. D. Chatterjee, as an Independent Director of the Company for the period of 5 years effective from 21st April 2017. The Government vide its letter dated 10 August 2017 has approved his said appointment as the Independent Director as he fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his re-appointment as the Independent Director of the Company and is independent of the management. Mr. Chatterjee had given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

He and his relatives hold nil shares of the Company. A notice under section 160 of the Companies Act, 2013, along with the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Independent Director of the Company.

The copy of the letter for his appointment as the Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate Office of the Company situated at 2- Shantisadhan Society, Nr. Parimal Garden, Ellisbridge, Ahmedabad - 380 006, during normal business hours on any working day.

His particulars of qualification, experience and other Directorships etc. are as below:

**ANNEXURE TO THE NOTICE**

<b>Name of Director</b>	Krishna Das Chatterjee
<b>Date of Birth</b>	8th November 1941
<b>Date of first appointment on the board</b>	21st April, 2015
<b>Qualifications</b>	He has done a B.Sc. from University of Calcutta in 1959 and is a member of the Institute of Cost and Works Accountants of India (ICWAI). He was awarded the V. Srinivasan Memorial Gold Medal.
<b>Nature of Expertise / Experience</b>	He had worked with Dunlop India Limited and Gujarat State Fertilizers & Chemicals Limited. He was Executive Director (Finance) of Gujarat Narmada Valley Fertilizers Company Limited. He has rich experience in the field of Finance, Human Resources Development, Marketing, Information Systems and Administration functions.
<b>Names of other Companies in which the person also holds the directorship</b>	GSPC Pipavav Power Company Limited
<b>No. of Share held</b>	Nil
<b>Memberships/ Chairmanships of committees of Board of Directors of Company</b>	Gujarat Gas Limited Audit Committee-Member Stakeholder Relationship Committee-Chairman Nomination and Remuneration Committee- Chairman CSR Committee – Member Project Committee – Member Business Responsibility Committee - Member H R Committee - Member
<b>Names of other Companies in which the person also holds the membership of Committees of the board;</b>	Nil
<b>Number of Board Meetings attended during the year</b>	5
<b>Disclosure of relationship between directors inter-se</b>	No relation between Directors

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends the resolution in relation to his re-appointment as an Independent Director for the period of 5 years effective from 21st April 2017, as a special resolution for the approval by the shareholders of the Company.

Except Mr K.D. Chatterjee, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at **Item No. 6** of this notice.

**Item No 7. Re-Appointment of Ms. Manjula Devi Shroff as an Independent Women Director for the second term of 5 years w.e.f. 21/04/2017.**

Ms. Manjula Devi Shroff had been appointed as an Independent Women Director of the Company by the shareholders of the Company in the 3rd Annual General Meeting held on 28th December 2015 to hold office for the period of 2 years effective from 21st April 2015.

As per Section 149 of the Companies Act, 2013 and the Rules thereunder, an Independent Director can be reappointed for a term of upto 5 years on passing of special resolution in general meeting and disclosure of such reappointment in the Board's Report. Also, Schedule IV of the Act inter alia provides for carrying out of performance evaluation by the Board before extending the term of the Independent Director. Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and recommend their appointment to the Board. The NRC has recommended the reappointment of Ms. Manjula Shroff as the Independent Director. Accordingly, the Board has approved the same.

Pursuant to expiry of the first tenure, the Board vide its Circular Resolution dated 21st April, 2017, had approved the re-appointment of Ms Manjula Shroff, as an Independent Woman Director of the Company for the period of 5 years effective from 21st April 2017. The Government vide its letter dated 10 August 2017 has approved her said appointment as the Independent Director as she fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her re-appointment as the Independent Director of the Company and is independent of the management. She had given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

**ANNEXURE TO THE NOTICE**

She and her relatives hold Nil shares of the Company. A notice under section 160 of the Companies Act, 2013, along with the requisite deposit has been received from a shareholder, signifying the intention to propose her candidature for appointment as the Director of the Company.

The copy of the letter for her appointment as the Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate Office of the Company situated at 2- Shantisadhan Society, Nr. Parimal Garden, Ellisbridge, Ahmedabad - 380 006, during normal business hours on any working day.

Her particulars of qualification, experience and other Directorships etc. are as below:

<b>Name of Director</b>	Manjula Devi Shroff
<b>Date of Birth</b>	27th February 1964
<b>Date of first appointment on the board</b>	21st April 2015
<b>Qualifications</b>	She is a postgraduate from York University and executive alumni from London School of Economics. Holding a post-graduate degree from Utkal University and is a Graduate of Management Education Programme IIM, Ahmedabad.
<b>Nature of Expertise / Experience</b>	Ms. Manjula Devi Shroff is a social entrepreneur and founder of the Delhi Public School (Ahmedabad), Prerna, Visamo Kids, Mundra and Rajula. Besides being known as a visionary and an educationist in Gujarat.
<b>Names of other Companies in which the person also holds the directorship</b>	Eimco Elecon (India) Limited Allen Enterprise Private Limited Altus Learning Private Limited C3po Avionics Private Limited E-Infochips Limited Kishangarh Environmental Development Action Private Limited Odhissha Television Limited Smart Guard Systems Private Limited Surangi Services Limited Henery Tradecom Private Limited
<b>No. of Share held</b>	Nil
<b>Memberships/ Chairmanships of committees of Board of Directors of Company</b>	Gujarat Gas Limited Audit Committee-Member Stakeholder Relationship Committee-Member Nomination and Remuneration Committee-Member CSR Committee - Member Business Responsibility Committee - Member H R Committee - Member
<b>Names of other Companies in which the person also holds the membership of Committees of the board;</b>	Altus Learning Pvt Ltd Compensation Committee -Member Audit Committee-Member Sabarmati Gas Limited CSR Committee-Member Audit Committee-Member Nomination and Remuneration Committee-Member E-Infochips Limited CSR Committee-Member
<b>Number of Board Meetings attended during the year</b>	3
<b>Disclosure of relationship between directors inter-se</b>	No relation between Directors

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, the Board recommends the resolution in relation to her re-appointment as an Independent Director for the period of 5 years effective from 21st April 2017, as a special resolution for the approval by the shareholders of the Company.

**ANNEXURE TO THE NOTICE**

Except Ms. Manjula Devi Shroff being an appointee, none of the directors/ Key Managerial Personnel (KMP) of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, **Item No. 7** of this Notice.

**Item No 8. Appointment of Prof. Piyush Kumar Sinha as an Independent Director for the first term of 2 years w.e.f. 16/08/2017.**

Prof. Piyush Kumar Sinha, has been appointed as an Additional Independent Director of the Company by the Board of Directors vide its circular resolution for the period of 2 years effective from . 16th August, 2017. The Government vide its letter dated 10 August 2017 has approved his said appointment as the Independent Director as he fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as the Independent Director of the Company and is independent of the management. He had given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. As per the provisions of section 161 of the Companies Act, 2013 and the Articles of Association of the Company, he holds the office of Director till the conclusion of this Annual General Meeting.

The Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and recommend their appointment to the Board. The NRC has recommended the appointment of Prof. Piyush Kumar Sinha as the Independent Director. Accordingly, the Board has approved the same.

He and his relatives hold Nil shares of the Company

A notice under section 160 of the Companies Act, 2013, along with the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Independent Director of the Company.

The copy of the letter for his appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate Office of the Company situated at 2- Shantisadhan Society, Nr. Parimal Garden, Ellisbridge, Ahmedabad - 380 006, during normal business hours on any working day.

His particulars of qualification, experience and other Directorships etc. are as below:

<b>Name of Director</b>	Piyush Kumar Sinha
<b>Date of Birth</b>	20/12/1960
<b>Date of first appointment on the board</b>	16/08/2017
<b>Qualifications</b>	Ph.D., M. Com, BBA
<b>Nature of Expertise / Experience</b>	Professor Piyush Kumar Sinha is a faculty in the area of marketing and retailing. He has more than three decades of academic and industry experience. He has taught at leading management schools of India. Prior to joining IIMA, he was the Dean at MICA. He teaches Retailing and Marketing Management to the post graduate students. He also offers courses on Marketing Management and Consumer Behaviour to the Ph.D. students. He has been the Chairperson of the Centre for Retailing at IIMA.
<b>Names of other Companies in which the person also holds the directorship</b>	Smart Grid Private Limited Karnavati Engineering Limited JadeBlue Lifestyle Pvt Ltd
<b>No. of Share held</b>	Nil
<b>Memberships/ Chairmanships of committees of Board of Directors of Company</b>	Nil
<b>Names of other Companies in which the person also holds the membership of Committees of the board;</b>	Nil
<b>Number of Board Meetings attended during the year</b>	0
<b>Disclosure of relationship between directors inter-se</b>	No relation between Directors

**ANNEXURE TO THE NOTICE**

The Board recommends the resolution in relation to his appointment as an Independent Director for the period of 2 years effective from 16<sup>th</sup> August, 2017, as an ordinary resolution for the approval by the shareholders of the Company.

Except Prof. Piyush Kumar Sinha, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at **Item No. 8** of this Notice.

**Item No 9. Appointment of Prof. Vishal Gupta as an Independent Director for the first term of 2 years w.e.f. 16/08/2017.**

Prof. Vishal Gupta, has been appointed as an Additional Independent Director of the Company by the Board of Directors vide its circular resolution for the period of 2 years effective from 16<sup>th</sup> August, 2017. The Government vide its letter dated 10 August 2017 has approved his said appointment as the Independent Director as he fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as the Independent Director of the Company and is independent of the management. He had given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. As per the provisions of section 161 of the Companies Act, 2013 and the Articles of Association of the Company, he holds the office of Director till the conclusion of this Annual General Meeting.

The Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and recommend their appointment to the Board. The NRC has recommended the appointment of Prof. Vishal Gupta as the Independent Director. Accordingly, the Board has approved the same.

He and his relatives hold Nil shares of the Company

A notice under section 160 of the Companies Act, 2013, along with the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Independent Director of the Company.

The copy of the letter for his appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate Office of the Company situated at 2- Shantisadhan Society, Nr. Parimal Garden, Ellisbridge, Ahmedabad - 380 006, during normal business hours on any working day.

His particulars of qualification, experience and other Directorships etc. are as below:

<b>Name of Director</b>	Vishal Gupta
<b>Date of Birth</b>	31/08/1983
<b>Date of first appointment on the board</b>	16/08/2017
<b>Qualifications</b>	B.E. (Hons.) EEE, BITS-Pilani; Fellow, IIM Lucknow
<b>Nature of Expertise / Experience</b>	Prof. Vishal Gupta is an Associate Professor in the Organizational Behavior Area at the Indian Institute of Management Ahmedabad. He obtained his Doctorate in Human Resource Management from the Indian Institute of Management Lucknow in 2013. His current areas of teaching and research are leadership development, compensation and performance management, motivation, emotional intelligence, decision making organizational justice, creativity & innovation management and R&D Management.
<b>Names of other Companies in which the person also holds the directorship</b>	Nil
<b>No. of Share held</b>	Nil
<b>Memberships/ Chairmanships of committees of Board of Directors of Company</b>	Nil
<b>Names of other Companies in which the person also holds the membership of Committees of the board;</b>	Nil
<b>Number of Board Meetings attended during the year</b>	0
<b>Disclosure of relationship between directors inter-se</b>	No relation between Directors

**ANNEXURE TO THE NOTICE**

The Board recommends the resolution in relation to his appointment as an Independent Director for the period of 2 years effective from 16<sup>th</sup> August, 2017, as an ordinary resolution for the approval by the shareholders of the Company.

Except Prof. Vishal Gupta, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at **Item No. 9** of this Notice.

**Item No 10. Appointment of Shri Milind Torawane, IAS as Director liable to retire by rotation.**

Shri Milind Torawane, IAS, has been appointed as an Additional Director of the Company by the Board of Directors w.e.f. 10th August, 2017. As per the provisions of section 161 of the Companies Act, 2013 and the Articles of Association of the Company, he holds the office of Director till the conclusion of this Annual General Meeting. A notice under section 160 of the Companies Act, 2013, along with the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Director of the Company.

The following Promoter Directors are deemed to be interested, in the resolution set out at Item No. 10.

- (a) Dr.J.N. Singh, IAS
- (b) Mr. Sujit Gulati, IAS
- (c) Dr. T. Natarajan, IAS

Accordingly, the Board recommends the resolution in relation to his appointment as Director liable to retire by rotation, for the approval as an ordinary resolution by the shareholders of the Company.

His particulars of qualification, experience and other Directorships etc. are as below:

<b>Name of Director</b>	Milind Torawane, IAS
<b>Date of Birth</b>	30/08/1972
<b>Date of first appointment on the board</b>	10th August, 2017
<b>Qualifications</b>	B.E. (Electronic & Tele Communication)
<b>Nature of Expertise / Experience</b>	He has held various important positions in Government of Gujarat (GoG) like Municipal Commissioner- Surat Municipal Corporation, Secretary-Housing & Nirmal Gujarat, Additional Chief Executive- Gujarat Urban Development Mission, Director- Diamond Research & Mercantile City Limited, etc. Lastly, he was Managing Director- Gujarat Urban Development Company Limited.
<b>Names of other Companies in which the person also holds the directorship</b>	Gujarat Industries Power Company Limited Gujarat Energy Transmission Corporation Limited GSPC Pipavav Power Company Limited Gujarat Urja Vikas Nigam Limited Gujarat Water Infrastructure Limited Gujarat State Police Housing Corporation Limited Surat Smart City Development Limited Diamond Research and Mercantile City Limited
<b>No. of Share held</b>	Nil
<b>Memberships/ Chairmanships of committees of Board of Directors of Company</b>	Gujarat Gas Limited Audit Committee-Member Stakeholder Relationship Committee- Member Project Committee-Member Risk Management Committee-Chairman
<b>Names of other Companies in which the person also holds the membership of Committees of the board;</b>	Nil
<b>Number of Board Meetings attended during the year</b>	0
<b>Disclosure of relationship between directors inter-se</b>	No relation between Directors



## ANNEXURE TO THE NOTICE

Except Shri Milind Torawane, IAS, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at **Item No. 10** of this Notice.

### **Item No 11. To approve enhancement of the Borrowing Powers of the Board under Section 180 (1) (c) of the Companies Act, 2013.**

The shareholders are requested to note that as per Section 180(1) (c) of the Companies Act, 2013, the borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the Company and its free reserve require the approval from the shareholders of the Company. It is, therefore, proposed to seek the approval of the shareholders for enhancing the borrowing limits upto 10,000 crs. (Rupees Ten Thousand Crores) (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by way of a Special Resolution.

The Shareholders are informed that in its 2nd Annual General Meeting held on 30th December, 2014, it had granted authority to the Board of Directors of the Company to borrow the money, the outstanding of which at any time shall not exceed the sum of Rs. 7000 crs. (Rupees Seven Thousand Crores).

It is further informed to the Shareholders that your Company is frequently required to submit the Performance Bank Guarantees (PBGs) to Petroleum & Natural Gas Regulatory Board (PNGRB), as per the prescribed norms. These PBGs forms part of the non fund based limits which are not actual borrowings in nature, but in the event, if, these PBGs may get crystallized/liquidated/invoked, it would be considered as Borrowings and would form part of the Borrowing Limits of the Company under section 180 (1) (c) of the Companies Act, 2013. Under such circumstances, the borrowings by the Company may exceed the the borrowing limits of Rs. Seven Thousand crores, as approved by the shareholders in its 2nd Annual General Meeting held on 30th December, 2014.

Further, the Shareholders may also grant the authority to the Board to determine the terms and conditions of any borrowings as provided above and such authority may further be delegated by the Board to any of its Committee or to such other person(s), subject to such restrictions or conditions, as the Board may deem fit.

The Directors recommend the resolution set out at Item No. 11 of this Notice as a Special Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the Resolution at **Item No. 11** of this Notice.

### **Item No. 12 Ratification of remuneration of Cost Auditors for FY 2017-18.**

The Board of Directors at its Meeting held on 10th August, 2017, on the recommendation of the Audit Committee, subject to the approval of Government of India, appointed M/s Kailash Sankhlecha & Associates, Cost Accountants, (firm Registration No. 100221) as the Cost Auditors to conduct the Audit of the cost accounts / records maintained by the Company for the Financial Year 2017-18 at the remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus GST and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the said remuneration payable for FY 2017-18 to M/s Kailash Sankhlecha & Associates, Cost Accountants as Cost Auditor has to be ratified by the Members of the Company.

Therefore, the Directors recommend the Resolution at Item No. 12 of this Notice for your ratification / approval.

None of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 12 of this Notice.

## **II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS AND PARA 1.2.5 OF SECRETARIAL STANDARD ON GENERAL MEETING (SS-2) NOTIFIED UNDER THE COMPANIES ACT, 2013 :**

### **Item No. 3 Re-appointment of Dr. T. Natarajan, IAS**

In terms of Section 152(6) of the Companies Act, 2013, Dr. T. Natarajan, IAS shall retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment.

Dr. T. Natarajan, IAS had been appointed as the Director Liable to retire by rotation in the 4th Annual General Meeting of the Company held on 29th September, 2016. He and his relatives hold Nil shares of the Company.

The following Promoter Directors are deemed to be interested, in the resolution set out at Item No. 3.

- (a) Dr. J.N. Singh, IAS
- (b) Mr. Sujit Gulati, IAS
- (c) Mr. Milind Torawane, IAS

His particulars of qualification, experience and other Directorships etc. are as below:



## ANNEXURE TO THE NOTICE

<b>Name of Director</b>	Dr. T. Natarajan, IAS
<b>Date of Birth</b>	05/05/1971
<b>Date of first appointment on the board</b>	11th August, 2016
<b>Qualifications</b>	Dr. T. Natarajan, IAS, holds a B.E. (Mining Engineering) and an MBA (Finance & Marketing). He also holds Doctorate in Management.
<b>Nature of Expertise / Experience</b>	Dr. T. Natarajan, IAS served as Joint Managing Director of Gujarat Narmada Valley Fertilizers & Chemicals Limited. He Worked in Industrial Finance Corporation for 2 years and has also held distinguished positions in the Government of Gujarat including Commissioner, Technical Education, Commissioner, Geology & Mining as well as Secretary, Economic Affairs, Finance Department. He has served as Director of Gujarat Mineral Development Corporation Limited, Gujarat Industrial Development Corporation Limited, Gujarat Urban Development Company Limited, Gujarat State Electricity Corporation Limited and Bhavnagar Energy Co. Ltd.
<b>Names of other Companies in which the person also holds the directorship</b>	Gujarat State Petroleum Corporation Limited Gujarat State Petronet Limited Petronet LNG Limited Gujarat State Energy Generation Limited Guj Info Petro Limited GSPC Pipavav Power Company Limited GSPL India Gasnet Limited GSPL India Transco Limited Sabarmati Gas Limited
<b>No. of Share held</b>	Nil
<b>Memberships/ Chairmanships of committees of Board of Directors of Company</b>	Gujarat Gas Limited Audit Committee-Member Nomination & Remuneration Committee- Member HR Committee – Member Project Committee- Chairman
<b>Names of other Companies in which the person also holds the membership of Committees of the board;</b>	Gujarat State Petroleum Corporation Limited Audit Committee-Member Project Committee – Member HR Committee – Member Committee of Directors for KG Block – Member Committee of Directors E&P Blocks (other than KG Block) – Member Guj Info Petro Limited CSR Committee- Chairman Gujarat State Petronet Limited Audit Committee-Member Stakeholder Relationship Committee- Member Project Management Committee – Member CSR Committee- Member Risk Management Committee- Member Personnel Committee- Member GIGL/GITL Review Committee- Member
<b>Number of Board Meetings attended during the year</b>	4
<b>Disclosure of relationship between directors inter-se</b>	Related to Promoter Directors

Your Directors recommend the appointment of Dr. T. Natarajan, IAS as the Director of the Company.

None of the directors apart from aforementioned directors/ Key Managerial Personnel (KMP) of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 3 of this Notice.

**Date: 30 August 2017**  
**Place: Ahmedabad**

**By Order of the Board**  
**For, Gujarat Gas Limited**  
**Rajeshwari Sharma**  
**Company Secretary**

**BOARD'S REPORT**

**Dear Members,  
Gujarat Gas Limited**

Your Directors have pleasure in presenting the 5th Annual Report and the Audited Financial Statements for the Financial Year ended on 31st March 2017.

**Financial Highlights**

Particulars	Standalone Financials		Consolidated Financials	
	12 Months ended 31/03/2017	12 Months ended 31/03/2016	12 Months ended 31/03/2017	12 Months ended 31/03/2016
	Rs. in Cr.	Rs. in Cr.	Rs. in Cr.	Rs. in Cr.
<b>Total income</b>	<b>5,264.19</b>	<b>6,289.98</b>	<b>5,264.21</b>	<b>6,289.99</b>
Gross profit before interest, depreciation and tax	769.62	746.57	769.63	746.58
Less: Interest	208.96	247.44	208.96	247.44
Depreciation	257.33	245.42	257.33	245.42
<b>Profit before tax and share of profit of associate</b>	<b>303.33</b>	<b>253.71</b>	<b>303.34</b>	<b>253.72</b>
Share of Profit from Associates	-	-	1.35	2.14
Minority Interest	-	-	-	-
<b>Profit/(Loss) Before Tax</b>	<b>303.33</b>	<b>253.71</b>	<b>304.69</b>	<b>255.86</b>
Tax expenses	83.83	65.38	84.10	65.82
<b>Net Profit after tax for the period</b>	<b>219.50</b>	<b>188.33</b>	<b>220.59</b>	<b>190.04</b>
Other Comprehensive Income ( after tax)(OCI)				
-Equity Instruments through OCI	(40.11)	(31.97)	(40.11)	(31.97)
- Re-measurements of post-employment benefit obligation, net of tax	(2.56)	(1.98)	(2.56)	(1.98)
Share of Other comprehensive income of associate	-	-	(0.02)	0.01
<b>Total Comprehensive Income</b>	<b>176.83</b>	<b>154.38</b>	<b>177.90</b>	<b>156.10</b>
<b>RETAIN EARNINGS:</b>				
<b>Net Profit after tax for the period carried to retained earnings</b>	<b>219.50</b>	<b>188.33</b>	<b>220.59</b>	<b>190.04</b>
Add : Other Comprehensive Income carried to retained earnings	(2.56)	(1.98)	(2.58)	(1.97)
Add: Undistributed profit /(loss) of earlier years	396.46	292.96	414.23	309.01
<b>Balance available for Appropriation</b>	<b>613.40</b>	<b>479.31</b>	<b>632.24</b>	<b>497.08</b>
<b>Less: Appropriations:</b>				
Transfer to general reserve	-	-	-	-
Preference dividend	-	-	-	-
Equity dividend paid	(34.42)	(68.84)	(34.42)	(68.84)
Corporate dividend tax on Equity dividend	(7.01)	(14.01)	(7.01)	(14.01)
Interim Dividend	-	-	-	-
Corporate dividend tax on interim dividend	-	-	-	-
Add; Transfer from Debenture Redemption Reserve	125.00	-	125.00	-
<b>Surplus / (Deficit) retained</b>	<b>696.97</b>	<b>396.46</b>	<b>715.81</b>	<b>414.23</b>
Earnings per Share (Face value of Rs. 10 each)				
(Basic & Diluted)	15.94	13.68	16.02	13.80

**PERFORMANCE HIGHLIGHTS**

Your Company continues to hold the leadership position as the largest CGD Company in the country catering to 11,64,461 residential customers, 12,341 commercial customers, dispensing CNG from 252 operational CNG stations for automotive sector and providing clean energy solutions to 3,067 industrial units across its operational area with a spread of around 19,974 kilometers of pipeline network.



## BOARD'S REPORT

While Gujarat Gas Limited (GGL) has been resilient in sustaining the industrial volumes successfully in the ever dynamic oil & gas industry, it has continued to focus its efforts for developing and growing PNG (Domestic) and CNG business. GGL connected around 85,441 household customers and commissioned 22 CNG stations during year. Sales volume has grown by 4% in the residential segment and 8% in transport (CNG) segment.

The stand-alone net profit after tax (Total comprehensive income) for the current year 2016-17 increased to Rs. 176.83 Crores from Rs. 154.38 Crores in the previous year. The Company had healthy net cash flows from operations of Rs. 701.61 crores during the year 2016-17.

### DIVIDEND

Your Directors recommend for consideration of the shareholders at the 5th Annual General Meeting, the Dividend of Rs. 3.00 per fully paid up equity share of Rs. 10/- each on 13,76,78,025 equity shares for the Financial Year 2016-17.

### LISTING OF SHARES

Your Company's equity shares have been listed and trading on BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Ahmedabad Stock Exchange Limited (ASE) and Vadodara Stock Exchange (VSE) with effect from 15th September, 2015. The ISIN of Equity Shares is INE844001022. Further it is brought to the notice of Shareholders that SEBI vide its Order No. WTM/RKA/MRD/144/2015, dated 9th November, 2015 had provided the exit to Vadodara Stock Exchange Limited and in view thereof, the Company is no longer listed on VSE. It is also brought to the notice of the Shareholders that the Company has received a letter dated 11/01/2017 from Ahmedabad Stock Exchange Limited wherein it has been informed that Ahmedabad Stock Exchange Limited (ASEL) is undergoing its exit policy and because of that all the Companies listed with ASEL are shifted to NSE, BSE, or dissemination Board NSE. So the Company is requested to do all the Compliance with relevant exchanges where the Company is further listed or with Dissemination Board NSE and not with ASEL. As your Company is already listed with NSE and BSE, no additional compliance is required.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Your Company does not have any subsidiary and joint venture and Guj Info Petro Limited is the Associate of your Company, a statement containing salient features of financial statements of Guj Info Petro Limited under first proviso to sub section (3) of section 129 in form AOC-1 is attached at Annexure-7.

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company represents consolidation of Financial Statements of Guj Info Petro Limited (GIPL), an associate company and Gujarat Gas Limited Employees Welfare Stock Option Trust (ESOP Trust), in accordance with IND AS.

1. Investment in associate has been accounted for using Equity Method in accordance with IND AS 28 - Investments in Associates and Joint Ventures.
2. Consolidation of Employees Welfare Stock Option Trust (ESOP Trust) resulting into adjustment of underlying treasury shares and disclosed in the statement of other Equity in financial statement in accordance with IND AS.

The Audited Consolidated Financial Statements are provided in the Annual Report.

### FINANCIAL STATEMENT IN COMPLIANCE WITH IND AS

The financial statements have been prepared in accordance and compliance of all material aspects of Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

### FIRST TIME ADOPTION OF IND-AS

The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards including relevant clarifications issued by Ind AS Transition Facility Group (ITFG) on various issues. The transition was carried out as the Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

### DEPOSITS

During the year under review, your Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.



## BOARD'S REPORT

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees, Securities and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. A statement giving details of all Related Party Transactions is placed before the Audit Committee for approval/ratification on a quarterly basis, as the case may be. The Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions as approved by the Board is uploaded on the Company's Website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. The particulars of contracts or arrangements with Related Parties referred to in Section 188 (1) of the Companies Act, 2013, as prescribed in Form AOC - 2 of the Companies (Accounts) Rules, 2014 is enclosed herewith as Annexure - 4 to this Report.

### CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Pursuant to provisions of Section 135 of the Companies Act, 2013, the Company has also formulated a Corporate Social Responsibility Policy which is uploaded on the website of the Company at <http://www.gujaratgas.com/corporate-governance/policies/> The Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed herewith as Annexure - 2 to this Report.

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### APPOINTMENT AND RESIGNATION OF DIRECTORS

Shri G.R. Aloria, IAS ceased to be the Director of the Company w.e.f. 30th July, 2016, Shri Atanu Chakraborty, IAS ceased to be the Director of the Company w.e.f. 11th April, 2016, Shri L Chuaungo, IAS ceased to be the Director of the Company w.e.f. 27th June, 2016 and Shri Mukesh Kumar, IAS ceased to be the Director of the Company w.e.f. 8th August, 2016.

The Shareholders of the Company in its 3rd Annual General Meeting held on 28th December, 2015 had appointed Prof Pradip Khandwalla and Shri Ajit Kapadia as the Independent Directors of the Company for the period of two years effective from 21st April, 2015. On account of expiry of their tenure as the Independent Directors of the Company they ceased to be the Independent Directors of the Company w.e.f. 21st April, 2017. Shri Sanjeev Kumar, IAS whose appointment had been regularized by the Shareholders in the 4th Annual General Meeting held on 29th September, 2016, ceased to be the Director of the Company w.e.f. 27th June, 2017. Your Directors wish to place on record, their appreciation for the services rendered by them as the Directors of the Company.

Dr. J. N. Singh IAS had been appointed as the Additional Director with effect from 25/04/2016. Upon his appointment as the Chief Secretary, Government of Gujarat, he was appointed w.e.f. 11th August, 2016, as the Chairman on the Board of Directors in place of Shri G. R. Aloria, IAS, who retired from the office of Chief Secretary to Government of Gujarat w.e.f. 31st July, 2016. The appointment of Dr. J. N. Singh IAS was regularized in the 4th Annual General Meeting of the Company held on 29th September, 2016. Shri Sujit Gulati, IAS, Additional Chief Secretary, Energy & Petrochemicals Department had been appointed as Additional Director with effect from 11th August, 2016. His appointment was regularized by the Shareholders in the 4th Annual General Meeting held on 29th September, 2016. The appointment of Dr. T. Natarajan, IAS, Jt. Managing Director, GSPC was regularized in the 4th Annual General Meeting of the Company held on 29th September, 2016. He will retire by rotation and it is proposed to reappoint him as the Director of the Company in the ensuing 5th Annual General Meeting.

Shri Milind Torawane, IAS had been appointed as the Additional Director by the Board of Directors in its Meeting held on 10th August, 2017, it is proposed to regularize his appointment in the ensuing 5th AGM.

Shri Jal Patel, Smt. Manjula Shroff and Shri K.D. Chatterjee had been appointed as the Independent Directors of the Company for the period of two years effective from 21st April, 2015 by the Shareholders of the Company in its 3rd Annual General Meeting held on 28th December, 2015. On account of expiry of their tenure and they being qualified and eligible for re-appointment as the Independent Directors of the Company in accordance with provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors Rules), 2014, they had been re-appointed by the Board of Directors vide Circular Resolution dated 21/04/2017 for second term of 5 years effective from 21/04/2017, subject to approval of shareholders at Annual General Meeting vide special resolution. Their re-appointment is being placed for approval of the Shareholders in its ensuing 5th Annual General Meeting.

A brief resume of the Directors to be appointed at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and details regarding the Companies in which they hold Directorship, Membership / Chairmanship of committees of the Board are given in the Explanatory Statement forming part of the Notice of the 5th Annual General Meeting.



## BOARD'S REPORT

### APPOINTMENT AND RESIGNATION OF KEY MANAGERIAL PERSONNEL

Mr. Nitin Patil was appointed as the In-charge CEO of your Company with effect from 2nd March, 2016. Further he was re-designated as the CEO of your Company w.e.f. 11th August, 2016.

### DIRECTORS INDEPENDENCE

Pursuant to the provisions of Section 149 (6) of the Companies Act, 2013, the Independent Directors of the Company have given confirmation/declaration to the Board that they meet with the criteria of Independence and are Independent in terms of Section 149 (6) of the Companies Act, 2013.

### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the performance evaluation of individual Directors for FY 2016-17 was carried out as per the terms and conditions of their appointment based on the various parameters.

### MEETINGS OF THE BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled to enable the Directors to plan their schedule and to ensure meaningful participation in the Meetings. However, in case of a special and urgent business need, the approval is taken by passing resolutions through circulation to the Directors, as permitted by law, which are noted in the subsequent Board/Committee Meetings.

During the period beginning from 1st April, 2016 up to 10th August, 2017, Eight (8) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### AUDITORS (STATUTORY & CAG AUDIT)

As your Company is a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (CAG). Accordingly, the CAG had appointed M/s. Manubhai & Shah LLP, Chartered Accountants as the Statutory Auditors of the Company for the Financial Year 2016-17. The CAG has carried out supplementary audit of your Company pursuant to Provisions of Section 143 (6) of the Companies Act, 2013. The CAG has issued the NIL comment report on the Financial Statements of the Company for FY 2016-17.

The Shareholders are further informed that CAG has appointed M/s. S R Goyal & Co, Chartered Accountants, as the Statutory Auditors of the Company for Financial Year 2017-18.

### SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Manoj Hurkat & Associates, Practising Company Secretaries to conduct the Secretarial Audit of the Company for the Financial Year 2016-17. The Report of Secretarial Auditor on Company's Secretarial Audit for the Financial Year 2016-17 is enclosed herewith as Annexure - 3 to this Report. The Secretarial Audit Report is self explanatory in nature.

### COST AUDITOR

Your Company is required to carry out Cost Audit pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. Accordingly, the Cost Auditor M/s Dalwadi & Associates, Cost Accountants, have carried out the Cost Audit for the Financial Year 2016-17. The Cost Audit Report for FY 2016-17 has been submitted to the Central Government in the prescribed format within stipulated time period.

Further the Board of Directors has, on the recommendation of the Audit Committee appointed M/s. Kailash Sankhlecha & Associates, Cost Accountants, as the cost auditor to audit the Cost Accounts of the Company for financial year 2017-18 on remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus GST and out of pocket expenses.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in General Meeting for their ratification. Accordingly, the necessary resolution seeking Member's ratification for the remuneration payable to the Cost Auditors for FY 2017-18 is included in the Notice convening the 5th Annual General Meeting.

### ANNUAL ACCOUNTS

The Audit Committee at its Meeting held on 23rd May, 2017 approved the Financial Statements for the Financial Year ended on 31st March, 2017 and recommended the same for approval of the Board which had been subsequently approved by the Board of Directors at its meeting held on 24th May, 2017.

**BOARD'S REPORT****RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM****RISK MANAGEMENT:**

The Company has a well-defined Risk Management Framework for reviewing the major Risks and has adopted a Business Risk Management Policy. Further, pursuant to the requirement of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has voluntarily constituted a Risk Management Committee inter-alia to monitor the Risk Management Plan of the Company.

**INTERNAL CONTROL SYSTEM:**

The Company has a proper and adequate system of Internal Controls commensurate with its size of operations and nature of business. These are routinely tested and certified by Auditors. Significant audit observations of audit team and follow up actions thereon are reported to the Audit Committee. The details about the identification of elements of Risk and Internal Control Systems are provided in detail in the Management Discussion & Analysis Report forming part of this Board's Report.

**INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls, with reference to financial statement. The internal financial controls have been documented in the business processes. Such controls have been assessed during the year under review and were operating effectively.

**WHISTLE BLOWER POLICY/VIGIL MECHANISM**

The Company has established a Whistle Blower Policy/Vigil Mechanism for Directors, Stakeholders and Employees to report their genuine concerns, details of which have been given in the Corporate Governance Report forming part of this Boards' Report.

**GUJARAT GAS LIMITED EMPLOYEE STOCK OPTION PLAN 2016 ("THE ESOP 2016")****GRANT, VESTING AND EXERCISE OF OPTIONS - I**

1. The Eligible Employees were entitled to Revised Grants (with effect from the Revised Grant Date) of equivalent number of Options - I under the ESOP 2016, against the equivalent number of Options Granted and Vested in them pursuant to the ESOP 2008, which had not been Exercised by them on the Effective Date under the Scheme of Amalgamation.
2. The Eligible Employee had been issued Revised Grant of 13,000 number of Options - I under the ESOP 2016, against the equivalent number of Options Granted and Vested pursuant to the ESOP 2008.
3. The above Revised Grants of Options - I were on the basis of the Share Exchange Ratio of 1 (one) equity share of Rs.10/- each of GGL, for every 1 (one) equity share of Rs.2/- each of erst while GGCL, pursuant to the Scheme of Amalgamation.
4. These Options - I continued to bear the Exercise Price as per the ESOP 2008. The Exercise Price payable for Options - I under ESOP 2016 was based on the Exercise Price payable under the ESOP 2008 that has been adjusted after taking into account the effect of the Share Exchange Ratio of 1:1.
5. Upon the Revised Grant of Options - I, the Options Granted under the ESOP 2008 stood cancelled and the Eligible Employees were not entitled to any further eligibility criteria under the ESOP 2016 neither any further Grants were made under the ESOP 2016.
6. The Eligible Employees continued to be bound by all the terms and conditions of the ESOP 2008 in addition to the ESOP 2016.

The Gujarat Gas Limited Employee Welfare Stock Option Trust Deed ("ESOP 2016 Trust Deed") that is supplementary to the Deed of Gujarat Gas Company Limited Employee Welfare Stock Option Trust together with the Variation Deeds thereto ("the ESOP 2008 Trust Deed") was formed to hold the shares under ESOP 2016 Trust Deed, to meet obligation in respect of the ESOPs granted to the Eligible Employees. The ESOP 2016 Trust shall be an irrevocable Trust.

13000 Options-I were granted to four eligible employees of the Company in terms of ESOP 2016 and those 13000 options had been exercised by them. It is confirmed that the ESOP 2016 was in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014. The applicable disclosures as stipulated under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014, with regard to Employees Stock Option Plan of the Company are available on the website of the Company at [www.gujaratgas.com](http://www.gujaratgas.com) and weblink for the same is <http://www.gujaratgas.com/investors/investors-information>.

The Nomination & Remuneration Committee in its meeting held on 6th February, 2017 approved the winding up of the Gujarat Gas Limited Employee Stock Option Plan 2016 ("ESOP 2016") together with the Addendum thereto as it had ceased to be in force on account of all the outstanding Options thereunder having been exercised. It further approved the sale in the secondary market of 92000 equity shares of GGL held by the Gujarat Gas Limited Employee Welfare Stock Option Trust (ESOP Trust) on account of the winding up of the ESOP 2016 and recommended the proposal for the approval of the Board of Directors which had subsequently been approved by the Board in its Meeting held on 6th February, 2017. On account of



## BOARD'S REPORT

aforesaid approval the ESOP Trust sold surplus 92000 equity shares of the Company held by it in the secondary market on 6th March, 2017 and an amount of Rs. 2.58 crores had been paid by way of repayment of loans advanced by GGL (erstwhile GGCL) to the ESOP Trust for acquisition of shares.

### HEALTH, SAFETY AND ENVIRONMENT (HSE)

Health, Safety and Environment (HSE) is a core value in Gujarat Gas Limited, a GSPC Group Company. The Company believes that all injuries are preventable. We recognize that HSE is everyone's responsibility and we each of us have a duty to intervene to prevent unsafe actions and to reinforce safe behaviors. We conduct our business in a safe and responsible manner and ensure compliance with the legal and regulatory requirements. The Company practices high level of HSE standards with an aim to protect health and safety of people, to minimize the environmental impact of our business activities and to assure the integrity and safe operation of our assets. We set HSE targets and closely monitor to achieve continual improvement in our performance.

We are committed to ensure that the assets are safe and fit for purpose throughout their life cycle. The safe delivery of our projects and safe operations of our assets is a critical success factor for our business. The Company has completed certification of its Emergency Response & Disaster Management Plan (ERDMP) as well Integrity Management System (IMS) from PNGRB approved Third Party Inspection Agency in line with the requirements of the PNGRB regulations.

Gujarat Gas Limited, being a prudent organization, has joined hands in initiative like Swachh Bharat Abhiyaan and is actively participating in various events & celebrations like National Safety Week, Road Safety Week and World Environment Day to make the society a cleaner, greener and safer place.

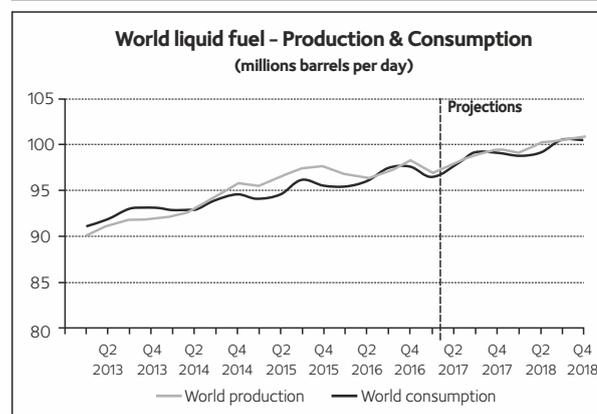
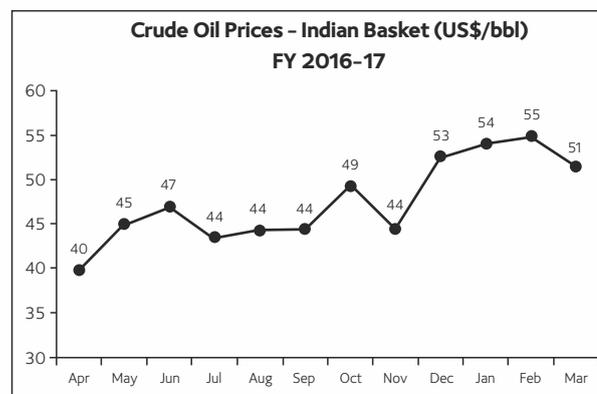
The Company was awarded the 'Golden Peacock Occupational Health and Safety Award 2016' for its exemplary performance and excellence in maintaining high standards of safety in Gas Sector. The prestigious award was received by the Company from the hands of Piyush Goyal, Hon'ble Union Minister of State (I/C) for Power, Coal & Renewable Energy, Govt. of India, at the Golden Peacock Awards function held at New Delhi on the 10th of July, 2016.

### MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion & Analysis is as under:

#### 1. INDUSTRY, STRUCTURE AND DEVELOPMENTS

Natural gas plays a significant role in the global energy arena with its presence and usage across all activities in the economy and India is no exception to this rule. Globally, natural gas accounts for around 24% of primary energy consumption, while India currently accounts for around 6.5% which demonstrates the immense potential for growth of this fuel in the overall energy mix of India. Natural gas has grown at a consistent pace of around 4% in the last decade buoyed by import of natural gas at a CAGR of around 9.3%<sup>1</sup>. It is worth mentioning that the share of natural gas in Gujarat's energy basket is 25%, which is higher than the global average<sup>2</sup>. The use of Natural Gas has been predominantly in fertilizers industry 34%; followed by power generation 23%; City or Local Natural Gas Distribution 11%; Refinery 11%; Petrochemicals 8% and others 13%. Industry wise off-take of natural gas shows that natural gas has been used both for Energy (55.76%) and Non-energy (44.24%) purposes<sup>1</sup>. This has been complemented by continuous improvement and advancement in techno-economic dynamics evolving the sector from the primitive mode of tapping the fuel from land, shore, off-shore, coal seam, etc. to the recent commercialisation of natural gas found in shale and channelized to markets in liquid or gaseous state through viable modes of infrastructure including cargos, pipelines, cryogenic containers, etc.



1 [www.mospi.nic.in/Energy\\_Statistics\\_2017](http://www.mospi.nic.in/Energy_Statistics_2017)

2 [www.gas4india.org](http://www.gas4india.org)



## BOARD'S REPORT

Energy has profound implications on mankind and their socio-economic-political spheres integrated across the globe. The global energy basket is led by oil, closely contested by coal and then followed by natural gas and other fuels in respective order of their share in global consumption pattern. Among the leading nations of energy consumption, India has had a tremendous growth trajectory of around 5% over the last one and half decade to consistently position itself at the third<sup>3</sup> place only next to China and United States respectively for nearly a decade. India has been highly dependent on imports of oil and gas with a CAGR of around 8% since the last decade. The Government of India has urged all stakeholders to increase the domestic production of Oil and Gas to reduce import dependence from 77% to 67% by the year 2022<sup>4</sup>. India has been rated the fastest growing G20 economy registering an economic growth of around 7.1%<sup>5</sup> in the fiscal concluded on March 31, 2017 even after recording a sluggish index of industrial production<sup>6</sup>. This is further complemented by the fact that the energy intensity of GDP of India is lower than the world average including that of United States, BRICS, among others. The world economy is expected to almost double over the next 20 years with India and China accounting for around half of the expected increase<sup>3</sup>.

Globalisation is an economic phenomenon, but impacts all fields of human life making it a boon and a bane. The consolidation brings in efficiency and equitable access to resources across the globe but also makes it vulnerable to the changes happening in the global arena like Britain's exit from the European Union (Brexit), Paris Agreement (on Climate Change), the refugee crisis, conflict in the Middle East, few nation's electoral mandate, China's economic sluggishness, OPEC and Non-OPEC Nation's decision for oil production cut, to name a few. While these may not have a direct impact on the Indian economy per se, however they do create volatility in the global trade. The same is reflected in one of the globally traded commodities, crude, which settled at levels below US\$ 60/ bbl after an inconsistent trajectory in the recent past.

The disruption in the global oil and gas market impacted the prices starting FY 2014-15, after having a stable run for more than half a decade, attributed to the increased supplies and dwindling global demand which piled up inventories. The stability was reinstated to the levels of around US\$ 50-55/ bbl through the production cut agreed by OPEC and Non-OPEC countries. This phase left the stakeholders globally guessing about the prices and the consequential impact on the economic activities all across.

In addition to the above, the Indian economy evidenced some major policy changes in the fiscal concluded on March 31, 2017 including the passing of the Goods and Services Tax ("GST") bill in both the houses of Parliament which received the assent of the Honourable President of India on September 08, 2016, demonetisation of the legal tender of all currency having denomination of Rs. 500/- and Rs. 1,000/- with an intention to curb - corruption, counterfeiting, antisocial activities; changing from cash economy to digital payments, etc. complementing the initiatives like Start-up India, Digital India, Make in India, Smart Cities, etc. The demonetization along with the implementation of the GST is likely to have a positive impact over the medium term including widening of the tax net and improved tax compliance. Further the currency so channelized into the banking system would reduce the lending rates and augment the growth of Indian economy. The fiscal and monetary policy reforms were supported by sectoral initiatives which included introduction of Hydrocarbon Exploration and Licensing Policy, LPG Give it up Campaign, Pradhan Mantri Ujjwala Yojana (PMUY), marketing and pricing freedom for new gas production, Diesel Price Deregulation, Discovered small field policy, etc<sup>4</sup>.

Notwithstanding the aforementioned factors and ever dynamic business environment, the Indian economy and the oil and gas industry (including City Gas Distribution (CGD)) could sustain and maintain the growth momentum. While the geo-political events, policy changes and other chaos posed globally and within the country could be meted out gallantly during the bygone fiscal reflected in sustenance of demand, but nevertheless failed to leave its mark denting the CGD growth. The CGD business is a sun-rise business drawing focus of policy makers and associated stakeholders towards tapping the immense growth potential and though may be subjected to challenges due to the ever dynamic business environment would not deter from the growth path in the long run. In addition the global consensus exhibited during the Paris agreement on climate change makes it evident the clean and green fuels would continue to enjoy priority and support from policy makers and key stakeholder alike.

## 2. OPPORTUNITIES AND THREATS

At the twenty-first session of the "Conference of the Parties" (COP), held in Paris, France, the parties adopted the Paris Climate Change Agreement under the United Nations Framework Convention on Climate Change. The Agreement was opened for signature on April 22, 2016 at a high-level signature ceremony convened by the Secretary General in New York. India also deposited its instrument of ratification of the Paris Agreement with the United Nations in October 2016. The agreement further translated into action based policies by the Ministry of Petroleum and Natural Gas, Ministry of Road Transport and Highways,

3. BP 2017 Energy Outlook

4. Ministry of Petroleum and Natural Gas

5. OECD Economic Surveys – India (before revision carried out by mospi.nic.in)

6. Asian Development Outlook 2017, ADB



## BOARD'S REPORT

Ministry of Environment and Forests, etc. Among other initiatives that marked the focus on natural gas usage includes introduction of Hydrocarbon Exploration and Licensing Policy, marketing and pricing freedom for new gas production, discovered small field policy, Gas4India campaign, smart cities, etc. The Government of India's commitment for a gas-based economy is patent in its efforts to increase the share of natural gas in the country's energy basket from 6.5%<sup>7</sup> towards achieving global benchmark.

To increase the share of natural gas in India's energy mix, harness domestic sources, expand existing and erect new terminals for LNG imports, floating storage facilities, gas transportation, etc. for catering the growing needs of existing and new demand centres, the efforts have assertively been augmented<sup>7</sup> under the vision of the Government of India. Complementing these efforts public and private sector companies including City Gas Distribution (CGD) companies, Natural Gas Pipeline companies, LNG Terminal companies, and other industry stakeholders have joined hands to promote the natural gas sector with zeal. Gas4India an unified cross-country, multimedia, multi-event campaign aims to communicate the national, social, economic and ecological benefits of using natural gas as the fuel of choice to every citizen who uses, or will use in the near future, gas in any way - to cook, travel, light their homes, and power their businesses. Harmonising these initiatives the sectoral regulator, the Petroleum and Natural Gas Regulatory Board (PNGRB), which governs and regulates the downstream gas industry, has been proactive and aggressive in authorising about 75 City Gas Distribution Networks and 53 Natural Gas Pipeline projects to integrate and roll out infrastructure development on pan India basis.

Your Company has been optimally making the best utilisation of these opportunities by participating actively in the CGD bidding process tendered by PNGRB in the CGD Bid Round – VI. Your Company is proud to claim that it was victorious in 6 Geographical Areas (GA's) contiguous to the existing areas of operation in State of Gujarat which includes the Dahej-Vagra Taluka (District Bharuch), Panchmahal District, Ahmedabad District (excluding areas already authorized), Anand District (excluding areas already authorized), Dahod District and Amreli District. These contiguous areas and the potential demand loads would enhance the customer base across all business area propelling growth in volume and synergise the Company's overall business. Your Company would continue to evaluate new opportunities to diversify its existing business into new markets organically and inorganically.

In addition to the aforesaid opportunities the industry is glaring at yet another avenue of growth and abundance in the form of commercially introducing CNG in two wheeler business. Two wheelers comprise around 25% of the total vehicles on road at national level. Further there are other initiatives in the pipeline such as CNG stations for CNG run train, LNG by trucks, Green Corridor, among other in-house research initiatives being carried out relentlessly.

Similar to any other business, the Company faces challenges in the form of competition, from other conventional fossil fuels due to the abundance, accessibility and availability at much cheaper rates, notwithstanding the other subsidized/ non-subsidized renewable fuels as well. The fuel also faces threat in the form of disparity in the tax structure compared to alternate fuels. The impetus on growth of natural gas sector as mentioned in the above sections has attracted a lot of new players in CGD business. Notwithstanding these your Company shall continue to focus placing environmentally clean natural gas to affordable markets for sustainable growth.

### 3. SALES AND MARKET PERFORMANCE

Your Company which has an expanse of around 96,000 square kilometres of licensed area under its umbrella and continues to hold the leadership position of being the largest City Gas Distribution Company in the country catering to more than 11.6 lakh residential consumers, over 12,750 commercial customers, dispensing CNG from 252 operational CNG stations for vehicular consumers and providing clean energy solutions to over 3,050 industrial units through its wide spread operations with around 20,000 kilometres of natural gas pipeline network.

After growing by 8.2% in FY2015, the industry decelerated to 5.8% in FY2016. Manufacturing value added grew by a healthy 7.7%, though down from the 10.6% recorded a year earlier. Growth reflected robust performance by large private manufacturers, which benefited from lower input costs. However, healthy growth in manufacturing value added is at odds with the volume-based index of industrial production, which registered hardly any growth. Construction was muted, growing by 3.1% as the cash crunch possibly hit real estate activity in the second half of the fiscal year. The growth slowdown in FY2016 was primarily the result of sluggish investment and of consumption slowing in the second half because of the cash crunch<sup>6</sup>.

4. Ministry of Petroleum and Natural Gas

7. <http://pib.nic.in>



BOARD'S REPORT

The services and manufacturing indexes improved significantly from April to October 2016 before slipping in November and December as demonetization hit demand. However, they have recovered since January to signal a return to expansion with recovery in domestic and export orders.

Despite the dynamic business environment and intensely competitive energy market; Your Company has been resilient to connect 202 new industrial units and 943 new commercial establishments during the year. The volume loss in industrial sector is broadly attributable to the global demand slump and also due to abundance of cheaper alternate polluting fuels. Your Company has continued its focused efforts for developing and growing PNG (Domestic) and CNG business. GGL added more than 84,000 residential customers and commissioned 22 new CNG stations during the year. Your Company has been able to sustain the volumes with growth of around 7.4% in the residential sector and around 7.7% in CNG (transport) sector. Your company is aggressively planning for penetration in PNG (domestic), PNG (commercial) and CNG (transport) sector which is comparatively less volatile.

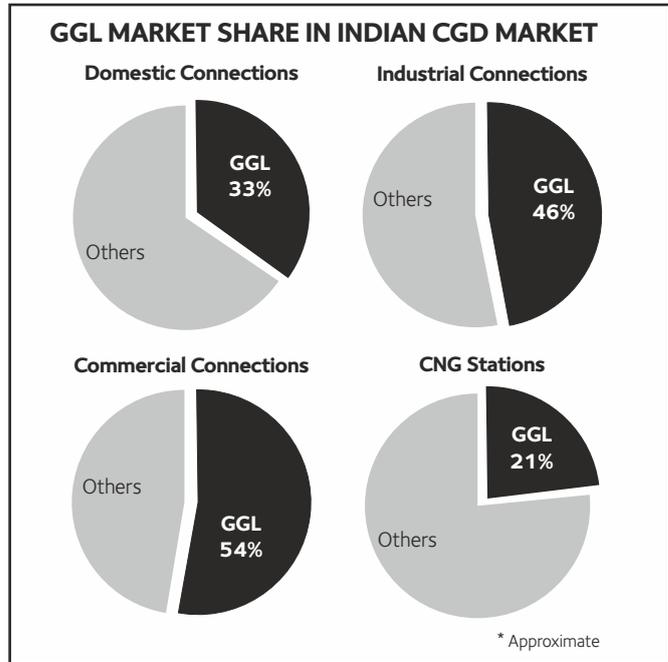
Your Company, through competitive bidding, as already stated above has won 6 new geographical areas in State of Gujarat and has aggressively rolled out the expansion plans to develop networks to tap the unexplored CGD potential in new geographies. GGL has, now, total 18 CGD licenses spread across 22 districts which accounts to almost 24% of total CGD licenses issued by PNGRB in India and 1 pipeline license.

4. OUTLOOK

The consumption dampened and deferred in the second half of FY2016 due to the cash crunch, will resurface in FY2017 and lift consumption growth in the country. The increase in central government capital expenditure targeted in the FY2017 budget augurs well for public investment. The union budget continues to prioritize infrastructure and rural development with higher outlay on roads and highways, electric power, affordable housing, among others. The growth is projected to pick up to 7.4% - 7.6% in FY2017-2018, owing to improved consumption, public and private investment which is expected bears fruits. The implementation of a new goods and services tax beginning in July 2017 should lower prices for capital goods, providing impetus to investment. This coupled with various initiatives in the natural gas sector as mentioned in earlier sections is expected to propel growth for the business going forward.

While India stands at the third position as the world's largest energy consumers, however it has immense potential to grow its base from about one-third of the global average in the per capita consumption. The economy which is evenly poised for growth at over and above 7% in the coming fiscals would also correspondingly increase the energy demand thereto. Government of India is aggressive in pushing the usage of clean and green natural gas across sectors with special focus to the growth of PNG in the household and CNG for vehicles. This shall lead to impending development of robust downstream gas distribution infrastructure in the country.

Your Company has been continuously growing and expanding its horizon by venturing into new geographic areas and is committed to reach every possible natural gas users across its licensed expanse of around 96,000 square kilometres through its ever growing pipeline network spread across 22 districts. Your Company shall continue to focus on growing the penetration in the current operating areas by increasing the PNG connections and additional CNG stations while tapping the untapped potential by expeditious rollout of distribution network in the newly acquired geographic areas as well. With this focused endeavour GGL shall continue its efforts in providing clean fuel solutions across all operational area to augment an energetic top-line and bottom-line in coming years.





## BOARD'S REPORT

### 5. RISKS AND CONCERNS

The business environment due to its inherent dynamics is placed alike with opportunities and risks. The opportunity and risk could arise ranging from but not limited to growth for expansion (organic & inorganic), turmoil in sector, change in political scenario, economy consolidation within the country and globally, tax reforms, techno-commercial disruptions, governmental policy, etc.

CGD business like any other business is also exposed to risks influencing the sustenance and growth of an organisation either due to internal and/ or external factors. To name a few, the risks could vary from continuous availability of economic gas supplies, pipeline connectivity for expansion in unconnected areas, abundant availability of economical alternate fuels, global economic downturn, crude market volatility, delay in permissions from various statutory bodies for laying the infrastructure, etc.

While some of these risks may be beyond the mitigation capability of any Company; industry and even the policy makers, however as a prudent and responsible Company all possible measures are being taken to safe guard the interest of the Company from being impacted due the above listed risks and concerns. Your Company has adequate internal control procedure for assessing various business risks, which the Company is likely to face in near to mid-term future and also prepares mitigation measures.

### INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has a proper and adequate system of Internal Controls commensurate with its size of operations and nature of business. The Company's Internal Control Systems are further supplemented by extensive programs of audits, i.e. Internal Audit, Proprietary Audit by the Comptroller & Auditor General of India (CAG) and Statutory Audit by Statutory Auditors appointed by the CAG. The Internal Control System is designed to ensure that all financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets and compliance with statutory requirements. The Company has mapped a number of business processes on to SAP system, thereby leading to significantly improved controls & transparency. Your Company also continues to invest in Information Technology to support various business processes.

### FINANCIAL AND OPERATIONAL PERFORMANCE

The Company through its aggressive expansion plans is committed to reach out to every possible natural gas user in its expanded geographical area, which now comprises of close to 22 districts.

The stand-alone net profit after tax (Total Comprehensive Income) for the current year 2016-17 increased to Rs 176.83 Crores from Rs. 154.38 Crores in the previous year. The Company had healthy net cash flows from operations of Rs 701.61 crores during the year 2016-17. Investments were made in extension of pipeline network to reach new areas and in reinforcements and upgradation of existing network as required. Investments were also made to connect residential customers and augmenting the CNG infrastructure. Investments were also made to upgrade the IT infrastructure and integrate SAP to enhance reliability and enable scalability. Appropriate provisions have been made in the accounts wherever necessary for contingencies, bad debts and diminution in value of investments. No amount has been transferred to the General Reserve during the year.

### HUMAN RELATIONS AND PARTICULARS OF EMPLOYEES

Your Company employed 1113 employees as on 31st March 2017. Your Company has a focus on building capabilities and developing competencies of its employees. The Company believes that training and development is of vital importance to create a climate where people maximize their technical skills and inner potential which can help the Company in capitalizing the emerging business opportunities through their involvement. During the year, employees were sent for various training programs and seminars to enhance their skills/knowledge. Your Company has in place an attractive policy of performance linked incentive to encourage and reward employee performance.

There was no strike or lock-out during the year under review.

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed that appropriate standard of conduct should be maintained by the employees in their conduct and that there should be a safe, in discriminatory and harassment-free (including free of sexual harassment) work environment for every individual working in the Company. The Company has in place a Policy on Prevention of Sexual Harassment at workplace as a part of its Human Resource Policy. It aims at prevention of harassment of employees and lays down the guidelines for reporting and prevention of sexual harassment. During the year ended 31st March, 2017, no complaint has been received pertaining to sexual harassment.



## BOARD'S REPORT

### CORPORATE GOVERNANCE

The Company believes that good governance can deliver continuous good business performance. The particulars on Corporate Governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is incorporated as a part of this Board's Report at Annexure - 1.

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT - 9 is enclosed herewith as Annexure - 5.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details about conservation of energy, technology absorption, foreign exchange earnings and outgo is attached at Annexure - 6

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts during the year, which would impact the going concern status of your Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts, financial statements for the year ended 31st March, 2017, the applicable accounting standards have been followed and no material departures have been made from the same;
- b. that accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### ACKNOWLEDGEMENTS

The Directors place on record their deep appreciation to employees of the Company at all levels for their hard work, dedication and commitment. The Directors are extremely grateful for all the support given by the Government of Gujarat at all levels. The Directors place on record their sincere thanks to the Promoters, Shareholders and Lenders and Customers for their valuable support, trust and confidence reposed in the Company.

**For and on behalf of the Board of Directors**  
**Dr. J. N. Singh, IAS**  
**Chairman**

**Date: 10th August, 2017**

**Place: Gandhinagar**



## ANNEXURE – 1

### A REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance as on 10th August 2017.

#### 1. GGL's philosophy on Corporate Governance

Your Company believes that Corporate Governance is driven by the core values of the Company. Your Company promotes the values of customer orientation, team work, commitment, growth and trust. These reflect the Company's approach to all its stakeholders in the course of carrying out its business. The Company's values are portrayed in a set of strong Business Principles. These Business Principles are continuously communicated and reinforced with employees and contractors. The Company seeks to comply with all applicable legal, regulatory and license requirements and strives to work constructively with regulatory bodies.

#### 2. Board of Directors

The Board has Seven (7) Directors, all of whom are Non-Executive Directors (NED) three (3) of these are Independent Directors including one Woman Independent Director, which is in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of composition of the Board as on 10th August, 2017, category as well as their Directorships on Board and Memberships in committees of companies, are given below:

Name of Director	Position/Category	*No. of Directorship including Gujarat Gas Ltd.	No. of Membership/ Chairmanship in Board Committees in which Chairman / Member**	
			+Membership	Chairmanship
Dr. J. N. Singh, IAS	Promoter and Non-Executive Director	9	0	2
Mr. Sujit Gulati, IAS		10	2	0
Dr. T. Natarajan, IAS		10	4	0
Shri Milind Torawane, IAS		10	2	0
Mr. Jal Patel	Non-Executive and Independent Director	6	2	5
Mr. K.D.Chatterjee		2	1	1
Ms. Manjula Shroff		11	3	0

\* Including Directorship held in Private Limited Companies, Foreign Companies and Section 8 Companies.

\*\* The above details represent Membership/ Chairmanship of Audit Committee and Stakeholders Relationship Committee as per Regulation 18 and 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including details of GGL).

+ Membership does not include Chairmanship.

The details of attendance of the Directors at the Board Meetings for the Period from 1st April, 2016 up till 10th August, 2017 and at the last Annual General Meeting is given below:

Names of the Directors	Number of Board Meetings held while holding office	Number of board meetings attended	Attendance at the last AGM
Mr. G.R.Aloria, IAS ( up to 30th July, 2016)	1	1	N.A.
Dr. J. N. Singh, IAS (appointed w.e.f. 25th April, 2016)	8	7	Yes
Mr. Sujit Gulati, IAS (appointed w.e.f. 11th August, 2016)	7	7	No
Mr. Sanjeev Kumar, IAS (upto 27th June, 2017)	7	5	Yes
Dr. T. Natarajan, IAS (appointed w.e.f. 11th August, 2016)	7	7	Yes
Mr. Jal Patel (re-appointed wef 21/04/2017)	8	5	Yes
Mr. K. D. Chatterjee (re-appointed wef 21/04/2017)	8	8	Yes
Mr. Ajit Kapadia (upto 21st April, 2017)	6	5	Yes
Prof. Pradip Khandwalla (upto 21st April, 2017)	6	6	Yes
Ms. Manjula Shroff (re-appointed wef 21/04/2017)	8	5	No

**Note:**

1. None of the Directors are related inter se except the Promoter – Directors.
2. No of Shares held by Non Executive Director: Nil
3. Weblink for familiarization programme: <http://www.gujaratgas.com/resources/downloads/details-of-familiarisation-programme.pdf>

The Board Meetings are generally held in Gandhinagar. The Board meets at regular intervals to discuss and decide on various issues including strategy related matters pertaining to the business/Company. The Board meets at least once a quarter with a gap between two meetings not exceeding 120 days. It has remained the practice of the Company to place before the Board, all the matters listed in Part A of Schedule II of Regulation 17 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The board agenda papers and other explanatory notes are circulated to the Directors in advance. The draft minutes of the meetings of the Board of Directors and its Committees are circulated to the Directors for their comments before being recorded in the Minute Books. Apart from this, approval of the Board is obtained through circulation of resolution to all the Directors in case some urgent/special situation arises. Such Circular Resolution is also noted in the next Board Meeting. The Directors also have access to all the information about the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior Management Personnel are invited to attend the Board Meetings to provide clarifications as and when required by the Board.

The Board Meetings were held as follows:-

Sr No.	Date of Board Meeting
1	17th May, 2016
2	11th August, 2016
3	9th September, 2016
4	18th November, 2016
5	6th February, 2017
6	13th April, 2017
7	24th May, 2017
8	10th August, 2017

**Disclosure regarding appointment/ reappointment of Director(s)**

Information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Notice of the Annual General Meeting.

**3. Audit Committee**

The composition of the Audit Committee on 10th August, 2017 is as follows:-

1.	Mr. Jal Patel	Chairman
2.	Dr. T. Natarajan, IAS	Member
3.	Mr. Milind Torawane, IAS	Member
4.	Mr. K. D. Chatterjee	Member
5.	Smt Manjula Shroff	Member

Mrs. Rajeshwari Sharma, Company Secretary acts as Secretary of the Audit Committee.

All the members of the Committee are Non-executive Directors. Mr. Jal Patel, Smt Manjula Shroff and Mr. K. D. Chatterjee are Independent Directors. All the members of the Committee are qualified professionals and have accounting or related financial management expertise. The quorum of the Committee is three members.

Terms of reference / scope of Audit Committee are in line with the provisions of section 177 of the Companies Act, 2013 and further the Audit Committee acts in accordance with the terms of reference, as specified in writing by the Board, which inter alia, includes;

- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the Company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters.



Details of meetings of Audit Committee during the period from 1st April, 2016 up to 10th August, 2017 and attendance is as under:

Sr.No.	Date of Meeting	Number of Members	Attendance
1	17th May, 2016	4	4
2	11th August, 2016	5	3
3	9th September, 2016	5	4
4	18th November, 2016	5	5
5	6th February 2017	5	4
6	13th April, 2017	5	3
7	23rd May, 2017	5	3
8	10th August, 2017	4	4

#### 4. Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee (NRC) as on 10th August, 2017 is as follows:-

1.	Mr. K. D. Chatterjee	Chairman
2.	Mr. Sujit Gulati, IAS	Member
3.	Dr. T. Natarajan, IAS	Member
4.	Mr. Jal Patel	Member
5.	Mrs. Manjula Shroff	Member

Mrs. Rajeshwari Sharma, Company Secretary acts as Secretary of the Nomination and Remuneration Committee.

All the members of the Committee are Non-executive Directors. Mr. K. D. Chatterjee, Mrs. Manjula Shroff and Mr. Jal Patel are Independent Directors. All the members of the Committee are qualified professionals. The quorum of the Committee is three members.

The scope of this Committee is as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of directors;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
5. Recommend to the Board policy relating to remuneration of directors, KMP and other employees;
6. Recommend to the Board appointment and removal of Directors and senior management.

The performance evaluation criteria Independent Director is in accordance with the Nomination and Remuneration Policy.

Details of meetings of NRC are as below:

Sr.No.	Date of Meeting	Number of Members	Attendance
1	17th May, 2016	4	3
2	18th November, 2016	6	5
3	6th February, 2017	6	6
4	13th April, 2017	6	6
5	24th May, 2017	5	3
6	10th August, 2017	5	5



The Nomination and Remuneration Policy of the Company is framed pursuant to requirements of Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 5. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the performance evaluation of individual Directors for FY 2016-17 was carried out as per the terms and conditions of their appointment based on the various parameters.

#### 6. Sitting fees

Sitting fees of Rs. 7500/- per meeting are paid to the Directors for attending meetings of the Board of Directors and its Committees. The sitting fees for the Promoters-Directors is deposited into the treasury of the State Government.

During the Financial Year 2016-2017 sitting fees of Rs. 8,13,000 had been paid to directors for meeting of Board or its Committees.

#### 7. Stakeholders Relationship Committee

The Stakeholders Relationship Committee (SRC) has been constituted to approve share transfers, transmissions, consolidation, sub-division, etc. and for redressal of complaints/requests received from the shareholders.

The Company had received 244 letters of various types of requests inquiries and complaints during the FY 2016-17. All the complaints were resolved to the satisfaction of the shareholders.

The composition of this Committee as on 10th August, 2017, is as under:

1.	Mr. KD Chatterjee	Chairman
2.	Mr. Milind Torawane, IAS	Member
3.	Ms. Manjula Shroff	Member
4.	Mr. Jal Patel	Member

Ms. Rajeshwari Sharma, Company Secretary acts as the Compliance Officer.

The meeting of this Committee was held on 17th May, 2016, and was attended by 3 members out of the total 5 members. The meeting was further held on 18th November, 2016 and was attended by 3 members out of total 4 members. The meeting was further held on 6th February, 2017 and was attended by 3 members out of total 4 members. The meeting was further held on 10th August, 2017 and was attended by 3 members out of total 3 members. The quorum of the Committee is two members.

#### Business Responsibility Report (BRR) and BR Committee

The SEBI vide its Circular dated 4th November, 2015, had mandated that the Annual Report shall contain a Business Responsibility Report (BRR) describing the initiatives taken by the Company from an Environmental, Social and Governance perspective, in the format as specified by SEBI in the aforesaid Circular. Accordingly, the BRR containing the general information about the Company, financial details of the Company, other details like BR information, principle-wise performance etc. forms part of this Annual report. The Board of Directors have constituted the Business Responsibility Committee comprising of the below members for matters pertaining to the Business Responsibility:

1	Mr. Sujit Gulati, IAS	Chairman
2	Ms. Manjula Shroff	Member
3	Mr. K. D. Chatterjee	Member
4	Mr. Jal Patel	Member

Any two Directors shall form the Quorum of the Committee.

The Company Secretary acts as Secretary of the Committee.

**8. General Body Meetings:**

Location and time of last three AGMs.

**Annual General Meeting**

Date	Time	Venue
29th September, 2016	12 00 P.M.	Town Hall, Nr Gh-4 Circle, Sector-17, Gandhinagar- 382017, Gujarat
28th December, 2015	12. 00 P.M.	Seminar Hall-2 (SR-2), gate No-1, Mahatma Mandir, Gandhinagar Gujarat
30th December, 2014	11.30 A.M.	3rd Floor, GSPC Bhavan, Sector-11, Gandhinagar - 382011 Gujarat

In the last three Annual General Meetings, the following special resolutions were passed as per details given below:

**Annual General Meeting held on 29th September, 2016**

No Special Resolution was passed at the Annual General Meeting held on 29th September, 2016.

**Annual General Meeting held on 28th December, 2015**

(1) A special Resolution was passed for Approval of amendment of the Articles of Association of the Company.

**Annual General Meeting held on 30th December 2014**

(1) A special resolution was passed for increase in Borrowing Powers of the Board.

(2) A special resolution was passed regarding Mortgaging Powers of the Board.

**9. Postal Ballot Resolutions**

The Company has not passed any resolution through postal ballot in FY 2016-17 and no resolution is proposed to be passed by postal ballot at the ensuing 5<sup>th</sup> Annual General Meeting.

**10. Disclosures**

There are certain transactions with Related Parties which have been disclosed at the relevant place in the Notes to the Financial Statements. No such Related Party Transactions may have potential conflict with the interests of the Company at large. There is no non compliance on any capital market related matter for FY 2016-17 on Stock Exchanges. Further, no penalty has been imposed either by SEBI or Stock Exchanges or any Statutory Authority on any capital market related matter during the last three years.

**11. Means of Communication**

The Quarterly and Annual Financial Results of the Company are normally published in one National newspaper (English) and one Regional newspaper. These results can also be viewed from the Company's website [www.gujaratgas.com](http://www.gujaratgas.com). Further, the Quarterly and Annual Financial Results and other required filings of the Company can also be viewed on the website of The National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and The BSE Limited ([www.bseindia.com](http://www.bseindia.com)).

Further no presentation was made to institutional investors or analysts during the year.

**12. Code Of Conduct****Code of Conduct for Directors and Senior Management:**

The Board of Directors of the Company has adopted a Code of Conduct and made it applicable to the Board Members and Senior Management of the Company. The same has also been posted on the website of the Company.

**Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders:**

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Company Secretary acts as the Compliance Officer. This Code of Conduct is applicable to the Designated Person(s), Employees and the Immediate Relative(s) of such Designated Persons and Employees of the Company who can have access to Unpublished Price Sensitive Information relating to the Company.

**13. Whistle Blower Policy/ Vigil Mechanism**

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013 and the regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Whistle Blower Policy/Vigil Mechanism for Directors and Employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Code of Conduct of GGL. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Management affirms that no personnel of the Company was denied access to the Audit Committee. The Company has provided the details of the said Policy on the website of the Company at <http://www.gujaratgas.com/corporate-governance/policies/>

**14. Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions**

As required under regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Related Party Transactions Policy which has been disclosed on the website of the Company at <http://www.gujaratgas.com/resources/downloads/policy-on-related-party-transaction.pdf> on Materiality of Related Party Transactions and dealing with Related Party Transactions.

**15. Appointment of Independent Directors**

The Company has issued formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment have also been disclosed on the website of the Company at <http://www.gujaratgas.com/pdf/terms-and-conditions-of-appointment-of-independent-directors.pdf>

**16. General Shareholder Information****A. Schedule & Venue of the 5th Annual General Meeting of the Company:**

Date & Day	28th September, 2017, Thursday
Time	12.00 Noon.
Venue	Seminar hall - 2 (Sr2), Gate No. 1, Mahatma Mandir, Gandhinagar, Gujarat

**B. Financial Year:**

The Financial Year of the Company starts on 1st April and ends on 31st March every Year.

**C. Book Closure Date:**

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 22nd September, 2017 to Thursday, 28th September, 2017 (both days inclusive) for the purpose of payment of dividend and for the Annual General Meeting.

**D. Dividend Payment:**

Dividend if approved by the Shareholders at the 5th Annual General Meeting, will be paid on or before 18th October, 2017.

**E. Listing on Stock Exchanges and Stock Code (w.e.f. 15th September 2015)**

Details of listing of equity shares of your Company are given below along with stock codes:

Ahmedabad Stock Exchange Limited	20860
Bombay Stock Exchange Limited	GUJGAS
National Stock Exchange of India Limited	GUJGASLTD

**Address of Stock Exchanges where Equity Shares of Gujarat Gas Limited are Listed :**

<b>National Stock Exchange of India Ltd,</b> Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001
<b>Ahmedabad Stock Exchange Limited,</b> Kamdhenu Complex,Nr. Panjara Pole, Ambawadi,Ahmedabad – 380 015 Gujarat	



The Company has also received a letter dated 11/01/2017 from Ahmedabad Stock Exchange Limited where in it has been informed that Ahmedabad Stock Exchange Limited is undergoing its exit policy and the Company is requested to do all compliance with related Stock Exchanges where it is further listed or with dissemination Board of NSE and not with Ahmedabad Stock Exchange Limited. As your Company is already listed with NSE and BSE no additional compliance is being carried out with respect to Ahmedabad Stock Exchange Limited.

Listing fees have been paid for the financial year 2016-17 and 2017-18 as per the requirements with the respective Stock Exchanges.

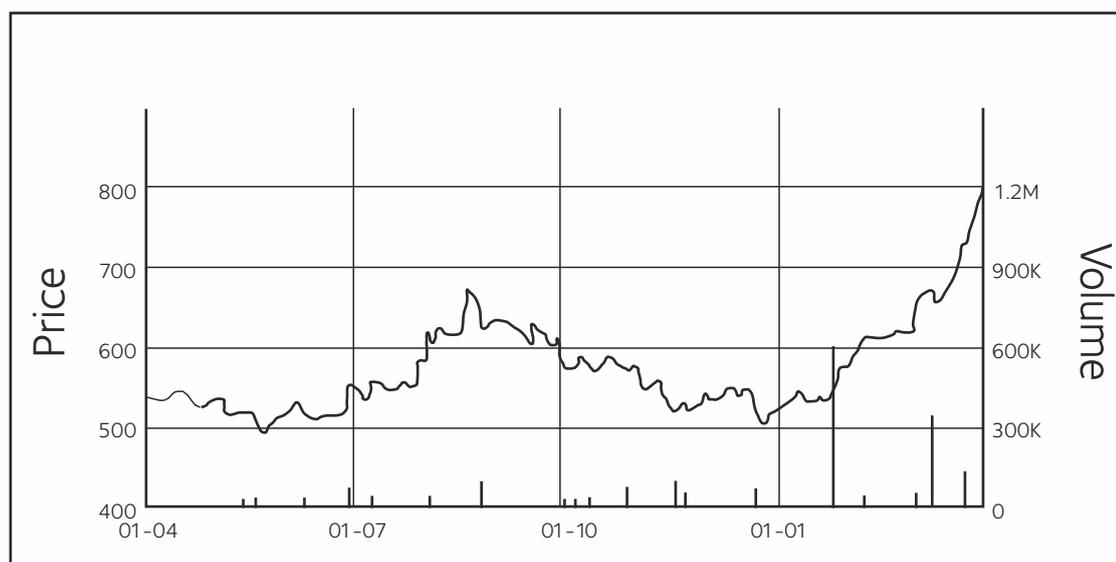
The Company has also entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN no. for Company's securities is INE844001022.

#### F. Market Price Data

The Market price data on the BSE and NSE for the FY 2016-17 is given below

Month	Equity Share Price on BSE		Equity Share Price on NSE	
	High Price	Low Price	High Price	Low Price
Apr-16	558.9	523	560.00	522.00
May-16	550	480	550.00	490.05
Jun-16	574.85	495.05	574.55	498.60
Jul-16	598	531	598.70	533.00
Aug-16	690.35	578	690.00	577.20
Sep-16	647.95	570	648.70	568.60
Oct-16	619.95	566	621.00	562.20
Nov-16	585	487.1	583.00	470.00
Dec-16	565	500	560.15	503.00
Jan-17	588.45	524.2	586.35	524.00
Feb-17	639	574	637.80	562.20
Mar-17	820	627.1	820.00	626.60

#### S&P BSE Sensex (Price-Volume data from April 2016 to March 2017)



**G. Distribution of shareholding**

The Distribution of Shareholding as on 31/03/2017 is given below:

<b>Distribution Schedule - Consolidated As on 31-03-2017</b>					
<b>Category (Amount)</b>	<b>No. of Cases</b>	<b>% of Cases</b>	<b>Total Shares</b>	<b>Amount</b>	<b>% of Amount</b>
1-5000	21,414	80.172220	2,161,322	21,613,220	1.569838
5001 - 10000	4,208	15.754399	3,910,975	39,109,750	2.840668
10001 - 20000	620	2.321228	977,680	9,776,800	0.710121
20001 - 30000	142	0.531636	376,866	3,768,660	0.273730
30001 - 40000	56	0.209659	206,957	2,069,570	0.150320
40001 - 50000	59	0.220891	281,671	2,816,710	0.204587
50001 - 100000	79	0.295769	586,167	5,861,670	0.425752
100001 & Above	132	0.494197	129,176,387	1,291,763,870	93.824986
<b>Total</b>	<b>26,710</b>	<b>100.00</b>	<b>137,678,025</b>	<b>1,376,780,250</b>	<b>100.00</b>

**H. Your Company does not have any GDRs/ADRs/Warrants or any other convertible instruments.****I. Geographical Areas**

<b>Sr No.</b>	<b>Name of the Geographical Area</b>
1.	Surat- Bharuch- Ankleshwar
2.	Nadiad
3.	Navsari
4.	Rajkot
5.	Surendranagar
6.	Jamnagar
7.	Bhavnagar
8.	Hazira
9.	Kutch (West)
10.	Valsad
11.	Union Territory of Dadra & Nagar Haveli
12.	Palghar District and Thane Rural
13.	Amreli District
14.	Dahej- Vagra Taluka
15.	Ahmedabad District (excluding area already authorized)
16.	Dahod District
17.	Anand District (excluding area already authorized)
18.	Panchmahal District

**17. Details of Registrar & Share Transfer Agent**

Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 - 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032. Phone Number: 040-67161500 040- 67161606, Fax Number: 040 67161791

**18. Dematerialisation of Shares and Share Transfer System**

About 95% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards to transfer of shares held in physical form the transfer documents can be lodged with Karvy Computer Share Pvt Ltd. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. Mr. Nitin Patil, CEO of the Company is authorized to approve the followings:

1. Share transfers up to 10,000 shares under single folio,
2. Requests for deletion of names.
3. Transmission of shares.

**19. Summary of Shareholding as on 31/03/2017**

Summary of Shareholding As on 31-03-2017			
Category	No. of Holders	Total Shares	% To Equity
PHYSICAL	1,748	7,002,522	5.086158
N S D L	17,814	119,479,689	86.781960
C D S L	7,148	11,195,814	8.131882
Total	26,710	137,678,025	100.00

**20. Address of Correspondence**

**Gujarat Gas Limited**, 2, Shantisadan Society, Nr. Parimal Garden, Ellis Bridge, Ahmedabad - 380006, India.  
Telephone Numbers: +91-79- 26462980, +91-79-26460095, Fax: +91-79- 26466249.

**21. Compliance of Discretionary Requirements as specified in Part E of Schedule II**

The financial Statements for the financial year 2016-17 are with unmodified audit opinion.

**22. Compliance of clause (b) to (i) of sub regulation 2 of Regulation 46**

The Company has complied with (b) to (i) of sub regulation 2 of Regulation 46.

**23. Compliance**

Certificate regarding compliance with the Corporate Governance Code for the FY 2016-17 is annexed to this report.

**For and on behalf of the Board of Directors**  
**Dr. J. N. Singh, IAS**  
**Chairman**

**Date: 10th August, 2017**

**Place: Gandhinagar**



## ANNEXURE-2 ANNUAL REPORT ON CSR ACTIVITIES

### 1. Outline of the CSR Policy

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and the amendments thereto. Pursuant to provisions of Section 135 of the Companies Act, 2013, the Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company at <http://www.gujaratgas.com/corporate-governance/policies>. This Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure - 2 to the Board's Report.

### 2. The Composition of the CSR Committee

The Committee on CSR consists of the following members:

Corporate Social Responsible Committee		
1	Mr. Sujit Gulati, IAS	Chairman
2	Ms. Manjula Shroff	Member
3	Mr. K. D. Chatterjee	Member
4	Mr. Jal Patel	Member

Any two Directors shall form the Quorum of the Committee.

### 3. Average net profit of the company for last three financial years

Average Net Profit (2013-14 to 2015-16): Rs. 342.86 Crores

### 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

Rs. 6.86 Crores

### 5. Details of CSR spent during the financial year

a. Total amount spent for the financial year : Rs. 1.90 crores

b. Amount unspent, if any: Rs. 4.96 crores

c. Manner in which the amount spent during the financial year is detailed below:

(1) Sr No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Amount outlay (budget) project or programs wise(Rs.)	(5) Amount spent on the projects or programs (Rs.)		(6) Cumulative expenditure up to the reporting period (Rs.)	(7) Amount spent: Directly or through implementing agency
				Direct expenditure on projects or programs	Overheads		
1	Contribution to Swachhata Abhiyaan programme	Health & Environment	-	40,250/-	-	<b>40,250/-</b>	Through Implementing Agency
2	Contribution to support Akshaya Patra Foundation in setting up centralised kitchen for feeding 50,000 nos. beneficiaries in Bhavnagar	Health and to prevent school drop out	-	1,00,00,000/-	-	<b>1,00,00,000/-</b>	Directly
3	Contribution in providing gas to Crematoriums across operating locations	Community Development	-	89,57,596/-	-	<b>89,57,596/-</b>	Directly
<b>TOTAL</b>				<b>1,89,97,846 /-</b>		<b>1,89,97,846/-</b>	



**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

Company has been retaining large part of the amount of the corpus for CSR activities in view of the huge amount of Rs. 6 crores for the contribution to set up IIIT -Surat. Moreover, Company has plans to launch following programmes in 2017 - 18

Skill Development Programmes jointly with ITIs:

- Gas Plumbing Course- 8 batches, each of 30 participants: Rs. 80 lacs
- Gas Welding Course- 2 batches each of 30 participants: Rs. 20 lacs
- Programme for CNG retrofitters- 6 batches each of 20 participants: 36 lacs

**7. CSR Committee Responsibility Statement**

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**Nitin Patil**  
CEO

**Sujit Gulati, IAS**  
Chairman, CSR Committee



### ANNEXURE – 3 SECRETARIAL AUDIT REPORT

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members of

**GUJARAT GAS LIMITED**

Block No. 15, 3rd Floor, Udyog Bhavan,  
Sector - 11, Gandhinagar - 382001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GUJARAT GAS LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- I. Secretarial Standards issued by The Institute of Company Secretaries of India;
- i. The Equity Listing Agreement entered into by the Company with the BSE Limited and NSE Limited and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

We hereby report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

- VI. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
  - a) The Petroleum and Natural Gas Regulatory Board Act, 2006
  - b) The Petroleum Act, 1934
  - c) The Explosives Act, 1884
  - d) The Inflammable Substances Act, 1952



We further report that:

- a) The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all the Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there is no event/action taken place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For,**  
**MANOJ HURKAT & ASSOCIATES**  
Practicing Company Secretaries

**Place: Ahmedabad**  
**Date: 10th August, 2017**

**MANOJ R HURKAT**  
**ACS No.4287**  
C P No.: 2574

**Note:** This Report is to be read with our letter of even date which is annexed as Annexure A and form an integral part of this Report.

**ANNEXURE A**

To  
The Members

**GUJARAT GAS LIMITED**

Block No. 15, 3rd Floor, Udyog Bhavan,  
Sector - 11, Gandhinagar - 382001

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and Cost records of the Company.
4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provision of corporate laws and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Thanking You,

**For,**  
**MANOJ HURKAT & ASSOCIATES**  
Practicing Company Secretaries

**Place: Ahmedabad**  
**Date: 10th August, 2017**

**MANOJ R HURKAT**  
Partner  
ACS No. 4287  
C P No.: 2574



**ANNEXURE – 4**  
**FORM No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name of the Related Party & Nature of Relationship	Nature of Contracts/ Arrangements/ transactions	Duration of Contracts/ Arrangements/ Transactions	Salient terms of Contracts/ Arrangements/ Transactions including value, if any	Justification for entering into such Contracts/ Arrangements/ Transactions	Date of Approval by the Board	Amount paid as advances, if any	Date of passing Special Resolution
-----N.A.-----							

2. Details of material contracts or arrangement or transactions at arm's length basis for the FY 2016-17:

Name of the Related Party & Nature of Relationship	Nature of Contracts/ Arrangements/ transactions	Duration of Contracts/ Arrangements/ Transactions	Salient terms of Contracts/ Arrangements/ Transactions including value, if any	Date of Approval by the Board, if any	Amount paid as advances, if any
<b>Gujarat State Petroleum Corporation Limited - Holding Company</b>	Purchase of Natural Gas	Regular	Rs. 3474.16 Crores	NA	--N.A.--

# Definition of Material Related Party Transactions (as disclosed in Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions): "Material Related Party Transaction" In accordance with Regulation (2) (zc) of the Listing Regulations, shall mean any related party transaction/transactions, to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the company.

**For and on behalf of the Board of Directors**  
**Dr. J. N. Singh, IAS**  
**Chairman**

**Date: 10<sup>th</sup> August, 2017**

**Place: Ahmedabad**



**ANNEXURE – 5  
FORM No. MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON  
31 ST MARCH, 2017**

[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:**

<b>CIN:</b>	<b>L40200GJ2012SGC069118</b>	<b>Registration Date</b>	<b>21st February 2012</b>
Name of the Company	<b>Gujarat Gas Limited</b>	Category of the Company Sub Category of the Company	<b>Public Limited by shares</b>
Address	<b>Regd. Office: Block No. 15, 3rd Floor, Udyog Bhavan, Sector-11, Gandhinagar – 382011</b>	Contact Details	<b>079-26462980, 079-26460095</b>
Whether Shares Listed	Yes		

**Details of Registrar and Transfer Agent**

<b>Name</b>	Karvy Computershare Private Limited
<b>Address</b>	Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032.
<b>Contact Details</b>	040-67161500, 040- 67161606, Fax Number: 040 67161791

**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:-

<b>Sr. No.</b>	<b>Name and description of main products /services</b>	<b>NIC code of the product/service</b>	<b>% of total turnover of the company</b>
01	The Company is engaged in City Gas Distribution including sale, purchase, supply, distribution, transport, trading in Natural Gas, CNG, LNG, LPG & other Gaseous form through Pipelines, Trucks / Trains or such other suitable mode for transportation/distribution of Natural Gas, CNG, LNG, LPG & other Gaseous Form.	3520	100



**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

[No. of Companies for which information is being filled] – 1

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Gujarat State Petroleum Corporation Limited	U23209GJ1979SGC003281	Holding	28.40	2 (46)
2.	Guj Info Petro Limited	U72900GJ2001PLC039162	Associate	49.94	2(6)

**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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)	8995462	0	8995462	6.53	8995462	0	8995462	6.53	0
d) Bodies Corp.	74841246	0	74841246	54.36	74841246	0	74841246	54.36	0
e) Banks / FI									
f) Any Other...									
<b>Sub-total (A) (1)</b>	83836708	0	83836708	60.89	83836708	0	83836708	60.89	0
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other...									
<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter</b>									
<b>(A) = (A)(1)+(A)(2)</b>	<b>83836708</b>	<b>0</b>	<b>83836708</b>	<b>60.89</b>	<b>83836708</b>	<b>0</b>	<b>83836708</b>	<b>60.89</b>	<b>0</b>



(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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions:</b>									
a) Mutual Funds	4174620	1000	4175620	3.03	1443668	1000	1444668	1.05	1.98
b) Banks / FI	149984	0	149984	0.11	153878	0	153878	0.11	0
c) Central Govt									
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	2256199	2000	2258199	1.64	1583413	2000	1585413	1.15	0.49
g) FIs									
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)									
1. Foreign Portfolio Investors	17148543	0	17148543	12.46	21144610	0	21144610	15.36	2.9
2. Foreign Mutual Fund	0	8000	8000	0.01	0	8000	8000	0.01	0
3. Overseas Corporate Bodies	4000	0	4000	0	4000	0	4000	0	0
<b>Sub-total (B)(1)</b>	<b>23733346</b>	<b>11000</b>	<b>23744346</b>	<b>17.25</b>	<b>24329569</b>	<b>11000</b>	<b>24340569</b>	<b>17.68</b>	<b>0.43</b>
<b>2. Non Institutions:</b>									
a) Bodies Corp.									
i) Indian	15815448	5443635	21259083	15.44	15727419	5388246	21115665	15.34	0.1
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6075324	1726560	7801884	5.66	6219863	1539770	7759633	5.63	0.03
ii) Individual shareholder holding nominal share capital in excess of Rs 1 lakh	544717	63000	607717	0.45	250729	63000	313729	0.23	0.22
c) Others(specify)									
NBFC registered with RBI	1500	0	1500	0	1194	0	1194	0	0
Trust	3600	0	3600	0	830	0	830	0	0
Non Resident Indians	169430	4500	173930	0.13	134762	500	135262	0.10	0.03
Clearing Member	144251	0	144251	0.1	92648	0	92648	0.07	0.03
Employee Benefit Trust	105000	0	105000	0.08	0	0	0	0	0.08
Fractional Shares	0	6	6	0	0	6	6	0	0
<b>Non Resident Indian – Non Repartriable</b>	0	0	0	0	81781	0	81781	0.06	0.06
<b>Sub-total (B)(2)</b>	<b>22859270</b>	<b>7237701</b>	<b>30096971</b>	<b>21.86</b>	<b>22509226</b>	<b>6991522</b>	<b>29500748</b>	<b>21.43</b>	<b>0.43</b>
<b>Total Public Shareholding(B) = (B)(1)+ (B)(2)</b>	<b>46592616</b>	<b>7248701</b>	<b>53841317</b>	<b>39.11</b>	<b>46838795</b>	<b>7002522</b>	<b>53841317</b>	<b>39.11</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>130429324</b>	<b>7248701</b>	<b>137678025</b>	<b>100</b>	<b>130675503</b>	<b>7002522</b>	<b>137678025</b>	<b>100</b>	<b>0</b>

**(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.	Gujarat State Petroleum Corporation Limited	3,91,06,328	28.40%	0	3,91,06,328	28.40%	0	0%
2.	Gujarat State Petronet Limited	3,54,68,471	25.76%	0	3,54,68,471	25.76%	0	0%
3.	Governor of Gujarat	89,95,462	6.53%	0	89,95,462	6.53%	0	0%
4.	Gujarat State Energy Generation Limited	2,66,447	0.19%	0	2,66,447	0.19%	0	0%
	<b>Total</b>	<b>8,38,36,708</b>	<b>60.89%</b>	<b>0</b>	<b>8,38,36,708</b>	<b>60.89%</b>	<b>0</b>	<b>0%</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	NA	NA	NA	NA
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	There is no change in Promoters Shareholding			
3	At the End of the year	NA	NA	NA	NA



**(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

Sr. No.	For Each of the Top 10 Shareholders	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
	At the beginning of the year				
	Gujarat State Fertilizers & Chemicals Limited	93,82,895	6.82%	N.A.	N.A.
	Aberdeen Global Indian Equity Limited	71,31,843	5.18%		
	Gujarat Industrial Development Corporation	53,28,947	3.87%		
	Gujarat Alkalies And Chemicals Limited	42,63,157	3.10%		
	SBI Life Insurance Co. Ltd.	12,41,716	0.90%		
	Aberdeen Asian Smaller Companies Investment Trust	12,23,272	0.89%		
	Government Pension Fund Global	11,28,773	0.82%		
	Aberdeen Global-Asian Smaller Companies Fund	10,07,232	0.73%		
	The Oriental Insurance Company Limited	9,23,357	0.67%		
	New India Investment Trust PLC	8,57,000	0.62%		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	N.A.	N.A.	N.A.	N.A.
	At the End of the year ( or on the date of separation, if separated during the year)				
	Gujarat State Fertilizers & Chemicals Limited	93,82,895	6.82	N.A.	N.A.
	Gujarat Industrial Development Corporation	53,28,947	3.87	N.A.	N.A.
	Aberdeen Global Indian Equity Limited	48,22,972	3.50	N.A.	N.A.
	Gujarat Alkalies and Chemicals Limited	42,63,157	3.10	N.A.	N.A.
	Government Pension Fund Global	16,79,336	1.22	N.A.	N.A.
	Aberdeen Asian Smaller Companies Investment Trust	12,23,272	0.89	N.A.	N.A.
	FIL Investments(Mauritius)Ltd	12,03,456	0.87	N.A.	N.A.
	Allard Growth Fund	9,39,959	0.68	N.A.	N.A.
	The Oriental Insurance Company Limited	8,84,636	0.64	N.A.	N.A.
	Aberdeen Global-Asian Smaller Companies Fund	8,06,740	0.59	N.A.	N.A.

**(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

Sr. No.	For Each of the Director and KMP	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
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	N.A.	N.A.	N.A.	N.A.
	At the End of the year	N.A.	N.A.	N.A.	N.A.

No other Director & KMP are holding any shares at the beginning

**V. INDEBTEDNESS:**

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

	Secured Loans	Unsecured	Deposits	Total Indebtedness
	Excluding Deposits	Loans		
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1833.89	500.00	-	2333.89
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	22.72	-	22.72
<b>Total (i+ii+iii)</b>	<b>1833.89</b>	<b>522.72</b>	<b>0</b>	<b>2356.61</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1101.05	7.28	-	1,108.33
• Reduction	583.34	522.72	-	1106.06
<b>Net Change</b>	<b>517.71</b>	<b>-515.44</b>	<b>-</b>	<b>2.27</b>
Indebtedness at the end of the financial year				
i) Principal Amount	2351.48	7.28	-	2358.76
ii) Interest due but not paid	0	0	-	0
iii) Interest accrued but not due	0.12	0	-	0.12
<b>Total (i+ii+iii)</b>	<b>2351.6</b>	<b>7.28</b>	<b>-</b>	<b>2358.88</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	----	----	----	
<b>1.</b>	<b>Gross salary</b> (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	N.A.	N.A.	N.A.	N.A.	N.A.
<b>2.</b>	<b>Stock Option</b>	N.A.	N.A.	N.A.	N.A.	N.A.
<b>3.</b>	<b>Sweat Equity</b>	N.A.	N.A.	N.A.	N.A.	N.A.
<b>4.</b>	<b>Commission</b> - as % of profit - Others, specify...	N.A.	N.A.	N.A.	N.A.	N.A.
<b>5.</b>	<b>Others, please specify</b>	N.A.	N.A.	N.A.	N.A.	N.A.
	Total (A)	N.A.	N.A.	N.A.	N.A.	N.A.
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.

**B. REMUNERATION TO OTHER DIRECTORS:**

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri KD Chatterjee	Smt. Manjula Shroff	Shri Jal Patel	Prof Pradip Khandwalla	Shri Ajit Kapadia		
<b>1.</b>	<b>Independent Directors</b>							
	● Fee for attending board / committee meetings	1,17,000/-	72,750/-	1,20,000/-	1,52,250/-	1,11,000/-		5,73,000
	● Commission							
	● Others, Out of Pocket Exp	24,000/-	12,000/-	12,000/-	18,000/-	21,000/-		87,000/-
	Total (1)	<b>1,41,000</b>	<b>84,750</b>	<b>1,32,000</b>	<b>1,70,250</b>	<b>1,32,000</b>		<b>6,60,000</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>	Dr J.N. Singh, IAS	Shri Sujit Gulati, IAS	Dr. T Natarajan, IAS	Shri Sanjeev Kumar, IAS	Shri L Chuaungo, IAS	Shri GR Aloria, IAS	
	● Fee for attending board / committee meetings	30,000/-	45,000/-	67,500/-	75,000/-	15,000/-	7,500/-	2,40,000/-
	● Commission							
	● Others, Out of Pocket Exp	15,000/-	12,000/-	15,000/-	12,000/-	3,000/-	3,000/-	60,000/-
	Total (2)	45,000	57,000	82,500	87,000	18,000	10,500	3,00,000
	<b>Total (B)=(1+2)</b>	<b>1,86,000</b>	<b>1,41,750</b>	<b>2,14,500</b>	<b>2,57,250</b>	<b>1,50,000</b>	<b>10,500</b>	<b>9,60,000</b>
	Total Managerial Remuneration							
	Overall Ceiling as per the Act	Apart from sitting fees and out of pocket expenses no other managerial remuneration is paid to directors.						



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

Sr. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL			
		CEO	CS	CFO	Total
<b>1.</b>	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7526807	3307254	5461521	16295582
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	182874	741585	37797	962256
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	-	-	-	-
<b>2.</b>	<b>Stock Option</b>				
<b>3.</b>	<b>Sweat Equity</b>				
<b>4.</b>	<b>Commission</b> - as % of profit - Others, specify...				
<b>5.</b>	<b>Others, please specify</b>				
	<b>Total</b>	<b>7709681</b>	<b>4048839</b>	<b>5499318</b>	<b>17257838</b>

**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)
<b>A. COMPANY : N.A.</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>B. DIRECTORS :</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>C. OTHER OFFICERS IN DEFAULT :</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

**ANNEXURE-6****(A) Conservation of Energy-**

- (i) The steps taken or impact on conservation of energy;
- Started usage of LED light fixtures instead of CFL/MH type in Street lighting/Offices
  - Implemented design of outdoor lighting system for CNG station with high mast lighting, which reduced installation of light poles/fixtures
  - Optimise the power requirement and reduced contract demand at few CNG stations
  - Controlled power usage during peak time as specified in power tariff-DISCOM by changing refilling time of mobile CNG vehicles
- (ii) The steps taken by the company for utilising alternate sources of energy;
- Maximised usage of VRF (Variable refrigerant flow) type AC systems instead of conventional DX (direct expansion) type for new offices
- (iii) The capital investment on energy conservation equipment's- **Nil**

**(B) Technology Absorption-**

- (i) the efforts made towards technology absorption: **Nil**
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: **Nil**
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- **Nil**
- (a) the details of technology imported;
  - (b) the year of import;
  - (c) whether the technology been fully absorbed;
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development. **Nil**

**(C) Foreign Exchange Earnings and Outgo-**

The Company has incurred expenditure in Foreign Exchange to the extent of Rs. 0.07 Crores during FY 2016-17 (Previous year FY 2015-16 Rs. 0.24 Crores) and the Foreign Exchange Earnings during FY 2016-17 were Rs. NIL (Previous year FY 2015-16 Rs. Nil)



**ANNEXURE-7  
AOC-1  
GUJARAT GAS LIMITED**

**Notes to Standalone financial statements for the year ended 31st March 2017  
Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate  
Companies and Joint Ventures  
Part "B": Associates**

(Rs in Crores)

Name of Associates	Guj Info Petro Limited
<b>1. Latest audited Balance Sheet Date</b>	31/03/2017
<b>2. Shares of Associate held by the company on the year end</b>	25,000
Amount of Investment in Associate	0.03
<b>Extend of Holding %</b>	49.94%
<b>3. Description of how there is significant influence</b>	Through voting power
<b>4. Reason why the associate is not consolidated</b>	NA
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	As per Ind-AS-28 equity method is followed
<b>6. Profit / Loss for the year</b>	
i. Considered in Consolidation	1.35
ii. Not Considered in Consolidation	-

For, Manubhai & Shah LLP  
Chartered Accountants  
ICAI Firm Reg. No. 106041W/W100136

G.R.Parmar  
Partner  
M. No. : 121462  
Place : Ahmedabad  
Date : 24/05/2017

Dr. J. N. Singh, IAS  
Chairman

Dr. T. Natarajan, IAS  
Director

For and on behalf of Board of Directors

Jal Patel  
Director

Nitin Patil  
Chief Executive Officer

Nitesh Bhandari  
Chief Financial Officer

Rajeshwari Sharma  
Company Secretary

Place : Gandhinagar  
Date : 24/05/2017



## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members

**GUJARAT GAS LIMITED**

Block No. 15, 3rd Floor, Udyog Bhavan, Sector - 11,  
Gandhinagar.

We have examined all relevant records of GUJARAT GAS LIMITED ("Company") for the purpose of certifying compliance of the conditions of Corporate Governance as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the said Regulations") for the financial year ended 31st March, 2017. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the said Regulations.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For, MANOJ HURKAT & ASSOCIATES**  
**Company Secretaries**

**Manoj R. Hurkat**  
**Partner**  
**Membership No.: FCS 4287**  
**Certificate of Practice No.: CP - 2574**

**Date: 10th August, 2017**  
**Place: Ahmedabad**



## CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To,  
The Shareholders,  
Gujarat Gas Limited

Gujarat Gas Limited has in place a Code of Conduct ("the code") for its Board of Directors and Senior Management Personnel. I report that the code has been complied with by the Board of Directors and Senior Management of the Company for FY 2016-17.

**For Gujarat Gas Limited**

**Nitin Patil**  
**Chief Executive Officer**

**Place: Ahmedabad**  
**Date: 16 May, 2017**



## BUSINESS RESPONSIBILITY REPORT Financial Year 2016-17

### Section A: General Information about the Company

- 1. Corporate Identity Number (CIN) of the Company:**  
L40200GJ2012SGC069118
- 2. Name of the Company:**  
Gujarat Gas Limited
- 3. Registered Address:**  
Block No. 15, 3rd Floor, Udyog Bhavan, Sector - 11, Gandhinagar – 382011
- 4. Website:**  
www.gujaratgas.com
- 5. E-mail id:**  
contactbrr@gujaratgas.com
- 6. Financial Year Reported:**  
Financial Year 2016-17
- 7. Sector(s) that the Company is engaged in (industrial activity code-wise)**  
The NIC Code is 3520. The Company is engaged in City Gas Distribution including sale, purchase, supply, distribution, transport, trading in Natural Gas, CNG, LNG, LPG & other Gaseous form through Pipelines, Trucks/Trains or such other suitable mode for transportation/distribution of Natural Gas, CNG, LNG, LPG & other Gaseous Form.
- 8. List three key products/services that the Company manufactures/provides (as in balance sheet)**  
Natural Gas
- 9. Total number of locations where business activity is undertaken by the Company:**  
The Company operates in 20 districts of the state of Gujarat, 2 districts of the state of Maharashtra and is also operating in the Union Territory of Dadra & Nagar Haveli.
- 10. Markets served by the Company – local/state/national/international:**  
The Company operates its business in the state of Gujarat, Maharashtra and also in the UT of Dadra & Nagar Haveli.

### Section B: Financial Details of the Company

- 1. Paid Up Capital (INR)** ₹ 137.68 Crores
- 2. Total Turnover (INR)** ₹ 5237.87 Crores
- 3. Total Profit after Taxes (INR)** ₹ 219.50 Crores
- 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)** ₹ 1.90 Crores  
(0.87 % of PAT)
- 5. List of activities in which the expenditure in 4 above has been incurred.**
  - 1) Contribution to support Akshaya Patra Foundation in setting up centralised kitchen for feeding 50,000 nos. beneficiaries in Bhavnagar.
  - 2) Contribution in providing gas to Crematoriums across operating locations of the Company.
  - 3) Supporting Swaachhata Abhiyaan Awareness Programme.
  - 4) Contribution to an NGO - Visamo Kids Foundation's fund raising event.
  - 5) Supported Indian Classical Music through Komal Nishad Charitable Trust.

### Section C: Other Details

- 1. Does the Company have any Subsidiary Company/Companies?**  
Gujarat Gas Limited (GGL) has no Subsidiary Company.
- 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**  
GGL has no Subsidiary Company, hence this question is not applicable to the Company.
- 3. Do any other entity / entities (e.g Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)**  
No other entity/entities have taken part in BR initiative of GGL.



**Section D: BR Information**

1. Details of Director/Directors responsible for BR:

a) Details of the Director/Director responsible for implementation of the Business Responsibility policy/policies		
Name	DIN Number	Designation
Dr. T Natarajan, IAS	00396367	Director

b) Details of the Business Responsibility	Head
DIN Number (if applicable)	NA

Name	Mr. Nitin Patil
Designation	CEO
Telephone number	079-26462980
e-mail id	nitin.patil@gujaratgas.com

2. Principle-wise (as per NVGs) BR Policy/Policies

a) Details of compliance (Reply in Y/N)

SR. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for.....	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1 : Work Place Behavior Policy, Whistle Blower Policy (Vigil Mechanism Policy). P2 : HSE Policy, Sustainable Development Policy, Work Place Behavior Policy P3 : Work Place Behavior Policy, Human Rights Policy, HSE Policy, Harassment Policy P4 : Sustainable Development Policy P5 : Human Rights Policy P6 : HSE Policy, Sustainable Development Policy P7 : Sustainable Development Policy P8 : CSR Policy, Sustainable Development Policy P9 : Sustainable Development Policy								
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been formulated in consultation with the Management of the Company.								
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are based on good corporate practices.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been signed by CEO/Board Director.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	The BRR Committee of the Board of Directors will oversee the implementation of the Policy.								
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		<a href="http://www.gujaratgas.com/corporate-governance/policies/">http://www.gujaratgas.com/corporate-governance/policies/</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y



9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	The queries regarding to BR polices can be sent to contactbrr@gujaratgas.com								
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

**b) If answer against any principle, is 'No', please explain why: (Tick up to 2 options):**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles	It is planned to be done in the next year								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done in the next 6 months									
5	It is planned to be done in the next year									
6	Any other reason (please specify)									

**3. Governance related to BR**

**a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

BR related performance is reviewed annually by the Board of Directors of GGL.

**b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The initiative on BR is adopted by the Company for first time and this report is being published along with our Annual Report for FY 2016-17. Hyperlink [www.gujaratgas.com/corporate-governance/policies/](http://www.gujaratgas.com/corporate-governance/policies/)

**Section E: Principle Wise Performance**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Yes, the policy relating to ethics, bribery and corruption covers only GGL and currently it is not extended to the Group/Joint Ventures/ Suppliers/Contractors.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The Company had received 244 letters of various types of request, inquiries and complaints from its equity shareholders during FY 2016-17, which had been resolved and settled to the satisfaction of the shareholders.

The Company strives to resolve any complaint received from its stakeholders'.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

**1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.**

GGL is engaged in "Natural Gas" distribution to Domestic, Commercial, Industrial and Transport customers. Natural Gas being inherently a cleaner fuel helps in reduction of pollution.

**2. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.**

**(i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**



**(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

GGL always encourages the community to use PNG and CNG over conventional energy resources which generates high GHG emission.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.**

GGL has started replacing its diesel driven transport vehicles with CNG (Compressed Natural Gas).

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

GGL considers "Local" as PAN India and believes in providing equal opportunity to all suppliers/vendors across India. To avoid any discrimination in awarding the project, we hire all our contractors through our online bidding process. This ensures that selection is totally on the basis of merit.

**5. Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?**

GGL is solely involved in services of distribution of Natural Gas through network of pipelines designated as PNG and also in compressed form for use in transport sector designated as CNG. These services generally do not have significant waste generation, However GGL is actively involved in following a proper mechanism for waste disposal and recycle, wherever required.

Waste generated in form of used batteries, electronic waste, compressor oil at GGL are sent to pollution control board, approved vendors for either recycling or environment friendly disposal.

**Principle 3: Businesses should promote the wellbeing of all employees**

**1. Please indicate the total number of employees-**

Total number of employees as on 31 st March, 2017 is 1113.

**2. Please indicate the total number of employees hired on temporary/ contractual/casual basis –**

No temporary or contractual employees were hired by GGL.

**3. Please indicate the number of permanent women employees –**

Total number of permanent women employees as on 31 st March, 2017 is 67.

**4. Please indicate the number of permanent employees with disability –**

Total number of permanent employees with disability as on 31 st March, 2017 is 2.

**5. Do you have an employee association that is recognized by management?**

GGL believes in providing the freedom of association to the employees and the same is done through two of our management recognized unions, GGL Staff Union and GGL Employees Union.

**6. What percentage of your permanent employees are a member of this recognized employee association?**

About 20% of the employees are members of the above mentioned association.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

GGL has a policy on prevention of sexual harassment under which a Committee is formed that is dedicated to cases against sexual harassment in the Company. Due to stringent mechanisms in place for prevention and addressing issues related to sexual harassment, there have been "NO" complaints received on the same during FY 2016-17.

Similarly, all the work orders issued to contractors have clear instructions regarding compliance to all labour laws, including the prohibition of child labour. As a result of this, there have been "NO" complaints related to forced labour and child labour.

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

GGL has incorporated various safety practices in its premises and always tries to convey these safety instructions via sign boards.

GGL has programmes on various safety training for its new joining employees. The Company also tries to upgrade skills of its existing employees through organizing various skill up-gradation programmes.



**Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

GGL has identified and mapped all its stakeholders and same are mentioned below;

- a) Employees
- b) Shareholders
- c) Customers
- d) Vendors/Suppliers/ Contractors
- e) Government/ Statutory authorities
- f) Banks (Lenders)
- g) Community

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

GGL has identified its disadvantaged, vulnerable and marginalized stakeholders and same are mentioned below;

- a) Women
- b) Children
- c) Youth
- d) Rural Communities

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

GGL has taken special initiatives for its identified disadvantaged, vulnerable and marginalized stakeholders, few such initiatives are mentioned below;

**a) For Women in rural areas**

GGL has supported the government initiative for providing natural gas supply in rural areas as burning of wood and coal effects the health of women and causes health issues such as lung cancer, asthma and others. Under this initiative, GGL has gone the extra mile for implementation of PNG in rural areas of Gujarat state and has covered more than 700 villages successfully.

**b) For Children**

GGL is involved in various activities for betterment of underprivileged kids. The Company contributes funds for helping children on health issues, and school kits are provided to kids from tribal areas. The Company has also contributed to Akshaya Patra foundation to provide proper meals for children in schools which will in turn encourage them to attend more frequently. The Company contributed funds to programme for under privileged kids, viz. Visamo Kids Foundation (VKF). VKF is a shelter home for children from under privilege families that supports the cause of empowerment and change through quality education. It empowers kids to face challenges and convert them into opportunities to meet their goals.

**c) For Youth in rural areas**

GGL has identified various locations in the state of Gujarat for implementation of CNG stations for vehicles and successfully installed them. This activity has helped the local youth on employment issues faced by them previously.

**Principle 5: Businesses should respect and promote human rights**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

GGL has Human Rights Policy in place which covers all its employees and business associates.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company has not received any complaints from stakeholders with respect to violation of human rights.

**Principle 6: Business should respect, protect, and make efforts to restore the environment****1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The policy related to Principle 6 covers the Company and its contractors.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

GGL, as a responsible organization, recognizes and understands the various global challenges with respect to environmental degradation and climate change. Building awareness among the employees and community about these challenges is an effective way of addressing these challenges. We attempt to do so through the following initiatives:

**Celebration of Environmental Day**

Every year GGL celebrates this day by conducting various activities like tree plantation drives as well as awareness programs throughout the entire organization.

**Fuel Conservation Awareness**

As part of this campaign, GGL carries out a program where PUC certifications of its vehicles are certified. Awareness regarding regular and proper maintenance is also given due importance through awareness activities.

**Dial Before Dig Campaign**

In this campaign, GGL provides counseling to stakeholders who undertake digging activities. This is done to stress the importance of the release of Methane gas which can occur as a result of damaging GGL's natural gas pipelines during the digging operations. The stakeholders are urged to dial in to GGL to confirm the location prior to starting any digging/excavation activities.

**3. Does the company identify and assess potential environmental risks? Y/N**

GGL has an Environmental Aspect Impact register which assess the environmental risks arising from our operations and few hazards covered in this register are mentioned below:

- a) Air pollution
- b) Noise pollution
- c) Land contamination
- d) Fire safety
- e) Health effects
- f) Occupational diseases
- g) Others

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

GGL has not undertaken any projects related to Clean Development Mechanism.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

GGL takes every effort possible to reduce the impact of its operations on the environment. Some of our key initiatives taken in this regard are:

- a) Utilization of energy efficient lighting
- b) Utilizing renewable sources of energy – GGL has commissioned a Solar Panel to generate power sufficient to run a CNG station.





**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. All the emissions and waste generated by GGL are treated in appropriate manner and always fall within the permissible limits of CPCB and SPCB.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

GGL has not received any such show cause or legal notices as on 31st March 2017, the end of the financial year 2016-17.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

GGL is member of Confederation of Indian Industry (CII).

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

CII being a national body, from time to time takes up various initiatives of public good. GGL supports such initiatives.

**Principle 8: Businesses should support inclusive growth and equitable development**

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

GGL has undertaken many initiatives in the field of community development, especially along the lines of skill up-gradation. While keeping the activities aligned to the priorities identified by the Government of India, the relevance of the activities to the business is also considered.

Indigenous people around the areas of our operations are trained and taken on as contractors which not only helps the Company in achieving lower attrition rates of workers but also provides them a means of livelihood.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

Based on the type of program and the feasibility of its execution, implementation is carried out in multiple forms like engaging with NGOs, hiring external agencies, or making use of in-house capabilities as well.

**3. Have you done any impact assessment of your initiative?**

Prior to beginning any activity, the relevance and the need for it is assessed by one or more employees who visits the location and gauges the need of the community. In this manner, the Company can select the best programs for execution which would be relevant and effective.

**4. What is your company's direct contribution to community development projects Amount in INR and the details of the projects undertaken.**

GGL has incurred a total expenditure of INR 1.90 Crores for its CSR activities. Details of these activities is mentioned below:

**a) Contribution to support Akshaya Patra foundation in setting up centralized kitchen for feeding beneficiaries in Bhavnagar – INR 1,00,00,000/-**

Government of Gujarat has invited Akshaya Patra Foundation to set up a centralized kitchen in Bhavnagar district with an objective to provide unlimited mid-day meals for government school going children with intention of preventing drop outs, increase the attendance and to tackle the malnutrition among the children. This project will cater to approx. 50,000 children from government schools in Bhavnagar and its near rural areas for a period of 5 years. The government had already allotted land to the foundation in Bhavnagar for the construction of centralized kitchen. As this kitchen was going to be in Bhavnagar, which is one of the operational geographical areas for GGL and health being one of our core areas identified for carrying out CSR initiatives, GGL contributed INR - 2 crores to support this initiative. INR 1 crore was contributed in the financial year 2015-16 and the remaining amount of INR 1 crore in the financial year 2016-17.

**b) Contribution in providing gas to Crematoriums across operating locations – INR 89,57,596/-**

GGL provides gas to crematoriums across its operating locations in Gujarat. Since the company is in the business of environment friendly fuel, this helps in preserving the environment by discouraging use of firewood and thereby protecting forests. Environment being one of the core area identified under the company's CSR policy the company provides free gas to the crematoriums.

**c) Contribution to Swachhata Abhiyaan Programme – INR 40,250/-**

JN Petit Library, Ankleshwar organized a painting competition for children of Ankleshwar to create awareness of cleanliness among the general public promoting Swachh Bharat Abhiyaan of Government. Ankleshwar Nagar Palika was associated with this cause.

**d) Contribution to fund raising programme for under privileged kids – INR 1,00,000/-**

Visamo Kids Foundation (VKF) is a shelter home for children from under privilege families that support the cause of empowerment and change through quality education. It empowers kids to face challenges and convert them into opportunities to meet their goals.

**e) Contribution for supporting Indian classical music to Komal Nishad Charitable Trust was formed in Baroda – INR 1,00,000/-.**

Komal Nishad had organized Parampara Sangeet Mahotsav – festival of Indian Classical Music featuring internationally reputed artistes in April 2016 and to support the preservation of the rich heritage culture of Indian Classical Music, contribution was made from GGL as heritage is one of the core areas identified under the CSR policy of GGL.

Since supporting initiatives for providing education is one of the core areas identified under the company's CSR policy, GGL contributed to the fund raising event of the foundation.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Initiatives by GGL are based on surveys which are performed before the initiatives. This surveys are performed to identify the need of activity in the locality. The aforementioned initiatives in the form of support to Akshay Patra foundation, of providing gas to Crematoriums, of Contribution to Swachhata Abhiyaan Programme, of Contribution to fund raising programme for under privileged kids and of supporting of Indian classical music to Komal Nishad Charitable Trust have been adopted by the community.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner****1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

The pending complaints in all customer segments for disposal is 4,539 of overall 79,737 i.e. 5.69% as on 31st March 2016 as per the requirements of the SLA under the Quality of Services obligations of the Petroleum and Natural Gas Regulatory Board.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks(additional information)**

GGL as a service provider holds a special responsibility inherently on providing proper and correct information of the services to its customers from various sectors including Industries, Domestic, Commercial and Transport.

In regards to this GGL always discloses the details of its services to its customer through documents such as "Registration forms" for domestic customers, and "Gas Sale Agreement (GSA)" for Industrial and commercial customers before providing the services. The basic concept behind these documents is to provide all the details of services by GGL to its customers and brief content of the same is provided below;

- a) Applicable laws
- b) Facilities to customer
- c) Contract and its details
- d) Delivery point
- e) Metering point
- f) Title and Risk
- g) Contracted quantity details
- h) Expiry date
- i) Health, Safety, Security and Environmental norms
- j) Intellectual property
- k) Price
- l) Applicable taxes

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

Saint Gobain, one of the industrial customers of erstwhile GGCL, had filed a complaint before the CCI claiming certain clauses of the Gas Sales Agreement and the amendment thereto (together "GSA") as the violation of the Competition Act, 2002. This matter was disposed off in favour of the Company.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

GGL assures its customers the best available services in the market and to ensure this, the company has a well-defined customer satisfaction survey process which is performed periodically.

Top management of GGL also regularly conducts customer meets with its key customers. During such meetings, the issues faced by the customers are highlighted and GGL tries to rectify them and resolve them at the earliest.



**The Dividend Distribution Policy is being disclosed in the Annual Report as per the requirements of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015**

**INTRODUCTION:**

The Board of Directors of Gujarat Gas Limited approved this policy in its Meeting held on 11th August, 2016 as per the requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016.

**KEY PARAMETERS:**

**The following parameters to be considered while Distribution of Dividend by Gujarat Gas Limited:**

- (a) The circumstances under which the shareholders of Gujarat Gas Limited may or may not expect dividend;
- (b) The financial parameters that shall be considered while declaring dividend;
- (c) Internal and external factors that shall be considered for declaration of dividend;
- (d) Policy as to how the retained earnings shall be utilized; and
- (e) Parameters that shall be adopted with regard to various classes of shares.

The Board may consider following factors before making any recommendations for the dividend (including interim dividend):

- Profits earned during the financial year and retained earnings of previous years;
- Cash flow position;
- Outstanding Debt and its repayment terms, Cost of raising funds from alternate sources;
- Consistency of Dividends in proportion to Earnings;
- Future Earnings growth;
- Future organic and inorganic expansion plans;
- Capital structure position;
- Legal requirements;
- Industry outlook and Regulatory commitments.

The Board may choose not to declare any dividend in case of loss or inadequacy of profits during the year or based on above factors and the retained earnings may be utilized by the Company for payout of dividend, reinvestment in the business or issue of bonus shares.

**REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA****COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF GUJARAT GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2017**

The preparation of financial statements of **Gujarat Gas Limited** for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the 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 their Audit Report dated 24 May 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of **Gujarat Gas Limited** for the year ended 31 March 2017. 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 a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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

**(Gurveen Sidhu)  
Accountant General (E&RSA), Gujarat**

**Place: Ahmedabad  
Date : 01/08/2017**



## INDEPENDENT AUDITOR'S REPORT

**To**  
**The Members of**  
**Gujarat Gas Limited**  
**(Formerly Known as GSPC Distribution Networks Limited)**  
**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Gujarat Gas Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2017, 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 (herein after referred to as 'Standalone Ind AS Financial Statements').

### **Management's Responsibility for the Standalone Ind AS 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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. 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 in accordance with the Standards on Auditing 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 the accounting policies used and the reasonableness of the accounting estimates made by the 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 aforesaid 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 including Ind AS, of the financial position of the Company as at 31st March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Other matter**

The Comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us for the year ended 31st March 2016 vide report dated 17th May 2016 and for the year ended 31st March 2015 vide our report dated 13th August 2015 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.



## INDEPENDENT AUDITOR'S REPORT

Our Opinion is not modified in respect of these matters.

### 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 section 143 (11) of the Act, we give in the "**Annexure – A**", a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
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 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, the Cash Flow Statement and the 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 Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder.
  - e) As the company is a Government Company, in terms of notification no. G.S.R. 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs, the sub-section (2) of section 164 is not applicable to the company.
  - 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 the 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. Refer Note 43 to the standalone Ind AS 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; and
    - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer Note 52 to the standalone Ind AS financial statements.
3. In terms of section 143 (5) of the Act, we give in "**Annexure – C**" a statement on the directions and sub directions issued under the aforesaid section by the Comptroller and Auditor General of India.

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
**ICAI Firm Regn. No. 106041W/W100136**

**(G. R. Parmar)**  
**Partner**  
**Membership No. 121462**

**Place: Ahmedabad**  
**Date: 24 May 2017**



## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE – A

#### TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our Independent Auditor's Report, of even date, to the members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) on Standalone Ind AS Financial Statements for the year ended 31st March 2017)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items, other than underground gas pipelines which are not physically verifiable, over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in respect of one freehold land situated at Survey No. 306-A-/1 paiki 3, Post-Hazira, Taluka Choryasi, District-Surat admeasuring 13,057 Sq. Mtrs., having book value of ₹ 15.88 Crores as at 31st March 2017.
- (ii) The inventory, has been physically verified by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii) [(a) to (c)] of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products (Natural Gas) where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax and customs duty which have not been deposited on account of any dispute.

The particulars of dues of service tax, duty of excise and income tax as at 31st March 2017 which have not been deposited on account of a dispute, are as follows:

**INDEPENDENT AUDITOR'S REPORT**

Name of statute	Nature of dues	Amount (in Crs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and Interest thereon	0.79	Assessment Year 2001-02	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax and Interest thereon	0.31	Assessment Year 2002-03	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax and Interest thereon	4.33	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax and Interest thereon	2.96	Assessment Year 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax and Interest thereon	20.40	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax and Interest thereon	34.95		Assessing Officer
Income Tax Act, 1961	Income Tax and Interest thereon	0.02	Assessment Year 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax and Interest thereon	0.92	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax and Interest thereon	0.002	Assessment Year 2012-13	Assessing Officer
Income Tax Act, 1961	Income Tax and Interest thereon	5.79	Assessment Year 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax and Interest thereon	0.15	Assessment Year 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax and Interest thereon	0.02	Assessment Year 2014-15	Assessing Officer
Central Excise Act, 1944	Service Tax and Duty of Excise	11.13	April-2010 to March-2015	The Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Service Tax and Duty of Excise	0.84	April-2015 to Nov-2015	Excise & Service Tax Commissioner
Central Excise Act, 1944	Service Tax and Duty of Excise	2.52	2009-10 to 2014-15 (up to Aug-2014)	The Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Service Tax and Duty of Excise	0.63	Sept-2014 to 14th May-2015	The Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Service Tax and Duty of Excise	1.06	May'10 (2010-11) to Feb-2016 Service (up to 02.02.2016)	Excise & Tax Commissioner
Central Excise Act, 1944	Service Tax and Duty of Excise	0.18	2006-07 & 2007-08	The Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax and Duty of Excise	0.10	2006-07 to 2009-10	The Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax and Duty of Excise	37.66	2005-06 to 2012-13	The Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax and Duty of Excise	2.11	2013-14	The Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax and Duty of Excise	0.59	2006-07 to 2011-12	The Customs, Excise and Service Tax Appellate Tribunal

- (viii) The Company has not defaulted in repayment of loans or borrowing dues to financial institution or bank or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. During the year money raised from term loans were applied for the purpose for which they were raised.

**INDEPENDENT AUDITOR'S REPORT**

- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been, noticed or reported during the year, nor we have been informed of any such case by the Management.
- (xi) The Company has not paid or provided managerial remuneration during the year. Therefore, the provisions of Clause 3 (xi) of the said Order are not applicable to the Company.
- (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 sections 177 and Company being a government company, transactions with other government companies are exempt for the compliance of Section 188 of the Act, in terms of notification no. G.S.R 463(E) dated 5th June 2015, issued by Ministry of Corporate Affairs. Details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (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 year.
- (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 them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
**ICAI Firm Regn. No. 106041W/W100136**

**(G. R. Parmar)**  
**Partner**  
**Membership No. 121462**

**Place: Ahmedabad**  
**Date: 24 May 2017**



## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE - B

#### TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" section of our Independent Auditor's Report, of even date, to the members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) on Standalone Ind AS Financial Statements for the year ended 31st March 2017)

#### **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 GUJARAT GAS LIMITED (Formerly known as GSPC Distribution Networks Limited) ("the Company"), as of 31st March 2017 in conjunction with our audit of the standalone Ind AS 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 ('ICAI'). 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.

#### **Auditor's 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 deemed to be prescribed under section 143(10) 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 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 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.



## INDEPENDENT AUDITOR'S REPORT

### **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 31 st March 2017, 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, Manubhai & Shah LLP**  
**Chartered Accountants**  
**ICAI Firm Regn. No. 106041W/W100136**

**(G. R. Parmar)**  
**Partner**  
**Membership No. 121462**

**Place: Ahmedabad**  
**Date: 24 May 2017**

**INDEPENDENT AUDITOR'S REPORT****ANNEXURE – C****TO INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 3 under "Report on Other Legal and Regulatory Requirements" section of our Independent Auditor's Report, if even date, to the members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) on Standalone Ind AS Financial Statements for the year ended 31st March 2017)

<b>Sr. No.</b>	<b>Directions / Sub-Directions Issued by Comptroller and Auditor General of India</b>	<b>Response</b>
(1)	Whether the Company has clear title / lease deeds for freehold and leasehold respectively? If not please state the area of freehold or leasehold land for which title / lease deeds are not available?	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in respect of one freehold land situated at Survey No. 306-A-/1 paiki 3, Post-Hazira, Taluka Choryasi, District-Surat admeasuring 13,057 Sq. Mtrs., having book value of ₹ 15.88 Crores as at 31st March 2017.
(2)	Whether there are any cases of waiver / write offs of debts/loans/interest etc., if yes, the reasons therefore and the amount involved.	As per information and explanations given to us and based on examination of the records of the Company, there are no cases of any waiver of loan / debt / interest during the year.
(3)	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities?	As per information and explanations given to us and based on the examination of the records provided to us, we report that proper records are maintained for material lying with third parties and reconciliation of the inventory issued to third party is done on as per the process adopted on regular interval by the company. During the year company has not received any assets as gifts from Government or other authorities.
(4)	Whether the company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?	As per the information and explanations given to us and based on the examination of the policies in respect of recovery of dues from customers, the Company has a policy and procedure for effective monitoring of credit exposure and recovery of dues from its customers in respect of its sales activities. In our opinion and according to the information and explanation given to us, the recoveries against the dues have been properly recorded in the books of accounts.
(5)	Whether the company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage / excess noticed during physical verification.	In our opinion and according to the information and explanations given to us, the procedures and systems, in relation to physical verification of inventories, valuation of stock, treatment of non-moving items and accounting the effect of shortage / excess noticed during physical verification, are reasonable and adequate in relation to the size of the Company and the nature of its business.
(6)	The effectiveness of the system followed in recovery of dues in respect of sale activities may be examined and reported.	In our opinion and according to the information and explanations given to us, the Company has a policy and procedure for effective monitoring of credit exposure and recovery of dues from its customers in respect of its sales activities. There are no significant instances of its failure observed for the year under audit.

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
**ICAI Firm Regn. No. 106041W/W100136**

**(G. R. Parmar)**  
**Partner**  
**Membership No. 121462**

**Place: Ahmedabad**  
**Date: 24 May, 2017**



## STANDALONE BALANCE SHEET AS AT 31st MARCH 2017

(Rs. in Crores)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>I. ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, plant and equipment	3.1	4,631.69	4,470.72	4,318.66
(b) Capital work in progress	3.2	504.90	467.96	357.19
(c) Investment property	4	1.30	1.30	1.30
(d) Intangible assets	5.1	269.99	202.16	166.65
(e) Intangible assets under development	5.2	0.82	0.20	0.20
(f) Investment in associates	6	0.03	0.03	0.03
(g) Financial assets				
(i) Investments	7	68.25	120.44	162.00
(ii) Loans	8	65.36	49.81	31.21
(iii) Other financial assets	9	0.03	0.05	0.05
(h) Other non-current assets	10	282.57	270.72	220.04
<b>Total Non-Current Assets</b>		<b>5,824.94</b>	<b>5,583.39</b>	<b>5,257.33</b>
<b>2 Current assets</b>				
(a) Inventories	11	41.65	41.34	41.09
(b) Financial Assets				
(i) Investments	12	-	-	937.33
(ii) Trade receivables	13	347.51	300.49	400.48
(iii) Cash and cash equivalents	14	17.48	22.73	234.59
(iv) Bank balances other than (iii) above	15	43.34	45.11	2.82
(v) Loans	16	1.43	2.47	1.45
(vi) Other financial assets	17	46.53	32.81	39.82
(c) Other current assets	18	25.48	21.72	13.67
<b>Total Current Assets</b>		<b>523.42</b>	<b>466.67</b>	<b>1,671.25</b>
<b>TOTAL ASSETS</b>		<b>6,348.36</b>	<b>6,050.06</b>	<b>6,928.58</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity share capital	19	137.68	137.68	137.68
(b) Other Equity	20	1,507.20	1,371.79	1,299.92
<b>Total equity</b>		<b>1,644.88</b>	<b>1,509.47</b>	<b>1,437.60</b>
<b>2 Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	21	2,291.41	1,706.58	1,488.66
(b) Provisions	22	30.80	25.25	22.04
(c) Deferred tax liabilities (Net)	23	984.89	986.49	984.49
<b>Total Non-Current Liabilities</b>		<b>3,307.10</b>	<b>2,718.32</b>	<b>2,495.19</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	24	7.28	-	-
(ii) Trade payables	25	313.97	251.46	424.70
(iii) Other financial liabilities	26	989.63	1,498.62	2,530.53
(b) Other current liabilities	27	59.50	60.77	38.07
(c) Provisions	28	9.14	11.42	2.49
(d) Current Tax Liabilities (Net)	29	16.86	-	-
<b>Total Current Liabilities</b>		<b>1,396.38</b>	<b>1,822.27</b>	<b>2,995.79</b>
<b>Total liabilities</b>		<b>4,703.48</b>	<b>4,540.59</b>	<b>5,490.98</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,348.36</b>	<b>6,050.06</b>	<b>6,928.58</b>

See accompanying notes to the financial statements

As per our report attached  
**For Manubhai & Shah LLP**  
**Chartered Accountants**  
 ICAI Firm Reg. No. 106041W/W100136

For and on behalf of Board of Directors

**Dr. J. N. Singh, IAS**  
 Chairman

**Dr. T. Natarajan, IAS**  
 Director

**Jal Patel**  
 Director

**G.R.Parmar**  
 Partner  
 M. No. : 121462

**Nitin Patil**  
 Chief Executive Officer

**Nitesh Bhandari**  
 Chief Financial Officer

**Rajeshwari Sharma**  
 Company Secretary  
 Place : Gandhinagar  
 Date : 24 May 2017

Place : Ahmedabad  
 Date : 24 May 2017

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH 2017**

(Rs. in Crores)

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Revenue</b>			
I. Revenue from Operations	30	5,237.87	6,245.48
II. Other income	31	26.32	44.50
<b>III. Total Income (I+II)</b>		<b>5,264.19</b>	<b>6,289.98</b>
<b>IV. Expenses</b>			
Cost of materials consumed	32	3,838.04	4,909.73
Purchase of Stock-in-trade	33	-	4.39
Changes in inventories of natural gas	34	(0.13)	0.31
Employee Benefits Expenses	35	128.21	128.73
Finance Costs	36	208.96	247.44
Depreciation and Amortization Expenses	37	257.33	245.42
Excise Duty		145.26	139.90
Other Expenses	38	383.19	334.73
<b>Total Expenses (IV)</b>		<b>4,960.86</b>	<b>6,010.65</b>
V. Profit/(Loss) Before Exceptional Items and Tax(III-IV)		303.33	279.33
VI. Exceptional Items	39	-	25.62
<b>VII. Profit/(Loss) Before Tax (V-VI)</b>		<b>303.33</b>	<b>253.71</b>
<b>VIII. Tax expense:</b>	40		
Current Tax		64.94	52.11
Deferred Tax		18.89	13.27
<b>IX. Profit/(Loss) for the period(VII-VIII)</b>		<b>219.50</b>	<b>188.33</b>
<b>X. Other comprehensive income</b>	41		
A. (i) Items that will not be reclassified to profit or loss		(56.11)	(44.59)
(ii) Income tax related to items that will not be reclassified to profit or loss		13.44	10.64
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax related to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>(42.67)</b>	<b>(33.95)</b>
<b>XI. Total comprehensive income for the period(IX+X)</b>		<b>176.83</b>	<b>154.38</b>
Earnings per equity share of FV of Rs 10 each	42		
Basic		15.94	13.68
Diluted		15.94	13.68
See accompanying notes to the financial statements			

As per our report attached

**For Manubhai & Shah LLP**  
**Chartered Accountants**

ICAI Firm Reg. No. 106041 W/W100136

**For and on behalf of Board of Directors****Dr. J. N. Singh, IAS**  
Chairman**Dr. T. Natarajan, IAS**  
Director**Jal Patel**  
Director**G.R.Parmar**  
Partner  
M. No. : 121462**Nitin Patil**  
Chief Executive Officer**Nitesh Bhandari**  
Chief Financial Officer**Rajeshwari Sharma**  
Company SecretaryPlace : Ahmedabad  
Date : 24 May 2017Place : Gandhinagar  
Date : 24 May 2017

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017**

(Rs. in Crores)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	303.33	253.71
Adjustments for:		
Depreciation	257.33	245.42
Loss on sale/disposal of Property, plant and equipment	9.76	8.86
Profit/(Loss) on sale as scrap and diminution in Capital Inventory	0.32	(0.16)
Provision for Doubtful Trade Receivables / Advances / Deposits	4.16	1.79
Finance Costs	208.96	247.44
Provision/liability no longer required	(1.09)	(1.53)
Loss on Sale of Investments	-	0.05
Dividend Income	-	(11.06)
Interest Income	(20.42)	(27.46)
<b>Operating Profit before Working Capital Changes</b>	<b>762.35</b>	<b>717.06</b>
<b>Adjustments for changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	(47.55)	99.46
(Increase)/Decrease in Other - Non Current Assets	(32.00)	(26.79)
(Increase)/Decrease in Other financial assets-Non-current	0.02	-
(Increase)/Decrease in Short Terms Loans and Advances	1.04	(0.67)
(Increase)/Decrease in Other Current Assets	(3.76)	(8.05)
(Increase)/Decrease in Other financial assets-Current	(13.72)	7.01
(Increase)/Decrease in Inventories	(0.31)	(0.25)
(Increase)/Decrease in Long-term loan and advances	(19.17)	(18.60)
<b>Changes in Trade and Other Receivables</b>	<b>(115.45)</b>	<b>52.11</b>
Increase/(Decrease) in Trade Payables	63.60	(173.25)
Increase/(Decrease) in Other current Liabilities	41.93	66.92
Increase/(Decrease) in Other Non Financial current Liabilities	(1.27)	22.70
Increase/(Decrease) in Short-term provisions	(2.28)	8.93
Increase/(Decrease) in Long-term provisions	1.63	0.18
<b>Changes in Trade and Other Payables</b>	<b>103.61</b>	<b>(74.52)</b>
<b>Cash Generated from Operations</b>	<b>750.51</b>	<b>694.65</b>
Income tax paid ( Net of refunds)	(48.89)	(57.60)
<b>Net Cash from Operating Activities</b>	<b>701.62</b>	<b>637.05</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Property, plant and equipments/Intangible assets including capital work in progress and capital advances.	(481.16)	(558.52)
Proceeds from sale of current Investment	-	937.28
Deposits with original maturity of more than three months	1.77	(42.29)
Interest Received	20.42	27.46
Proceeds from sale of Property, plant and equipments	0.13	0.21
Dividend Income	-	11.06
<b>Net Cash used in Investing Activities</b>	<b>(458.84)</b>	<b>375.20</b>

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017**

(Rs. in Crores)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term borrowings	1,099.96	1,277.77
Repayment of Long-term borrowings	(1,082.37)	(2,166.97)
Interest Paid	(231.55)	(251.84)
Dividend Paid (including tax thereon)	(41.35)	(83.07)
<b>Net Cash from Financing Activities</b>	<b>(255.31)</b>	<b>(1,224.11)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(12.53)</b>	<b>(211.86)</b>
Cash and Cash Equivalents at the beginning of the year	22.73	234.59
Cash and Cash Equivalents at the end of the year	10.20	22.73
<b>Closing Cash and Cash Equivalents comprise:</b>		
Cash in hand	1.22	0.95
Balances with Scheduled Banks	16.26	21.78
Balances in Bank Overdraft / Cash Credit	(7.28)	-
<b>Total</b>	<b>10.20</b>	<b>22.73</b>

**Notes to Cash Flow Statement:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard IND AS - 7 on Cash Flow Statements.
- Purchase of fixed assets are stated inclusive of movements of capital work in progress, assets under development and capital advances.
- Previous year figures have been regrouped and reclassified wherever considered necessary to conform to the current year's figures.
- In Part A of the cash flow statement, figures in brackets indicate deductions made from the Net Profit for deriving the Net cash flow from operating activities. In Part B and Part C, figures in bracket indicate cash-outflow.

As per our report attached

**For Manubhai & Shah LLP**  
**Chartered Accountants**

ICAI Firm Reg. No. 106041W/W100136

**For and on behalf of Board of Directors****Dr. J. N. Singh, IAS**  
Chairman**Dr. T. Natarajan, IAS**  
Director**Jal Patel**  
Director**G.R.Parmar**  
Partner  
M. No. : 121462**Nitin Patil**  
Chief Executive Officer**Nitesh Bhandari**  
Chief Financial Officer**Rajeshwari Sharma**  
Company SecretaryPlace : Ahmedabad  
Date : 24 May 2017Place : Gandhinagar  
Date : 24 May 2017



**STANDALONE STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED 31ST MARCH 2017**

	(Rs. in Crores)	
	As at 31st March 2017	As at 1st April 2015
<b>(a) Equity Share Capital</b>		
Equity share capital		
Balance at the beginning of the reporting period	137.68	137.68
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	<b>137.68</b>	<b>137.68</b>

	Attributable to the equity holders of the Company						Items of Other Comprehensive Income	Total Other Equity
	Reserves & Surplus							
	Amalgamation Arrangement & Reserve	Employees Stock Options Outstanding	Debtenture Redemption Reserve (DRR)	General Reserve	Retained Earnings	Equity Instruments through OCI		
<b>(b) Other equity</b>								
<b>Balance at April 1, 2015 (A)</b>	879.59	0.31	125.00	2.06	292.96	-	<b>1,299.92</b>	
Profit for the year	-	-	-	-	188.33	-	188.33	
Other comprehensive income for the year	-	-	-	-	-	(31.97)	(31.97)	
Items of OCI recognised directly in retained earnings	-	-	-	-	-	-	-	
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	-	-	-	
<b>Total comprehensive income for the year (B)</b>	-	-	-	-	186.35	-	<b>154.38</b>	
Exercise of Share options	-	0.15	-	-	-	-	0.15	
Expense during the year	-	0.01	-	-	-	-	0.01	
Adjustment on exercise of option during the year	-	(0.30)	-	-	-	-	(0.30)	
Adjustment of stock option outstanding account/advance to ESOP trust	-	-	-	0.49	-	-	0.49	
Dividend	-	-	-	-	(68.84)	-	(68.84)	
Dividend Distribution Tax (DDT)	-	-	-	-	(14.01)	-	(14.01)	
<b>Total (C)</b>	-	<b>(0.14)</b>	-	<b>0.49</b>	<b>(82.85)</b>	-	<b>(82.50)</b>	
<b>Balance at March 31, 2016 (A+B+C)</b>	<b>879.59</b>	<b>0.17</b>	<b>125.00</b>	<b>2.55</b>	<b>396.46</b>	<b>(31.97)</b>	<b>1,371.79</b>	
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	
<b>Restated balance at the beginning of the reporting period (D)</b>	<b>879.59</b>	<b>0.17</b>	<b>125.00</b>	<b>2.55</b>	<b>396.46</b>	<b>(31.97)</b>	<b>1,371.79</b>	
Profit for the year	-	-	-	-	219.50	-	219.50	
Other comprehensive income for the year	-	-	-	-	-	(40.11)	(40.11)	
Items of OCI recognised directly in retained earnings	-	-	-	-	-	-	-	
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	-	-	-	
<b>Total comprehensive income for the year (E)</b>	-	-	-	-	216.94	(40.11)	<b>176.83</b>	
Exercise of Share options	-	-	-	-	-	-	-	
Expense during the year	-	(0.17)	-	0.17	-	-	-	
Adjustment on exercise of option during the year	-	-	-	-	-	-	-	
Adjustment of stock option outstanding account/advance to ESOP trust	-	-	-	-	-	-	-	
DRR Transferred to retained earnings	-	-	(125.00)	-	125.00	-	-	
Dividend	-	-	-	-	(34.42)	-	(34.42)	
Dividend Distribution Tax (DDT)	-	-	-	-	(7.01)	-	(7.01)	
<b>Total (F)</b>	-	<b>(0.17)</b>	<b>(125.00)</b>	<b>0.17</b>	<b>83.57</b>	-	<b>(41.43)</b>	
<b>Balance at March 31, 2017 (D+E+F)</b>	<b>879.59</b>	-	-	<b>2.72</b>	<b>696.97</b>	<b>(72.08)</b>	<b>1,507.20</b>	

**Note (i):** The "Amalgamation and Arrangement Reserve" created pursuant to scheme of amalgamation and arrangement is treated as free reserve based on the judgment of Honourable Gujarat High Court dated 18th April 2015 read with relevant other court decisions.

**Note (ii):** The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve.

As per our report attached  
**For Manubhai & Shah LLP**  
**Chartered Accountants**  
 ICAI Firm Reg No. 106041W/W/100136  
**G.R.Parmar**  
 Partner  
 M. No. : 121462  
 Place : Ahmedabad  
 Date : 24 May 2017

**For and on behalf of Board of Directors**  
**Dr. J. N. Singh, IAS**  
 Director  
**Dr. T. Natarajan, IAS**  
 Director  
**Jal Patel**  
 Director  
**Nitin Patil**  
 Chief Executive Officer  
**Nitesh Bhandari**  
 Chief Financial Officer  
**Rajeshwari Sharma**  
 Company Secretary

Place : Gandhinagar  
 Date : 24 May 2017

**Authorization of Financial Statements:**

The Standalone Financial Statements were authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 24th May 2017.

**Notes to Standalone Financial Statements for the year ended 31st March, 2017****Note 1 Corporate Information****1. Corporate Information**

- a) Gujarat Gas Limited (GGL or "Company") formerly known as GSPC Distribution Networks Limited (GDNL) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. GGL is a Government Company u/s 2(45) of Companies Act 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in Natural Gas Business in India. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The company came into existence through the scheme of amalgamation and arrangement which was sanctioned by the Hon'ble Gujarat High Court at Ahmedabad vide its order dated 30th March 2015 between the following transferors companies -

1. GSPC Gas Company Limited (GSPC Gas)
2. Gujarat Gas Company Limited (GGCL)
3. Gujarat Gas Financial Services Limited (GFSL)
4. Gujarat Gas Trading Company Limited (GTCL)

(Collectively called Transferor Companies)

with Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited-GDNL) (the transferee) under the Scheme of Amalgamation and Arrangement with appointed date as 1st April, 2013. Subsequently, the company's name has been changed from GSPC Distribution Networks Limited to Gujarat Gas Limited (GGL) with effect from 15th May 2015.

**Note 2 Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of Preparation****(i) Statement of Compliance with Ind AS**

The standalone financial statements has been prepared in accordance and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements for the all periods up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and read with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) and other relevant provisions.

**First-time adoption of Ind-AS**

The company has adopted all the Ind AS standards and the adoptions was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards including clarification issued by Ind AS Transition Facility Group (ITFG) on various issues. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

These financial statements for the year ended 31 March 2017 are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April, 2015. Reconciliations and descriptions of the effect of the transition has been summarized in note 53 for an explanation of how the transition from Indian GAAP (IGAAP) to Ind AS has affected the Company's financial position, financial performance and cash flows.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**(ii) Historical cost convention**

The financial statements are prepared on accrual basis of accounting under historical cost convention, except for the following:

- Certain financial assets and liabilities measured at fair value;
- Defined benefit plans - plan assets measured at fair value; and
- Share based payments

**Use of estimates and judgements**

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items 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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 40 - Current/deferred tax expense

Note 43 - Contingent liabilities and assets

Note 45 - Expected credit loss for receivables

Note 45 - Fair valuation of unlisted securities

Note 48 - Measurement of defined benefit obligations

**(a) Property, Plant and Equipment**

Property Plant and Equipment are stated at their cost of acquisition / construction less depreciation and impairment, if any. The cost comprises of the purchase price and any attributable cost for bringing the asset to its working condition for its intended use; like freight, duties, taxes and other incidental expenses, net of CENVAT recoverable.

The Company capitalises to project assets all the cost directly attributable and ascertainable, to completing the project. These costs include expenditure of pipelines, plant and machinery, cost of laying of pipeline, cost of survey, commissioning and testing charge, detailed engineering and interest on borrowings attributable to acquisition of such assets. The gas distribution networks are treated as commissioned when supply of gas commences to the customer(s).

Subsequent expenditures, including replacement costs where applicable, incurred for an item Property plant and equipment are added to its books value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Component accounting of assets: 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. The Company has identified, reviewed, tested and determined the componentisation of the significant assets.

Assets installed at customer premises, including meters and regulators where applicable, are recognised as property plant and equipment if they meet the definition provided under Ind AS 16 subject to materiality as determined by the management and followed consistently.

Any item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is charged to revenue in the income statement when the asset is derecognised.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

**Capital work in Progress:**



Capital Work in Progress includes expenditure incurred on assets, which are yet to be commissioned and capital inventory, which comprises stock of capital items/construction materials at respective city gas network.

All the directly identifiable and ascertainable expenditure, incidental and related to construction incurred during the period of construction on a project, till it is commissioned, is kept as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective "Fixed Assets.

Further, advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

**(b) Investment Properties**

Investment Properties comprises of free hold or lease hold land that are held for rental yield and/or capital appreciation.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed as and when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

**(c) Intangible Assets**

Intangible Assets includes amount paid towards obtaining the Right of Use (ROU) of land and Right of Way (ROW) permissions for laying the gas pipeline network and cost of developing software for internal use. The Company capitalises software as Intangible Asset where it is expected to provide future enduring economic benefits. Cost associated with maintaining software programmes are recognised as expenses as and when incurred.

On the acquisition of an undertaking, the difference between the purchase consideration and the value of the net assets acquired is recognized as goodwill / reserve.

Any item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the intangible asset) is charged to revenue in the income statement when the intangible asset is derecognised.

**(d) Depreciation and Amortisation methods, estimated useful lives and residual values**

Depreciation is calculated to systematically allocate the cost of property, plant and equipment, intangible asset and investment property net of the estimated residual values over the estimated useful life. Freehold land is not depreciated. Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013, read with the following notes:

- i. The Schedule specifies useful life of Pipelines as 30 years for those used in exploration, production and refining of oil and gas. The Company has considered the useful life of 30 years for the pipelines used in city gas distribution business.
- ii. City gas stations, skids, pressure regulating stations, meters and regulators are estimated to have useful life of 18 years based on technical assessment made by technical expert and management.
- iii. Cost of mobile phones, are expensed off in the year of purchase.

The management believes that these useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The useful lives are reviewed by the management at each financial year end and revised, if appropriate. In case of a revision, the unamortised depreciable amount (remaining net value of assets) is charged over the revised remaining useful lives.

Based on management estimate, residual value of 5% is considered for respective tangible assets except for the Pipeline Network assets where the residual value is considered to be NIL as the said assets technically and commercial not feasible to extract from underground.

The residual values, useful lives and methods of depreciation of property, plant and equipment (PPE) are reviewed at the end of each financial year and adjusted prospectively if appropriate.

Component accounting of assets: 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 and accordingly depreciated at the useful lives specified as above.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Investment properties are depreciated based on the useful life prescribed in Schedule II to the Companies Act, 2013.



Intangible assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the company for its intended use. The useful lives as estimated by the management for the intangible assets are as follows:

- I. Right of Way (ROW) Permissions 30 Years

(Considered more than 10 years as inextricably linked and dependent on the useful life of pipeline networks as referred above for which the Right of Way has been obtained).

- II. Software 6 Years.

Cost of lease-hold land is amortized equally over the period of lease.

No amortisation is charged on Right of Use (RoU) of land being perpetual in nature. The same is tested for impairment based on principles of Ind AS 36 discussed subsequently.

The Company has constructed / installed CNG stations' buildings and machineries, on land taken on lease from various lessor under lease deed for periods ranging from 35 years to 99 years. However, assets constructed / installed on such land have been depreciated at useful lives as referred above, as the management does not foresee non-renewal of the above lease arrangements by the lessor.

Capital assets /facilities installed at the customers' premises on the land of the customers/CNG franchisee whose ownership is not with the company have been depreciated at the useful lives specified as above.

**(e) Impairment of Non-Financial Assets**

In accordance with Ind AS 36 on "Impairment of Assets" at the balance sheet date, Non-Financial Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

**(f) Revenue Recognition**

Revenue is measured at fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods /services and regarding its collection. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of Natural Gas is recognized on supply of gas to customers by metered/assessed measurements as no significant uncertainty exists regarding the measurability or collectability of the sale consideration. Sales are billed bi-monthly for domestic customers, monthly/fortnightly for commercial and non-commercial customers and fortnightly for industrial customers as the timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to consumers from retail outlets.

The amount recognised as revenue is stated inclusive of excise duty and exclusive of Sales Tax /Value Added Tax (VAT) and Service Tax and is net of trade discounts or quantity discounts.

Unbilled revenue is recognised as the related supply of natural gas are performed and revenue from the end of the last billing cycle to the Balance Sheet date.

Gas transmission income is recognized in the same period in which the related volumes of gas are delivered to the customers.

Commitments (take or pay charges) income from customers for gas sales and gas transmission is recognized on establishment of certainty of receipt of consideration from its customers.

The amounts charged from customers for initial gas connections are accounted based on the terms of the underlying contract with customers when the performance obligation is satisfied. The performance obligation is considered to be satisfied on completion of the connection which is separate from supply of gas. Such revenue is accounted as Connection, Service and Fitting Income under other operating revenue.

The amounts collected towards connection charges from certain domestic customers are "Non-Refundable Charges".



Accordingly, the same are recognized as revenue as and when the Company commences the supply of gas to the customers and such amount is charged to customers. Until then, the amounts so collected are shown as "Advances received from customers" in the balance sheet. The company has provided the instalments facility to certain domestic customers towards "connection charges" which are non-refundable, the total amount of such instalments are recognized as revenue as and when the company commences the supply of gas to the customers.

The amounts collected from certain domestic customers which includes amount "refundable" in nature. Accordingly, the same are recognized as a liability under head "Deposit from Customers" in the balance sheet.

Revenue in respect of interest/ late payment charges on delayed realizations from customers and cheque bounce charges, if any, is recognized on grounds of prudence and on the basis of certainty of collection.

Liquidated damages, if any are recognized at the time of recording the purchase of materials in books of accounts and the matter is considered settled by the management.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised, when the right to receive the dividend is established by the reporting date.

Investment property rental income is recognised as revenue on accrual basis as per the terms of the underlying contract with customers.

Other operating income and misc. income are accounted on accrual basis as and when the right to receive arises.

**(g) Borrowing**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings –interest bearing loans are subsequently measured at amortised cost by using the effective interest method (EIR method). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowing using the effective interest method (EIR). The EIR Amortization is included as Finance Costs in the statement of profit and loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of loan to the extent that it is probable that some or all the facility will be draw down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is deferred as a payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or other expenses as well as through the EIR amortization process.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

**(h) Borrowing Cost**

The Company is capitalising general and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying asset up to the date of commissioning. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The Expenses incurred in connection with the arrangement of specific borrowings are capitalized over the period of the borrowing and every year such cost is apportioned to assets based on the actual amount borrowed during the year. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the statement of profit and loss.

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

**(i) Investment in Associate**

The Company accounts for the investment in associate at cost.

**(j) 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.

**Financial Asset****Initial Recognition**

A Financial Asset or a Financial Liability is recognised in the balance sheet only when, the Company becomes party to the contractual provisions of the instrument.

**Initial Measurement**

At initial recognition, the Company measures a Financial Asset or Financial Liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Subsequent Measurement****For purpose of subsequent measurement, financial assets are classified into:**

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through profit or loss (FVTPL); and
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Company classifies its financial assets in the above mentioned categories based on:

- The Company's business model for managing the financial assets, and
- The contractual cash flows characteristics of the financial asset.

**A Financial Asset is measured at amortised cost if both of the following conditions are met:**

- The Financial Asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial Assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

A financial Asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial Asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and
- The assets contractual cash flows represent SPPI.

A financial Asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, 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').

**Equity Investments:**

All Equity Investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 statement of profit and loss, 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.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

1. The contractual rights to the cash flows from the financial asset have expired, or
2. 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



- i) The Company has transferred substantially all the risks and rewards of the asset, or
- ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Embedded foreign currency derivative**

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- The functional currency of any substantial party to that contract,
- The currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- A currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency).

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Company currently does not have any such derivatives which are not closely related.

#### **Impairment of Financial Assets**

The Company assesses impairment based on expected credit loss (ECL) model to the following:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income

#### **Expected credit losses are measured through a loss allowance at an amount equal to:**

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Financial assets measured at FVTOCI - Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount in the OCI.



For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### **Financial Liabilities**

#### **Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loan and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### **Subsequent Measurement**

- Financial liabilities measured at amortised cost
- Financial liabilities subsequently measured 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. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such 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 / loss 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 recognised in the Statement of Profit or Loss. The Company has not designated any financial liability as at fair value through Profit and Loss.

#### **Financial Guarantee Contracts**

Financial guarantee Contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### **Loan and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised 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 amortisation is included as finance costs in the Statement of Profit and Loss.

#### **Derecognition**

A financial liability is derecognised 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 recognised in the Statement of Profit or Loss.

#### **(k) 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 group or the counterparty.

**(l) Fair Value Measurement**

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director / Chief Executive Officer and Chief Financial Officer.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (Refer note 45)

1. Disclosures for valuation methods, significant estimates and assumptions.
2. Quantitative disclosures of fair value measurement hierarchy.
3. Investment in unquoted equity shares.
4. Financial instruments (including those carried at amortised cost).

**(m) Inventories**

Inventory of Gas (including inventory in pipeline and CNG cascades) is valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Stores, spares and consumables are valued at lower of cost and net realizable value. Cost is determined on moving weighted average basis.

Inventories of Project materials (capital Inventory) are valued at cost on moving weighted average basis.

**(n) Non-current Assets held for sale and Discontinued Operation**

Non-Current Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-Current Assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

**(o) Foreign Currency Transactions****(i) Functional and Presentation Currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Company.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in Profit or Loss.

All foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within Other Income or Other Expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**(p) Employee Benefits**

Employees Benefits are provided in the books as per Ind AS - 19 on "Employee Benefits" in the following manner:

**A. Post-Employment Benefit Plans****I. Defined Contribution Plan**

Contribution towards provident fund for eligible employees are accrued in accordance with applicable statutes and deposited with the regulatory provident fund authorities (Government administered provident fund scheme). The Group does not carry any other obligation apart from the monthly contribution.

The Company's contribution is recognised as an expenses in the Statement of Profit and Loss during the period in which the employee renders the related service.

**II. Defined Benefit Plan**

The company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is separately administered through a Trust/Scheme. Contributions in respect of gratuity are made to the approved Gratuity Fund.

The Company's liability is actuarially determined by qualified actuary (using the Projected Unit Credit method) at the end of each year and is recognized in the Balance sheet as reduced by the fair value of Gratuity Fund. Actuarial losses/gains are recognized in the Statement of Other Comprehensive Income in the year in which they arise.

**III. Long Term Employee Benefits**

The liability in respect of accrued leave benefits which are expected to be availed or en-cashed beyond 12 months from the end of the year, is treated as long term employee benefits.



The Company's liability is actuarially determined by qualified actuary at balance sheet date by using the Projected Unit Credit method. Actuarial losses/ gains are recognized in the Statement of Other Comprehensive Income in the year in which they arise.

**B. Other Long Term Service Benefits**

- **Long Service Award (LSA):**

On completion of specified period of service with the company, employees are rewarded with Cash Reward of different amount based on the duration of service completed.

The Company's liability is actuarially determined by qualified actuary at balance sheet date at the present value of the amount payable for the same. Actuarial losses/ gains are recognized in the Statement of profit and loss in the year in which they arise.

**C. Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the services. Short term employee benefits includes salary and wages, bonus, incentive and ex-gratia and also includes accrued leave benefits, which are expected to be availed or en-cashed within 12 months from the end of the year.

**D. Employee Stock Option Plan**

Share-based compensation benefits are provided to employees via Employee Stock Option Plan. For the stock options granted, the fair value as of the date of grant of option is recognised as employee benefit expenses with a corresponding increase in Stock Options Outstanding Account. The total expense is recognised on straight line basis over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied

**(q) Leases**

The determination of whether an arrangement is (or contains) a Lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

**As a Lessee****Finance Lease**

Lease of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards incidental to ownership are classified as finance leases.

At the commencement of the lease term, the Company recognises finance leases as assets in its balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine. If not, the Company's incremental borrowing rate is used. Any indirect costs of the Company are added to the amount recognised as an asset.

Minimum lease payments is apportioned between the finance charge and the reduction of the outstanding liability. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**Operating Lease**

Leases in which a significant portion of the risks and rewards incidental to ownership is not transferred to the Company as lessee are classified as operating leases. Lease payments under an operating lease are recognised as an expenses on a straight-line basis over the lease term unless either:

- Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

**As a Lessor****Finance Lease**

When substantially all of the risks and rewards of ownership transfer from the Company to the lessee then it is classified as finance lease. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**Operating Lease**

Lease income from operating lease (excluding amount for services such as insurance and maintenance) is recognised in the statement of profit or loss on a straight-line basis over the lease term, unless either:

- Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the Company are not on that basis; or
- The payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases. If payments to the Company vary because of factors other than general inflation, then this condition is not met.

**(r) Taxation**

Income tax expenses comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expenses are recognised in statement of profit or loss except tax expenses related to items recognised directly in reserves (including statement of other comprehensive income) which are recognised with the underlying items.

**Income Taxes**

The Income Tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Current Income Tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance Taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

**Deferred Taxes**

Deferred Tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in financial statements at the reporting date. Deferred tax are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred Income Tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred Tax Assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred Tax Assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred Tax Liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is probable that the differences will not reverse in the foreseeable future.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



Current and Deferred Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit available including Minimum Alternative Tax (MAT) under the provision of the Income Tax Act, 1961 is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**(s) Earnings Per Share**

**Basic Earnings Per Share**

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

**Diluted Earnings Per Share**

Diluted Earnings Per Share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(t) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised 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. Provision for contractual obligation is disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Provisions are not recognised for future operating losses. Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period and are not discounted to present value. The estimates of outcome and financial effect are determined by the judgment of the management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent Liabilities are not provided for and if material, are disclosed by way of notes to financial statements.

A Contingent Asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.



Contingent Assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A Contingent Asset is disclosed by way of notes to financial statements, where an inflow of economic benefits is probable.

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

**(u) Segment Reporting**

The Company primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The Managing Director/ Chief Executive Officer of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed.

**(v) Cash Equivalents**

Cash and Cash Equivalents comprise cash and deposits with banks and corporations. The Company considers all highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(w) Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**(x) Dividends**

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**(y) Insurance Claims**

The company accounts for insurance claims when there is certainty that the claims are realizable and acknowledged by insurance company and amount recognized in books of accounts is as under:

- In case of loss of asset /goods by transferring, either the carrying cost of the relevant asset / goods or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance".
- In case insurance claim is, less than carrying cost the difference is charged to Profit and Loss statement. As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

**(z) Events occurring after the Reporting Date**

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

**(aa) Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**(ab) Prior Period Adjustments and Pre-Paid Expenses.**

In respect of the transactions pertaining to the one or more prior periods, the expenditure / (income) relating to prior period as a result of errors or omission in the preparation of financial statements, the Company has specified the limit of transaction upto INR 0.05 crore in each case for items pertaining to prior period and prepaid items and same is recognised to Statement of Profit and Loss as and when incurred.

**(ac) Rounding Off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores as per the requirements of Schedule III, unless otherwise stated.



**Notes to Standalone financial statements for the year ended 31st March 2017**

**Note 3.1**  
**Property, Plant and Equipment (PPE) as at 31st March 2017**

(Rs. in Crores)

Particulars	Gross Block		Depreciation and Amortization		Net Block	
	As at 1st April 2016	Addition during the year	Disposal/ Adjustment	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Lease hold Land	28.08	8.77	-	1.06	0.38	35.41
Freehold Land	375.73	8.30	-	-	-	384.03
Buildings	173.13	4.84	0.28	10.35	3.61	163.77
Plant and Equipments	4,535.91	378.11	19.25	4,894.78	2,26.09	4,017.82
Furniture and Fixture	15.34	3.63	0.05	6.12	2.11	10.70
Computer Equipment	25.79	6.82	-	20.22	2.94	9.44
Office Equipments	18.14	1.12	0.03	11.29	2.22	5.73
Vehicles	9.64	2.11	-	5.33	1.65	4.77
Books and Periodicals	0.10	-	-	0.10	-	-
<b>Total PPE</b>	<b>5,181.86</b>	<b>413.70</b>	<b>19.61</b>	<b>711.14</b>	<b>239.00</b>	<b>4,631.69</b>
						<b>944.26</b>
						<b>5.88</b>
						<b>4,470.72</b>

**Note 3.1**  
**Property, Plant and Equipment (PPE) as at 31st March 2016**

(Rs. in Crores)

Particulars	Gross Block		Depreciation and Amortization		Net Block	
	As at 1st April 2015	Addition during the year	Disposal/ Adjustment	As at 31st March 2016	As at 31st March 2016	As at 1st April 2015
Lease hold Land	28.08	-	-	0.71	0.35	27.02
Freehold Land	370.68	5.05	-	-	-	375.73
Buildings	170.59	2.54	-	6.86	3.49	162.78
Plant and Equipments	4,173.47	378.59	16.15	4,535.91	214.16	3,879.24
Furniture and Fixture	13.47	1.91	0.04	3.72	2.43	9.22
Computer Equipment	25.13	0.69	0.03	16.60	3.64	5.57
Office Equipments	16.73	1.69	0.28	8.94	2.62	6.85
Vehicles	9.73	-	0.09	3.71	1.65	4.31
Books and Periodicals	0.10	-	-	0.07	0.03	-
<b>Total PPE</b>	<b>4,807.98</b>	<b>390.47</b>	<b>16.59</b>	<b>489.32</b>	<b>228.37</b>	<b>4,470.72</b>
						<b>711.14</b>
						<b>6.55</b>
						<b>4,318.66</b>

**Note 3.1.1** - Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

**Note 3.1.2** - Borrowing Cost: Additions to the PPE during the current year includes borrowing costs capitalized Rs. 13.62 Crores (Previous Year Rs. 13.60 Crores) pertaining to borrowings for qualifying assets as per the requirements of Ind AS - 23 "Borrowing Costs".

**Note 3.1.3** - Security Pledge of Assets : Refer to Note 21 on borrowings for details in terms of pledge of assets as security.

**Note 3.1.4** - Refer to note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**Note 3.1.5** - There is no restriction on the title of property, plant and equipments.

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 3.2 Capital work in progress****(Rs. in Crores)**

Capital work in progress	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Inventory	237.53	233.60	150.81
Capital Work-in-Progress (project under construction)	247.12	208.31	188.78
Interest during the construction period	20.25	26.05	17.60
<b>Total</b>	<b>504.90</b>	<b>467.96</b>	<b>357.19</b>

**Note:-** Security Pledge of Assets: Refer to Note 21 on borrowings for details of security pledge of assets.

**Note 4 - Investment property****(Rs. in Crores)**

Investment property	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Freehold land</b>			
Balance at the beginning of the period	1.30	1.30	1.30
Add:- Acquisition during the year	-	-	-
Less:- Deletion during the year	-	-	-
<b>Balance at the end of the period</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>

**(i) Amount recognised in profit and loss for investment properties****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016
Rental Income	0.31	-
<b>Profit from investment properties</b>	<b>0.31</b>	<b>-</b>

**(ii) Contractual Obligations**

The Company has no contractual obligations to purchase, construct or develop investment property or for its repair, maintenance or enhancements.

**(iii) Leasing Arrangements**

The investment property is leased to tenants under long term operating leases with rentals payable annually. The lease period is 10 years (extendable as mutually agreed). Either party can terminate the agreement by giving 6 months notice (Non cancellable period). The future minimum lease payments receivables for 6 months can not be determined as the amount of rent is dependent on various other factors.

**(iv) Fair Value****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investment Properties	2.40	2.30	2.20

**Estimation of Fair Value**

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

1. Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
2. Discounted cash flow projections based on reliable estimates of future cash flows
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined by based on independent valuer's valuation certificate. The main inputs used are the rental growth rates, jantry value guideline and sales comparison approach based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

**(v) Security Pledge:** Refer to Note 21 on borrowings for details in terms of pledge of assets as security.

(vi) There is no restriction on the title and realisability of investment property or remittance of income and proceeds of disposals.



### Notes to Standalone financial statements for the year ended 31 st March 2017

#### Note 5.1

#### Intangible assets as at 31 st March 2017

(Rs. in Crores)

Particulars	Gross Block			Amortization			Net Block	
	As at 1 st April 2016	Addition during the year	Disposal/ Adjustment	As at 31 st March 2017	For the year	Disposal/ Adjustment	As at 31 st March 2017	As at 31 st March 2016
ROW Permissions	178.08	72.04	0.69	249.43	6.98	0.10	18.97	230.46
ROU	11.28	1.05	-	12.33	-	-	-	12.33
Software and other Intangibles	64.79	13.66	-	78.45	11.35	-	51.25	27.20
<b>Total Intangible Assets</b>	<b>254.15</b>	<b>86.75</b>	<b>0.69</b>	<b>340.21</b>	<b>18.33</b>	<b>0.10</b>	<b>70.22</b>	<b>269.99</b>

#### Intangible assets as at 31 st March 2016

(Rs. in Crores)

Particulars	Gross Block			Amortization			Net Block	
	As at 1 st April 2015	Addition during the year	Disposal/ Adjustment	As at 31 st March 2016	For the year	Disposal/ Adjustment	As at 31 st March 2016	As at 31 st March 2015
ROW Permissions	130.53	47.55	-	178.08	5.19	-	12.09	165.99
ROU	11.24	0.04	-	11.28	-	-	-	11.24
Software and other Intangibles	59.85	4.98	0.04	64.79	11.86	0.03	39.90	24.89
<b>Total Intangible Assets</b>	<b>201.62</b>	<b>52.57</b>	<b>0.04</b>	<b>254.15</b>	<b>17.05</b>	<b>0.03</b>	<b>51.99</b>	<b>166.65</b>

**Note 5.1.1. Right of Way (ROW) Permissions:** The useful lives of Right of Way (ROW) Permissions as estimated by the management for the amortization is 30 years. The useful lives of ROW Permission are inextricably linked with the pipeline networks being laid, which corresponds with the useful life of 30 years of Plant and Machinery - Pipelines network for which the Right of Way (ROW) Permission has been obtained. The Useful life of 30 years of the Right of Way (ROW) Permissions is dependent on the useful life of Plant and Machinery - Pipelines i.e. Pipeline network of the company."

**Note 5.1.2 Right of Use (ROU):** The company acquires the 'right of use' (hereinafter referred to as 'ROU') for the purpose of laying and maintenance of the underground pipeline and vests in the company and the company has the right to use the same in the manner for which it has been acquired. The acquisition of ROU is governed by the legal process as per the Act, the company has paid the compensation / consideration of the ROU -land determined by the competent authority under the Act and any person authorised by the company, have unrestricted right of entry and lay pipeline or do any other act necessary for the purpose of laying of pipeline. The company has disclosed the cost incurred for acquisition of ROU as 'Right of Use' in the Intangible Asset schedule. Since the ROU does not have a defined life, it is perpetual in nature. Accordingly based on requirements of Ind AS 38 - Intangible Assets, the same is tested for impairment and not amortised."

**Note 5.1.3 Impairment of Assets:** There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

**Note 5.1.4 Borrowing Cost:** Additions to the intangible assets during the current year includes borrowing costs capitalized Rs. 0.09 Crores (Previous Year Rs. 0.37 Crores) pertaining to borrowings for qualifying assets as per the requirements of Ind AS - 23 "Borrowing Costs".

**Note 5.1.5 Security Pledge of Assets:** Refer to Note 21 on borrowings for details in terms of pledge of assets as security.

**Note 5.1.6** Refer to note 43 for disclosure of contractual commitments for the acquisition of intangible assets.

**Note 5.1.7** There is no restriction on the title of intangible assets.

#### Note 5.2 Intangible assets under development

(Rs. in Crores)

Intangible assets under development	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Software under development	0.82	0.20	0.20
<b>Total</b>	<b>0.82</b>	<b>0.20</b>	<b>0.20</b>

**Note:-** Security Pledge of Assets: Refer to Note 21 on borrowings for details in terms of pledge of assets as security.

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 6 Investment in equity accounted investee****(Rs. in Crores)**

Capital work in progress	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Investments in equity shares carried at cost (fully paid)</b>			
<b>Unquoted Equity Shares</b>			
25000 (31st March, 2016: 25,000, 1st April 2015: 25,000) Fully Paid up Equity Shares of ₹ 10 each of Guj Info Petro Limited	0.03	0.03	0.03
Extent of Holding	49.94%	49.94%	49.94%
Place of business/ country of incorporation	India	India	India
Description of method used to account for the investments (Cost or fair value)	At Cost	At Cost	At Cost
<b>Total</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil	Nil
(b) Aggregate amount of unquoted investments; and	0.03	0.03	0.03
(c) Aggregate amount of impairment in value of investments.	Nil	Nil	Nil

**Note 7 Non- current financial assets : Investments****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Investments in equity shares accounted through OCI (fully paid)</b>			
<b>Unquoted Equity Shares</b>			
• 2,00,00,000 (31st March, 2016: 2,00,00,000, 1st April 2015: 2,00,00,000) Fully Paid Up Equity Shares of ₹ 1 each of Gujarat State Petroleum Corporation Limited	68.25	120.44	162.00
• 200 (31st March, 2016: 200 1st April 2015: 200) Fully Paid Up Equity Shares of ₹ 25 each of Kalupur Co Op Comm Bank Limited	Rs. 5000/-	Rs. 5000/-	Rs. 5000/-
<b>Total</b>	<b>68.25</b>	<b>120.44</b>	<b>162.00</b>

Particulars	Extent of Holding		
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
Gujarat State Petroleum Corporation Limited (Parent Co.)	0.78%	0.78%	0.79%
The Kalupur Comm. Co. Op. Bank Ltd. (Others)	0.001%	0.001%	0.001%

(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil	Nil
(b) Aggregate amount of unquoted investments; and	68.25	120.44	162.00
(c) Aggregate amount of impairment in value of investments.	Nil	Nil	Nil

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 8 Non- current financial assets : Loans****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security Deposits (Refer Note 8.1)			
To Related Parties [Unsecured, considered good]	1.85	1.71	1.05
To Others [Unsecured, considered good]	62.18	43.42	25.22
To Others [Considered Doubtful]	10.28	7.07	5.81
Less: Allowance for bad and doubtful	(10.28)	(7.07)	(5.81)
	64.03	45.13	26.27
Loan to Employees [Unsecured, considered good]	1.33	2.10	1.93
Amount Receivable from ESOP Trust [Unsecured, considered good]	-	2.58	3.01
<b>Total</b>	<b>65.36</b>	<b>49.81</b>	<b>31.21</b>

**Note No. 8.1:** The Company has given refundable security deposits in form of fixed deposits to various project authorities to be held in their name and custody. It will be refunded after satisfactory completion of work. The company has therefore shown these fixed bank deposits amounting Rs. 37.39 Crores - (Previous Year - Rs. 16.16 Crores, 1st April 2015 - Rs. 7.37 Crores) and interest accrued on such fixed bank deposits Rs. 4.48 Crores (Previous Year - Rs. 2.76 Crores, 1st April 2015 - Rs. 1.24 Crores), till they are in custody with project authorities as "Security Deposits" under the Note- "Loans (including Security Deposits)" in the balance sheet.

**Note 9 Non- current financial assets : Others****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Receivable from employee [Unsecured, considered good]	0.03	0.05	0.05
Other Receivable [Considered Doubtful]	0.36	0.36	0.36
Less: Allowance for bad and doubtful	(0.36)	(0.36)	(0.36)
<b>Total</b>	<b>0.03</b>	<b>0.05</b>	<b>0.05</b>

**Note 10 Other non- current assets****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital advances [Unsecured, considered good]	24.31	38.21	19.18
<b>Advance against expenses</b>			
Other advances - [Unsecured, considered good]	-	0.09	0.16
Other advances - [Considered doubtful]	0.03	0.03	0.03
	0.03	0.12	0.19
Less: Allowance for bad and doubtful	(0.03)	(0.03)	(0.03)
	-	0.09	0.16
Advance payment of income tax [Net of provisions] (Refer Note 29)	180.71	186.96	182.10
Prepaid Expenses	52.84	31.04	5.13
Balances with Government authorities for Litigations	24.57	14.20	13.30
Deferred employee Cost	0.11	0.22	0.17
Other non-current Assets	0.03	-	-
<b>Total</b>	<b>282.57</b>	<b>270.72</b>	<b>220.04</b>

**Note 11 Inventories\*****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Natural Gas	3.81	3.69	4.08
Stores and spares	37.84	37.65	37.01
<b>Total</b>	<b>41.65</b>	<b>41.34</b>	<b>41.09</b>

\* For Valuation- Refer note 2(m)

\*\*Refer to Note 21 on borrowings for details in terms of pledge of assets as security.

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 12 Current financial assets : Investments****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investment in units of mutual funds - quoted (refer note 12.1 for details)	-	-	937.33
<b>Total</b>	<b>-</b>	<b>-</b>	<b>937.33</b>

(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil	937.33
(b) Aggregate amount of unquoted investments; and	Nil	Nil	Nil
(c) Aggregate amount of impairment in value of investments.	Nil	Nil	Nil

**Note 12.1: Details of Investment in Mutual Funds****(Rs. in Crores)**

Scheme	As at 1st April 2015	
	No of Units	Amount
Birla Sunlife Cash Plus Plan - Dividend	4,72,070	4.73
Birla Sun Life Floating Rate Fund -Short Term Plan- Direct-Dividend	14,41,531	14.42
Birla Sun Life Floating Rate-Long Term-Direct - Dividend	80,144	0.80
Birla Sun Life Savings Fund-Direct - Dividend	1,33,46,621	133.86
DSP Black Rock Money Manager Fund -Direct - Dividend	5,82,732	58.52
HDFC Cash Management Fund - Savings Plan- Direct- Dividend	47,26,157	5.03
HDFC Floating Rate Inc. Fund-STP-Wholesale-Direct -Dividend	9,64,48,400	97.23
ICICI Prudential Flexible Income- Direct - Dividend	76,77,775	81.18
ICICI Prudential Liquid -Direct - Dividend	2,30,166	2.30
ICICI Prudential Money Market Fund - Direct -Dividend	5,19,823	5.21
IDFC Cash Fund -Direct - Dividend	57,727	5.78
IDFC Ultra Short Term Fund-Direct- Dividend	10,59,93,929	106.58
Kotak Treasury Advantage Fund- Direct- Dividend	6,44,22,140	64.94
Kotak Liquid Scheme Plan A - Direct- Dividend	1,01,743	12.44
Reliance Liquid Fund-Cash Plan-Direct- Dividend	3,09,722	34.51
Reliance Liquidity Fund Direct - Dividend	52,630	5.27
Reliance Money Manager Fund - Direct- Dividend	7,42,947	74.50
SBI Premier Liquid Fund - Direct - Dividend	5	0.00
SBI Ultra Short Term Debt Fund-Direct - Dividend	3,17,245	31.88
Templeton India Treas. Management Acct. Super Institutional - Direct -Dividend	2,11,190	21.16
Templeton Ultra Short Bond Fund Super Institutional- Direct - Dividend	7,85,67,594	79.06
UTI Money Market Fund - Institutional Plan - Direct - Dividend	6,045	0.60
UTI Treasury Advantage Fund- Institutional Plan - Direct - Dividend	9,71,030	97.33
<b>Total</b>		<b>937.33</b>

**Note 13 Current financial assets : Trade receivables****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured, considered good	39.30	65.77	84.89
Unsecured, considered good (Backed by Bank guarantee)	225.04	179.12	249.07
Unsecured, considered good (Others)	83.17	55.60	66.52
Unsecured, considered Doubtful	5.38	4.43	3.90
<b>Total</b>	<b>352.89</b>	<b>304.92</b>	<b>404.38</b>
Less: Allowance for bad and doubtful	5.38	4.43	3.90
<b>Total</b>	<b>347.51</b>	<b>300.49</b>	<b>400.48</b>

\*Refer to Note 21 on borrowings for details in terms of pledge of assets as security.

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 14 Current financial assets : Cash and cash equivalents****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>(a) Balance with banks</b>			
Balance in account [with Sweep -In deposit facility]	16.26	21.78	25.71
<b>(b) Balance with financial Institutions</b>			
Deposits with maturity of less than three months	-	-	207.87
<b>(c) Cash on hand</b>	1.22	0.95	1.01
<b>Total</b>	<b>17.48</b>	<b>22.73</b>	<b>234.59</b>

**Note 15 Current financial assets : Other bank balances****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Earmarked balances In unclaimed dividend accounts (Refer Note 15.1)	2.96	3.04	2.82
Margin Money deposits under lien against Bank Guarantee	40.00	40.00	-
Deposits with maturity over 3 months but less than 12 months	0.38	2.07	-
<b>Total</b>	<b>43.34</b>	<b>45.11</b>	<b>2.82</b>

**Note 15.1 :** The balances in dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment. No amount is due at the end of the period for credit to Investor Protection and Education fund.

**Note 16 Current financial assets : Loans (including security deposits)****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Loans to employees	1.43	2.04	1.45
Amount Receivable from ESOP Trust	-	0.43	-
<b>Total</b>	<b>1.43</b>	<b>2.47</b>	<b>1.45</b>

**Note 17 Current financial assets : Others****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unbilled Revenue	46.01	32.48	38.65
Insurance claim receivable	0.01	0.10	0.76
Staff Advance	0.05	0.04	0.01
Receivable from employee	-	0.03	0.02
Other Current financial assets	0.46	0.16	0.38
<b>Total</b>	<b>46.53</b>	<b>32.81</b>	<b>39.82</b>

**Note 18 Current assets : Others****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Advances for expenses[Unsecured, considered good]</b>			
To Related parties	-	0.06	-
To Others	2.15	1.09	1.46
	2.15	1.15	1.46
Prepaid Expenses	17.12	14.61	5.57
Indirect Tax credit receivable	6.19	5.85	6.57
Deferred employee Cost	0.02	0.11	0.07
<b>Total</b>	<b>25.48</b>	<b>21.72</b>	<b>13.67</b>

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 19 Share capital****Note 19.1 Authorised, issued, subscribed, fully paid up share capital****(Rs. in Crores)**

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>						
Equity Shares of Rs.10 each	1,73,51,00,000	1,735.10	1,73,51,00,000	1,735.10	1,73,51,00,000	1,735.10
7.5% Redeemable preference Shares of Rs.10 each	1,70,00,000	17.00	1,70,00,000	17.00	1,70,00,000	17.00
Preference shares of Rs. 10 each	50,00,000	5.00	50,00,000	5.00	50,00,000	5.00
<b>Issued, Subscribed and Paid up</b>						
Equity Shares of Rs.10 each fully paid up	13,76,78,025	137.68	13,76,78,025	137.68	13,76,78,025	137.68
<b>Total</b>	<b>13,76,78,025</b>	<b>137.68</b>	<b>13,76,78,025</b>	<b>137.68</b>	<b>13,76,78,025</b>	<b>137.68</b>

**Note 19.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period (Rs. in Crores)**

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the period	13,76,78,025	137.68	13,76,78,025	137.68	13,76,78,025	137.68
Add: Shares issued during the period	-	-	-	-	-	-
Less: Shares cancelled during the period	-	-	-	-	-	-
Shares outstanding at the end of the period	13,76,78,025	137.68	13,76,78,025	137.68	13,76,78,025	137.68

**Note 19.3 Terms/ rights attached to equity shares**

The company has only one class of equity shares having a face value of 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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive residual assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Note 19.4 Share holding by prescribed entities****(Rs. in Crores)**

Out of Equity shares issued by the company, shares held by its holding company and their subsidiaries and associates are as under:

Share Holder (Nature of Relationship)	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of Equity Shares of Rs. 10 each fully paid	Amount	No. of Equity Shares of Rs. 10 each fully paid	Amount	No. of Equity Shares of Rs. 10 each fully paid	Amount
(i) Gujarat State Petroleum Corporation Limited (Holding Company)	3,91,06,328	39.11	3,91,06,328	39.11	3,91,06,328	39.11
(ii) Gujarat State Petronet Limited (Subsidiary of Holding co. & Entity having significant influence)	3,54,68,471	35.47	3,54,68,471	35.47	3,54,68,471	35.47
(iii) Gujarat State Energy Generation Limited (Associate of Holding company)	2,66,447	0.27	2,66,447	0.27	2,66,447	0.27

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 19.5 Shareholders holding more than 5 % of total share capital****(Rs. in Crores)**

Name of Shareholder	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares of Rs. 10 each fully paid</b>						
Gujarat State Petroleum Corporation Limited	3,91,06,328	28.40%	3,91,06,328	28.40%	3,91,06,328	28.40%
Gujarat State Petronet Limited	3,54,68,471	25.76%	3,54,68,471	25.76%	3,54,68,471	25.76%
Gujarat State Fertilizers and Chemicals Limited	93,82,895	6.82%	93,82,895	6.82%	93,82,895	6.82%
Government of Gujarat	89,95,462	6.53%	89,95,462	6.53%	89,95,462	6.53%
Aberdeen Global Indian Equity (Mauritius) Limited	48,22,972	3.50%	71,31,843	5.18%	73,62,972	5.35%

**Note 19.6 Details of Bought back of shares, Bonus Shares and Shares issue without payment being received in Cash:**

The company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares, for the period of five years immediately preceding March 31, 2017.

**Note 19.7 Proposed Dividend:**

The Board of Directors, in its meeting on 24th May, 2017, have proposed a final dividend of Rs. 3.00 per equity share for the financial year ended on 31st March, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in a cash outflow of approximately Rs. 49.71 crore including corporate dividend tax of Rs. 8.41 crores.

The Board of Directors, in its meeting on 17th May, 2016, proposed a final dividend of Rs. 2.50 per equity share for the financial year ended on 31st March, 2016 and the same was approved by the shareholders at the Annual General Meeting held on 29th September, 2016, this resulted in a cash outflow of Rs. 41.43 crore including corporate dividend tax of Rs. 7.01 Crores.

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 20 OTHER EQUITY****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016
<b>(A) Reserves &amp; Surplus</b>		
<b>General reserve</b>		
Opening Balance	2.55	2.06
Add : Adjustment of Stock Options Outstanding Account/ advance to ESOP Trust	0.17	0.49
<b>Closing Balance</b>	<b>2.72</b>	<b>2.55</b>
<b>Amalgamation and arrangement Reserve</b>		
Opening Balance	879.59	879.59
Add/Less : Adjustment during the year	-	-
<b>Closing Balance</b>	<b>879.59</b>	<b>879.59</b>
<b>Employees Stock Options Outstanding</b>		
Opening Balance	0.17	0.32
Less : Options exercised during the year	(0.00)	(0.15)
Less : Adjustment on exercise of options during the year	0.17	0.30
Less : Lapse of options during the year	-	-
Closing Balance	-	0.17
<b>Less : Deferred Stock Option Outstanding Account:-</b>		
Opening Balance	-	0.01
Less : Expenses during the year	-	0.01
Less : Options exercised during the year	-	-
Less : Lapse of options during the year	-	-
Closing Balance	-	-
<b>Net balance in stock options outstanding Account</b>	<b>-</b>	<b>0.17</b>
<b>Debenture redemption reserve</b>		
Opening Balance	125.00	125.00
Add : Transferred to retained earnings	(125.00)	-
<b>Closing Balance</b>	<b>-</b>	<b>125.00</b>
<b>Retained earnings</b>		
Opening balance	396.46	292.96
Add: Profit during the year	219.50	188.33
Remeasurement of post employment benefit obligation, net of tax	(2.56)	(1.98)
Total	613.40	479.31
<b>Less : Appropriations</b>		
Dividend	(34.42)	(68.84)
Corporate Tax on Dividend	(7.01)	(14.01)
Transfer to Debenture Redemption Reserve	-	-
Short-(Excess) Provision of dividend distribution tax of earlier year	-	-
Transfer to Stock Options Outstanding Account	-	-
Transfer from Debenture Redemption Reserve	125.00	-
<b>Closing Balance</b>	<b>696.97</b>	<b>396.46</b>
<b>Total (A)</b>	<b>1,579.28</b>	<b>1,403.76</b>
<b>(B) Equity instrument through OCI</b>		
Opening Balance	(31.97)	-
Change in fair value of equity instrument	(52.19)	(41.56)
Income tax relating to above item	12.08	9.59
<b>Closing Balance (B)</b>	<b>(72.08)</b>	<b>(31.97)</b>
<b>Total other equity (A+B)</b>	<b>1,507.20</b>	<b>1,371.79</b>

**Notes to Standalone financial statements for the year ended 31st March 2017****Nature and purpose of reserves:****General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

**Amalgamation and Arrangement Reserve**

The "Amalgamation and Arrangement Reserve" created pursuant to scheme of amalgamation and arrangement is treated as free reserve based on the judgment of Honorable Gujarat High Court dated 18th April 2015 read with relevant other court decisions.

**Equity instrument through OCI**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instrument through OCI reserve within equity.

**Debenture redemption reserve**

The Company had issued Non convertible debentures and as per the provisions of the Companies Act, 2013, is required to create debenture redemption reserve out of the profits of the company available for payment of dividend.

**Employees Stock Options Outstanding**

The Employee stock options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

**Note 21 Non-current financial liabilities : Borrowings****(Rs. in Crores)**

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Non-Current	Current*	Non-Current	Current*	Non-Current	Current*
<b>Secured</b>						
Term Loan from Banks (Refer Note 21.1)	2,291.41	60.19	1,702.39	95.16	772.62	151.32
Term Loan from Financial Institutions (Refer Note 21.1)	-	-	4.19	32.14	216.66	-
<b>Total secured borrowing [A]</b>	<b>2,291.41</b>	<b>60.19</b>	<b>1,706.58</b>	<b>127.30</b>	<b>989.28</b>	<b>151.32</b>
<b>Unsecured</b>						
Redeemable, unlisted and Non current debentures (Refer Note 21.2)	-	-	-	522.73	499.38	23.42
Loan from financial institution (Refer Note 21.2)	-	-	-	-	-	1,586.81
<b>Total unsecured borrowing [B]</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>522.73</b>	<b>499.38</b>	<b>1,610.23</b>
<b>TOTAL [A+B]</b>	<b>2,291.41</b>	<b>60.19</b>	<b>1,706.58</b>	<b>650.03</b>	<b>1,488.66</b>	<b>1,761.55</b>

\*Amount disclosed under the head "Current financial liabilities: Others" (Note 26)

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.



**Notes to Consolidated financial statements for the year ended 31st March 2017**

	Terms of repayment	Interest Rate	Maturity	(Rs. in Crores)								
				As at 31st March 2017		As at 31st March 2016		As at 1st April 2015				
				Non-Current	Current	Non-Current	Current	Non-Current	Current			
<b>21.1 Secured Loans</b>												
<b>From banks</b>												
Dena Bank TL - III	Quarterly Installment from December 2012	9.45%	Sep-19	14.67	10.00	24.66	10.00	34.66	9.97			
The Kalupur Commercial Co-op. Bank	NA	NA	NA	-	-	-	-	-	1.69			
The Kalupur Commercial Co-op. Bank TL - II	NA	NA	NA	-	-	-	-	16.20	5.00			
Oriental Bank of Commerce TL - I	Monthly installment along with interest from December 2010	NA	NA	-	-	-	1.05	1.05	7.50			
Oriental Bank of Commerce TL - II	Monthly installment along with interest from started from April 2011	NA	NA	-	-	-	2.39	2.40	2.50			
Oriental Bank of Commerce TL - III	Monthly installment along with interest from June 2011	NA	-	-	-	0.96	6.71	7.68	6.71			
Bank of Maharashtra	NA	NA	NA	-	-	-	-	39.29	7.18			
Corporation Bank	NA	NA	NA	-	-	-	-	65.73	11.83			
UCO Bank	NA	NA	NA	-	-	-	-	49.22	8.97			
Bank of Baroda	NA	NA	NA	-	-	-	-	32.32	14.96			
HDFC Bank	Quarterly Installment from March 2018	8.15%	Dec-27	543.09	6.99	-	-	524.98	75.00			
Dena Bank TL - IV	Quarterly Installment from June 2015	NA	NA	-	-	449.96	75.00	-	-			
State Bank of India TL I	Quarterly Installment from December 2017	8.00%	Sep-27	416.98	10.69	427.69	-	-	-			
State Bank of India TL II	Quarterly Installment from December 2017	8.00%	Sep-27	1,266.67	32.50	799.12	-	-	-			
Kotak Mahindra Bank Limited	Quarterly Installment from June 2019	8.25%	Mar-29	50.00	-	-	-	-	-			
Total - A				2,291.41	60.19	1,702.40	95.16	773.53	151.32			
<b>From financial institution</b>												
HUDCO Limited	Quarterly Installment from August 2016	NA	NA	-	-	4.19	32.14	215.75	-			
Total - B				-	-	4.19	32.14	215.75	-			
<b>Total (A+B)</b>				<b>2,291.41</b>	<b>60.19</b>	<b>1,706.58</b>	<b>127.30</b>	<b>989.28</b>	<b>151.32</b>			



**Notes to Consolidated financial statements for the year ended 31st March 2017**

21.2 Unsecured Loans	Terms of repayment	Interest Rate	Maturity	(Rs. in Crores)				
				As at 31st March 2017		As at 1st April 2015		
				Non-Current	Current	Non-Current	Current	
<b>Medium Term Loans from Financial Institutions From banks</b>								
Gujarat State Financial Services Ltd	NA	NA	NA	-	-	-	16.67	
Gujarat State Financial Services Ltd	NA	NA	NA	-	-	-	66.67	
Gujarat State Financial Services Ltd	NA	NA	NA	-	-	-	100.00	
Gujarat State Financial Services Ltd	NA	NA	NA	-	-	-	1,403.48	
<b>Debentures</b>								
Redeemable, Unlisted, and Non-Convertible Debentures - NCD	NA	NA	NA	-	-	499.38	-	23.42
<b>Total</b>				-	-	<b>522.73</b>	<b>499.38</b>	<b>1,610.23</b>

The details of security given for all loans are as under :

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured Loan	First pari - passu charge on all Present and future fixed assets-Movable & Immovable (Property, plant, equipment (PPE), Intangible assets; Investment property) of the Company and Second pari -passu charge on Present & Future Current Assets (financial and non financial assets) of the Company.		
Unsecured Loan	NA	NA	Demand Promissory Note and Post dated cheques for repayment of principal and interest has been given to GSFS.
Guarantee by Directors or others	NA	The Company and GSPL has guaranteed to IDBI Trustee Co. Ltd. for NCD of Rs. 500 Crores.	The Company and GSPL has guaranteed to IDBI Trustee Co. Ltd. for NCD of Rs. 500 Crores.

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 22 Non-current provisions****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Provision for employee benefits (Refer note 48)</b>			
Provision for Long service benefits	0.77	1.12	-
Provision for leave encashment	29.74	23.91	21.90
Provision for Superannuation	0.29	0.22	0.14
<b>Total</b>	<b>30.80</b>	<b>25.25</b>	<b>22.04</b>

**Note 23 Deferred tax Liabilities****(a) Deferred tax balances and movement for FY 2016-17****(Rs. in Crores)**

Particulars	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2017
<b>Deferred tax Liabilities</b>					
Property, plant and equipment	999.66	35.72	-	-	1,035.37
Investments	26.82	(0.00)	(12.08)	-	14.74
Loans and borrowings	0.34	(0.04)	-	-	0.30
<b>Total (A)</b>	<b>1,026.82</b>	<b>35.68</b>	<b>(12.08)</b>	<b>-</b>	<b>1,050.42</b>
<b>Deferred tax asset</b>					
Employee benefits	9.29	0.27	1.36	-	10.93
Tax credit	18.44	16.95	-	7.06	42.44
Provisions	5.10	1.49	-	-	6.59
Other items	7.50	(1.93)	-	-	5.57
<b>Total (B)</b>	<b>40.33</b>	<b>16.79</b>	<b>1.36</b>	<b>7.06</b>	<b>65.53</b>
<b>Net deferred tax Liabilities(A-B)</b>	<b>986.49</b>	<b>18.90</b>	<b>(13.44)</b>	<b>(7.06)</b>	<b>984.89</b>

**Notes to Standalone financial statements for the year ended 31st March 2017****(b) Deferred tax balances and movement for FY 2015-16****(Rs. in Crores)**

Particulars	Net balance April 1, 2015	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2016
<b>Deferred tax Liabilities</b>					
Property, plant and equipment	967.20	32.45	-	-	999.66
Investments	36.58	(0.17)	(9.59)	-	26.82
Loans and borrowings	0.83	(0.49)	-	-	0.34
<b>Total (A)</b>	<b>1,004.62</b>	<b>31.79</b>	<b>(9.59)</b>	<b>-</b>	<b>1,026.82</b>
<b>Deferred tax asset</b>					
Employee benefits	7.98	0.27	1.05	-	9.29
Tax credit	7.47	10.33	-	0.64	18.44
Provisions	4.68	0.42	-	-	5.10
Other items	-	7.50	-	-	7.50
<b>Total (B)</b>	<b>20.13</b>	<b>18.52</b>	<b>1.05</b>	<b>0.64</b>	<b>40.33</b>
<b>Net deferred tax Liabilities (A-B)</b>	<b>984.49</b>	<b>13.28</b>	<b>(10.64)</b>	<b>(0.64)</b>	<b>986.49</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

**(c) Tax losses carried forward**

	31 March 2017	Expiry date	31 March 2016	Expiry date
Expire	Nil	NA	Nil	NA
Never Expire	Nil	NA	Nil	NA

**Note 24 Current financial liabilities : Borrowings****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Unsecured (Repayment on demand)</b>			
<b>Loan from Banks (Cash credit / Bank Overdraft):</b>			
Kotak Mahindra Bank Ltd.	1.48	-	-
Axis Bank Ltd.	5.80	-	-
<b>Total</b>	<b>7.28</b>	<b>-</b>	<b>-</b>

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

**Note 25 Current financial liabilities : Trade payables****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Total outstanding dues of micro enterprises and small enterprises</b>			
Trade payables others (Refer Note 44)	1.08	1.99	0.10
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises:-</b>			
Trade payables - Gas Purchase / Transmission	235.15	194.48	385.43
Trade payables - Others	77.74	54.99	39.17
<b>Total</b>	<b>313.97</b>	<b>251.46</b>	<b>424.70</b>

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 26 Current financial liabilities : Others****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Current maturities of long term borrowings</b>			
- (Please refer Note 21):-			
Non-Convertible Debentures (Unsecured)	-	522.73	23.42
Term Loan			
- From Banks (Secured)	60.19	95.16	151.32
- From Financial institution (Secured)	-	32.14	-
- From Financial institution (Unsecured)	-	-	1,586.81
	60.19	650.03	1,761.55
<b>Capital creditors and other payables:-</b>			
- Total outstanding dues of micro enterprises and small enterprises (refer note 44)	13.66	9.20	11.48
- Total outstanding other than dues of micro enterprises and small enterprises	161.14	126.76	110.04
	174.80	135.96	121.52
Security Deposits from customers	653.37	605.47	574.95
Interest accrued on security deposits from customers	5.29	3.00	-
Deposit from customers towards MGO	47.51	61.67	61.08
Deposit from collection centres and others	4.81	4.56	3.72
Security Deposits from Suppliers	15.70	9.88	4.89
Unclaimed dividend (Refer Note 26.1)	2.96	3.04	2.82
<b>Others:</b>			
BG Asia Pacific Holdings Limited	464.78	464.78	464.78
Less : Amount deposited in Escrow Account with Citi Bank (Refer Note 26.2)	(464.78)	(464.78)	(464.78)
Net Payable	-	-	-
Other current financial liabilities	25.00	25.01	-
<b>Total</b>	<b>989.63</b>	<b>1,498.62</b>	<b>2,530.53</b>

**Note 26.1:** The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 after the expiry of seven years from the date of declaration of dividend. No amount is due at the end of the period for credit to Investors education and protection fund.

**Note 26.2:** The Company deposited Rs. 464.78 crores on 12th June, 2013 into the escrow account ("named BG Asia Pacific Holdings Pte. Limited GSPC Distribution Networks Limited Escrow Account") opened with Citibank N.A., acting as the escrow agent, pursuant to the escrow agreement executed between the BG Asia Pacific Holdings Pte. Limited (the Seller), Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) (the Purchaser) and Citibank N.A. The Payment of said amount into Escrow Account is to be utilized to meet future tax withholding liability (if any) based on outcome of the applications to the Authority for Advance Rulings or otherwise to be remitted to BG Asia Pacific Holdings Pte. Limited (the Seller) directly.

**Note 27 Current liabilities : Others****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advances from customer towards connection	12.87	10.31	12.43
Advances from customers-Others	6.46	13.21	7.16
Statutory dues payable	40.17	37.25	18.48
<b>Total</b>	<b>59.50</b>	<b>60.77</b>	<b>38.07</b>

**Note 27.1:** Advances from customers includes amount of Rs. 0.01 Crores (Previous Year Rs. 3.07 Crores, 1st April 2015 Rs. 2.54 Crores) outstanding more than 365 days. These amounts are in the nature of security deposits for providing capital goods or services in the normal course of business.

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 28 Current provisions****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>(a) Provision for employee benefits (Refer note 48)</b>			
Provision for gratuity	8.01	9.65	1.90
Provision for leave encashment	0.96	1.46	0.48
Provision for Long service benefits	0.17	0.31	-
(b) Provision for Wealth Tax	-	-	0.11
<b>Total (a+b)</b>	<b>9.14</b>	<b>11.42</b>	<b>2.49</b>

**Note 29 Details of Income tax assets and income tax liabilities****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Income tax assets	180.71	186.96	182.10
(b) Current income tax liabilities	16.86	-	-
<b>Net Asset (a-b)</b>	<b>163.85</b>	<b>186.96</b>	<b>182.10</b>

**Movement in current income tax asset/(liability)****(Rs. in Crores)**

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Net current income tax asset/(liability) at the beginning	186.96	182.10
Income tax paid for the year	47.62	57.08
Provision for Income tax for the year (Refer Note 40(a))	(64.49)	(52.36)
Prior year tax /refund adjusted with tax / other items	0.81	0.77
Adjustment/Reclassification to MAT	(7.06)	(0.64)
<b>Net current income tax asset/(liability) at the end</b>	<b>163.85</b>	<b>186.96</b>

**Note 30 Revenue from Operations****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Sale of Product ( Including excise duty)</b>		
Natural Gas	5,194.87	6,190.48
<b>Other operating revenue</b>		
Gas transmission Income	0.70	6.29
Contract Renewal Charges	9.22	7.97
Take or Pay Income	5.12	10.40
Connection, Service and Fitting Income	26.63	29.51
Other Operating Income	1.33	0.83
<b>Total</b>	<b>5,237.87</b>	<b>6,245.48</b>

**Note 31 Other Income****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Income (including interest on income tax refunds)*	20.42	27.46
Dividend on Investments	-	11.06
Provisions no longer required written back	1.09	1.53
Profit/(Loss) on sale as scrap and diminution in Capital Inventory	0.32	(0.16)
Other Non-Operating Income	4.49	4.61
<b>Total</b>	<b>26.32</b>	<b>44.50</b>

\*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 32 Cost of materials consumed****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Natural Gas-Consumed	3,613.91	4,686.21
Gas Transportation Charges	224.13	223.52
<b>Total</b>	<b>3,838.04</b>	<b>4,909.73</b>

**Note 33 Purchase of Stock in Trade****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Purchases of CNG	-	4.39
<b>Total</b>	<b>-</b>	<b>4.39</b>

**Note 34 Changes in inventories of Natural Gas****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Changes in inventories of finished goods, stock in trade and work in progress - Natural Gas</b>		
Inventory at the beginning of the year	3.77	4.08
Less: Inventory at the end of the year	3.90	3.77
<b>Total</b>	<b>(0.13)</b>	<b>0.31</b>

**Note 35 Employee benefit expense****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries and Wages	108.24	110.44
Contribution to Provident and Other Funds- Gratuity(Refer note 48)	11.41	12.47
Leave Encashment & Other benefits	7.37	3.76
Staff Welfare Expenses	6.04	6.01
	133.06	132.68
Less: Amount capitalised during the period*	(4.85)	(3.95)
<b>Total</b>	<b>128.21</b>	<b>128.73</b>

\*Salary & wages of employees directly involved in capital projects are capitalised in Property, plant and equipment (PPE).

**Note 36 Finance Costs****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest on Borrowings	208.18	212.11
Interest on Non Convertible Debentures	2.95	52.13
Interest on Security Deposits & Others	6.08	5.52
Other Borrowing Costs (includes bank charges, etc.)	-	0.09
	217.21	269.85
Less: Amount capitalised during the period*	(8.25)	(22.41)
<b>Total</b>	<b>208.96</b>	<b>247.44</b>

\* The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year. Current year rate of interest considered is 9.04%. (Previous year 10.28%)

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 37 Depreciation and amortisation expense****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation of property, plant and equipment (refer note 3.1)	239.00	228.37
Amortisation of intangible assets (refer note 5.1)	18.33	17.05
<b>Total</b>	<b>257.33</b>	<b>245.42</b>

**Note 38 Other Expenses****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Consumption of Stores & Spares Parts	15.53	14.45
Power and Fuel	59.31	60.36
<b>Repairs and Maintenance:</b>		
- Buildings	1.79	1.28
- Plant and Machinery	112.48	98.42
- Others	12.05	14.42
<b>Rent:</b>		
- Pipelines	24.96	14.05
- Others (Refer Note 38.1)	6.04	6.17
LCV/HCV Hiring, Operating and Maintenance Charges	31.64	22.03
Franchisee and other Commission	29.05	24.65
Agency & Contract Staff Expenses	20.27	19.78
Legal and Professional Charges	10.27	11.28
Loss on sale / write-off of Fixed Assets (net)	9.76	8.86
Bank Charges	9.04	2.18
Billing and Collection expenses	6.44	4.76
Vehicles Exps	6.34	6.16
Office Expenses	4.96	4.34
Postage and Telephone Expenses	4.56	3.80
Allowance for Doubtful Trade Receivables/Advances/Deposits	4.16	1.79
Business Promotion expenses	3.25	4.15
Insurance	2.75	3.03
Rates, taxes and duties	1.07	1.57
Travelling and Conveyance	1.46	1.29
Stationery & Printing Expenses	1.45	1.97
Donations/Corporate social responsibility exp.	1.92	1.07
Net loss on Sale of Current Investments	-	0.05
Payment to Auditors (Refer Note 38.2)	0.32	0.51
Miscellaneous Expenses	2.31	2.29
Net Forex Loss	0.01	0.02
<b>Total</b>	<b>383.19</b>	<b>334.73</b>

**Note 38.1** The company has taken premises for business and residential use for its employees under cancellable operating lease arrangements. The total lease rentals recognised as an expense during the year for such lease arrangements is Rs. 6.04 Crores (Previous Year Rs. 6.17 Crores). The lease arrangement typically ranges from 11 months to 9 years.

**Note 38.2 Payment to Auditors****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
For Statutory Audit- 2016-17	0.31	-
For Statutory Audit- 2015-16	0.01	0.29
For Statutory Audit- 2014-15 (Merged Entity Accounts)	-	0.11
For Statutory Audit- 2013-14 (Revised Annual Accounts)	-	0.11
<b>Total</b>	<b>0.32</b>	<b>0.51</b>

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 39 Exceptional items****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Expenses pursuant to scheme of Amalgamation and Arrangement (Refer Note 39.1)	-	25.62
<b>Total</b>	<b>-</b>	<b>25.62</b>

**Note 39.1** Exceptional item pertains to stamp duty charges and other expenses incurred pursuant to Scheme of Amalgamation and Arrangement.

**Note 40 Tax expense****(a) Amounts recognised in profit and loss****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Current Tax</b>		
(a) Current income tax	64.49	52.36
(b) Short/(Excess) provision of income tax in respect of previous years	0.45	(0.25)
<b>Total (A)</b>	<b>64.94</b>	<b>52.11</b>
<b>Deferred tax</b>		
(a) Deferred tax expense / (Income)- net		
Origination and reversal of temporary differences	35.84	23.60
Reduction in tax rate		
Recognition of previously unrecognised tax losses	-	-
Change in recognised deductible temporary differences	-	-
<b>Total</b>	<b>35.84</b>	<b>23.60</b>
(b) Recognition of tax credit	(16.95)	(10.33)
<b>Total (B)</b>	<b>18.89</b>	<b>13.27</b>
<b>Tax expense for the year ( A+B)</b>	<b>83.83</b>	<b>65.38</b>

**(b) Reconciliation of effective tax rate****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Profit before tax</b>	303.33	253.71
Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 34.61%)	104.98	87.80
Reduction in tax rate	-	-
<b>Tax effect of:</b>		
Expenses Disallowed u/s 14A of the Income Tax Act, 1961	-	0.81
Donation	0.31	0.02
Dividend Income	-	(3.83)
Incremental deduction allowed u/s 32AC of the Income Tax Act, 1961 for Investments in new Plant & equipments	(19.63)	(19.63)
Lease hold amortisation	0.13	0.12
Impact of Long Term Capital Gain on Land	(1.32)	(1.65)
Impact of (Excess)/Short provisions of earlier year deferred taxes	(0.85)	1.98
Impact of (Excess)/Short provisions of earlier year current taxes	0.21	(0.25)
<b>Total</b>	<b>83.83</b>	<b>65.38</b>

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 41 Statement of other comprehensive income****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>(i) Items that will not be reclassified to profit or loss</b>		
<b>Equity Instruments through Other Comprehensive Income</b>		
Fair value of unquoted investments - Gain /(loss)	(52.19)	(41.56)
Tax impact on unquoted investments	12.08	9.59
<b>Remeasurement gains (losses) on defined benefit plans</b>		
Actuarial gains and losses - Gain /(loss)	(3.92)	(3.03)
Tax impact on Actuarial gains and losses	1.36	1.05
<b>Total of Items that will not be reclassified to profit or loss</b>	<b>(56.11)</b>	<b>(44.59)</b>
<b>Total Tax impact</b>	<b>13.44</b>	<b>10.64</b>
<b>Total (i)</b>	<b>(42.67)</b>	<b>(33.95)</b>
<b>(ii) Items that will be reclassified to profit or loss</b>		
Income tax relating to items that will be reclassified to profit or loss - Gain /(loss)	-	-
<b>Total (ii)</b>	<b>-</b>	<b>-</b>
<b>Total (i+ii)</b>	<b>(42.67)</b>	<b>(33.95)</b>

**Note 42 Earning per Share -(EPS)****Earnings per equity share of FV of Rs 10 each**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

**The following reflects the income and share data used in the basic and diluted EPS computations:**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit for the year (Profit attributable to equity shareholders ( Rs. in Crores)	219.50	188.33
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	13,76,78,025	13,76,78,025
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	13,76,78,025	13,76,78,025
Face Value of equity share ( Rs.)	10.00	10.00
Basic EPS ( Rs.)	15.94	13.68
Diluted EPS ( Rs.)	15.94	13.68

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 43 CONTINGENT LIABILITIES & CONTINGENT ASSETS****(A) CONTINGENT LIABILITIES****(Rs. in Crores)**

Contingent liabilities and commitments (to the extent not provided for)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Contingent Liabilities</b>			
(a) Contingent Liabilities – Statutory claims (Refer Note 43.1)	161.96	167.49	151.99
(b) Claims against the company not acknowledged as debt (Refer Note 43.2)	192.97	528.71	48.37
(c) Contingent Liabilities – Stamp duty on amalgamation (Refer Note 43.3)	18.53	-	25.00
<b>Total (A)</b>	<b>373.46</b>	<b>696.20</b>	<b>225.36</b>
<b>Commitments</b>			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	692.02	539.12	440.60
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for	345.92	203.33	161.83
<b>Total (B)</b>	<b>1,037.94</b>	<b>742.45</b>	<b>602.43</b>
<b>TOTAL (A+B)</b>	<b>1,411.40</b>	<b>1,438.65</b>	<b>827.79</b>

**Note 43.1 Contingent Liabilities – Statutory claims****(Rs. in Crores)**

Sr. No.	Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>1</b>	<b>Disputed statutory dues in respect of which Appeals are filed against / by company :</b>			
	(a) Excise Duty	16.38	14.07	5.02
	(b) Income Tax	105.12	113.08	109.43
	(c) Service Tax	40.46	40.34	37.54
	<b>TOTAL</b>	<b>161.96</b>	<b>167.49</b>	<b>151.99</b>

The company is contesting the demands and the management including its advisors believe that its position is likely to be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

**Note 43.2 Claims against the company not acknowledged as debt**

- (i) UPL Limited (UPL) a customer of erstwhile Gujarat Gas Company Limited (GGCL) filed a complaint before Petroleum and Natural Gas Regulatory Board (PNGRB) against erstwhile GGCL alleging charging of tariff illegally under the City Gas Network Distribution Agreement entered into between the Parties. The matter was decided against erstwhile GGCL by PNGRB. Erstwhile GGCL has preferred an appeal at Appellate Tribunal for Electricity (APTEL) against the PNGRB Order. Erstwhile GGCL has also sought an interim stay on the PNGRB order which was granted by APTEL. The APTEL has in its order stated that it is an interim order without considering the merits of the case. Company has submitted bank guarantee of Rs. 40 Crores in favour of UPL.
- (ii) Erstwhile Gujarat Gas Company Limited and Erstwhile GSPC Gas Company Limited (Now collectively known as Gujarat Gas Limited "GGL") had signed Gas supply agreement with Gujarat State Petroleum Corporation Limited (GSPCL) for purchase of Re-gasified liquefied natural gas (RLNG). As per the provision of said agreement, GGL has to pay interconnectivity charges to GSPCL for the supply and purchase of RLNG at Delivery point which is charged to GSPCL by their supplier i.e. PLL Off takers (GAIL India, BPCL, IOCL). PNGRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal. The PLL Offtakers (GAIL) filed appeals against the said PNGRB orders before the Appellate Tribunal for Electricity (APTEL). On 23-February-2012 APTEL had issued an interim order for shifting the Delivery Point from GAIL-GSPL Delivery Point to GSPL-PLL Delivery Point. On 18-December-2013 APTEL issued its judgment and required GSPCL to pay the amount of the difference between Rs. 8.74/MMBTU (exclusive of Service Tax) – earlier connectivity charges and Rs. 19.83/MMBTU (Exclusive of Service Tax) – HVJ/DVPL Zone-1 tariff to GAIL for the period from 20th November 2008 to 29th February 2012. GSPCL has filed an appeal against the APTEL's above referred judgment before Hon'ble Supreme Court of India (GSPCL vs.

**Notes to Standalone financial statements for the year ended 31st March 2017**

GAIL & Others, Civil Appeal No. 2473-2476 of 2014) and the Hon'ble Supreme Court of India had passed the Interim Order on 28th February 2014. The Court has stated that the ends of justice would be met if as a matter of interim arrangement, the appellant is directed to pay interconnectivity charges at the rate of Rs. 12.00 per MMBTU (exclusive of Taxes). The Company has already provided and paid interconnectivity charges at the rate of Rs. 12.00 per MMBTU (exclusive of Taxes).

- (iii) One of the gas suppliers of the Company has submitted a claim of Rs. 108.44 Crores (P. Y. Rs. 481.85 Crores), for overdrawn use of gas against demand in earlier years. The company has refuted this erroneous claim contending that no contractual provisions of the agreement executed with GGL allow such claim. The management is of the firm view that the company is not liable to pay any such claim. The company has already taken up the matter with concerned party/authorities to withdraw the claim.

**Note 43.3 Contingent Liabilities - Stamp duty on amalgamation**

The office of superintendent of stamp has issued demand of stamp duty of Rs 43.53 crores for the transaction of scheme of amalgamation and arrangement. The Company has filed the appeal before Chief Controlling Revenue Authority - CCRA on 20.12.2016 by paying 25% of demand of Rs 10.88 crores. The Company has already provided the liability of Rs 25 crores in the books of accounts for the financial year 2015 - 16.

**B) CONTINGENT ASSETS**

The Company is having certain claims which are pursuing through legal processes. The management believe that probable outcome in all such claims are uncertain. Hence, the disclosure of such claims is not required in the financial statements.

**Note 44 Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006 (Rs. in Crores)**

Sr. No.	Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
1	The principal amount outstanding as at the end of accounting year.	14.74	11.19	11.58
2	Principal amount due and remaining unpaid as at the end of accounting year	-	-	0.01
3	Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-	-
4	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
5	Interest accrued and remaining unpaid at the end of accounting year (Refer Note below)	0.01	0.01	0.02
6	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

**Note:** No interest has been paid by the Company to the enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006 according to the terms agreed with the enterprises.



## Notes to Standalone financial statements for the year ended 31st March 2017

## Note 45

## A. Accounting classification and fair values

(Rs. in Crores)

March 31, 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level -2 Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Investments	-	68.25	-	68.25	-	-	68.25	68.25
<b>Financial assets measured at amortised cost</b>								
Loans (Non-current)	-	-	65.36	65.36	-	65.36	-	65.36
Loans (Current)	-	-	1.43	1.43	-	-	-	-
Other financial assets (Non-current)	-	-	0.03	0.03	-	0.03	-	0.03
Other financial assets (Current)	-	-	46.53	46.53	-	-	-	-
Trade receivables	-	-	347.51	347.51	-	-	-	-
Cash and cash equivalents	-	-	17.48	17.48	-	-	-	-
Other bank balances	-	-	43.34	43.34	-	-	-	-
	-	<b>68.25</b>	<b>521.68</b>	<b>589.93</b>	-	<b>65.39</b>	<b>68.25</b>	<b>133.64</b>
<b>Financial liabilities measured at amortised cost</b>								
Non current borrowings	-	-	2,291.41	2,291.41	-	2,291.41	-	2,291.41
Current borrowings	-	-	7.28	7.28	-	-	-	-
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	313.97	313.97	-	-	-	-
Other financial liabilities	-	-	989.63	989.63	-	-	-	-
<b>Total</b>	-	-	<b>3,602.29</b>	<b>3,602.29</b>	-	<b>2,291.41</b>	-	<b>2,291.41</b>

**Notes to Standalone financial statements for the year ended 31st March 2017**

March 31, 2016	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level -2 Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Investments	-	120.44	-	120.44	-	-	120.44	120.44
<b>Financial assets measured at amortised cost</b>								
Loans (Non-current)	-	-	49.81	49.81	-	49.81	-	49.81
Loans (Current)	-	-	2.47	2.47	-	-	-	-
Other financial assets (Non-current)	-	-	0.05	0.05	-	0.05	-	0.05
Other financial assets (Current)	-	-	32.81	32.81	-	-	-	-
Trade receivables	-	-	300.49	300.49	-	-	-	-
Cash and cash equivalents	-	-	22.73	22.73	-	-	-	-
Other bank balances	-	-	45.11	45.11	-	-	-	-
	-	<b>120.44</b>	<b>453.47</b>	<b>573.91</b>	-	<b>49.86</b>	<b>120.44</b>	<b>170.30</b>
<b>Financial liabilities measured at amortised cost</b>								
Non current borrowings	-	-	1,706.58	1,706.58	-	1,706.58	-	1,706.58
Current borrowings	-	-	-	-	-	-	-	-
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	251.46	251.46	-	-	-	-
Other financial liabilities	-	-	1,498.62	1,498.62	-	-	-	-
<b>Total</b>	-	-	<b>3,456.66</b>	<b>3,456.66</b>	-	<b>1,706.58</b>	-	<b>1,706.58</b>

**Notes to Standalone financial statements for the year ended 31st March 2017**

April 1, 2015	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level -2 Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Investments	937.33	162.00	-	1,099.33	937.33	-	162.00	1,099.33
<b>Financial assets measured at amortised cost</b>								
Loans	-	-	32.66	32.66	-	32.66	-	32.66
Other financial assets (Non-current)	-	-	0.05	0.05	-	0.05	-	0.05
Other financial assets (Current)	-	-	39.82	39.82	-	-	-	-
Trade receivables	-	-	400.48	400.48	-	-	-	-
Cash and cash equivalents	-	-	234.59	234.59	-	-	-	-
Other bank balances	-	-	2.82	2.82	-	-	-	-
	<b>937.33</b>	<b>162.00</b>	<b>710.42</b>	<b>1,809.75</b>	<b>937.33</b>	<b>32.71</b>	<b>162.00</b>	<b>1,132.04</b>
<b>Financial liabilities</b>								
Non current borrowings	-	-	1,488.66	1,488.66	-	1,488.66	-	1,488.66
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	424.70	424.70	-	-	-	-
Other financial liabilities	-	-	2,530.53	2,530.53	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,443.89</b>	<b>4,443.89</b>	<b>-</b>	<b>1,488.66</b>	<b>-</b>	<b>1,488.66</b>

Investment in equity accounted investee i.e. Guj Info Petro Limited (GIPL) carried at cost.

# Fair value of financial assets and liabilities which are measured at amortised cost is not materially different from the carrying value (ie. amortised cost).

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.



## Notes to Standalone financial statements for the year ended 31st March 2017

### B. Measurement of fair values

#### i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

#### Financial instruments measured at fair value – FVTOCI in unquoted equity shares

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p><b>Market comparison technique:</b> The valuation model is based on three approaches:-</p> <p><b>1. Market approach :</b> This approach uses information generated by market transactions of the Company being valued or the transactions of comparable companies. The following market-linked information may be used for determining valuation under this approach.</p> <ul style="list-style-type: none"> <li>Quoted price of the company being valued,</li> <li>Past transaction value of the company being valued,</li> <li>Listed comparable companies' trading multiples like price to earning ratio, enterprise value to earning before interest, tax, depreciation and amortisation, enterprise value to sales etc.</li> <li>Transactions multiples for investment / M &amp; A transaction of comparable companies. The valuation arrived at based on the market approach reflects the current value of the Company perceived in the active market. However, as the valuation arrived at using market multiples is based on the past/current transaction or traded values of comparable companies/businesses, it may not reflect the possible changes in future trend of cash flows being generated by a business.</li> </ul> <p><b>2. Income approach :</b> The income approach reflects present value of future cash flows. For valuing a business, the discounted cash flow (DCF) methodology is used under this approach. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. This method is used to determine the present value of business on a going concern assumption. The DCF technique recognizes the time value of money.</p> <p>The value of the firm is arrived at by estimating the Free Cash Flow to Firm (FCFF) and discounting the same at the Weighted Average Cost of Capital (WACC). FCFF is estimated by forecasting free cash flows available to the firm (which are derived on the basis of the likely future earnings of the company).</p> <p><b>3. Cost approach :</b> The cost approach essentially estimates the cost of replacing the tangible assets of the business. The replacement cost takes into account the market value of various assets or the expenditure required to create the infrastructure exactly similar to that of a company being valued.</p>	<p>Comparable unobservable entity has been taken as a base for the valuation of unquoted equity shares and its management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.</p> <p>As stated , highest priority is given to unadjusted quoted price of listed entities and lowest priority to non-market linked inputs such as future cash flows used in income approach.</p>	<p>The estimated fair value would increase (decrease) if:</p> <p>There is a change in pricing multiple owing to change in earnings of the entity.</p> <p>Considering the diverse asset and investment base of the Company with differing risk/return profiles, a sum of the parts approach has been adopted for the valuation. Under this method, the value of each distinct business / asset / investment has been arrived at separately and total value estimate for the Company presented as the sum of all its business / investments / assets.</p>

#### ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

**Notes to Standalone financial statements for the year ended 31st March 2017****iii) Level 3 fair values**

Movements in the values of unquoted equity instruments for the period ended 31st March 2017, 31st March 16 and 1st April 15 is as below:

(Rs. in Crores)	
Particulars	Amount
<b>As at 1 April 2015</b>	<b>162.00</b>
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	(41.56)
Gains/ (losses) recognised in statement of profit or loss	-
Closing Balance (31 March 2016)	120.44
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	(52.19)
Gains/ (losses) recognised in statement of profit or loss	-
<b>Closing Balance (31 March 2017)</b>	<b>68.25</b>

**Transfer out of Level 3**

There were no movement in level 3 in either directions during the year ended 31st March 2017 and the year ended 31st March 2016. Ind AS 101 allows an entity to designate certain investments in equity instruments as fair valued through the OCI on the basis of the facts and circumstances at the transition date to Ind AS. The Company has elected to apply this exemption for its investment in equity shares.

**Sensitivity analysis**

Based on the valuation report for investments in unquoted shares, the sensitivity as as 31st March 2017 is provided below.

(Rs. in Crores)	
Significant observable inputs	31-March 17
	OCI
	Decrease
<b>Equity securities in unquoted investments measured through OCI</b>	
Forecast gas trading margin 25% decrease	17.01

**C. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

**i. Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company has a well-define Risk Management framework for reviewing the major risks and has adopted a Business Risk Management Policy which also takes care of all the financial risks. Further, pursuant to the requirement of Regulation 21 of SEBI (Listing obligation and disclosure Requirements) Regulation, 2015, the company has constituted a Risk Management Committee inter - alia to monitor the Risk Management Plan of the Company.

The Group Heads Committee supported by Chief Financial Officer oversees the management of these risks. The Company's senior management is supported by Risk Management Committee that advises on financial risk and appropriate financial risk governance framework for the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Board of Directors reviews and agrees policies for managing each of these risks.

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 45 Financial instruments – Fair values and risk management (continued)****ii. 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, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

**(a) Other financial assets**

The company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

**(b) Trade and other receivables**

The Company's exposure to credit Risk is the exposure that Company has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial, Commercial-Non Commercial, Domestic and CNG.

The Commercial and Marketing department has established a credit policy for each category of customer viz. industrial, domestic and commercial.

The Company raises the invoice for quantities sold based on periodicity as per the agreement. Sales are subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the company's receivables are secured.

For sales to domestic customers for household purposes like cooking, geyser application, etc., invoices are raised periodically. Security deposits along with connection deposits are taken for mitigation of potential credit risk arising in the event of non-payment of invoices.

CNG sales made through operators of the CNG stations owned by the Company and CNG Franchises outlet are exposed to credit risk as amounts so collected is deposited/transferred in company bank account on next working day. Bank Guarantee / Security Deposit is taken to mitigate the credit risk. For CNG sales made through Oil Marketing Companies (OMCs), the Company raises the invoice for quantities sold based on periodicity as per the agreement. The OMCs are well established companies viz. HPCL, BPCL, IOC, Essar Oil Ltd. where no significant credit risk is anticipated.

The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

A default on a financial asset is when the counter party fails to make contractual payment within 180 days of when they fall due. This definition of default is determine by considering the business environment in which the company operates and other macro economic factors.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognised in profit and loss.

**The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:****(Rs. in Crores)**

Particulars	Carrying amount		
	31st March 2017	31st March 2016	1st April 2015
India	352.89	304.92	404.38
Other regions	-	-	-
<b>Total</b>	<b>352.89</b>	<b>304.92</b>	<b>404.38</b>

**Expected credit loss for Trade receivables under Simplified Approach****(Rs. in Crores)**

Particulars	Carrying amount		
	31st March 2017	31st March 2016	1st April 2015
Neither past due nor impaired	296.12	270.58	364.71
Past due 1-90 days	44.33	23.97	30.00
Past due 91-180 days	2.34	2.28	3.07
Past due 181 to 1085 days	8.19	7.32	6.17
Greater than 1085 days	1.91	0.77	0.43
	352.89	304.92	404.38
Less: Expected credit losses (Allowance for bad and doubtful)	5.38	4.43	3.90
<b>Carrying amount of Trade Receivable (net of impairment)</b>	<b>347.51</b>	<b>300.49</b>	<b>400.48</b>

**Notes to Standalone financial statements for the year ended 31st March 2017****Movement in Allowance for bad and doubtful Trade receivable****(Rs. in Crores)**

Particulars	31st March, 2017	31st March, 2016
Opening Allowance for bad and doubtful Trade receivable	4.43	3.90
Provision during the year	0.95	0.53
Write off during the year	-	-
<b>Closing Allowance for bad and doubtful Trade receivable</b>	<b>5.38</b>	<b>4.43</b>

The impairment provisions above are based on management judgment / 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 the company's past history as well as forward looking estimates at the end of each reporting period.

**(c) Loans and deposits - security deposits**

Company has given security deposit to various government authorities (like Municipal corporation, Nagarpalika, Grampanchayat, Road & building division and Irrigation department -of Govt. of Gujarat etc. ) for the permission related to work of executing / laying pipeline network in their premises / jurisdiction. Being government authorities the Companies are not exposure to any credit risk.

**Movement in Allowance for bad and doubtful Security deposits-Project authority****(Rs. in Crores)**

Particulars	31st March, 2017	31st March, 2016
Opening Allowance for bad and doubtful Security deposits	7.07	5.81
Provision during the year	3.58	1.46
Recovery/Adjustment during the year	(0.37)	(0.20)
Write off during the year	-	-
<b>Closing Allowance for bad and doubtful Security deposits</b>	<b>10.28</b>	<b>7.07</b>

The impairment provisions for financial assets - Loan and advances - Security Deposit as disclosed above are based on management judgment / assumptions about risk of performance default. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history as well as forward looking estimates at the end of each reporting period.

**iii. 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 have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains the following lines of credit outstanding:

- Term loans from banks and financial institution of Rs. 2351.60 crores (March 31, 2016: Rs. 1833.88 crores and April 1, 2015: Rs. 2727.41 crores) that is secured by First pari - passu charge on all Present and future fixed assets & Property, plant, equipment (PPE)(Movable & Immovable) of the the Company and Second pari -passu charge on Present & Future Current Assets (financial and non financial assets) of the Company. Interest would be payable at the rate of varying from 8% - 8.25%.
- Non convertible debentures of Rs. Nil (March 31, 2016: Rs. 522.73 crores , April 1, 2015: Rs. 522.80 crores) that is unsecured. Interest is paable at the rate of 10.30 % p.a. on semiannually basis.

**Financing arrangement**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

**(Rs. in Crores)**

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
<b>Floating rate</b>			
Expiring within one year (term loans, bank overdraft and other facilities)	490.00	1,468.23	293.34
Expiring beyond one year (term loans, bank overdraft and other facilities)	-	-	-
<b>Total</b>	<b>490.00</b>	<b>1,468.23</b>	<b>293.34</b>

**Notes to Standalone financial statements for the year ended 31st March 2017****Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(Rs. in Crores)

March 31, 2017	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non current borrowings	2,291.41	2,291.41	-	123.89	525.36	1,642.16
Non current financial liabilities	-	-	-	-	-	-
Current financial liabilities	7.28	7.28	7.28	-	-	-
Trade and other payables	313.97	313.97	313.97	-	-	-
Other current financial liabilities	989.63	989.63	989.63	-	-	-
	<b>3,602.29</b>	<b>3,602.29</b>	<b>1,310.88</b>	<b>123.89</b>	<b>525.36</b>	<b>1,642.16</b>

Other current financial liabilities include customer deposits which are considered repayable on demand and hence current. These were classified as non-current under the previous GAAP.

(Rs. in Crores)

March 31, 2016	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non current borrowings	1,706.58	1,706.58	-	159.52	583.20	963.86
Non current financial liabilities	-	-	-	-	-	-
Trade and other payables	251.46	251.46	251.46	-	-	-
Other current financial liabilities	1,498.62	1,498.62	1,498.62	-	-	-
	<b>3,456.66</b>	<b>3,456.66</b>	<b>1,750.08</b>	<b>159.52</b>	<b>583.20</b>	<b>963.86</b>

(Rs. in Crores)

April 1, 2015	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non current borrowings	1,488.66	1,488.66	-	734.94	563.04	190.68
Non current financial liabilities	-	-	-	-	-	-
Trade and other payables	424.70	424.70	424.70	-	-	-
Other current financial liabilities	2,530.53	2,530.53	2,530.53	-	-	-
	<b>4,443.89</b>	<b>4,443.89</b>	<b>2,955.23</b>	<b>734.94</b>	<b>563.04</b>	<b>190.68</b>

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

**iv. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

**a) Currency risk**

The functional currency of the Company is Indian Rupee. The Company's transactions are majorly denominated in INR and the quantum of the foreign currency transactions being immaterial, the company is not exposed to currency risk on account of payables and receivables in foreign currency. The company does not have any exports. Import amount to 0.01% (previous year 0.07%) of total consumption, this is not perceived to be a major risk.

**Notes to Standalone financial statements for the year ended 31st March 2017****b) Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

On period under review the Company do not have any borrowings at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate.

(Rs. in Crores)

Variable-rate instruments	31st March, 2017	31st March, 2016
Non current - Borrowings	2,291.41	1,706.58
Current portion of Long term borrowings	60.19	650.03
<b>Total</b>	<b>2,351.60</b>	<b>2,356.61</b>

**Sensitivity analysis**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

Particulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
<b>31st March 2017</b>				
Non current - Borrowings	(22.91)	22.91	(14.98)	14.98
Current portion of Long term borrowings	(0.60)	0.60	(0.39)	0.39
<b>Total</b>	<b>(23.52)</b>	<b>23.52</b>	<b>(15.38)</b>	<b>15.38</b>
<b>31st March 2016</b>				
Non current - Borrowings	(17.07)	17.07	(11.16)	11.16
Current portion of Long term borrowings	(6.50)	6.50	(4.25)	4.25
<b>Total</b>	<b>(23.57)</b>	<b>23.57</b>	<b>(15.41)</b>	<b>15.41</b>

**c) Commodity Price Risk**

Risk arising on account of fluctuations in prices of natural gas is managed through long term purchase contracts entered with the respective parties. The company monitors the movements in the prices closely while entering into new contracts.

**d) Equity Price Risk**

The Company do not have any investment in quoted equity shares hence not expose to equity price risk.

**Note 46 Capital Management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company has achieved a return on capital 13% in March 31, 2017 (March 31, 2016: 12%). The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 9.04% (March 31, 2016: 10.28%)

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, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

**Notes to Standalone financial statements for the year ended 31st March 2017**

The Company's adjusted net debt to equity ratio is as follows.

Particulars	(Rs. in Crores)		
	31st March 2017	31st March 2016	1st April 2015
Interest bearing borrowings	2,351.60	2,356.61	3,250.21
Less : Current Investment	-	-	937.33
Less : Cash and bank balances	60.82	67.84	237.41
<b>Adjusted net debt</b>	<b>2,290.78</b>	<b>2,288.77</b>	<b>2,075.47</b>
Borrowings	2,351.60	2,356.61	3,250.21
Total equity	1,644.88	1,509.47	1,437.60
Adjusted net debt to adjusted equity ratio	1.39	1.52	1.44
Debt equity ratio	1.43	1.56	2.26

**Note 47 Employee Stock Option Plan:**

The erstwhile GSPC Gas Company Limited ('e-GSPC'), erstwhile Gujarat Gas Company Limited ('e-GGCL'), erstwhile Gujarat Gas Financial Services Limited ('e-GFSL') and erstwhile Gujarat Gas Trading Company Limited ('e-GTCL') merged with and into GSPC Distribution Network Limited ('GDNL') under the Composite Scheme of Amalgamation and Arrangement (the "Scheme of Amalgamation"). The effective date of Scheme of Amalgamation was 14 May 2015. Upon the Scheme of Amalgamation becoming effective, the name of GDNL has been changed to Gujarat Gas Limited ('GGL') as per the provisions of the Companies Act.

Pursuant to the Scheme of Amalgamation, the Addendum Gujarat Gas Limited Employee Stock Option Plan 2016 ("ESOP 2016") being supplementary to the Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("ESOP 2008") has been formulated for the limited purpose of adopting the ESOP 2008 in the Company.

The e-GGCL had formulated the above ESOP 2008, whereby Stock Options had been granted by e-GGCL to its employees. The ESOP 2008 has been effective from 1 November 2008 for a tenure of 8 years. As on the effective date of the Scheme of Amalgamation, certain employees of e-GGCL to whom Options had been Granted and Vested under the ESOP 2008, have not Exercised the said Options and hence as per the Scheme of Amalgamation, they are the Eligible Employees for the purpose of the ESOP 2016 as follows:

- 1) Revised Grants have been made to them with effect from the effective date under the Scheme of Amalgamation of 13000 equivalent number of Options-I under the ESOP 2016, against the equivalent number of Options Granted and Vested in them pursuant to the ESOP 2008, which were not Exercised by them on the effective date under the Scheme of Amalgamation.
- 2) The above Revised Grants of Options-I has been on the basis of the Share Exchange Ratio of 1 (one) equity share of Rs.10/- each of GGL, for every 1 (one) equity share of Rs.2/- each of e-GGCL, pursuant to the Scheme of Amalgamation.
- 3) The Options-I bear the Exercise Price as per the ESOP 2008. The Exercise Price payable for Options-I under ESOP 2016 is based on the Exercise Price payable by such Eligible Employees under the ESOP 2008 that has been adjusted after taking into account the effect of the Share Exchange Ratio of 1:1 as mentioned above.
- 4) Upon such Revised Grant of Options-I to the Eligible Employees the Options Granted under the ESOP 2008 stand cancelled and the Eligible Employees shall continue to be bound by all the terms and conditions of the ESOP 2008 in addition to this ESOP 2016.

The Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("ESOP 2008 Trust"), which has been formed and created vide execution of the Deed of Gujarat Gas Company Limited Employee Welfare Stock Option Trust dated 4 November 2008 has been renamed as Gujarat Gas Limited Employee Welfare Stock Option Trust ("ESOP 2016 Trust"). The ESOP 2016 Trust is an irrevocable Trust that functions for the limited purpose of adopting the ESOP 2008 and ESOP 2016 and to hold the existing share inventory of the ESOP 2008 Trust for the benefit of Eligible Employees under ESOP 2016 and the balance to be appropriated in line with the SEBI Regulations.

The ESOP 2016 and the ESOP 2016 Trust are governed by the provisions of the Companies Act 1956 or the Companies Act 2013, as may be applicable and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or the SEBI (Share Based Employee Benefits) Regulation, 2014, as may be applicable.

The ESOP 2008 Trust had purchased out of the funds advanced by the Company, the shares equivalent to the number of options granted. IDBI Trusteeship Services Limited are the Trustees. The Trustees can sell the shares in the market as per the approved scheme and for the year ended on 31st March 2017, there are no purchases from the market.

**Notes to Standalone financial statements for the year ended 31st March 2017**

The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options were approved as per ESOP 2008. The graded vesting of options granted, over a period of 4 years from the date of grant is as follows:

% of Option Vested	Cumulative	Vesting Date
25%	25%	on expiry of two years from their Grant date ("First Vesting Date")
50%	75%	on expiry of three years from their Grant date ("Second Vesting Date")
25%	100%	on expiry of four years from their Grant date ("Third Vesting Date")

The options are to be exercised within a maximum period of 2 years from the date of vesting. Within the exercise period, the employee would have the option to either purchase the shares from the trust at the exercise price or to give a mandate of sale to the trust at the best available market price, in which event the difference between the net price realized on sale after taxes and charges and the Exercise Price will accrue as gains to the employee.

**Details of movement under the Stock option plan for the year ended 31 March, 2017 is as follows:**

(Rs. in Crores)

Particulars	Year ended		Year ended		Year ended	
	31-03-2017		31-03-2016		01-04-2015	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)
Options outstanding at the beginning of the year	13,000	332	25,500	334	2,45,250	303
Add: Options granted during the year	-	-	-	-	-	-
Less: Options forfeited during the year	-	-	-	-	11,250	335
Less: Options expired during the year	-	-	-	-	-	-
Less: Options exercised during the year	13,000	332	12,500	337	2,08,500	298
<b>Options outstanding at end of the year</b>	<b>-</b>	<b>-</b>	<b>13,000</b>	<b>332</b>	<b>25,500</b>	<b>334</b>

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. There are no options outstanding as on 31 March 2017. The weighted average remaining contractual life of options outstanding as on 31 March 2016 was 0.52 years (as on 01.04.2015 1.79 years).

An amount of Rs. Nil (Previous year Rs. 0.01 Crores) has been recognised as an expense in Employee Benefits Expenses (Note 33) and corresponding liability has been disclosed as Stock Options Outstanding Account (Note 20). The balance of Rs. Nil (Previous year Rs. 0.17 Crores, 1 April 2015 Rs. 0.31 Crores) in Stock Options Outstanding Account (Note 20) represents the amortised cost of stock options outstanding. As on 31 March 2017, the amount recoverable from ESOP trust is Rs. Nil (Previous year Rs. 3.01 Crores, 1 April 2015 Rs. 3.01 crores).

The Company has adjusted gain of Rs. 0.17 Crores (Previous year Rs. 0.49 Crores) to General Reserve as the difference between the cost incurred by the ESOP Trust for the purchase of shares and the exercise price of those options which have been exercised by the employees.

**Note 48 Disclosure Of Employee Benefits**

The Company has implemented Ind AS - 19 on "Employee Benefits".

**(a) Provident Fund - Defined Contribution Plan**

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the period of 12 months ended is INR 7.32 Crores (Previous year INR 5.87 Crores).



**Notes to Standalone financial statements for the year ended 31st March 2017**

**(b) Gratuity and Leave Encashment - Defined Benefit Plans (payable in future)**

Provision has been made for gratuity and leave encashment as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

Details of movement under the Stock option plan for the year ended 31 March, 2017 is as follows:

(Rs. in Crores)

	Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
		31st March 2017	31st March 2017	31st March 2016	31st March 2016	1st April 2015	1st April 2015
A.	Discount rate	7.25%	7.25%	7.80%	7.80%	7.74%-7.80%	7.74%-7.80%
	Rate of return on plan assets	7.25%	N.A.	7.80%	N.A.	9.00% - 8.50%	N.A.
	Salary Escalation	9.50%	9.50%	10.00%	10.00%	7.00%-12.00%	7.00%-12.00%
<b>B.</b>	<b>Change in Defined Benefit Obligations</b>						
	Liability at the beginning of the year	32.49	25.37	22.17	22.38	15.24	9.92
	Interest Cost	2.50	1.95	1.69	1.72	1.36	0.89
	Current Service Cost	3.47	2.97	2.71	2.98	1.66	1.72
	Past service cost	-	-	3.74	-	-	-
	Prior year Charge	-	-	0.34	0.17	-	-
	Benefits Paid	(0.93)	(2.41)	(0.93)	(0.68)	(0.98)	(0.79)
	Actuarial loss/ (gain) due to experience adjustment	4.29	2.55	(0.14)	1.94	-	-
	Actuarial (Gain) / Loss due to change in financial estimate	0.31	0.27	2.90	(3.13)	4.89	10.64
	<b>Total Liability at the end of the year</b>	<b>42.12</b>	<b>30.70</b>	<b>32.49</b>	<b>25.37</b>	<b>22.17</b>	<b>22.38</b>
<b>C.</b>	<b>Change in Fair Value of plan Assets</b>						
	Opening fair Value of plan assets	22.84	-	20.27	-	16.16	-
	Expected return on plan assets	1.88	-	1.88	-	1.50	-
	Expenses deduct from fund	-	-	-	-	(0.05)	-
	Return on plan assets excluding amounts included in interest income	0.68	-	(0.26)	-	0.19	-
	Contributions by employer	9.65	-	1.88	-	3.44	-
	Benefits Paid	(0.93)	-	(0.93)	-	(0.98)	-
	<b>Closing fair Value of plan assets</b>	<b>34.11</b>	<b>-</b>	<b>22.84</b>	<b>-</b>	<b>20.26</b>	<b>-</b>
<b>D.</b>	<b>Expenses Recognised in the Profit and Loss Statement</b>						
	Current Service Cost	3.47	2.97	2.71	2.98	1.66	1.72
	Interest Cost	2.50	1.95	1.69	1.72	1.36	0.89
	Expenses deduct from fund	-	-	-	-	0.05	-
	Expected return on plan assets	(1.88)	-	(1.88)	-	(1.50)	-
	Past service cost	-	-	3.74	-	-	-
	Prior year Charge	-	-	0.34	0.17	-	-
	Actuarial (Gain) / Loss	3.92	2.81	3.03	(1.20)	4.70	10.64
	<b>Exps. charged to Statement of Profit &amp; Loss</b>	<b>8.01</b>	<b>7.73</b>	<b>9.63</b>	<b>3.67</b>	<b>6.27</b>	<b>13.25</b>
<b>E.</b>	<b>Balance Sheet Reconciliation</b>						
	Opening Net Liability	9.65	25.37	1.90	22.38	(0.92)	9.92
	Employee Benefit Expense	4.09	7.73	6.60	3.67	6.26	13.25
	Amounts recognized in Other Comprehensive Income	3.92	-	3.03	-	(0.01)	(0.02)
	Contributions by employer	(9.65)	-	(1.88)	-	(3.44)	-
	Benefits Paid	-	(2.41)	-	(0.68)	-	(0.79)
	<b>Closing Liability</b>	<b>8.01</b>	<b>30.70</b>	<b>9.65</b>	<b>25.37</b>	<b>1.89</b>	<b>22.35</b>
<b>F.</b>	<b>Current/Non-Current Liability :</b>						
	Current*	4.15	0.96	3.47	1.46	1.08	0.48
	Non-Current	3.86	29.74	6.17	23.91	0.83	21.90

\*The Company expects that total outstanding gratuity liability payable as on 31.03.2017 will be paid to the gratuity trust within next 12 months.

**Notes to Standalone financial statements for the year ended 31st March 2017****(c) Amounts recognised in current year and previous four years****(Rs. in Crores)**

	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
<b>A. Gratuity</b>					
Present value of Defined Benefit Obligation	42.12	32.49	22.17	15.24	-
Fair value of Plan Assets	34.11	22.84	20.26	16.17	-
(Surplus) / Deficit in the plan	8.01	9.65	1.91	(0.93)	-
Actuarial (Gain) / Loss on Plan Obligation	0.31	2.90	4.89	(0.98)	-
Actuarial Gain / (Loss) on Plan Assets	0.68	(0.26)	0.19	(0.31)	-
<b>B. Earned Leave</b>					
Present value of Defined Benefit Obligation	30.70	25.37	22.38	9.92	-
Actuarial (Gain) / Loss on Plan Obligation	0.27	(3.13)	10.64	(0.12)	-
<b>C. Long Service Award</b>					
Present value of Defined Benefit Obligation	0.94	1.43	-	-	-
Actuarial (Gain) / Loss on Plan Obligation	-	-	-	-	-

**(d) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31-03-2017			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	39.64	28.56	44.84	33.06
Salary growth rate (0.5% movement)	44.77	33.00	39.68	28.59

Particulars	31-03-2016			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	31.66	23.61	35.95	24.84
Salary growth rate (0.5% movement)	35.89	24.82	31.70	23.62

**(e) Gratuity Benefits Plan:**

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	No ceiling
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	60 years

**Notes to Standalone financial statements for the year ended 31st March 2017****(i) Entity's responsibilities for the governance of the plan****Risk to the Plan**

Following are the risk to which the plan exposes the entity:

**A Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**B Investment Risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**C Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

**D Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**E Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

- (ii) The company has participated in Group Gratuity Scheme Plan with Life Insurance Corporation of India (LIC), Reliance & HDFC life insurance co. Ltd through Gratuity Trust to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year. The total value of plan assets is as certified by the LIC, Reliance & HDFC life insurance co. Ltd.

**(a) Composition of the plan assets**

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Bank balance	0.11%	0.11%	0.09%
Policy of insurance	98.89%	98.85%	98.83%
Others	1.00%	1.04%	1.08%

- (b) The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

**(c) Expected benefit payments as on 31 March 2017.**

Particulars	1-3 years	4-9 years	10 year & Above
Cash flow ( Rs. in Crores)	3.81	19.25	101.60
Distribution ( in %)	3.06%	15.44%	81.50%

**Notes to Standalone financial statements for the year ended 31st March 2017****(f) Expected benefit payments as on 31 March 2017 for Privilege Leave encashment benefits.**

Particulars	1-3 years	4-5 years	6 year & Above
Cash flow ( Rs. in Crores)	2.25	2.87	10.26
Distribution ( in %)	14.62%	18.67%	66.71%

**(g) Other Notes:**

- (i) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.
- (ii) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.
- (iii) The company has provided long service award benefits to its employees who completed 15/20/25 Years of employment with company. Accordingly company has provided Rs. 0.94 Crores (Previous year Rs. 1.43 crores) on account of Long service award benefit. Current Liability as at 31st March 2017 is Rs. 0.17 Crores(Previous year Rs. 0.31 Crores) and Non-Current Liability is Rs. 0.77 Crores(Previous year Rs. 1.12 Crores).



**Notes to Standalone financial statements for the year ended 31st March 2017**

**Note 49 Related Party Transactions for the period**

(Rs. in Crores)

Sr.	Name of Related Party	Relationship	Nature of Transactions & Balances	For the year ended 31st March, 2017	For the year ended 31st March, 2016	As at 31st March, 2015		
1	Gujarat State Petroleum Corporation Limited - GSPC	Holding Company	Purchase of Natural Gas	3,474.16	4,556.73			
			Rent Expense	0.17	0.16			
			Administration Expenses	0.07	1.00			
			Dividend Paid	9.78	19.55			
			Reimbursement of Expenses	0.45	0.03			
			Recharge of Salary - Income (Net)	0.17	0.05			
			Recharge of Expenses - Income	-	0.001			
			CNG Sales - Income	0.07	0.12			
			PNG Sales - Income	0.02	0.03			
			Asset - Sale	0.03	-			
			<b>Balance as period end</b>					
			Amount Receivable/(Payable)	(184.16)	(132.82)	(310.54)		
			Investment at Period end	68.25	120.44	162.00		
			Deposits Asset / (Liability) - Net	(0.004)	(0.01)	0.01		
Bank Guarantee by GGL to GSPC	295.91	78.32	430.54					
2	Gujarat State Petronet Limited - GSPL	Subsidiary of Holding Company	Gas Transmission Expense	209.67	211.79			
			Supervision Expenses	0.31	0.09			
			Recharge of Salary (Net)	0.06				
			Right of Way Expense (ROW)	8.84	3.99			
			Reimbursement of Expenses	0.56	0.09			
			Dividend Paid	8.87	17.73			
			Rent Expense	1.13	1.06			
			Tender Fees (Paid)	0.004				
			Interest Exps.		0.02			
			Purchase of Assets		19.58			
			CNG Sales	0.001	0.08			
			PNG Sales - Income	0.03	0.04			
			O&M Charges Recovered - Income	0.12	0.12			
			Reimbursement of expenses - Income	-	0.10			
			<b>Balance at the period end</b>					
			Amount Receivable/(Payable)	(10.13)	(8.76)	(10.46)		
			Deposits Asset / (Liability) - Net	1.75	1.78	0.97		
Advance Lease Rent (Paid)	0.21	0.22	0.19					
Bank Guarantee - by GGL to GSPL	23.79	23.79	20.66					
Letter of Credit - by GGL to GSPL	0.15	0.01	0.03					
3	Sabarmati Gas Limited - SGL	Joint Venture of Holding Company	Gas Transportation Expense	0.69	0.65			
			CNG Purchase	-	5.05			
			PNG Sales - Income	0.002	3.64			
			Gas Transportation Charges - Income	0.05	0.04			
			<b>Balance at the period end</b>					
Amount Receivable/(Payable)	(0.03)	(0.03)	(0.44)					
Deposits Asset / (Liability) - Net	(0.04)	(0.04)	(0.04)					
4	Guj Info Petro Limited- GIPL	Associate	Web Development Charges	0.0005	0.0002			
			Dividend Received	-	0.0013			
			<b>Balance at the period end</b>					
			Investment at Period end	0.03	0.03	0.03		



**Notes to Standalone financial statements for the year ended 31st March 2017**

**Related Party Transactions for the period (Continued .....**

**(Rs. in Crores)**

Sr.	Name of Related Party	Relationship	Nature of Transactions & Balances	For the year ended 31st March, 2017	For the year ended 31st March, 2016	As at 31st March, 2015		
5	Gujarat State Energy Generation Limited - GSEG	Associate of Holding Company	Reimbursement of Expenses	0.01	0.01			
			Reimbursement of Exps. - Income	0.02	-			
			Dividend Paid	0.07	0.13			
			PNG Sales - Income	0.00	0.00			
			<b>Balance at the period end</b>					
			Amount Receivable/(Payable)	(0.003)	(0.005)	(0.03)		
	Deposits Asset / (Liability) - Net	(0.11)	(0.11)	(0.08)				
6	GSPC LNG Limited	Associate of Holding Company	Recharge of Salary - Income	0.08	0.30			
			<b>Balance at the period end</b>					
			Amount Receivable/(Payable)	-	0.05			
7	GSPL India Gasnet LimitedL - GIG	Joint Venture of Holding Company	Asset Purchased	-	0.04			
			Recharge of Salary & Allowances - Income	-	0.09			
8	GSPL India Transco Limited - GITL	Joint Venture of Holding Company	Asset Purchased	-	0.11			
			Recharge of Salary & Allowances - Income	-	0.09			
			Asset - Sale	0.01	-			
9	Gujarat State Financial Services Limited - GSFS (upto 01.08.2016)	Enterprise where KMP has control / significant influence	Interest Income	0.35	-			
10	Gujarat Gas Limited Employee Stock Option Welfare Trust	Enterprise controlled by the company	Amount Received from Trust	3.01	0.45			
			Amount paid to Trust [Excluding adjustment of Rs.0.17 Crs for transfer to General Reserve]	-	0.11			
			<b>Balance at the period end</b>					
			Amount Receivable/(Payable)	-	3.01	3.01		
11	Gujarat Gas Limited Employees Group Gratuity Scheme	Enterprise controlled by the company	Contribution Paid	9.65	1.88			
12	Mr.Nitin Patil- CEO (w.e.f 02.03.2016)	Key Managerial Person	Remuneration- Short Term Benefits - Rs. 0.79 Crores. Post Employment Benefit (Gratuity & PF Contribution) -Rs. 0.07 Crores.	0.86	0.07			
	Mr.PPG Sarma - CEO (upto 01.03.2016)		Remuneration	-	1.05			
13	Ms. P Subbalakshmi (related to Mr.PPG Sarma)	Relative of Key Managerial Person	Rent Paid	-	0.03			

**Notes**

- 1 GSPC Gas Company Limited Employees' Group Gratuity Scheme have been merged with Gujarat Gas Limited Employees Group Gratuity Scheme w.e.f 01.04.2016.
- 2 Shri. J.N.Singh, IAS was appointed director on board of GGL w.e.f. 25.04.2016. The sitting fees which becomes payable to him are directly deposited in Govt. Treasury Account.
- 3 Shri. T.Natarajan, IAS was appointed director on board of GGL w.e.f. 11.08.2016. The sitting fees which becomes payable to him are directly deposited in Govt. Treasury Account.
- 4 All transactions with related parties were carried out in the ordinary course of business and at arms length.

**Notes to Standalone financial statements for the year ended 31st March 2017****Note 50 Corporate Social Responsibility Expenditure**

As per Section 135 of the Companies Act, 2013, a company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. CSR expenditure is contain the following:

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
(1) Gross amount required to be spent by the company during the year.	6.86	5.08	0.93
(2) Amount spent during the year on:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	1.90	1.01	1.07

**Note 51 Segment Reporting**

The Company primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The MD/CEO of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment needs to be disclosed.

**Information about geographical areas**

- The Company does not have geographical distribution of revenue and hence segmentwise disclosure is not applicable to the Company.
- None of the company's assets are located outside India hence segmentwise disclosure is not applicable to the Company.

**Information about major customers**

None of the customers account for more than 10% of the revenue of the revenue of the company.

**Note 52 Disclosure on Specified Bank Notes (SBNs)**

Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016:

Particulars	(Rs. in Crores)		
	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	2,47,000	1,56,557	4,03,557
(+) Permitted receipts	41,57,85,093	43,06,08,756	84,63,93,849
(-) Permitted payments	-	7,48,970	7,48,970
(-) Amount deposited in Banks	41,60,32,093	42,96,43,090	84,56,75,183
Closing cash in hand as on 30.12.2016	-	3,73,253	3,73,253

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**Note 53 Transition to Ind AS:**

These financial statements, for the year ended 31 March 2017, are the first the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the "transition date"). In preparing the opening Ind AS balance sheet, the company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

**A Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from IGAAP to Ind AS.

**A1 Ind AS optional exemptions****A1.1 Business Combination**

Ind AS 101 permits an entity to apply the requirements of Ind AS 103 - Business combinations (Ind AS 103) prospectively from the transition date or opt for retrospective application of Ind AS 103. Retrospective application could be either done since



## Notes to Standalone financial statements for the year ended 31st March 2017

inception or from a date determined by the management. The exemption for past business combinations also applies to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

Accordingly, the Group has elected not to restate past business combinations with an acquisition date prior to the transition date. However, any consequential deferred tax adjustments as required by Ind AS) have been duly considered. An explanation of the same has been provided in the note no. 53.10 subsequently.

### A1.2 Share based payment

Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. The standard addresses three types of share-based payment transactions: equity-settled, cash-settled, and with cash alternatives. A first-time adopter is encouraged, but is not required, to apply Ind AS 102 to:

- (i) Equity instruments that vested before the transition date to Ind AS,
- (ii) Liabilities arising from share-based payment transactions that were settled before the transition date to Ind AS. The Company has elected to apply this exemption for its stock options which have vested prior to the transition date.

### A1.3 Leases

Ind AS 101 permits an entity to assess whether a contract or an arrangement contains a lease on the basis of facts and circumstances existing at the transition date to Ind AS. The Company has elected to apply this exemption for such contracts/arrangements.

### A1.4 Recognition of financial instruments through OCI

Ind AS 101 allows an entity to designate certain investments in equity instruments as fair valued through the OCI on the basis of the facts and circumstances at the transition date to Ind AS. The Company has elected to apply this exemption for its investment in equity instruments.

### A1.5 Disclosure of investments Associates

Under, Ind AS 101 an entity can determine the value of investment in a subsidiary, associate or joint arrangement as either of the below:

- Cost determined in accordance with Ind AS 27 (i.e. retrospective application of Ind AS 27)
- Fair value at the entity's date of transition to Ind AS
- Previous GAAP carrying amount
- Accordingly, if an entity chooses to measure its investment at fair value at the date of transition then that is deemed to be cost of such investment for the company and, therefore, it shall carry its investment at that amount (i.e. fair value at the date of transition) after the date of transition. The Company has elected to carry forward the previous GAAP amounts as the deemed cost for investment in equity shares of associates in the standalone financial statements.

## A2 Mandatory Exceptions

### A2.1 Embedded derivative

Under Ind AS 101, a first-time adopter shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date a reassessment is required by Ind AS 109 when there is a change in the terms of the contract that significantly modifies the cash flows. Accordingly the Company has applied this exception.

### A2.2 Estimates

An entity's estimates in accordance with Ind ASs at the transition date to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the transition date as these were not required under previous GAAP:

- Investment in financial instruments carried at FVTPL or FVTOCI; and
- Impairment of financial assets based on expected credit loss model
- Determination of the discounted value for financial instrument carried at amortised cost.

### A2.3 Classification and measurement of financial asset

Ind AS 101 provides exemption to certain classification and measurement requirement of financial assets under Ind AS 109, where these are impracticable to implement. Classification and measurement is done on the basis of facts and circumstances existing on the transition date. Accordingly the Company has determined classification of financial asset based on facts and circumstances existing on the transition date.



**Notes to Standalone financial statements for the year ended 31st March 2017**

**B Reconciliations between previous GAAP and Ind AS**

**B.1 Reconciliation of equity as at April 01, 2015**

(Rs. in Crores)

Particulars	Foot not Ref	Amount as per IGAAP*	Effects of Transition to Ind AS	Amount as per Ind AS
<b>I. ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, plant and equipment	1,2	4,320.01	(1.35)	4,318.66
(b) Capital work in progress		357.19	-	357.19
(c) Investment property	1	-	1.30	1.30
(d) Intangible assets		166.65	-	166.65
(e) Intangible assets under development		0.20	-	0.20
(f) Investment in associate		0.03	-	0.03
(g) Financial assets				
(i) Investments		162.00	-	162.00
(ii) Loans	4	29.98	1.23	31.21
(iii) Other financial assets	2	-	0.05	0.05
(h) Other non-current assets	2, 11	227.33	(7.29)	220.04
<b>Total Non-Current Assets</b>		<b>5,263.38</b>	<b>(6.06)</b>	<b>5,257.33</b>
<b>2 Current assets</b>				
(a) Inventories		41.09	-	41.09
(b) Financial Assets				
(i) Investments	3	936.99	0.34	937.33
(ii) Trade receivables		400.48	-	400.48
(iii) Cash and cash equivalents		234.59	-	234.59
(iv) Bank balances other than (iii) above		2.82	-	2.82
(v) Loans		1.45	-	1.45
(vi) Other financial assets	2,4	41.04	(1.22)	39.82
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	2	13.60	0.07	13.67
<b>Total Current Assets</b>		<b>1,672.06</b>	<b>(0.81)</b>	<b>1,671.25</b>
<b>TOTAL ASSETS</b>		<b>6,935.45</b>	<b>(6.87)</b>	<b>6,928.58</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity share capital		137.68	-	137.68
(b) Other Equity	11	1,853.21	(553.29)	1,299.92
<b>Total equity</b>		<b>1,990.89</b>	<b>(553.29)</b>	<b>1,437.60</b>
<b>2 Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	5	1,490.78	(2.12)	1,488.66
(b) Provisions		22.04	-	22.04
(c) Deferred tax liabilities (Net)	10	352.77	631.72	984.49
(d) Other non-current liabilities		-	-	-
<b>Total Non-Current Liabilities</b>		<b>1,865.58</b>	<b>629.60</b>	<b>2,495.19</b>
<b>Current liabilities</b>				
(a) Financial Liability				
(i) Borrowings		-	-	-
(ii) Trade payables	2	424.74	(0.04)	424.70
(iii) Other financial liabilities	6	2,613.68	(83.15)	2,530.53
(b) Other current liabilities		38.07	-	38.07
(c) Provisions		2.49	-	2.49
(d) Current Tax Liabilities (Net)		-	-	-
<b>Total Current Liabilities</b>		<b>3,078.98</b>	<b>(83.18)</b>	<b>2,995.79</b>
<b>Total liabilities</b>		<b>4,944.56</b>	<b>546.42</b>	<b>5,490.98</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,935.45</b>	<b>(6.87)</b>	<b>6,928.58</b>



**Notes to Standalone financial statements for the year ended 31st March 2017**

**B.2 Reconciliation of equity as at March 31, 2016**

(Rs. in Crores)

Particulars	Foot not Ref	Amount as per IGAAP*	Effects of Transition to Ind AS	Amount as per Ind AS
<b>I. ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, plant and equipment	1,2	4,471.99	(1.27)	4,470.72
(b) Capital work in progress		467.96	-	467.96
(c) Investment property	1	-	1.30	1.30
(d) Intangible assets		202.16	-	202.16
(e) Intangible assets under development		0.20	-	0.20
(f) Investment in associate		0.03	-	0.03
(g) Financial assets		-	-	-
(i) Investments	7	162.00	(41.56)	120.44
(ii) Trade receivables		-	-	-
(iii) Loans	4	47.05	2.76	49.81
(iv) Other financial assets	2	-	0.05	0.05
(h) Other non-current assets	2, 11	288.92	(18.20)	270.72
<b>Total Non-Current Assets</b>		<b>5,640.31</b>	<b>(56.92)</b>	<b>5,583.39</b>
<b>2 Current assets</b>				
(a) Inventories		41.34	-	41.34
(b) Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade receivables		300.49	-	300.49
(iii) Cash and cash equivalents		22.73	-	22.73
(iv) Bank balances other than (iii) above		45.11	-	45.11
(v) Loans		2.47	-	2.47
(vi) Other financial assets	2,4	35.55	(2.74)	32.81
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	2	21.61	0.11	21.72
<b>Total Current Assets</b>		<b>469.30</b>	<b>(2.63)</b>	<b>466.67</b>
<b>TOTAL ASSETS</b>		<b>6,109.61</b>	<b>(59.55)</b>	<b>6,050.06</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity share capital		137.68	-	137.68
(b) Other Equity	11	1,965.09	(593.30)	1,371.79
<b>Total equity</b>		<b>2,102.77</b>	<b>(593.30)</b>	<b>1,509.47</b>
<b>2 Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	5	1,707.56	(0.98)	1,706.58
(ii) Other financial liabilities		-	-	-
(b) Provisions		25.25	-	25.25
(c) Deferred tax liabilities (Net)	10	410.28	576.21	986.49
(d) Other non-current liabilities		-	-	-
<b>Total Non-Current Liabilities</b>		<b>2,143.09</b>	<b>575.23</b>	<b>2,718.32</b>
<b>Current liabilities</b>				
(a) Financial Liability				
(i) Borrowings		-	-	-
(ii) Trade payables	2	251.51	(0.05)	251.46
(iii) Other financial liabilities	6	1,540.05	(41.43)	1,498.62
(b) Other current liabilities		60.77	-	60.77
(c) Provisions		11.42	-	11.42
(d) Current Tax Liabilities (Net)		-	-	-
<b>Total Current Liabilities</b>		<b>1,863.75</b>	<b>(41.48)</b>	<b>1,822.27</b>
<b>Total liabilities</b>		<b>4,006.83</b>	<b>533.75</b>	<b>4,540.59</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,109.61</b>	<b>(59.55)</b>	<b>6,050.06</b>



**Notes to Standalone financial statements for the year ended 31st March 2017**

**B.3 Reconciliation of profit or loss for the year ended 31 March, 2016**

(Rs. in Crores)

Particulars	Foot not Ref	Amount as per IGAAP*	Effects of Transition to Ind AS	Amount as per Ind AS
<b>Revenue</b>				
I. Revenue from Operations	8	6,105.58	139.90	6,245.48
II Other income		44.50	-	44.50
<b>III. Total Income (I+II)</b>		<b>6,150.09</b>	<b>139.90</b>	<b>6,289.98</b>
<b>IV Expenses</b>				
Cost of materials consumed		4,909.73	-	4,909.73
Purchase of Stock-in -trade		4.39	-	4.39
Changes in inventories of natural gas		0.31	-	0.31
Employee Benefits Expenses	9	131.67	(2.94)	128.73
Finance costs	5	246.02	1.42	247.44
Depreciation and Amortization Expenses	2	245.69	(0.28)	245.42
Excise Duty	8	-	139.90	139.90
Other Expenses	2,3	334.40	0.33	334.73
<b>Total Expenses (IV)</b>		<b>5,872.21</b>	<b>138.43</b>	<b>6,010.65</b>
V. Profit/(Loss) Before Exceptional Items and Tax		277.89	1.45	279.33
VI. Exceptional Items		25.62	-	25.62
<b>VII.Profit/(Loss) Before Tax (V-VI)</b>		<b>252.26</b>	<b>1.45</b>	<b>253.71</b>
<b>VIII. Tax expense:</b>				
Current Tax		52.36	-	52.36
Adjustments of tax for earlier years		(0.25)	-	(0.25)
Deferred Tax	10	57.52	(33.92)	23.60
Less: MAT credit entitlement		(10.33)	-	(10.33)
<b>IX. (Profit)/Loss for the period (VII-VIII)</b>		<b>152.96</b>	<b>35.36</b>	<b>188.33</b>
X. Other comprehensive income				
A. (i) Items that will not be reclassified to profit or loss	7,9	-	(44.59)	(44.59)
(ii) Income tax related to items that will not be reclassified to profit or loss	7,9	-	10.64	10.64
B. (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax related to items that will be reclassified to profit or loss		-	-	-
<b>Other comprehensive income</b>		-	(33.95)	(33.95)
<b>XI. Total comprehensive income for the period (IX+X)</b>		<b>152.96</b>	<b>1.42</b>	<b>154.39</b>

\*IGAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.



## Notes to Standalone financial statements for the year ended 31st March 2017

### Footnotes to the above reconciliation are as under:

#### 1) Investment property

Under Ind AS, land and building held to earn rental income or for capital appreciation or both, rather than for use in production or supply of goods and services or sale in the ordinary course of business are to be classified as Investment Property. Under the IGAAP, investment properties were presented as part of Freehold Land. The Company has reclassified land valuing Rs 1.30 Crores as Investment property. However, there is no impact on the total equity or profit as a result of this adjustment.

#### 2) Own your asset scheme (OYAS)

Under IGAAP, assets given to employees under OYAS scheme were reflected as fixed assets and depreciated over their respective useful lives. Under Ind AS, this has been accounted as a finance lease and the WDV of the underlying assets has been derecognised. The difference between the cost of the asset and present value of the consideration received in the future has been recognised as an employee cost over the period. The consideration due from the employees over the period has been recognised as receivable. Consequently an amount of Rs 0.39 crores has been derecognised from PPE on the transition date. The total equity of the Company reduced by Rs 0.03 Crore as on the transition date. The impact of reversal of the depreciation and the employee cost are similar to each other for the year ended 31st March 2016, hence there is no significant impact on equity as on 31st March 2016.

#### 3) Fair valuation of investments in mutual funds

Under IGAAP, the company accounted for short term investments in mutual funds at cost. Under Ind AS, the company has designated such investments as FVTPL investments. Carrying value of investments in mutual fund was Rs. 936.99 Crores as per previous GAAP on the date of transition. Consequently the value of total equity on the transition date has increased by Rs. 0.22 Crores (net of tax) while the value of investment have increased by Rs 0.34 crores.

#### 4) Interest accrued but not due

Under IGAAP, the company has invested in fixed deposits with the banks. The interest is accrued on the same at each reporting date which is disclosed separately as interest accrued and due separate from the fixed deposit. Under Ind AS, the fixed deposits are to be reported at amortised cost. Accordingly interest accrued but not due of Rs 1.24 Crores and Rs. 2.76 Crores as on the transition date and 31st March 2016 respectively has been reclassified to respective fixed deposits. There is no impact on the total equity or profit as a result of this adjustment.

#### 5) Interest bearing loans and borrowings

Under IGAAP, transaction costs incurred in connection with interest bearing loans and borrowings were charged to profit or loss when incurred. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the EIR method. Accordingly the total equity increased by Rs 1.57 Crores on the transition date and Rs 0.64 Crores on 31st March 2016. The profit for the year ended 31st March 2016 reduced by Rs 0.93 Crores as a result of additional interest expense.

#### 6) Proposed Dividend and Tax thereon

Under IGAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly the liability proposed dividend of Rs 41.43 as at 31 March 2016 and Rs 82.85 as on the transition date included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

#### 7) FVTOCI financial assets

Under IGAAP, the company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the company has designated such investments as FVTOCI investments. At the transition date, difference between the fair value and IGAAP carrying amount has been recognised as a separate component of equity, net of related deferred taxes. This has resulted in a decrease in total equity by Rs 31.97 Crores on 31 March 2016 (net of tax).

#### 8) Accounting for excise duty on sale of goods

Under IGAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty which is considered as an expense. Thus sale of goods for the financial year 2015-16 under Ind AS has increased by Rs. 139.90 Crores with a corresponding increase in other expense. This adjustment has no impact on the total equity on the transition date as well as 31 March 2016.

#### 9) Employee benefits

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under IGAAP, these remeasurements were forming part of the profit or loss for the year. This adjustment has no impact on the total equity on the transition date as well as 31 March 2016.

#### 10) Deferred tax assets (net)

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on certain temporary differences which was not required under IGAAP as discussed below. Further, company has reclassified MAT credit entitlement to deferred tax assets.



**Notes to Standalone financial statements for the year ended 31st March 2017**

**The changes in deferred tax liability is as follows:**

(Rs. in Crores)

Particulars	Note	31-Mar-16	01-Apr-15
DT on FV of assets acquired in the merger	10(a)	(607.44)	(641.89)
Impact on account of OYAS	2	0.02	0.02
FV movement for investment in Mutual Funds	3	-	(0.12)
Reclassification of Lease hold land		3.53	3.63
Amortisation of transaction costs of Interest bearing loans and borrowing	5	(0.34)	(0.83)
Reclassification of MAT	10	18.44	7.47
FV of Investment in equity shares	7	9.59	-
Change in deferred tax liability		(576.21)	(631.72)

**10 (a) Deferred tax on temporary differences on account of scheme**

The composite Scheme of Amalgamation and Arrangement resulting in merger of GSPC Gas Company Limited ("GSPC Gas"), Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL"), Gujarat Gas Trading Company Limited ("GTCL") and GSPC Distribution Networks Limited ("GDNL") (consequently renamed to Gujarat Gas Limited ("GGL")) was accounted using purchase method wherein all tangible as well as intangible assets were acquired at fair values as prescribed in the scheme approved by Hon'ble High court of Gujarat. The carrying amounts of these assets for tax purposes remained unchanged. Under IGAAP, based on the principles of AS 22 - Income taxes, being permanent difference no deferred tax was created on difference of fair value and book value as the differences arose on balance sheet items. Ind AS 12 - Income taxes, mandates creation of deferred tax on temporary differences based on difference in book base and tax base including those arising on account of a fair valuation of assets due to business combination. Consequently, a deferred tax liability of Rs 641.89 Crores through the reserves has been accounted for on the transition date i.e. 01 April 2015 to Ind AS. The impact of this on 31 March 2016 is Rs 607.44 Crores with the difference of Rs. 34.46 Crores has been reversed through the statement of profit and loss.

**11) Equity**

The Impact of the above Ind AS adjustments on equity is as below:

(Rs. in Crores)

Particulars	Note	31-Mar-16	01-Apr-15
<b>IGAAP Equity (A)</b>		<b>2,102.77</b>	<b>1,990.89</b>
<b>Ind AS adjustments</b>			
<b>Comprehensive Income</b>			
DT on FV of assets acquired in the merger	10	(607.44)	(641.89)
Impact on account of OYAS	2	(0.03)	(0.03)
FV movement for investment in Mutual Funds	3	-	0.22
Impact on account of reclass of lease hold land		4.06	3.98
Amortisation of transaction costs of Interest bearing loans and borrowing	5	0.64	1.57
Reversal of proposed dividend	6	41.43	82.85
Reclassification of Actuarial gains and losses to OCI	9	1.98	-
<b>Total Adjustments accounted through P&amp;L (B)</b>		<b>(559.35)</b>	<b>(553.30)</b>
<b>Other comprehensive income</b>			
FV of Investment in equity instruments	7	(31.97)	-
Reclassification of Actuarial gains/(losses) to OCI	9	(1.98)	-
<b>Total Adjustments accounted through OCI (C)</b>		<b>(33.95)</b>	<b>-</b>
<b>Total impact on account of Ind AS adjustments (D) = (B) + (C)</b>		<b>(593.31)</b>	<b>(553.30)</b>
<b>Equity after Ind AS adjustments (E) = (A) + (D)</b>		<b>1,509.47</b>	<b>1,437.60</b>

**Notes to Standalone financial statements for the year ended 31st March 2017****C Cash flow statement**

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

**Note 54 Previous year figures**

Figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

The Accompanying Notes are an integral part of the financial Statements.

As per our report attached

**For Manubhai & Shah LLP**

**Chartered Accountants**

ICAI Firm Reg. No. 106041W/W100136

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

**G.R.Parmar**

Partner

M. No. : 121462

Place : Ahmedabad

Date : 24 May 2017

**Dr. J. N. Singh, IAS**

Chairman

**Nitin Patil**

Chief Executive Officer

**Dr. T. Natarajan, IAS**

Director

**Nitesh Bhandari**

Chief Financial Officer

**Jal Patel**

Director

**Rajeshwari Sharma**

Company Secretary

Place : Gandhinagar

Date : 24 May 2017

**Notes to Standalone financial statements for the year ended 31st March 2017****Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures****Part "B": Associates****(Rs. in Crores)**

<b>Name of Associates</b>	<b>Guj Info Petro Limited</b>
1. Latest audited Balance Sheet Date	31-03-2017
2. Shares of Associate held by the company on the year end	25,000
Amount of Investment in Associate	0.03
Extend of Holding %	49.94%
3. Description of how there is significant influence	Through voting power
4. Reason why the associate is not consolidated	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	As per Ind-AS-28 equity method is followed
6. Profit / Loss for the year	
i. Considered in Consolidation	1.35
i. Not Considered in Consolidation	-

**For Manubhai & Shah LLP****Chartered Accountants**

ICAI Firm Reg. No. 106041W/W100136

**G.R.Parmar**

Partner

M. No. : 121462

Place : Ahmedabad

Date : 24 May 2017

**For and on behalf of Board of Directors****Dr. J. N. Singh, IAS**

Chairman

**Nitin Patil**

Chief Executive Officer

**Dr. T. Natarajan, IAS**

Director

**Nitesh Bhandari**

Chief Financial Officer

**Jal Patel**

Director

**Rajeshwari Sharma**

Company Secretary

Place : Gandhinagar

Date : 24 May 2017

**REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA****COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH THE SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2017**

The preparation of consolidated financial statements of **Gujarat Gas Limited** for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) 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 their Audit Report dated 24 May 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of **Gujarat Gas Limited** for the year ended 31 March 2017. We conducted a supplementary audit of the financial statements of **Gujarat Gas Limited**, but did not conduct supplementary audit of the financial statements of **Guj Info Petro Limited** for the year ended on that date. Further, section 139(5) and 143(6)(b) of the Act are not applicable to **Gujarat Gas Limited Employees Welfare Stock Option Trust** being private entity, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company. 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 a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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

**(Gurveen Sidhu)  
Accountant General (E&RSA), Gujarat**

**Place : Ahmedabad  
Date : 01/08/2017**



## INDEPENDENT AUDITOR'S REPORT

**To**  
**The Members of**  
**Gujarat Gas Limited**  
**(Formerly known as GSPC Distribution Networks Limited)**

### **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of **Gujarat Gas Limited** (Formerly known as GSPC Distribution Networks Limited) ("the Holding Company") and Guj Info Petro Limited (associate of the holding company) and Gujarat Gas Limited Employee Stock Option Welfare Trust (Controlled Trust) (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS Financial Statements").

### **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of the consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with relevant rules issued thereunder.

The respective Board of Directors of the Companies and entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated Ind AS financial statements based on our audit. While conducting the 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 in accordance with the Standards on Auditing 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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 including Ind AS, of the consolidated financial position of the Group as at 31st March 2017, and their consolidated financial performance including other comprehensive income, their consolidated cash flows and their consolidated statement of changes in equity for the year ended on that date.



## INDEPENDENT AUDITOR'S REPORT

### Other Matters

We did not audit the financial statement of associate company and controlled trust,

- a. From which the share of total comprehensive income of ₹ 1.33 Crores being share for the financial year 2016-17, share of total comprehensive income of ₹ 2.15 Crores being share for the financial year 2015-16 and share of accumulated retained earnings of ₹ 19.89 Crores up to 31st March 2015 have been considered in the consolidated Ind AS financial statements, and
- b. Whose financial statement reflect total assets of ₹ 3.68 Crores as at 31st March 2017, total revenues of ₹ 0.02 Crore and net cash flows amounting to ₹ 3.54 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements.

The financial statement of the associate company and controlled trust have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate company and controlled trust and our report in terms of sub-section (3) of section 143 of the Act, insofar as it relates to the aforesaid associate company, is based solely on the report of other auditor.

The Comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us for the year ended 31st March 2016 vide report dated 17th May 2016 and for the year ended 31st March 2015 vide our report dated 13th August 2015 expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the Consolidated Ind AS Financial Statement, and our report on Other Legal and Regulatory Requirement below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
  - e) As the Holding Company is a Government Company, in terms of notification no. G.S.R 463(E) dated 5th June 2015, issued by Ministry of Corporate Affairs, the sub-section (2) of section 164 of the Act is not applicable. Based on the report of the Statutory Auditor of the associate company, none of the directors of the associate company, is disqualified as on 31st March 2017 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 and the operating effectiveness of such controls, refer to our report in "Annexure – A", which is based on the auditor's reports of the Holding company and associated company incorporated in India.
  - g) With respect to the 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 consolidated Ind AS financial statements disclose the impact of pending litigations on consolidated financial position of the Group in its consolidated Ind AS financial statements. Refer Note 43 to the consolidated Ind AS financial statements.
    - ii. The Group 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 Holding Company and associate company incorporated in India.

**INDEPENDENT AUDITOR'S REPORT**

- iv. The Company has provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation of the Holding Company and auditor's report of associate company, we report that the disclosures are in accordance with the books of accounts maintained by the Group as produced to us by the Management. Refer Note 52 to the consolidated Ind AS financial statements.

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
**ICAI Firm Regn. No. 106041W/W100136**

**(G. R. Parmar)**  
**Partner**  
**Membership No. 121462**

**Place: Ahmedabad**  
**Date: 24 May 2017**



## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE – A

#### TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1 (f) under "Report on Other Legal and Regulatory Requirements" section of our Independent Auditor's Report, of even date, to the members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) on Consolidated Ind AS Financial Statements for the year ended 31 st March 2017)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 st March 2017, we have audited the internal financial controls over financial reporting of **Gujarat Gas Limited** (Formerly known as GSPC Distribution Networks Limited) ("**the Holding Company**") and its **Associate Company, Guj Info Petro Limited (GIPL)** which is company incorporated in India, as of that date.

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

The Respective Board of Directors of the Holding Company and its Associate company, which is company incorporated in India, are 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 ("ICAI"). 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 respective 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.

#### **Auditor's 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") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 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 and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, 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.



## INDEPENDENT AUDITOR'S REPORT

### **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 Holding Company and its associate company, which is company incorporated in India, have, 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 31st March 2017, 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 ICAI.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its associate company, which is a Company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
**ICAI Firm Regn. No. 106041W/W100136**

**(G. R. Parmar)**  
**Partner**  
**Membership No. 121462**

**Place: Ahmedabad**  
**Date: 24 May 2017**



## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

(Rs. in Crores)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>I. ASSETS</b>				
<b>1 Non-Current Assets</b>				
(a) Property, plant and equipment	3.1	4,631.69	4,470.72	4,318.66
(b) Capital work in progress	3.2	504.90	467.96	357.19
(c) Investment property	4	1.30	1.30	1.30
(d) Intangible assets	5.1	269.99	202.16	166.65
(e) Intangible assets under development	5.2	0.82	0.20	0.20
(f) Investment in equity accounted investee	6	23.39	22.07	19.92
(g) Financial assets				
(i) Investments	7	68.25	120.44	162.00
(ii) Loans	8	65.36	47.23	28.20
(iii) Other financial assets	9	0.03	0.05	0.05
(h) Other non-current assets	10	282.57	270.72	220.04
<b>Total Non-Current Assets</b>		<b>5,848.30</b>	<b>5,602.85</b>	<b>5,274.21</b>
<b>2 Current Assets</b>				
(a) Inventories	11	41.65	41.34	41.09
(b) Financial Assets				
(i) Investments	12	-	-	937.33
(ii) Trade receivables	13	347.51	300.49	400.48
(iii) Cash and cash equivalents	14	21.16	22.87	234.67
(iv) Bank balances other than (iii) above	15	43.34	45.11	2.82
(v) Loans	16	1.43	2.04	1.45
(vi) Other financial assets	17	46.53	32.81	39.82
(c) Other current assets	18	25.48	21.72	13.67
<b>Total Current Assets</b>		<b>527.10</b>	<b>466.38</b>	<b>1,671.33</b>
<b>TOTAL ASSETS</b>		<b>6,375.40</b>	<b>6,069.23</b>	<b>6,945.54</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity share capital	19	137.68	137.68	137.68
(b) Other Equity	20	1,526.04	1,385.61	1,311.93
<b>Total Equity</b>		<b>1,663.72</b>	<b>1,523.29</b>	<b>1,449.61</b>
<b>2 Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	21	2,291.41	1,706.58	1,488.66
(b) Provisions	22	30.80	25.25	22.04
(c) Deferred tax liabilities (Net)	23	989.65	990.98	988.54
<b>Total Non-Current Liabilities</b>		<b>3,311.86</b>	<b>2,722.81</b>	<b>2,499.24</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	24	7.28	-	-
(ii) Trade payables	25	317.41	252.32	425.60
(iii) Other financial liabilities	26	989.63	1,498.62	2,530.53
(b) Other current liabilities	27	59.50	60.77	38.07
(c) Provisions	28	9.14	11.42	2.49
(d) Current Tax Liabilities (Net)	29	16.86	-	-
<b>Total Current Liabilities</b>		<b>1,399.82</b>	<b>1,823.13</b>	<b>2,996.69</b>
<b>Total Liabilities</b>		<b>4,711.68</b>	<b>4,545.94</b>	<b>5,495.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,375.40</b>	<b>6,069.23</b>	<b>6,945.54</b>

See accompanying notes to the financial statements

As per our report attached  
**For Manubhai & Shah LLP**  
**Chartered Accountants**  
ICAI Firm Reg. No. 106041W/W100136

For and on behalf of Board of Directors

**Dr. J. N. Singh, IAS**  
Chairman

**Dr. T. Natarajan, IAS**  
Director

**Jal Patel**  
Director

**G.R.Parmar**  
Partner  
M. No. : 121462

**Nitin Patil**  
Chief Executive Officer

**Nitesh Bhandari**  
Chief Financial Officer

**Rajeshwari Sharma**  
Company Secretary  
Place : Gandhinagar  
Date : 24 May 2017

Place : Ahmedabad  
Date : 24 May 2017

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH 2017**

(Rs. in Crores)

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Revenue</b>			
I. Revenue from Operations	30	5,237.87	6,245.48
II. Other income	31	26.34	44.51
<b>III. Total Income (I+II)</b>		<b>5,264.21</b>	<b>6,289.99</b>
<b>IV. Expenses</b>			
Cost of materials consumed	32	3,838.04	4,909.73
Purchase of Stock-in -trade	33	-	4.39
Changes in inventories of natural gas	34	(0.13)	0.31
Employee Benefits Expenses	35	128.21	128.73
Finance Costs	36	208.96	247.44
Depreciation and Amortization Expenses	37	257.33	245.42
Excise Duty		145.26	139.90
Other Expenses	38	383.20	334.73
<b>Total Expenses (IV)</b>		<b>4,960.87</b>	<b>6,010.65</b>
V. Profit/(Loss) Before Exceptional Items and Tax(III-IV)		303.34	279.34
VI. Exceptional Items	39	-	25.62
<b>VII. Profit/(Loss) Before Tax and share of profit of associate (V-VI)</b>		<b>303.34</b>	<b>253.72</b>
Add: Share of net profit of equity accounted investee		1.35	2.14
<b>VIII. Profit/(Loss) Before Tax</b>		<b>304.69</b>	<b>255.86</b>
<b>IX. Tax expense:</b>	40		
Current Tax		64.94	52.11
Deferred Tax		19.16	13.71
<b>X. Profit/(Loss) for the period (VIII-IX)</b>		<b>220.59</b>	<b>190.04</b>
<b>XI. Other comprehensive income</b>	41		
A. (i) Items that will not be reclassified to profit or loss		(56.11)	(44.59)
(ii) Income tax related to items that will not be reclassified to profit or loss		13.44	10.64
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax related to items that will be reclassified to profit or loss		-	-
Share of Other comprehensive income of equity accounted investee		(0.02)	0.01
<b>Total other comprehensive income</b>		<b>(42.69)</b>	<b>(33.94)</b>
<b>XII. Total comprehensive income for the period (X+XI)</b>		<b>177.90</b>	<b>156.10</b>
Earnings per equity share of FV of Rs 10 each	42		
Basic		16.02	13.80
Diluted		16.02	13.80
See accompanying notes to the financial statements			

As per our report attached

**For Manubhai & Shah LLP****Chartered Accountants**

ICAI Firm Reg. No. 106041 W/W100136

**For and on behalf of Board of Directors****Dr. J. N. Singh, IAS**  
Chairman**Dr. T. Natarajan, IAS**  
Director**Jal Patel**  
Director**G.R.Parmar**  
Partner  
M. No. : 121462**Nitin Patil**  
Chief Executive Officer**Nitesh Bhandari**  
Chief Financial Officer**Rajeshwari Sharma**  
Company SecretaryPlace : Ahmedabad  
Date : 24 May 2017Place : Gandhinagar  
Date : 24 May 2017

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017**

(Rs. in Crores)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	303.34	253.72
<b>Adjustments for:</b>		
Depreciation	257.33	245.42
Loss on sale / disposal of fixed assets	9.76	8.86
Profit/(Loss) on sale as scrap and diminution in Capital Inventory	0.32	(0.16)
Provision for Doubtful Trade Receivables / Advances / Deposits	4.16	1.79
Finance Costs	208.96	247.44
Provision / liability no longer required	(1.09)	(1.53)
Loss on Sale of Investments	-	0.05
Dividend Income	-	(11.06)
Interest Income	(20.44)	(27.47)
<b>Operating Profit before Working Capital Changes</b>	<b>762.34</b>	<b>717.06</b>
<b>Adjustments for changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	(47.55)	99.46
(Increase)/Decrease in Other - Non Current Assets	(32.00)	(26.79)
(Increase)/Decrease in Other financial assets-Non-current	0.02	-
(Increase)/Decrease in Short Terms Loans and Advances	0.61	(0.24)
(Increase)/Decrease in Other Current Assets	(3.76)	(8.05)
(Increase)/Decrease in Other financial assets-Current	(13.72)	7.01
(Increase)/Decrease in Inventories	(0.31)	(0.25)
(Increase)/Decrease in Long-term loan and advances	(21.76)	(19.03)
<b>Changes in Trade and Other Receivables</b>	<b>(118.47)</b>	<b>52.11</b>
Increase/(Decrease) in Trade Payables	66.19	(173.27)
Increase/(Decrease) in Other current Liabilities	41.93	66.92
Increase/(Decrease) in Other Non Financial current Liabilities	(1.27)	22.70
Increase/(Decrease) in Short-term provisions	(2.28)	8.93
Increase/(Decrease) in Long-term provisions	1.63	0.18
<b>Changes in Trade and Other Payables</b>	<b>106.20</b>	<b>(74.54)</b>
<b>Cash Generated from Operations</b>	<b>750.07</b>	<b>694.63</b>
Income tax paid ( Net of refunds)	(48.89)	(57.60)
<b>Net Cash from Operating Activities</b>	<b>701.18</b>	<b>637.02</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Property, plant and equipments/Intangible assets including capital work in progress and capital advances.	(481.16)	(558.52)
Proceeds from sale of current Investment	-	937.28
Deposits with original maturity of more than three months	1.77	(42.29)
Interest Received	20.44	27.47
Proceeds from sale of Property, plant and equipments	0.13	0.21
Dividend Income	-	11.06
<b>Net Cash used in Investing Activities</b>	<b>(458.82)</b>	<b>375.21</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017**

(Rs. in Crores)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term borrowings	1,099.96	1,277.77
Repayment of Long-term borrowings	(1,082.37)	(2,166.97)
Treasury Shares sold during the period	3.96	0.08
Interest Paid	(231.55)	(251.84)
Dividend Paid (including tax thereon)	(41.35)	(83.07)
<b>Net Cash from Financing Activities</b>	<b>(251.35)</b>	<b>(1,224.03)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(8.99)</b>	<b>(211.80)</b>
Cash and Cash Equivalents at the beginning of the year	22.87	234.67
Cash and Cash Equivalents at the end of the year	13.88	22.87
<b>Closing Cash and Cash Equivalents comprise:</b>		
Cash in hand	1.22	0.95
Balances with Scheduled Banks	19.94	21.92
Balances in Bank Overdraft / Cash Credit	(7.28)	-
<b>Total</b>	<b>13.88</b>	<b>22.87</b>

**Notes to Cash Flow Statement:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard IND AS - 7 on Cash Flow Statements.
- Purchase of fixed assets are stated inclusive of movements of capital work in progress, assets under development and capital advances.
- Previous year figures have been regrouped and reclassified wherever considered necessary to conform to the current year's figures.
- In Part A of the cash flow statement, figures in brackets indicate deductions made from the Net Profit for deriving the Net cash flow from operating activities. In Part B and Part C, figures in bracket indicate cash-outflow.

As per our report attached

**For Manubhai & Shah LLP****Chartered Accountants**

ICAI Firm Reg. No. 106041W/W100136

**For and on behalf of Board of Directors****Dr. J. N. Singh, IAS**

Chairman

**Dr. T. Natarajan, IAS**

Director

**Jal Patel**

Director

**G.R.Parmar**

Partner

M. No. : 121462

**Nitin Patil**

Chief Executive Officer

**Nitesh Bhandari**

Chief Financial Officer

**Rajeshwari Sharma**

Company Secretary

Place : Ahmedabad

Date : 24 May 2017

Place : Gandhinagar

Date : 24 May 2017



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED 31ST MARCH 2017**

		(Rs. in Crores)							
		As at 31st March 2017	As at 1st April 2015						
<b>(a) Equity Share Capital</b>									
Equity share capital									
Balance at the beginning of the reporting period		137.68	137.68						
Changes in equity share capital during the year		-	-						
Balance at the end of the reporting period		137.68	137.68						
<b>(b) Other equity</b>									
		(Rs. in Crores)							
	Attributable to the equity holders of the Group			Total Other Equity					
	Reserves & Surplus								
	Amalgamation Arrangement & Reserve	Employees Stock Options Outstanding	Debt Redemption Reserve (DRR)	Treasury Shares	General Reserve	Retained Earnings	Items of Other Comprehensive Income	Equity Instruments through OCI	
<b>Balance at April 1, 2015 (A)</b>	879.59	0.31	125.00	(4.04)	2.06	309.01	-	-	1,311.93
Profit for the year	-	-	-	-	-	190.04	-	-	190.04
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Items of OCI recognised directly in retained earnings	-	-	-	-	-	-	-	-	-
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year (B)</b>	-	-	-	-	-	(1.97)	-	-	(1.97)
Exercise of Share options	-	0.15	-	-	-	-	-	-	0.15
Expense during the year	-	0.01	-	-	-	-	-	-	0.01
Adjustment on exercise of option during the year	-	(0.30)	-	-	-	-	-	-	(0.30)
Adjustment of stock option outstanding account/advance to ESOP trust	-	-	-	-	0.49	-	-	-	0.49
Dividend	-	-	-	-	-	(68.84)	-	-	(68.84)
Treasury Shares sold during the period	-	-	-	0.08	-	-	-	-	0.08
Dividend Distribution Tax (DDT)	-	-	-	-	-	(14.01)	-	-	(14.01)
<b>Total (C)</b>	-	(0.14)	-	0.08	0.49	(82.85)	-	-	(82.42)
<b>Balance at March 31, 2016 (A+B+C)</b>	879.59	0.17	125.00	(3.96)	2.55	414.23	-	-	1,385.61
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period (D)</b>	879.59	0.17	125.00	(3.96)	2.55	414.23	-	-	1,385.61
Profit for the year	-	-	-	-	-	220.59	-	-	220.59
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Items of OCI recognised directly in retained earnings	-	-	-	-	-	-	-	-	-
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year (E)</b>	-	-	-	-	-	(2.58)	-	-	(2.58)
Exercise of Share options	-	-	-	-	-	-	-	-	-
Expense during the year	-	(0.17)	-	-	0.17	-	-	-	-
Adjustment on exercise of option during the year	-	-	-	-	-	-	-	-	-
Adjustment of stock option outstanding account/advance to ESOP trust	-	-	-	-	-	-	-	-	-
DRR Transferred to retained earnings	-	-	(125.00)	-	-	125.00	-	-	-
Dividend	-	-	-	3.96	-	(34.42)	-	-	(34.42)
Treasury Shares sold during the period	-	-	-	-	-	-	-	-	-
Dividend Distribution Tax (DDT)	-	-	-	-	-	(7.01)	-	-	(7.01)
<b>Total (F)</b>	-	(0.17)	(125.00)	3.96	0.17	83.57	-	-	(37.47)
<b>Balance at March 31, 2017 (D+E+F)</b>	879.59	-	-	-	2.72	715.81	-	-	1,526.04

**Note (D):** The "Amalgamation and Arrangement Reserve" created pursuant to scheme of amalgamation and arrangement is treated as free reserve based on the judgment of Honourable Gujarat High Court dated 18th April 2015 read with relevant other court decisions.

**Note (H):** The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve.

As per our report attached  
**For Manubhai & Shah LLP**  
**Chartered Accountants**  
 ICAL Firm Reg No. 106041W/100136  
**G.R.Parmar**  
 Partner  
 M. No. : 121462  
 Place : Ahmedabad  
 Date : 24 May 2017

**For and on behalf of Board of Directors**  
**Dr. J. N. Singh, IAS**  
 Director  
**Dr. T. Natarajan, IAS**  
 Director  
**Jal Patel**  
 Director  
**Nitin Patil**  
 Chief Executive Officer  
**Nitesh Bhandari**  
 Chief Financial Officer  
**Rajeshwari Sharma**  
 Company Secretary

Place : Gandhinagar  
 Date : 24 May 2017

**Authorization of Financial Statements:**

The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 24th May 2017.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2017****Note 1 Corporate Information****1. Corporate Information**

- a) Gujarat Gas Limited (GGL or "Company") formerly known as GSPC Distribution Networks Limited (GDNL) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. GGL is a Government Company U/S 2(45) of Companies Act 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in Natural Gas Business in India. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The company came into existence through the scheme of amalgamation and arrangement which was sanctioned by the Hon'ble Gujarat High Court at Ahmedabad vide its order dated 30th March 2015 between the following transferors companies -

1. GSPC Gas Company Limited (GSPC Gas)
  2. Gujarat Gas Company Limited (GGCL)
  3. Gujarat Gas Financial Services Limited (GFSL)
  4. Gujarat Gas Trading Company Limited (GTCL)
- (Collectively called Transferor Companies)

with Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited-GDNL) (the transferee) under the Scheme of Amalgamation and Arrangement with appointed date as 1st April, 2013. Subsequently, the company's name has been changed from GSPC Distribution Networks Limited to Gujarat Gas Limited (GGL) with effect from 15th May 2015.

**Note 2 Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of Preparation**

- (i) Statement of Compliance with Ind AS

The consolidated financial statements have been prepared in accordance and compliance of all material aspects of Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements for the all periods up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and read with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) and other relevant provisions.

**First-time adoption of Ind-AS**

The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards including relevant clarifications issued by Ind AS Transition Facility Group (ITFG) on various issues. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

These consolidated financial statements for the year ended 31 March 2017 are the first consolidated financial statements of the Group under Ind AS. The date of transition to Ind AS is 1st April, 2015. Reconciliations and descriptions of the effect of the transition has been summarized in note 53 for an explanation of how the transition from Indian GAAP (IGAAP) to Ind AS has affected the Group's financial position, financial performance and cash flows.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

- (ii) Historical cost convention



The financial statements are prepared on accrual basis of accounting under historical cost convention, except for the following:

- certain financial assets and liabilities measured at fair value;
- defined benefit plans – plan assets measured at fair value; and
- Share based payments

(iii) Principles of consolidation and equity accounting

The consolidated Financial Statements of the company represents consolidation of its Financial Statements with Gujarat Gas Limited Employees Welfare Stock Option Trust, a subsidiary and Guj Info Petro Limited (GIPL), an associate company (collectively referred to as 'the Group').

**Subsidiaries**

Name of the Undertaking	Relationship	Country of Incorporation	Proportionate beneficial ownership interest/voting power
Gujarat Gas Limited Employees Welfare Stock Option Trust	100% Sole beneficiary	India	100%
Guj Info Petro Limited (GIPL)	Associate	India	49.94%

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been aligned where necessary.

**Associates**

Investment in associate has been accounted for using Equity Method in accordance with Ind AS 28 – Investments in Associates and Joint Ventures. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Any excess / short of the amount of Investment in an associate over the cost of acquisition at the date of Investment is considered as Capital Reserve and has been included in carrying amount of Investment and disclosed separately. The carrying amount of Investment is adjusted thereafter for the post acquisition changes in the Share of net Asset of associate.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The financial statements of associates are prepared up to the same reporting date as that of the company i.e. 31 st March 2017 for the current year, 31 st Match 2016 for the comparative year and 1 st April 2015 for the transition date.

**Use of estimates and judgements**

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items 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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 40 Current/deferred tax expense

Note 43 Contingent liabilities and assets

Note 45 Expected credit loss for receivables

Note 45 Fair valuation of unlisted securities

Note 48 Measurement of defined benefit obligations

**(a) Property, Plant and Equipment**

Property plant and equipment are stated at their cost of acquisition / construction less depreciation and impairment, if any. The cost comprises of the purchase price and any attributable cost for bringing the asset to its working condition for its intended use; like freight, duties, taxes and other incidental expenses, net of CENVAT recoverable.

The Group capitalises to project assets all the cost directly attributable and ascertainable, to completing the project. These costs include expenditure of pipelines, plant and machinery, cost of laying of pipeline, cost of survey, commissioning and testing charge, detailed engineering and interest on borrowings attributable to acquisition of such assets. The gas distribution networks are treated as commissioned when supply of gas commences to the customer(s).

Subsequent expenditures, including replacement costs where applicable, incurred for an item Property plant and equipment are added to its books value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Component accounting of assets: 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. The Group has identified, reviewed, tested and determined the componentisation of the significant assets.

Assets installed at customer premises, including meters and regulators where applicable, are recognised as property plant and equipment if they meet the definition provided under Ind AS 16 subject to materiality as determined by the management and followed consistently.

Any item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is charged to revenue in the income statement when the asset is derecognised.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

**Capital Work in Progress:**

Capital Work in Progress includes expenditure incurred on assets, which are yet to be commissioned and capital inventory, which comprises stock of capital items/construction materials at respective city gas network.

All the directly identifiable and ascertainable expenditure, incidental and related to construction incurred during the period of construction on a project, till it is commissioned, is kept as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective "fixed assets".

Further, advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

**(b) Investment Properties**

Investment properties comprises of free hold or lease hold land that are held for rental yield and/or capital appreciation.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed as and when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

**(c) Intangible Assets**

Intangible Assets include amount paid for obtaining the Right of Use (ROU) of land, Right of Way (ROW) permissions for laying the gas pipeline network and cost of developing software for internal use. The Group capitalises software as Intangible Asset where it is expected to provide future enduring economic benefits. Cost associated with maintaining software programmes are recognised as expenses as and when incurred.

On the acquisition of an undertaking, the difference between the purchase consideration and the value of the net assets acquired is recognized as goodwill / reserve.

Any item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the intangible asset) is charged to revenue in the income statement when the intangible asset is derecognised.

**(d) Depreciation and Amortisation methods, estimated useful lives and residual values**

Depreciation is calculated to systematically allocate the cost of property, plant and equipment, intangible asset and investment property net of the estimated residual values over the estimated useful life. Freehold land is not depreciated. Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013, read with the following notes:

- i. The Schedule specifies useful life of Pipelines as 30 years for those used in exploration, production and refining of oil and gas. The Group has considered the useful life of 30 years for the pipelines used in city gas distribution business.
- ii. City gas stations, skids, pressure regulating stations, meters & regulators are estimated to have useful life of 18 years based on technical assessment made by technical expert and management.
- iii. Cost of mobile phones, are expensed off in the year of purchase.

The management believes that these useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The useful lives are reviewed by the management at each financial year end and revised, if appropriate. In case of a revision, the unamortised depreciable amount (remaining net value of assets) is charged over the revised remaining useful lives.

Based on management estimate, residual value of 5% is considered for respective tangible assets except for the Pipeline Network assets where the residual value is considered to be NIL it is technically & commercially not feasible to extract from underground.

The residual values, useful lives and methods of depreciation of property, plant and equipment (PPE) are reviewed at the end of each financial year and adjusted prospectively if appropriate.

Component accounting of assets: 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 and accordingly depreciated at the useful lives specified as above.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Investment properties are depreciated based on the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the Group for its intended use. The useful lives as estimated by the management for the intangible assets are as follows:

- |  |          |
|--|----------|
| I. Right of Way (ROW) Permissions  | 30 Years |
| (Considered more than 10 years as inextricably linked and dependent on the useful life of pipeline networks as referred above for which the Right of Way has been obtained). |          |
| II. Software   | 6 Years. |

Cost of lease-hold land is amortized equally over the period of lease.

No amortisation is charged on Right of Use (RoU) of land being perpetual in nature. The same is tested for impairment based on principles of Ind AS 36 discussed subsequently.

The Group has constructed / installed CNG stations' buildings and machineries, on land taken on lease from various lessor under lease deed for periods ranging from 35 years to 99 years. However, assets constructed / installed on such land have been depreciated at useful lives as referred above, as the management does not foresee non-renewal of the above lease arrangements by the lessor.



Capital assets /facilities installed at the customers' premises on the land of the customers/CNG franchisee whose ownership is not with the Group have been depreciated at the useful lives specified as above.

**(e) Impairment of non-financial assets**

In accordance with Ind AS 36 - Impairment of Assets at the balance sheet date, non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

**(f) Revenue recognition**

Revenue is measured at fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods /services and regarding its collection. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of Natural Gas is recognized on supply of gas to customers by metered/assessed measurements as no significant uncertainty exists regarding the measurability or collectability of the sale consideration. Sales are billed bi-monthly for domestic customers, monthly/fortnightly for commercial and non-commercial customers and fortnightly for industrial customers as the timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to consumers from retail outlets.

The amount recognised as revenue is stated inclusive of excise duty and exclusive of sales tax /value added tax (VAT) and service tax and is net of trade discounts or quantity discounts.

Unbilled revenue is recognised as the related supply of natural gas are performed and revenue from the end of the last billing cycle to the Balance Sheet date.

Gas transmission income is recognized in the same period in which the related volumes of gas are delivered to the customers.

Commitments (take or pay charges) income from customers for gas sales and gas transmission is recognized on establishment of certainty of receipt of consideration from its customers.

The amounts charged from customers for initial gas connections are accounted based on the terms of the underlying contract with customers when the performance obligation is satisfied. The performance obligation is considered to be satisfied on completion of the connection which is separate from supply of gas. Such revenue is accounted as Connection, Service and Fitting Income under other operating revenue.

The amounts collected towards connection charges from certain domestic customers are "non-refundable charges". Accordingly, the same are recognized as revenue as and when the Group commences the supply of gas to the customers and such amount is charged to customers. Until then, the amounts so collected are shown as "Advances received from customers" in the balance sheet. The Group has provided the instalments facility to certain domestic customers towards "connection charges" which are non-refundable, the total amount of such instalments are recognized as revenue as and when the Group commences the supply of gas to the customers.

The amounts collected from certain domestic customers which includes amount "refundable" in nature. Accordingly, the same are recognized as a liability under head "Deposit from Customers" in the balance sheet.

Revenue in respect of interest/ late payment charges on delayed realizations from customers and cheque bounce charges, if any, is recognized on grounds of prudence and on the basis of certainty of collection.

Liquidated damages, if any are recognized at the time of recording the purchase of materials in books of accounts and the matter is considered settled by the management.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.



Dividend income is recognised, when the right to receive the dividend is established by the reporting date.

Investment property rental income is recognised as revenue on accrual basis as per the terms of the underlying contract with customers.

Other operating income and misc. income are accounted on accrual basis as and when the right to receive arises.

**(g) Borrowing**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings –interest bearing loans are subsequently measured at amortised cost by using the effective interest method (EIR method). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowing using the effective interest method (EIR). The EIR Amortization is included as Finance Costs in the statement of profit & loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of loan to the extent that it is probable that some or all the facility will be draw down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is deferred as a payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or other expenses as well as through the EIR amortization process.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of reporting period with the effect that the liability becomes payable on demand on the reporting date, the Group does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

**(h) Borrowing Cost**

The Group is capitalising general and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying asset up to the date of commissioning. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The Expenses incurred in connection with the arrangement of specific borrowings are capitalized over the period of the borrowing and every year such cost is apportioned to assets based on the actual amount borrowed during the year. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the statement of profit and loss.

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

**(i) 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.

**Financial Asset**

**Initial Recognition**

A financial asset or a financial liability is recognised in the balance sheet only when, the Group becomes party to the contractual provisions of the instrument.

**Initial Measurement**

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Subsequent Measurement**

For purpose of subsequent measurement, financial assets are classified into:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through profit or loss (FVTPL); and
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Group classifies its financial assets in the above mentioned categories based on:

- The Group's business model for managing the financial assets, and



- The contractual cash flows characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

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

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and
- The assets contractual cash flows represent SPPI.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Group may elect to designate a financial asset, 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').

#### **Equity Investments:**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group 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 statement of profit and loss, even on sale of investment. However, the Group 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 P&L.

#### **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

1. The contractual rights to the cash flows from the financial asset have expired, or
2. The Group 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
  - i) The Group has transferred substantially all the risks and rewards of the asset, or
  - ii) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### **Embedded foreign currency derivative**

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,



- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency).

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Group currently does not have any such derivatives which are not closely related.

#### **Impairment of Financial Assets**

The Group assesses impairment based on expected credit loss (ECL) model to the following:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Group is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of Profit & Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Financial assets measured at FVTOCI - Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

#### **Financial Liabilities**

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loan and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### **Subsequent measurement**

- Financial liabilities measured at amortised cost
- Financial liabilities subsequently measured 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. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such 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/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

#### **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### **Loan and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

#### **Derecognition**

A financial liability is derecognised 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 recognised in the statement of profit or loss.

#### **(j) 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 group or the counterparty.

#### **(k) Fair Value Measurement**

The Group measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.



- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director/Chief Executive Officer and Chief Financial Officer.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (refer note 45)

1. Disclosures for valuation methods, significant estimates and assumptions.
2. Quantitative disclosures of fair value measurement hierarchy.
3. Investment in unquoted equity shares.
4. Financial instruments (including those carried at amortised cost).

#### **(l) Inventories**

Inventory of Gas (including inventory in pipeline and CNG cascades) is valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Stores, spares and consumables are valued at lower of cost and net realizable value. Cost is determined on moving weighted average basis.

Inventories of Project materials (capital Inventory) are valued at cost on moving weighted average basis.

#### **(m) Non-current assets held for sale and discontinued operation**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

**(n) Foreign Currency Transactions****(i) Functional and Presentation Currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Group.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in profit or loss.

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**(o) Employee Benefits**

Employees Benefits are provided in the books as per Ind AS - 19 on "Employee Benefits" in the following manner:

**A. Post-employment benefit plans****I. Defined Contribution Plan**

Contribution towards provident fund for eligible employees are accrued in accordance with applicable statutes and deposited with the regulatory provident fund authorities (Government administered provident fund scheme). The Group does not carry any other obligation apart from the monthly contribution.

The Group's contribution is recognised as an expenses in the statement of Profit & Loss during the period in which the employee renders the related service.

**II. Defined benefit plan**

The Group provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is separately administered through a Trust/Scheme. Contributions in respect of gratuity are made to the approved Gratuity Fund.

The Group's liability is actuarially determined by qualified actuary (using the Projected Unit Credit method) at the end of each year and is recognized in the Balance sheet as reduced by the fair value of Gratuity Fund. Actuarial losses/ gains are recognized in the Statement of Other Comprehensive Income in the year in which they arise.

**III. Long term employee benefits**

The liability in respect of accrued leave benefits which are expected to be availed or en-cashed beyond 12 months from the end of the year, is treated as long term employee benefits.

The Group's liability is actuarially determined by qualified actuary at balance sheet date by using the Projected Unit Credit method. Actuarial losses/ gains are recognized in the Statement of Other Comprehensive Income in the year in which they arise.

**B. Other Long Term Service benefits****• Long Service Award (LSA):**

On completion of specified period of service with the Group, employees are rewarded with Cash Reward of different amount based on the duration of service completed.

The Group's liability is actuarially determined by qualified actuary at balance sheet date at the present value of the amount payable for the same. Actuarial losses/ gains are recognized in the Statement of profit and loss in the year in which they arise.

**C. Short term employee benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the services. Short term employee benefits



includes salary and wages, bonus, incentive and ex-gratia and also includes accrued leave benefits, which are expected to be availed or en-cashed within 12 months from the end of the year.

#### **D. Employee Stock Option Plan**

Share-based compensation benefits are provided to employees via Employee Stock Option Plan. For the stock options granted, the fair value as of the date of grant of option is recognised as employee benefit expenses with a corresponding increase in Stock Options Outstanding Account. The total expense is recognised on straight line basis over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied

#### **(p) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

##### **As a Lessee**

###### **Finance Lease**

Lease of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards incidental to ownership are classified as finance leases.

At the commencement of the lease term, the Group recognises finance leases as assets in its balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine. If not, the Group's incremental borrowing rate is used. Any indirect costs of the Group are added to the amount recognised as an asset.

Minimum lease payments is apportioned between the finance charge and the reduction of the outstanding liability. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

###### **Operating lease**

Leases in which a significant portion of the risks and rewards incidental to ownership is not transferred to the Group as lessee are classified as operating leases. Lease payments under an operating lease are recognised as an expenses on a straight-line basis over the lease term unless either:

- Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

##### **As a Lessor**

###### **Finance Lease**

When substantially all of the risks and rewards of ownership transfer from the Group to the lessee then it is classified as finance lease. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

###### **Operating Lease**

Lease income from operating lease (excluding amount for services such as insurance and maintenance) is recognised in the statement of profit or loss on a straight-line basis over the lease term, unless either:

- Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the Group are not on that basis; or
- The payments to the Group are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases. If payments to the Group vary because of factors other than general inflation, then this condition is not met.

**(q) Taxation**

Income Tax expenses comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expenses are recognised in statement of profit or loss except tax expenses related to items recognised directly in reserves (including statement of other comprehensive income) which are recognised with the underlying items.

**Income Taxes**

The Income Tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Group is able to and intends to settle the asset and liability on a net basis.

**Deferred Taxes**

Deferred Tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in financial statements at the reporting date. Deferred tax are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods., the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit available including Minimum Alternative Tax (MAT) under the provision of the Income Tax Act, 1961 is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**(r) Earnings Per Share****Basic Earnings Per Share**

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

**Diluted Earnings Per Share**

Diluted Earnings Per Share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**Treasury Share**

Treasury Shares are not treated as outstanding ordinary equity shares and are therefore deducted from the number of equity shares outstanding during the period in consolidated financial statements.

**(s) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision for contractual obligation is disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Provisions are not recognised for future operating losses. Provisions for restructuring are recognised by the Group when it has developed a detailed formal plan for restructuring and has raised a valid expectation that the Group will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period and are not discounted to present value. The estimates of outcome and financial effect are determined by the judgment of the management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for & if material, are disclosed by way of notes to accounts.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is disclosed by way of notes to financial statements, where an inflow of economic benefits is probable.

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

**(t) Segment Reporting**

The Group primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The Managing Director/ Chief Executive Officer of the Group allocate resources and assess the performance of the Group, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed.

**(u) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Company considers all highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(v) Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**(w) Dividends**

The Group recognises a liability for dividends to equity holders of the Group when the dividend is authorised and the dividend is no longer at the discretion of the Group. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**(x) Insurance Claims**

The Group accounts for insurance claims when there is certainty that the claims are realizable and acknowledged by insurance company and amount recognized in books of accounts is as under:

- In case of loss of asset /goods by transferring, either the carrying cost of the relevant asset / goods or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance".
- In case insurance claim is, less than carrying cost the difference is charged to Profit and Loss statement. As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

**(y) Events occurring after the Reporting Date**

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

**(z) Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**(aa) Prior Period Adjustments and Pre-paid Expenses**

In respect of the transactions pertaining to the one or more prior periods, the expenditure / (income) relating to prior period as a result of errors or omission in the preparation of financial statements, the Group has specified the limit of transaction upto INR 0.05 crore in each case for items pertaining to prior period & prepaid items and same is recognised to Statement of Profit and Loss as and when incurred.

**(ab) Rounding off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores as per the requirements of Schedule III, unless otherwise stated.



Notes to Consolidated financial statements for the year ended 31st March 2017

Note 3.1 Property, Plant and Equipment (PPE) as at 31st March 2017

Particulars	Gross Block			Depreciation and Amortization			Net Block		
	As at 1st April 2016	Addition during the year	Disposal/ Adjustment	As at 31st March 2017	As at 1st April 2016	For the year	Disposal/ Adjustment	As at 31st March 2017	As at 31st March 2016
Lease hold Land	28.08	8.77	-	36.85	1.06	0.38	-	35.41	27.02
Freehold Land	375.73	8.30	-	384.03	-	-	-	384.03	375.73
Buildings	173.13	4.84	0.28	177.69	10.35	3.61	0.04	163.77	162.78
Plant and Equipments	4,535.91	378.11	19.25	4,894.78	656.67	226.09	5.80	4,017.82	3,879.24
Furniture and Fixture	15.34	3.63	0.05	18.92	6.12	2.11	0.02	10.70	9.22
Computer Equipment	25.79	6.82	-	32.61	20.22	2.94	-	9.44	5.57
Office Equipments	18.14	1.12	0.03	19.23	11.29	2.22	0.02	5.73	6.85
Vehicles	9.64	2.11	-	11.75	5.33	1.65	0.00	4.77	4.31
Books and Periodicals	0.10	-	-	0.10	0.10	-	-	-	-
<b>Total PPE</b>	<b>5,181.86</b>	<b>413.70</b>	<b>19.61</b>	<b>5,575.95</b>	<b>711.14</b>	<b>239.00</b>	<b>5.88</b>	<b>4,631.69</b>	<b>4,470.72</b>

Note 3.1 Property, Plant and Equipment (PPE) as at 31st March 2016

Particulars	Gross Block			Depreciation and Amortization			Net Block		
	As at 1st April 2015	Addition during the year	Disposal/ Adjustment	As at 31st March 2016	As at 1st April 2015	For the year	Disposal/ Adjustment	As at 31st March 2016	As at 1st April 2015
Lease hold Land	28.08	-	-	28.08	0.71	0.35	-	27.02	27.37
Freehold Land	370.68	5.05	-	375.73	-	-	-	375.73	370.68
Buildings	170.59	2.54	-	173.13	6.86	3.49	-	162.78	163.73
Plant and Equipments	4,173.47	378.59	16.15	4,535.91	448.71	214.16	6.20	3,879.24	3,724.76
Furniture and Fixture	13.47	1.91	0.04	15.34	3.72	2.43	0.03	9.22	9.75
Computer Equipment	25.13	0.69	0.03	25.79	16.60	3.64	0.02	5.57	8.53
Office Equipments	16.73	1.69	0.28	18.14	8.94	2.62	0.27	6.85	7.79
Vehicles	9.73	-	0.09	9.64	3.71	1.65	0.03	4.31	6.02
Books and Periodicals	0.10	-	-	0.10	0.07	0.03	-	-	0.03
<b>Total PPE</b>	<b>4,807.98</b>	<b>390.47</b>	<b>16.59</b>	<b>5,181.86</b>	<b>489.32</b>	<b>228.37</b>	<b>6.55</b>	<b>4,470.72</b>	<b>4,318.66</b>

**Note 3.1.1** - Impairment of Assets: There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

**Note 3.1.2** - Borrowing Cost: Additions to the PPE during the current year includes borrowing costs capitalized Rs. 13.60 Crores (Previous Year Rs. 13.60 Crores) pertaining to borrowings for qualifying assets as per the requirements of Ind AS - 23 "Borrowing Costs".

**Note 3.1.3** - Security Pledge of Assets: Refer to Note 21 on borrowings for details in terms of pledge of assets as security.

**Note 3.1.4** - Refer to note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**Note 3.1.5** - There is no restriction on the title of property, plant and equipments.

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 3.2 Capital work in progress****(Rs. in Crores)**

Capital work in progress	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Inventory	237.53	233.60	150.81
Capital Work-in-Progress (project under construction)	247.12	208.31	188.78
Interest during the construction period	20.25	26.05	17.60
<b>Total</b>	<b>504.90</b>	<b>467.96</b>	<b>357.19</b>

**Note:-** Security Pledge of Assets : Refer to Note 21 on borrowings for details in terms of pledge of assets as security.

**Note 4 Investment property****(Rs. in Crores)**

Investment property	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Freehold land</b>			
Balance at the beginning of the period	1.30	1.30	1.30
Add:- Acquisition during the year	-	-	-
Less:- Deletion during the year	-	-	-
<b>Balance at the end of the period</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>

**(i) Amount recognised in profit and loss for investment properties****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016
Rental Income	0.31	-
<b>Profit from investment properties</b>	<b>0.31</b>	<b>-</b>

**(ii) Contractual Obligations**

The Company has no contractual obligations to purchase, construct or develop investment property or for its repair, maintenance or enhancements.

**(iii) Leasing Arrangements**

The investment property is leased to tenants under long term operating leases with rentals payable annually. The lease period is 10 years (extendable as mutually agreed). Either party can terminate the agreement by giving 6 months notice (Non cancellable period). The future minimum lease payments receivables for 6 months can not be determined as the amount of rent is dependent on various other factors.

**(iv) Fair Value****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investment Properties	2.40	2.30	2.20

**Estimation of Fair Value**

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

1. current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
2. discounted cash flow projections based on reliable estimates of future cash flows
3. capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence. The fair values of investment properties have been determined by based on independent valuer's valuation certificate. The main inputs used are the rental growth rates, jantry value guideline and sales comparison approach based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3."

**(v) Security Pledge :** Refer to Note 21 on borrowings for details in terms of pledge of assets as security.

(vi) There is no restriction on the title and realisability of investment property or remittance of income and proceeds of disposals.



**Notes to Consolidated financial statements for the year ended 31st March 2017**

**Note 5.1  
Intangible assets as at 31st March 2017**

Particulars	Gross Block			Amortization			Net Block	
	As at 1st April 2016	Addition during the year	Disposal/ Adjustment	As at 31st March 2017	For the year	Disposal/ Adjustment	As at 31st March 2017	As at 31st March 2016
ROW Permissions	178.08	72.04	0.69	249.43	6.98	0.10	230.46	165.99
ROU	11.28	1.05	-	12.33	-	-	12.33	11.28
Software and other Intangibles	64.79	13.66	-	78.45	11.35	-	27.20	24.89
<b>Total Intangible Assets</b>	<b>254.15</b>	<b>86.75</b>	<b>0.69</b>	<b>340.21</b>	<b>18.33</b>	<b>0.10</b>	<b>269.99</b>	<b>202.16</b>

(Rs. in Crores)

**Intangible assets as at 31st March 2016**

Particulars	Gross Block			Amortization			Net Block	
	As at 1st April 2015	Addition during the year	Disposal/ Adjustment	As at 31st March 2016	For the year	Disposal/ Adjustment	As at 31st March 2016	As at 31st March 2015
ROW Permissions	130.53	47.55	-	178.08	5.19	-	165.99	123.63
ROU	11.24	0.04	-	11.28	-	-	11.28	11.24
Software and other Intangibles	59.85	4.98	0.04	64.79	11.86	0.03	24.89	31.78
<b>Total Intangible Assets</b>	<b>201.62</b>	<b>52.57</b>	<b>0.04</b>	<b>254.15</b>	<b>17.05</b>	<b>0.03</b>	<b>202.16</b>	<b>166.65</b>

(Rs. in Crores)

**Note 5.1.1 - Right of Way (ROW) Permissions:** The useful lives of Right of Way (ROW) Permissions as estimated by the management for the amortization is 30 years. The useful lives of ROW Permission are inextricably linked with the pipeline networks being laid, which corresponds with the useful life of 30 years of Plant and Machinery - Pipelines network for which the Right of Way (ROW) Permission has been obtained. The Useful life of 30 years of the Right of Way (ROW) Permissions is dependent on the useful life of Plant and Machinery - Pipelines i.e. Pipeline network of the Group."

**Note 5.1.2 - Right of Use (ROU):** The Group acquires the 'right of use' (hereinafter referred to as 'ROU') for the purpose of laying and maintenance of the underground pipeline and vests in the Group and the Group has the right to use the same in the manner for which it has been acquired. The acquisition of ROU is governed by the legal process as per the Act, the Group has paid the compensation /consideration of the ROU -land determined by the competent authority under the Act and any person authorised by the Group, have unrestricted right of entry and lay pipeline or do any other act necessary for the purpose of laying of pipeline. The Group has disclosed the cost incurred for acquisition of ROU as 'Right of Use' in the Intangible Asset schedule. Since the ROU does not have a defined life, it is perpetual in nature. Accordingly based on requirements of Ind AS 38 - Intangible Assets, the same is tested for impairment and not amortised."

**Note 5.1.3 - Impairment of Assets:** There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

**Note 5.1.4 - Borrowing Cost:** Additions to the intangible assets during the current year includes borrowing costs capitalized Rs. 0.09 Crores (Previous Year Rs. 0.37 Crores) pertaining to borrowings for qualifying assets as per the requirements of Ind AS - 23 "Borrowing Costs".

**Note 5.1.5 - Security Pledge of Assets:** Refer to Note 21 on borrowings for details in terms of pledge of assets as security.

**Note 5.1.6 -** Refer to note 4.3 for disclosure of contractual commitments for the acquisition of intangible assets.

**Note 5.1.7 -** There is no restriction on the title of intangible assets.

**Note 5.2 Intangible assets under development**

(Rs. in Crores)

Intangible assets under development	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Software under development	0.82	0.20	0.20
<b>Total</b>	<b>0.82</b>	<b>0.20</b>	<b>0.20</b>



**Notes to Consolidated financial statements for the year ended 31st March 2017**

**Note 6 Investment in equity accounted investee**

(Rs. in Crores)

Capital work in progress	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Investments in equity shares (fully paid)</b>			
<b>Unquoted Equity Shares</b>			
25000 (31st March, 2016: 25,000, 1st April 2015: 25,000) Fully Paid up Equity Shares of ₹ 10 each of Guj Info Petro Limited	23.39	22.07	19.92
Extent of Holding	49.94%	49.94%	49.94%
Place of business/ country of incorporation	India	India	India
Description of method used to account for the investments (Refer note 54(b))	Equity Method	Equity Method	Equity Method
<b>Total</b>	<b>23.39</b>	<b>22.07</b>	<b>19.92</b>

(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil	Nil
(b) Aggregate amount of unquoted investments	23.39	22.07	19.92
(c) Aggregate amount of impairment in value of investments.	Nil	Nil	Nil

**Note 7 Non- current financial assets : Investments**

(Rs. in Crores)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Investments in equity shares accounted through OCI (fully paid)</b>			
<b>Unquoted Equity Shares</b>			
• 2,00,00,000 (31st March, 2016: 2,00,00,000, 1st April 2015: 2,00,00,000) Fully Paid Up Equity Shares of ₹ 1 each of Gujarat State Petroleum Corporation Limited	68.25	120.44	162.00
• 200 (31st March, 2016: 200 1st April 2015: 200) Fully Paid Up Equity Shares of ₹25 each of Kalupur Co Op Comm Bank Limited	Rs. 5000/-	Rs. 5000/-	Rs. 5000/-
<b>Total</b>	<b>68.25</b>	<b>120.44</b>	<b>162.00</b>

Particulars	Extent of Holding		
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
Gujarat State Petroleum Corporation Limited (Parent Co.)	0.78%	0.78%	0.79%
The Kalupur Comm. Co. Op. Bank Ltd. (Others)	0.001%	0.001%	0.001%

(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil	Nil
(b) Aggregate amount of unquoted investments; and	68.25	120.44	162.00
(c) Aggregate amount of impairment in value of investments.	Nil	Nil	Nil

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 8 Non- current financial assets : Loans****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Security Deposits (Refer Note 8.1)</b>			
To Related Parties [Unsecured, considered good]	1.85	1.71	1.05
To Others [Unsecured, considered good]	62.18	43.42	25.22
To Others [Considered Doubtful]	10.28	7.07	5.81
Less: Allowance for bad and doubtful	(10.28)	(7.07)	(5.81)
	64.03	45.13	26.27
Loan to Employees [Unsecured, considered good]	1.33	2.10	1.93
<b>Total</b>	<b>65.36</b>	<b>47.23</b>	<b>28.20</b>

**Note no. 8.1:** The Group has given refundable security deposits in form of fixed deposits to various project authorities to be held in their name and custody. It will be refunded after satisfactory completion of work. The Group has therefore shown these fixed bank deposits amounting Rs. 37.39 Crores - (Previous Year - Rs. 16.16 Crores, 1st April 2015 - Rs. 7.37 Crores) and interest accrued on such fixed bank deposits Rs. 4.48 Crores (Previous Year - Rs. 2.76 Crores, 1st April 2015 - Rs. 1.24 Crores), till they are in custody with project authorities as "Security Deposits" under the Note- "Loans (including Security Deposits)" in the balance sheet.

**Note 9 Non- current financial assets : Others****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Receivable from employee [Unsecured, considered good]	0.03	0.05	0.05
Other Receivable [Considered Doubtful]	0.36	0.36	0.36
Less: Allowance for bad and doubtful	(0.36)	(0.36)	(0.36)
<b>Total</b>	<b>0.03</b>	<b>0.05</b>	<b>0.05</b>

**Note 10 Other non- current assets****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital advances [Unsecured, considered good]	24.31	38.21	19.18
<b>Advance against expenses</b>			
Other advances - [Unsecured, considered good]	-	0.09	0.16
Other advances - [Considered doubtful]	0.03	0.03	0.03
	0.03	0.12	0.19
Less: Allowance for bad and doubtful	(0.03)	(0.03)	(0.03)
	-	0.09	0.16
Advance payment of income tax [Net of provisions] (Refer Note 29)	180.71	186.96	182.10
Prepaid Expenses	52.84	31.04	5.13
Balances with Government authorities for Litigations	24.57	14.20	13.30
Deferred employee Cost	0.11	0.22	0.17
Other non-current Assets	0.03	-	-
<b>Total</b>	<b>282.57</b>	<b>270.72</b>	<b>220.04</b>

**Note 11 Inventories\*****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Natural Gas	3.81	3.69	4.08
Stores and spares	37.84	37.65	37.01
<b>Total</b>	<b>41.65</b>	<b>41.34</b>	<b>41.09</b>

\* For Valuation- Refer note 2(I)

\*\*Refer to Note 21 on borrowings for details in terms of pledge of assets as security.

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 12 Current financial assets : Investments****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investment in units of mutual funds - quoted (refer note 12.1 for details)	-	-	937.33
<b>Total</b>	<b>-</b>	<b>-</b>	<b>937.33</b>

(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil	937.33
(b) Aggregate amount of unquoted investments; and	Nil	Nil	Nil
(c) Aggregate amount of impairment in value of investments.	Nil	Nil	Nil

**Note 12.1 Details of Investment in Mutual Funds****(Rs. in Crores)**

Scheme	As at 1st April 2015	
	No of Units	Amount
Birla Sunlife Cash Plus Plan - Dividend	4,72,070	4.73
Birla Sun Life Floating Rate Fund -Short Term Plan- Direct-Dividend	14,41,531	14.42
Birla Sun Life Floating Rate-Long Term-Direct - Dividend	80,144	0.80
Birla Sun Life Savings Fund-Direct - Dividend	1,33,46,621	133.86
DSP Black Rock Money Manager Fund -Direct - Dividend	5,82,732	58.52
HDFC Cash Management Fund - Savings Plan- Direct- Dividend	47,26,157	5.03
HDFC Floating Rate Inc. Fund-STP-Wholesale-Direct -Dividend	9,64,48,400	97.23
ICICI Prudential Flexible Income- Direct - Dividend	76,77,775	81.18
ICICI Prudential Liquid -Direct - Dividend	2,30,166	2.30
CICI Prudential Money Market Fund - Direct -Dividend	5,19,823	5.21
DFC Cash Fund -Direct - Dividend	57,727	5.78
DFC Ultra Short Term Fund-Direct- Dividend	10,59,93,929	106.58
Kotak Treasury Advantage Fund- Direct- Dividend	6,44,22,140	64.94
Kotak Liquid Scheme Plan A - Direct- Dividend	1,01,743	12.44
Reliance Liquid Fund-Cash Plan-Direct- Dividend	3,09,722	34.51
Reliance Liquidity Fund Direct - Dividend	52,630	5.27
Reliance Money Manager Fund - Direct- Dividend	7,42,947	74.50
SBI Premier Liquid Fund - Direct - Dividend	5	0.00
SBI Ultra Short Term Debt Fund-Direct - Dividend	3,17,245	31.88
Templeton India Treas. Management Acct. Super Institutional - Direct -Dividend	2,11,190	21.16
Templeton Ultra Short Bond Fund Super Institutional- Direct - Dividend	7,85,67,594	79.06
UTI Money Market Fund - Institutional Plan - Direct - Dividend	6,045	0.60
UTI Treasury Advantage Fund- Institutional Plan - Direct - Dividend	9,71,030	97.33
<b>Total</b>		<b>937.33</b>

**Note 13 Current financial assets : Trade receivables****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured, considered good	39.30	65.77	84.89
Unsecured, considered good (Backed by Bank guarantee)	225.04	179.12	249.07
Unsecured, considered good (Others)	83.17	55.60	66.52
Unsecured, considered Doubtful	5.38	4.43	3.90
<b>Total</b>	<b>352.89</b>	<b>304.92</b>	<b>404.38</b>
Less: Allowance for bad and doubtful	5.38	4.43	3.90
<b>Total</b>	<b>347.51</b>	<b>300.49</b>	<b>400.48</b>

\*Refer to Note 21 on borrowings for details in terms of pledge of assets as security.

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 14 Current financial assets : Cash and cash equivalents****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>(a) Balance with banks</b>			
Balance in account [with Sweep -In deposit facility]	19.94	21.92	25.79
<b>(b) Balance with financial Institutions</b>			
Deposits with maturity of less than three months	-	-	207.87
<b>(c) Cash on hand</b>	1.22	0.95	1.01
<b>Total</b>	<b>21.16</b>	<b>22.87</b>	<b>234.67</b>

**Note 15 Current financial assets : Other bank balances****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Earmarked balances In unclaimed dividend accounts (Refer Note 15.1)	2.96	3.04	2.82
Margin Money deposits under lien against Bank Guarantee	40.00	40.00	-
Deposits with maturity over 3 months but less than 12 months	0.38	2.07	-
<b>Total</b>	<b>43.34</b>	<b>45.11</b>	<b>2.82</b>

**Note 15.1 :** The balances in dividend accounts are not available for use by the Group and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment. No amount is due at the end of the period for credit to Investor Protection and Education fund.

**Note 16 Current financial assets : Loans (including security deposits)****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Loans to employees	1.43	2.04	1.45
<b>Total</b>	<b>1.43</b>	<b>2.04</b>	<b>1.45</b>

**Note 17 Current financial assets : Others****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unbilled Revenue	46.01	32.48	38.65
Insurance claim receivable	0.01	0.10	0.76
Staff Advance	0.05	0.04	0.01
Receivable from employee	-	0.03	0.02
Other Current financial assets	0.46	0.16	0.38
<b>Total</b>	<b>46.53</b>	<b>32.81</b>	<b>39.82</b>

**Note 18 Current assets : Others****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Advances for expenses[Unsecured, considered good]</b>			
To Related parties	-	0.06	-
To Others	2.15	1.09	1.46
	2.15	1.15	1.46
Prepaid Expenses	17.12	14.61	5.57
Indirect Tax credit receivable	6.19	5.85	6.57
Deferred employee Cost	0.02	0.11	0.07
<b>Total</b>	<b>25.48</b>	<b>21.72</b>	<b>13.67</b>

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 19 Share capital****Note 19.1 Authorised, issued, subscribed, fully paid up share capital****(Rs. in Crores)**

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>						
Equity Shares of Rs.10 each	1,73,51,00,000	1,735.10	1,73,51,00,000	1,735.10	1,73,51,00,000	1,735.10
7.5% Redeemable preference Shares of Rs.10 each	1,70,00,000	17.00	1,70,00,000	17.00	1,70,00,000	17.00
Preference shares of Rs. 10 each	50,00,000	5.00	50,00,000	5.00	50,00,000	5.00
<b>Issued, Subscribed and Paid up</b>						
Equity Shares of Rs.10 each fully paid up	13,76,78,025	137.68	13,76,78,025	137.68	13,76,78,025	137.68
<b>Total</b>	<b>13,76,78,025</b>	<b>137.68</b>	<b>13,76,78,025</b>	<b>137.68</b>	<b>13,76,78,025</b>	<b>137.68</b>

**Note 19.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period (Rs. in Crores)**

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the period	13,76,78,025	137.68	13,76,78,025	137.68	13,76,78,025	137.68
Add: Shares issued during the period	-	-	-	-	-	-
Less: Shares cancelled during the period	-	-	-	-	-	-
Shares outstanding at the end of the period	13,76,78,025	137.68	13,76,78,025	137.68	13,76,78,025	137.68

**Note 19.3****Terms/ rights attached to equity shares**

"The Group has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive residual assets of the Group. The distribution will be in proportion to the number of equity shares held by the shareholders."

**Note 19.4 Share holding by prescribed entities****(Rs. in Crores)**

Out of Equity shares issued by the Group, shares held by its holding Group and their subsidiaries and associates are as under :

Share Holder (Nature of Relationship)	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of Equity Shares of Rs. 10 each fully paid	Amount	No. of Equity Shares of Rs. 10 each fully paid	Amount	No. of Equity Shares of Rs. 10 each fully paid	Amount
(i) Gujarat State Petroleum Corporation Limited (Holding Company)	3,91,06,328	39.11	3,91,06,328	39.11	3,91,06,328	39.11
(ii) Gujarat State Petronet Limited (Subsidiary of Holding co. & Entity having significant influence)	3,54,68,471	35.47	3,54,68,471	35.47	3,54,68,471	35.47
(iii) Gujarat State Energy Generation Limited (Associate of Holding company)	2,66,447	0.27	2,66,447	0.27	2,66,447	0.27

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 19.5 Shareholders holding more than 5 % of total share capital****(Rs. in Crores)**

Name of Shareholder	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares of Rs. 10 each fully paid</b>						
Gujarat State Petroleum Corporation Limited	3,91,06,328	28.40%	3,91,06,328	28.40%	3,91,06,328	28.40%
Gujarat State Petronet Limited	3,54,68,471	25.76%	3,54,68,471	25.76%	3,54,68,471	25.76%
Gujarat State Fertilizers and Chemicals Limited	93,82,895	6.82%	93,82,895	6.82%	93,82,895	6.82%
Government of Gujarat	89,95,462	6.53%	89,95,462	6.53%	89,95,462	6.53%
Aberdeen Global Indian Equity (Mauritius) Limited	48,22,972	3.50%	71,31,843	5.18%	73,62,972	5.35%

**Note 19.6 Details of Bought back of shares, Bonus Shares and Shares issue without payment being received in Cash:**

The company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares, for the period of five years immediately preceding March 31, 2017.

**Note 19.7 Proposed Dividend:**

The Board of Directors, in its meeting on 24th May, 2017, have proposed a final dividend of Rs. 3.00 per equity share for the financial year ended on 31st March, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in a cash outflow of approximately Rs. 49.71 crore including corporate dividend tax of Rs. 8.41 crores.

The Board of Directors, in its meeting on 17th May, 2016, proposed a final dividend of Rs. 2.50 per equity share for the financial year ended on 31st March, 2016 and the same was approved by the shareholders at the Annual General Meeting held on 29th September, 2016, this resulted in a cash outflow of Rs. 41.43 crore including corporate dividend tax of Rs. 7.01 Crores.

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note-20 OTHER EQUITY****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016
<b>(A) Reserves &amp; Surplus</b>		
<b>General reserve</b>		
Opening Balance	2.55	2.06
Add: Adjustment of Stock Options Outstanding Account/advance to ESOP Trust	0.17	0.49
<b>Closing Balance</b>	<b>2.72</b>	<b>2.55</b>
<b>Amalgamation and arrangement Reserve</b>		
Opening Balance	879.59	879.59
Add/Less :Adjustment during the year	-	-
<b>Closing Balance</b>	<b>879.59</b>	<b>879.59</b>
<b>Employees Stock Options Outstanding</b>		
Opening Balance	0.17	0.32
Less : Options exercised during the year	(0.00)	(0.15)
Less : Adjustment on exercise of options during the year	0.17	0.30
Less : Lapse of options during the year	-	-
Closing Balance	-	0.17
<b>Less : Deferred Stock Option Outstanding Account:-</b>		
Opening Balance	-	0.01
Less : Expenses during the year	-	0.01
Less : Options exercised during the year	-	-
Less : Lapse of options during the year	-	-
Closing Balance	-	-
<b>Net balance in stock options outstanding Account</b>	<b>-</b>	<b>0.17</b>
<b>Treasury Shares</b>		
Opening Balance	(3.96)	(4.04)
Treasury shares sold during the year	3.96	0.08
<b>Closing Balance</b>	<b>-</b>	<b>(3.96)</b>
<b>Debenture redemption reserve</b>		
Opening Balance	125.00	125.00
Add : Transferred to retained earnings	(125.00)	-
<b>Closing Balance</b>	<b>-</b>	<b>125.00</b>
<b>Retained earnings</b>		
Opening balance	414.23	309.01
Add: Profit during the year	220.59	190.04
Remeasurement of post employment benefit obligation, net of tax	(2.58)	(1.97)
Total	632.24	497.08
<b>Less : Appropriations</b>		
Dividend	(34.42)	(68.84)
Corporate Tax on Dividend	(7.01)	(14.01)
Transfer to Debenture Redemption Reserve	-	-
" Short-(Excess) Provision of dividend distribution tax of earlier year"	-	-
Transfer to Stock Options Outstanding Account	-	-
Transfer from Debenture Redemption Reserve	125.00	-
<b>Closing Balance</b>	<b>715.81</b>	<b>414.23</b>
<b>Total (A)</b>	<b>1,598.12</b>	<b>1,417.58</b>
<b>(B) Equity instrument through OCI</b>		
Opening Balance	(31.97)	-
Change in fair value of equity instrument	(52.19)	(41.56)
Income tax relating to above item	12.08	9.59
<b>Closing Balance (B)</b>	<b>(72.08)</b>	<b>(31.97)</b>
<b>Total other equity (A+B)</b>	<b>1,526.04</b>	<b>1,385.61</b>

**Notes to Consolidated financial statements for the year ended 31st March 2017****Nature and purpose of reserves :****General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

**Amalgamation and Arrangement Reserve**

The "Amalgamation and Arrangement Reserve" created pursuant to scheme of amalgamation and arrangement is treated as free reserve based on the judgment of Honorable Gujarat High Court dated 18th April 2015 read with relevant other court decisions.

**Equity instrument through OCI**

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instrument through OCI reserve within equity.

**Debenture redemption reserve**

The Group had issued Non convertible debentures and as per the provisions of the Companies Act, 2013, is required to create debenture redemption reserve out of the profits of the Group available for payment of dividend.

**Employees Stock Options Outstanding**

The Employee stock options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

**Treasury Shares:**

The shares of the company held by the Gujarat Gas Limited Employees Welfare Stock Option Trust (ESOP Trust) have been accounted as treasury shares and presented as a part of statement of changes in equity in accordance with IND AS.

**Note 21 Non-current financial liabilities : Borrowings****(Rs. in Crores)**

Secured	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Non-Current	Current*	Non-Current	Current*	Non-Current	Current*
Term Loan from Banks (Refer Note 21.1)	2,291.41	60.19	1,702.39	95.16	772.62	151.32
Term Loan from Financial Institutions (Refer Note 21.1)	-	-	4.19	32.14	216.66	-
<b>Total secured borrowing [A]</b>	<b>2,291.41</b>	<b>60.19</b>	<b>1,706.58</b>	<b>127.30</b>	<b>989.28</b>	<b>151.32</b>
<b>Unsecured</b>						
Redeemable, unlisted and Non current debentures (Refer Note 21.2)	-	-	-	522.73	499.38	23.42
Loan from financial institution (Refer Note 21.2)	-	-	-	-	-	1,586.81
<b>Total unsecured borrowing [B]</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>522.73</b>	<b>499.38</b>	<b>1,610.23</b>
<b>TOTAL [A+B]</b>	<b>2,291.41</b>	<b>60.19</b>	<b>1,706.58</b>	<b>650.03</b>	<b>1,488.66</b>	<b>1,761.55</b>

\*Amount disclosed under the head "Current financial liabilities : Others" (Note 26)

The Group does not have any continuing defaults in repayment of loans and interest as at the reporting date.



**Notes to Consolidated financial statements for the year ended 31st March 2017**

	Terms of repayment	Interest Rate	Maturity	(Rs. in Crores)								
				As at 31st March 2017		As at 31st March 2016		As at 1st April 2015				
				Non-Current	Current	Non-Current	Current	Non-Current	Current			
<b>From banks</b>												
Dena Bank TL - III	Quarterly Installment from December 2012	9.45%	Sep-19	14.67	10.00	24.66	10.00	34.66	9.97			
The Kalupur Commercial Co-op. Bank	NA	NA	NA	-	-	-	-	-	1.69			
The Kalupur Commercial Co-op. Bank TL - II	NA	NA	NA	-	-	-	-	16.20	5.00			
Oriental Bank of Commerce TL - I	Monthly installment along with interest from December 2010	NA	NA	-	-	-	1.05	1.05	7.50			
Oriental Bank of Commerce TL - II	Monthly installment along with interest from started from April 2011	NA	NA	-	-	-	2.39	2.40	2.50			
Oriental Bank of Commerce TL - III	Monthly installment along with interest from June 2011	NA	NA	-	-	0.96	6.71	7.68	6.71			
Bank of Maharashtra	NA	NA	NA	-	-	-	-	39.29	7.18			
Corporation Bank	NA	NA	NA	-	-	-	-	65.73	11.83			
UCO Bank	NA	NA	NA	-	-	-	-	49.22	8.97			
Bank of Baroda	NA	NA	NA	-	-	-	-	32.32	14.96			
HDFC Bank	Quarterly Installment from March 2018	8.15%	Dec-27	543.09	6.99	-	-	-	-			
Dena Bank TL - IV	Quarterly Installment from June 2015	NA	NA	-	-	449.96	75.00	524.98	75.00			
State Bank of India TL I	Quarterly Installment from December 2017	8.00%	Sep-27	416.98	10.69	427.69	-	-	-			
State Bank of India TL II	Quarterly Installment from December 2017	8.00%	Sep-27	1,266.67	32.50	799.12	-	-	-			
Kotak Mahindra Bank Limited	Quarterly Installment from June 2019	8.25%	Mar-29	50.00	-	-	-	-	-			
Total - A				2,291.41	60.19	1,702.40	95.16	773.53	151.32			
<b>From financial institution</b>												
HUDCO Limited	Quarterly Installment from August 2016	NA	NA	-	-	4.19	32.14	215.75	-			
Total - B				-	-	4.19	32.14	215.75	-			
<b>Total (A+B)</b>				<b>2,291.41</b>	<b>60.19</b>	<b>1,706.58</b>	<b>127.30</b>	<b>989.28</b>	<b>151.32</b>			



**Notes to Consolidated financial statements for the year ended 31 st March 2017**

21.2 Unsecured Loans	Terms of repayment	Interest Rate	Maturity	(Rs. in Crores)				
				As at 31 st March 2017		As at 1 st April 2015		
				Non-Current	Current	Non-Current	Current	
<b>Medium Term Loans from Financial Institutions From banks</b>								
Gujarat State Financial Services Ltd	NA	NA	NA	-	-	-	16.67	
Gujarat State Financial Services Ltd	NA	NA	NA	-	-	-	66.67	
Gujarat State Financial Services Ltd	NA	NA	NA	-	-	-	100.00	
Gujarat State Financial Services Ltd	NA	NA	NA	-	-	-	1,403.48	
<b>Debentures</b>								
Redeemable Unlisted, and Non-Convertible Debentures - NCD	NA	NA	NA	-	-	499.38	-	23.42
<b>Total</b>						<b>499.38</b>	<b>1,610.23</b>	<b>522.73</b>

The details of security given for all loans are as under :

	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Secured Loan	First pari - passu charge on all Present and future fixed assets-Movable & Immovable (Property, plant, equipment (PPE), Intangible assets, Investment property) of the Company and Second pari - passu charge on Present & Future Current Assets (financial and non financial assets) of the Company.		
Unsecured Loan	NA	NA	Demand Promissory Note and Post dated cheques for repayment of principal and interest has been given to GSFS.
Guarantee by Directors or others	NA	The Company and GSPL has guaranteed to IDBI Trustee Co. Ltd. for NCD of Rs. 500 Crores	The Company and GSPL has guaranteed to IDBI Trustee Co. Ltd. for NCD of Rs. 500 Crores

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 22 Non-current provisions****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Provision for employee benefits (Refer note 48)</b>			
Provision for Long service benefits	0.77	1.12	-
Provision for leave encashment	29.74	23.91	21.90
Provision for Superannuation	0.29	0.22	0.14
<b>Total</b>	<b>30.80</b>	<b>25.25</b>	<b>22.04</b>

**Note 23 Deferred tax Liabilities****(a) Deferred tax balances and movement for FY 2016-17****(Rs. in Crores)**

Particulars	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2017
<b>Deferred tax Liabilities</b>					
Property, plant and equipment	999.67	35.72	-	-	1,035.39
Investments	26.82	(0.00)	(12.08)	-	14.74
Share of net profit of associate	4.49	0.27	-	-	4.76
Loans and borrowings	0.34	(0.04)	-	-	0.30
<b>Total (A)</b>	<b>1,031.32</b>	<b>35.95</b>	<b>(12.08)</b>	<b>-</b>	<b>1,055.19</b>
<b>Deferred tax asset</b>					
Employee benefits	9.30	0.27	1.36	-	10.93
Tax credit	18.44	16.95	-	7.06	42.45
Provisions	5.10	1.49	-	-	6.59
Other items	7.50	(1.93)	-	-	5.57
<b>Total (B)</b>	<b>40.34</b>	<b>16.79</b>	<b>1.36</b>	<b>7.06</b>	<b>65.54</b>
<b>Net deferred tax Liabilities(A-B)</b>	<b>990.98</b>	<b>19.16</b>	<b>(13.44)</b>	<b>(7.06)</b>	<b>989.65</b>

**Notes to Consolidated financial statements for the year ended 31st March 2017****(b) Deferred tax balances and movement for FY 2015-16****(Rs. in Crores)**

Particulars	Net balance April 1, 2015	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2016
<b>Deferred tax Liabilities</b>					
Property, plant and equipment	967.22	32.45	-	-	999.67
Investments	36.58	(0.17)	(9.59)	-	26.82
Share of net profit of associate	4.05	0.44	-	-	4.49
Loans and borrowings	0.83	(0.49)	-	-	0.34
<b>Total (A)</b>	<b>1,008.67</b>	<b>32.23</b>	<b>(9.59)</b>	<b>-</b>	<b>1,031.32</b>
<b>Deferred tax asset</b>					
Employee benefits	7.98	0.27	1.05	-	9.30
Tax credit	7.47	10.33	-	0.64	18.44
Provisions	4.68	0.42	-	-	5.10
Other items	-	7.50	-	-	7.50
<b>Total (B)</b>	<b>20.13</b>	<b>18.52</b>	<b>1.05</b>	<b>0.64</b>	<b>40.34</b>
<b>Net deferred tax Liabilities (A-B)</b>	<b>988.54</b>	<b>13.71</b>	<b>(10.64)</b>	<b>(0.64)</b>	<b>990.98</b>

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

**(c) Tax losses carried forward**

	31 March 2017	Expiry date	31 March 2016	Expiry date
Expire	Nil	NA	Nil	NA
Never Expire	Nil	NA	Nil	NA

**Note 24 Current financial liabilities : Borrowings****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Unsecured (Repayment on demand)</b>			
<b>Loan from Banks (Cash credit / Bank Overdraft):</b>			
Kotak Mahindra Bank Ltd.	1.48	-	-
Axis Bank Ltd.	5.80	-	-
<b>Total</b>	<b>7.28</b>	<b>-</b>	<b>-</b>

The Group does not have any continuing defaults in repayment of loans and interest as at the reporting date.

**Note 25 Current financial liabilities : Trade payables****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Total outstanding dues of micro enterprises and small enterprises -</b>			
Trade payables others (Refer Note 44)	1.08	1.99	0.10
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises:-</b>			
Trade payables - Gas Purchase / Transmission	235.15	194.47	385.43
Trade payables - Others	81.18	55.86	40.07
<b>Total</b>	<b>317.41</b>	<b>252.32</b>	<b>425.60</b>

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 26 Current financial liabilities: Others****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Current maturities of long term borrowings</b>			
- (Please refer Note 21):-			
Non-Convertible Debentures (Unsecured)	-	522.73	23.42
Term Loan			
- From Banks (Secured)	60.19	95.16	151.32
- From Financial institution (Secured)	-	32.14	-
- From Financial institution (Unsecured)	-	-	1,586.81
	60.19	650.03	1,761.55
<b>Capital creditors and other payables:-</b>			
- Total outstanding dues of micro enterprises and small enterprises (refer note 44)	13.66	9.20	11.48
- Total outstanding other than dues of micro enterprises and small enterprises	161.14	126.76	110.04
	174.80	135.96	121.52
Security Deposits from customers	653.37	605.47	574.95
Interest accrued on security deposits from customers	5.29	3.00	-
Deposit from customers towards MGO	47.51	61.67	61.08
Deposit from collection centres and others	4.81	4.56	3.72
Security Deposits from Suppliers	15.70	9.88	4.89
Unclaimed dividend (Refer Note 26.1)	2.96	3.04	2.82
<b>Others:</b>			
BG Asia Pacific Holdings Limited	464.78	464.78	464.78
Less : Amount deposited in Escrow Account with Citi Bank (Refer Note 26.2)	(464.78)	(464.78)	(464.78)
Net Payable	-	-	-
Other current financial liabilities	25.00	25.01	-
<b>Total</b>	<b>989.63</b>	<b>1,498.62</b>	<b>2,530.53</b>

**Note 26.1:** The balance with the bank for unpaid dividend is not available for use by the Group and the money remaining unpaid will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 after the expiry of seven years from the date of declaration of dividend. No amount is due at the end of the period for credit to Investors education and protection fund.

**Note 26.2:** The Group deposited Rs. 464.78 crores on 12th June, 2013 into the escrow account ("named BG Asia Pacific Holdings Pte. Limited GSPC Distribution Networks Limited Escrow Account") opened with Citibank N.A., acting as the escrow agent, pursuant to the escrow agreement executed between the BG Asia Pacific Holdings Pte. Limited (the Seller), Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) (the Purchaser) and Citibank N.A. The Payment of said amount into Escrow Account is to be utilized to meet future tax withholding liability (if any) based on outcome of the applications to the Authority for Advance Rulings or otherwise to be remitted to BG Asia Pacific Holdings Pte. Limited (the Seller) directly.

**Note 27 Current liabilities : Others****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advances from customer towards connection	12.87	10.31	12.43
Advances from customers-Others	6.46	13.21	7.16
Statutory dues payable	40.17	37.25	18.48
<b>Total</b>	<b>59.50</b>	<b>60.77</b>	<b>38.07</b>

**Note 27.1:** Advances from customers includes amount of Rs. 0.01 Crores (Previous Year Rs. 3.07 Crores, 1st April 2015 Rs. 2.54 Crores) outstanding more than 365 days. These amounts are in the nature of security deposits for providing capital goods or services in the normal course of business.

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 28 Current provisions****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>(a) Provision for employee benefits (Refer note 48)</b>			
Provision for gratuity	8.01	9.65	1.90
Provision for leave encashment	0.96	1.46	0.48
Provision for Long service benefits	0.17	0.31	-
(b) Provision for Wealth Tax	-	-	0.11
<b>Total (a+b)</b>	<b>9.14</b>	<b>11.42</b>	<b>2.49</b>

**Note 29 Details of Income tax assets and income tax liabilities****(Rs. in Crores)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Income tax assets	180.71	186.96	182.10
(b) Current income tax liabilities	16.86	-	-
<b>Net Asset (a-b)</b>	<b>163.85</b>	<b>186.96</b>	<b>182.10</b>

**Movement in current income tax asset/(liability)****(Rs. in Crores)**

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Net current income tax asset/(liability) at the beginning	186.96	182.10
Income tax paid for the year	47.62	57.08
Provision for Income tax for the year (Refer Note 40(a))	(64.49)	(52.36)
Prior year tax /refund adjusted with tax / other items	0.81	0.77
Adjustment/Reclassification to MAT	(7.06)	(0.64)
<b>Net current income tax asset/(liability) at the end</b>	<b>163.85</b>	<b>186.96</b>

**Note 30 Revenue from Operations****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Sale of Product ( Including excise duty)</b>		
Natural Gas	5,194.87	6,190.48
<b>Other operating revenue</b>		
Gas transmission Income	0.70	6.29
Contract Renewal Charges	9.22	7.97
Take or Pay Income	5.12	10.40
Connection, Service and Fitting Income	26.63	29.51
Other Operating Income	1.33	0.83
<b>Total</b>	<b>5,237.87</b>	<b>6,245.48</b>

**Note 31 Other Income****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Income (including interest on income tax refunds)*	20.44	27.47
Dividend on Investments	-	11.06
Provisions no longer required written back	1.09	1.53
Profit/(Loss) on sale as scrap and diminution in Capital Inventory	0.32	(0.16)
Other Non-Operating Income	4.49	4.61
<b>Total</b>	<b>26.34</b>	<b>44.51</b>

\*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 32 Cost of materials consumed****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Natural Gas-Consumed	3,613.91	4,686.21
Gas Transportation Charges	224.13	223.52
<b>Total</b>	<b>3,838.04</b>	<b>4,909.73</b>

**Note 33 Purchase of Stock in Trade****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Purchases of CNG	-	4.39
<b>Total</b>	<b>-</b>	<b>4.39</b>

**Note 34 Changes in inventories of Natural Gas****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Changes in inventories of finished goods, stock in trade and work in progress - Natural Gas</b>		
Inventory at the beginning of the year	3.77	4.08
Less: Inventory at the end of the year	3.90	3.77
<b>Total</b>	<b>(0.13)</b>	<b>0.31</b>

**Note 35 Employee benefit expense****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries and Wages	108.24	110.44
Contribution to Provident and Other Funds- Gratuity(Refer note 48)	11.41	12.47
Leave Encashment & Other benefits	7.37	3.76
Staff Welfare Expenses	6.04	6.01
	133.06	132.68
Less: Amount capitalised during the period*	(4.85)	(3.95)
<b>Total</b>	<b>128.21</b>	<b>128.73</b>

\*Salary & wages of employees directly involved in capital projects are capitalised in Property, plant and equipment (PPE).

**Note 36 Finance Costs****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest on Borrowings	208.18	212.11
Interest on Non Convertible Debentures	2.95	52.13
Interest on Security Deposits & Others	6.08	5.52
Other Borrowing Costs (includes bank charges, etc.)	-	0.09
	217.21	269.85
Less: Amount capitalised during the period*	(8.25)	(22.41)
<b>Total</b>	<b>208.96</b>	<b>247.44</b>

\* The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year. Current year rate of interest considered is 9.04%. (Previous year 10.28%)

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 37 Depreciation and amortisation expense****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation of property, plant and equipment (refer note 3.1)	239.00	228.37
Amortisation of intangible assets (refer note 5.1)	18.33	17.05
<b>Total</b>	<b>257.33</b>	<b>245.42</b>

**Note 38 Other Expenses****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Consumption of Stores & Spares Parts	15.53	14.45
Power and Fuel	59.31	60.36
<b>Repairs and Maintenance:</b>		
- Buildings	1.79	1.28
- Plant and Machinery	112.48	98.42
- Others	12.05	14.42
<b>Rent:</b>		
- Pipelines	24.96	14.05
- Others (Refer Note 38.1)	6.04	6.17
LCV/HCV Hiring, Operating and Maintenance Charges	31.64	22.03
Franchisee and other Commission	29.05	24.65
Agency & Contract Staff Expenses	20.27	19.78
Legal and Professional Charges	10.27	11.28
Loss on sale / write-off of Fixed Assets (net)	9.76	8.86
Bank Charges	9.04	2.18
Billing and Collection expenses	6.44	4.76
Vehicles Exps	6.34	6.16
Office Expenses	4.96	4.34
Postage and Telephone Expenses	4.56	3.80
Allowance for Doubtful Trade Receivables/Advances/Deposits	4.16	1.79
Business Promotion expenses	3.25	4.15
Insurance	2.75	3.03
Rates, taxes and duties	1.07	1.57
Travelling and Conveyance	1.46	1.29
Stationery & Printing Expenses	1.45	1.97
Donations/Corporate social responsibility exp.	1.92	1.07
Net loss on Sale of Current Investments	-	0.05
Payment to Auditors (Refer Note 38.2)	0.32	0.51
Miscellaneous Expenses	2.32	2.29
Net Forex Loss	0.01	0.02
<b>Total</b>	<b>383.20</b>	<b>334.73</b>

**Note 38.1**-The Group has taken premises for business and residential use for its employees under cancellable operating lease arrangements. The total lease rentals recognised as an expense during the year for such lease arrangements is Rs. 6.04 Crores (Previous Year Rs. 6.17 Crores). The lease arrangement typically ranges from 11 months to 9 years.

**Note 38.2 Payment to Auditors****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
For Statutory Audit- 2016-17	0.31	-
For Statutory Audit- 2015-16	0.01	0.29
For Statutory Audit- 2014-15 (Merged Entity Accounts)	-	0.11
For Statutory Audit- 2013-14 (Revised Annual Accounts)	-	0.11
<b>Total</b>	<b>0.32</b>	<b>0.51</b>

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 39 Exceptional items****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Expenses pursuant to scheme of Amalgamation and Arrangement (Refer Note 39.1)	-	25.62
<b>Total</b>	<b>-</b>	<b>25.62</b>

**Note 39.1**-Exceptional item pertains to stamp duty charges and other expenses incurred pursuant to Scheme of Amalgamation and Arrangement.

**Note 40 Tax expense****(a) Amounts recognised in profit and loss****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Current Tax</b>		
(a) Current income Tax	64.49	52.36
(b) Short/(Excess) provision of income tax in respect of previous years	0.45	(0.25)
<b>Total (A)</b>	<b>64.94</b>	<b>52.11</b>
<b>Deferred Tax</b>		
(a) Deferred tax expense / (Income)- net		
Origination and reversal of temporary differences	36.11	24.04
Reduction in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Change in recognised deductible temporary differences	-	-
<b>Total</b>	<b>36.11</b>	<b>24.04</b>
(b) Recognition of tax credit	(16.95)	(10.33)
<b>Total (B)</b>	<b>19.16</b>	<b>13.71</b>
<b>Tax expense for the year (A+B)</b>	<b>84.10</b>	<b>65.82</b>

**(b) Reconciliation of effective tax rate****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Profit before tax</b>	<b>304.69</b>	<b>255.86</b>
Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 34.61%)	105.45	88.55
Reduction in tax rate	-	-
<b>Tax effect of:</b>		
Expenses Disallowed u/s 14A of the Income Tax Act, 1961	-	0.81
Donation	0.31	0.02
Dividend Income	-	(3.83)
Incremental deduction allowed u/s 32AC of the Income Tax Act, 1961 for Investments in new Plant & equipments	(19.63)	(19.63)
Lease hold amortisation	0.13	0.12
Impact of Long Term Capital Gain on Land	(1.32)	(1.65)
Impact of low tax rate for DDT on share of profit of associate	(0.20)	(0.31)
Impact of (Excess)/Short provisions of earlier year deferred taxes	(0.85)	1.98
Impact of (Excess)/Short provisions of earlier year current taxes	0.21	(0.25)
<b>Total</b>	<b>84.10</b>	<b>65.82</b>

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 41 Statement of other comprehensive income****(Rs. in Crores)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>(i) Items that will not be reclassified to profit or loss</b>		
<b>Equity Instruments through Other Comprehensive Income</b>		
Fair value of unquoted investments - Gain /(loss)	(52.19)	(41.56)
Tax impact on unquoted investments	12.08	9.59
<b>Remeasurement gains (losses) on defined benefit plans</b>		
Actuarial gains and losses - Gain /(loss)	(3.92)	(3.03)
Tax impact on Actuarial gains and losses	1.36	1.05
Share of Other comprehensive income of associate accounted for using equity method	(0.02)	0.01
Total of Items that will not be reclassified to profit or loss	(56.13)	(44.58)
Total Tax impact	13.44	10.64
<b>Total (i)</b>	<b>(42.69)</b>	<b>(33.94)</b>
<b>(ii) Items that will be reclassified to profit or loss</b>		
Income tax relating to items that will be reclassified to profit or loss -Gain /(loss)	-	-
<b>Total (ii)</b>	<b>-</b>	<b>-</b>
<b>Total (i+ii)</b>	<b>(42.69)</b>	<b>(33.94)</b>

**Note 42 Earning per Share -(EPS)****Earnings per equity share of FV of Rs 10 each**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year.(After adjusting treasury shares- current year 92,571, Previous year 1,06,232 equity shares).

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.(After adjusting treasury shares- current year 92,571, Previous year 1,06,232 equity shares)

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit for the year (Profit attributable to equity shareholders ( Rs. in Crores)	220.59	190.04
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	13,75,85,454	13,75,71,793
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	13,75,85,454	13,75,71,793
Face Value of equity share ( Rs.)	10.00	10.00
Basic EPS ( Rs.)	16.02	13.80
Diluted EPS ( Rs.)	16.02	13.80

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 43 CONTINGENT LIABILITIES & CONTINGENT ASSETS****(A) CONTINGENT LIABILITIES\*****(Rs. in Crores)**

<b>Contingent liabilities and commitments (to the extent not provided for)</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>	<b>As at 1st April 2015</b>
<b>Contingent Liabilities</b>			
(a) Contingent Liabilities - Statutory claims (Refer Note 43.1)	162.68	168.17	152.38
(b) Claims against the Group not acknowledged as debt ( Refer Note 43.2)	192.97	528.71	48.38
(c) Contingent Liabilities - Stamp duty on amalgamation (Refer Note 43.3)	18.53	-	25.00
<b>Total (A)</b>	<b>374.18</b>	<b>696.88</b>	<b>225.76</b>
<b>Commitments</b>			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	692.02	539.11	440.60
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for	345.92	203.33	161.83
<b>Total (B)</b>	<b>1,037.94</b>	<b>742.44</b>	<b>602.43</b>
<b>TOTAL (A+B)</b>	<b>1,412.12</b>	<b>1,439.32</b>	<b>828.19</b>

\*Refer note no 54 for details of group's shares in contingent liabilities of associate company.

**Note 43.1 Contingent Liabilities - Statutory claims****(Rs. in Crores)**

<b>Particulars</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>	<b>As at 1st April 2015</b>
Disputed statutory dues in respect of which Appeals are filed against / by Group :			
(a) Excise Duty	16.38	14.07	5.02
(b) Income Tax	105.84	113.76	109.82
(c) Service Tax	40.46	40.34	37.54
<b>TOTAL</b>	<b>162.68</b>	<b>168.17</b>	<b>152.38</b>

The Group is contesting the demands and the management including its advisors believe that its position is likely to be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

**Note 43.2 - Claims against the Group not acknowledged as debt**

- (i) UPL Limited (UPL) a customer of erstwhile Gujarat Gas Company Limited (GGCL) filed a complaint before Petroleum and Natural Gas Regulatory Board (PNGRB) against erstwhile GGCL alleging charging of tariff illegally under the City Gas Network Distribution Agreement entered into between the Parties. The matter was decided against erstwhile GGCL by PNGRB. Erstwhile GGCL has preferred an appeal at Appellate Tribunal for Electricity (APTEL) against the PNGRB Order. Erstwhile GGCL has also sought an interim stay on the PNGRB order which was granted by APTEL. The APTEL has in its order stated that it is an interim order without considering the merits of the case. Company has submitted bank guarantee of Rs. 40 Crores in favour of UPL.
- (ii) Erstwhile Gujarat Gas Company Limited and Erstwhile GSPC Gas Company Limited (Now collectively known as Gujarat Gas Limited "GGL") had signed Gas supply agreement with Gujarat State Petroleum Corporation Limited (GSPCL) for purchase of Re-gasified liquefied natural gas (RLNG). As per the provision of said agreement, GGL has to pay interconnectivity charges to GSPCL for the supply and purchase of RLNG at Delivery point which is charged to GSPCL by their supplier i.e. PLL Off takers (GAIL India, BPCL, IOCL).

PNGRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal. The PLL Offtakers (GAIL) filed appeals against the said PNGRB orders before the Appellate Tribunal for Electricity (APTEL). On 23-February-2012 APTEL had issued an interim order for shifting the Delivery Point from GAIL-GSPL Delivery Point to GSPL-PLL Delivery Point. On 18-December-2013 APTEL issued its judgment and required GSPCL to pay the amount of the difference between Rs. 8.74/MMBTU (exclusive of Service Tax) – earlier connectivity charges and Rs. 19.83/MMBTU (Exclusive of Service Tax) – HVJ/DVPL Zone-1 tariff to GAIL for the period from 20th November 2008 to 29th February 2012.

**Notes to Consolidated financial statements for the year ended 31st March 2017**

GSPCL has filed an appeal against the APTEL's above referred judgment before Hon'ble Supreme Court of India (GSPCL vs. GAIL & Others, Civil Appeal No. 2473-2476 of 2014) and the Hon'ble Supreme Court of India had passed the Interim Order on 28th February 2014. The Court has stated that the ends of justice would be met if as a matter of interim arrangement, the appellant is directed to pay interconnectivity charges at the rate of Rs. 12.00 per MMBTU (exclusive of Taxes). The Company has already provided and paid interconnectivity charges at the rate of Rs. 12.00 per MMBTU (exclusive of Taxes).

- (iii) One of the gas suppliers of the Company has submitted a claim of Rs. 108.44 Crores (P. Y. Rs. 481.85 Crores), for overdrawn use of gas against demand in earlier years. The company has refuted this erroneous claim contending that no contractual provisions of the agreement executed with GGL allow such claim. The management is of the firm view that the company is not liable to pay any such claim. The company has already taken up the matter with concerned party/authorities to withdraw the claim.

**Note 43.3 Contingent Liabilities - Stamp duty on amalgamation**

The office of superintendent of stamp has issued demand of stamp duty of Rs 43.53 crores for the transaction of scheme of amalgamation and arrangement. The Company has filed the appeal before Chief Controlling Revenue Authority - CCRA on 20.12.2016 by paying 25% of demand of Rs 10.88 crores. The Company has already provided the liability of Rs 25 crores in the books of accounts for the financial year 2015-16.

**B) CONTINGENT ASSETS**

The Group is having certain claims which are pursuing through legal processes. The management believe that probable outcome in all such claims are uncertain. Hence, the disclosure of such claims is not required in the financial statements.

**Note 44 Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006 (Rs. in Crores)**

Sr. No.	Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
1	The principal amount outstanding as at the end of accounting year.	14.74	11.19	11.58
2	Principal amount due and remaining unpaid as at the end of accounting year.	-	-	0.01
3	Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-	-
4	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
5	Interest accrued and remaining unpaid at the end of accounting year (Refer Note below)	0.01	0.01	0.02
6	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

**Note:** No interest has been paid by the Group to the enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006 according to the terms agreed with the enterprises.

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 45****A. Accounting classification and fair values****(Rs. in Crores)**

March 31, 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level -2 Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Investments	-	68.25	-	68.25	-	-	68.25	68.25
<b>Financial assets measured at amortised cost</b>								
Loans (Non-current)	-	-	65.36	65.36	-	65.36	-	65.36
Loans (Current)	-	-	1.43	1.43	-	-	-	-
Other financial assets (Non-current)	-	-	0.03	0.03	-	0.03	-	0.03
Other financial assets (Current)	-	-	46.53	46.53	-	-	-	-
Trade receivables	-	-	347.51	347.51	-	-	-	-
Cash and cash equivalents	-	-	21.16	21.16	-	-	-	-
Other bank balances	-	-	43.34	43.34	-	-	-	-
	-	<b>68.25</b>	<b>525.36</b>	<b>593.61</b>	-	<b>65.39</b>	<b>68.25</b>	<b>133.64</b>
<b>Financial liabilities measured at amortised cost</b>								
Non current borrowings	-	-	2,291.41	2,291.41	-	2,291.41	-	2,291.41
Current borrowings	-	-	7.28	7.28	-	-	-	-
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	317.41	317.41	-	-	-	-
Other financial liabilities	-	-	989.63	989.63	-	-	-	-
<b>Total</b>	-	-	<b>3,605.73</b>	<b>3,605.73</b>	-	<b>2,291.41</b>	-	<b>2,291.41</b>



**Notes to Consolidated financial statements for the year ended 31st March 2017**

March 31, 2016	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level -2 Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Investments	-	120.44	-	120.44	-	-	120.44	120.44
<b>Financial assets measured at amortised cost</b>								
Loans (Non-current)	-	-	47.23	47.23	-	47.23	-	47.23
Loans (Current)	-	-	2.04	2.04	-	-	-	-
Other financial assets (Non-current)	-	-	0.05	0.05	-	0.05	-	0.05
Other financial assets (Current)	-	-	32.81	32.81	-	-	-	-
Trade receivables	-	-	300.49	300.49	-	-	-	-
Cash and cash equivalents	-	-	22.87	22.87	-	-	-	-
Other bank balances	-	-	45.11	45.11	-	-	-	-
	-	<b>120.44</b>	<b>450.60</b>	<b>571.04</b>	-	<b>47.28</b>	<b>120.44</b>	<b>167.72</b>
<b>Financial liabilities measured at amortised cost</b>								
Non current borrowings	-	-	1,706.58	1,706.58	-	1,706.58	-	1,706.58
Current borrowings	-	-	-	-	-	-	-	-
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	252.32	252.32	-	-	-	-
Other financial liabilities	-	-	1,498.62	1,498.62	-	-	-	-
<b>Total</b>	-	-	<b>3,457.52</b>	<b>3,457.52</b>	-	<b>1,706.58</b>	-	<b>1,706.58</b>

**Notes to Consolidated financial statements for the year ended 31st March 2017**

April 1, 2015	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level -2 Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Investments	937.33	162.00	-	1,099.33	937.33	-	162.00	1,099.33
<b>Financial assets measured at amortised cost</b>								
Loans	-	-	29.65	29.65	-	29.65	-	29.65
Other financial assets (Non-current)	-	-	0.05	0.05	-	0.05	-	0.05
Other financial assets (Current)	-	-	39.82	39.82	-	-	-	-
Trade receivables	-	-	400.48	400.48	-	-	-	-
Cash and cash equivalents	-	-	234.67	234.67	-	-	-	-
Other bank balances	-	-	2.82	2.82	-	-	-	-
	<b>937.33</b>	<b>162.00</b>	<b>707.49</b>	<b>1,806.82</b>	<b>937.33</b>	<b>29.70</b>	<b>162.00</b>	<b>1,129.03</b>
<b>Financial liabilities</b>								
Non current borrowings	-	-	1,488.66	1,488.66	-	1,488.66	-	1,488.66
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	425.60	425.60	-	-	-	-
Other financial liabilities	-	-	2,530.53	2,530.53	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,444.79</b>	<b>4,444.79</b>	<b>-</b>	<b>1,488.66</b>	<b>-</b>	<b>1,488.66</b>

# Fair value of financial assets and liabilities which are measured at amortised cost is not materially different from the carrying value (ie..amortised cost).

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.



## Notes to Consolidated financial statements for the year ended 31st March 2017

### B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

#### Financial instruments measured at fair value - FVTOCI in unquoted equity shares

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p><b>Market comparison technique:</b> The valuation model is based on three approaches:</p> <p><b>1. Market approach :</b> This approach uses information generated by market transactions of the Company being valued or the transactions of comparable companies. The following market-linked information may be used for determining valuation under this approach.</p> <ul style="list-style-type: none"> <li>• Quoted price of the company being valued,</li> <li>• Past transaction value of the company being valued,</li> <li>• Listed comparable companies' trading multiples like price to earning ratio, enterprise value to earning before interest, tax, depreciation and amortisation, enterprise value to sales etc.</li> <li>• Transactions multiples for investment / M &amp; A transaction of comparable companies. The valuation arrived at based on the market approach reflects the current value of the Company perceived in the active market. However, as the valuation arrived at using market multiples is based on the past/current transaction or traded values of comparable companies/businesses, it may not reflect the possible changes in future trend of cash flows being generated by a business.</li> </ul>	<p>Comparable unobservable entity has been taken as a base for the valuation of unquoted equity shares and its management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc. As stated, highest priority is given to unadjusted quoted price of listed entities and lowest priority to non-market linked inputs such as future cash flows used in income approach.</p>	<p>The estimated fair value would increase (decrease) if:</p> <p>There is a change in pricing multiple owing to change in earnings of the entity. Considering the diverse asset and investment base of the Company with differing risk/return profiles, a sum of the parts approach has been adopted for the valuation. Under this method, the value of each distinct business / asset / investment has been arrived at separately and total value estimate for the Company presented as the sum of all its business / investments/assets.</p>
<p><b>2. Income approach :</b> The income approach reflects present value of future cash flows. For valuing a business, the discounted cash flow (DCF) methodology is used under this approach. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. This method is used to determine the present value of business on a going concern assumption.</p> <p>The DCF technique recognizes the time value of money. The value of the firm is arrived at by estimating the Free Cash Flow to Firm (FCFF) and discounting the same at the Weighted Average Cost of Capital (WACC). FCFF is estimated by forecasting free cash flows available to the firm (which are derived on the basis of the likely future earnings of the company).</p>		
<p><b>3. Cost approach</b> -The cost approach essentially estimates the cost of replacing the tangible assets of the business. The replacement cost takes into account the market value of various assets or the expenditure required to create the infrastructure exactly similar to that of a company being valued.</p>		

ii) **Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods

**Notes to Consolidated financial statements for the year ended 31st March 2017****iii) Level 3 fair values**

Movements in the values of unquoted equity instruments for the period ended 31st March 2017, 31 March 16 and 1 April 15 is as below:

<b>(Rs. in Crores)</b>	
<b>Particulars</b>	<b>Amount</b>
<b>As at 1 April 2015</b>	<b>162.00</b>
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	(41.56)
Gains/ (losses) recognised in statement of profit or loss	-
<b>Closing Balance (31 March 2016)</b>	<b>120.44</b>
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	(52.19)
Gains/ (losses) recognised in statement of profit or loss	-
<b>Closing Balance (31 March 2017)</b>	<b>68.25</b>

**Transfer out of Level 3**

There were no movement in level 3 in either directions during the year ended 31st March 2017 and the year ended 31st March 2016. Ind AS 101 allows an entity to designate certain investments in equity instruments as fair valued through the OCI on the basis of the facts and circumstances at the transition date to Ind AS. The Company has elected to apply this exemption for its investment in equity shares.

**Sensitivity analysis**

Based on the valuation report for investments in unquoted shares, the sensitivity as as 31st March 2017 is provided below.

<b>Significant observable inputs</b>	<b>(Rs. in Crores)</b>	
	<b>31-March17</b>	
	<b>OCI</b>	<b>Decrease</b>
<b>Equity securities in unquoted investments measured through OCI</b>		
Forecast gas trading margin 25% decrease		17.01

**C. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

**i. Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company has a well-define Risk Management framework for reviewing the major risks and has adopted a Business Risk Management Policy which also takes care of all the financial risks. Further, pursuant to the requirement of Regulation 21 of SEBI (Listing obligation and disclosure Requirements) Regulation, 2015, the company has constituted a Risk Management Committee inter - alia to monitor the Risk Management Plan of the Company.

The Group Heads Committee supported by Chief Financial Officer oversees the management of these risks. The Company's senior management is supported by Risk Management Committee that advises on financial risk and appropriate financial risk governance framework for the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Board of Directors reviews and agrees policies for managing each of these risks.

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 45 Financial Instruments – Fair values and risk management (continued)****ii. 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, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

**(a) Other financial assets**

The company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

**(b) Trade and other receivables**

The Company's exposure to credit Risk is the exposure that Company has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial, Commercial-Non Commercial, Domestic and CNG.

The Commercial and Marketing department has established a credit policy for each category of customer viz. industrial, domestic and commercial.

The Company raises the invoice for quantities sold based on periodicity as per the agreement. Sales are subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the company's receivables are secured.

For sales to domestic customers for household purposes like cooking, geyser application, etc., invoices are raised periodically. Security deposits along with connection deposits are taken for mitigation of potential credit risk arising in the event of non-payment of invoices.

CNG sales made through operators of the CNG stations owned by the Company and CNG Franchises outlet are exposed to credit risk as amounts so collected is deposited/transferred in company bank account on next working day. Bank Guarantee / Security Deposit is taken to mitigate the credit risk. For CNG sales made through Oil Marketing Companies (OMCs), the Company raises the invoice for quantities sold based on periodicity as per the agreement. The OMCs are well established companies viz. HPCL, BPCL, IOC, Essar Oil Ltd. where no significant credit risk is anticipated.

The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

A default on a financial asset is when the counter party fails to make contractual payment within 180 days of when they fall due. This definition of default is determine by considering the business environment in which the company operates and other macro economic factors.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognised in profit and loss.

**The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:****(Rs. in Crores)**

Particulars	Carrying amount		
	31st March 2017	31st March 2016	1st April 2015
India	352.89	304.92	404.38
Other regions	-	-	-
<b>Total</b>	<b>352.89</b>	<b>304.92</b>	<b>404.38</b>

**Expected credit loss for Trade receivables under Simplified Approach****(Rs. in Crores)**

Particulars	Carrying amount		
	31st March 2017	31st March 2016	1st April 2015
Neither past due nor impaired	296.12	270.58	364.71
Past due 1-90 days	44.33	23.97	30.00
Past due 91-180 days	2.34	2.28	3.07
Past due 181 to 1085 days	8.19	7.32	6.17
Greater than 1085 days	1.91	0.77	0.43
	352.89	304.92	404.38
Less: Expected credit losses (Allowance for bad and doubtful)	5.38	4.43	3.90
<b>Carrying amount of Trade Receivable (net of impairment)</b>	<b>347.51</b>	<b>300.49</b>	<b>400.48</b>

**Notes to Consolidated financial statements for the year ended 31st March 2017****Movement in Allowance for bad and doubtful Trade receivable****(Rs. in Crores)**

Particulars	31st March, 2017	31st March, 2016
Opening Allowance for bad and doubtful Trade receivable	4.43	3.90
Provision during the year	0.95	0.53
Write off during the year	-	-
<b>Closing Allowance for bad and doubtful Trade receivable</b>	<b>5.38</b>	<b>4.43</b>

The impairment provisions above are based on management judgment / 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 the company's past history as well as forward looking estimates at the end of each reporting period.

**(c) Loans and deposits – security deposits**

Company has given security deposit to various government authorities (like Municipal corporation, Nagarpalika, Grampanchayat, Road & building division and Irrigation department –of Govt. of Gujarat etc. ) for the permission related to work of executing / laying pipeline network in their premises / jurisdiction. Being government authorities the Companies are not exposure to any credit risk.

**Movement in Allowance for bad and doubtful Security deposits–Project authority****(Rs. in Crores)**

Particulars	31st March, 2017	31st March, 2016
Opening Allowance for bad and doubtful Security deposits	7.07	5.81
Provision during the year	3.58	1.46
Recovery/Adjustment during the year	(0.37)	(0.20)
Write off during the year	-	-
<b>Closing Allowance for bad and doubtful Security deposits</b>	<b>10.28</b>	<b>7.07</b>

The impairment provisions for financial assets – Loan and advances – Security Deposit as disclosed above are based on management judgment / assumptions about risk of performance default. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history as well as forward looking estimates at the end of each reporting period.

**iii. 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 have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**The Company maintains the following lines of credit outstanding:**

- Term loans from banks and financial institution of Rs. 2351.60 crores (March 31, 2016: Rs. 1833.88 crores and April 1, 2015: Rs. 2727.41 crores) that is secured by First pari – passu charge on all Present and future fixed assets & Property, plant, equipment (PPE)(Movable & Immovable) of the the Company and Second pari –passu charge on Present & Future Current Assets (financial and non financial assets) of the Company. Interest would be payable at the rate of varying from 8% – 8.25%.
- Non convertible debentures of Rs. Nil (March 31, 2016: Rs. 522.73 crores , April 1, 2015: Rs. 522.80 crores) that is unsecured. Interest is payable at the rate of 10.30% p.a. on semi annually basis.

**Financing arrangement**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

**(Rs. in Crores)**

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
<b>Floating rate</b>			
Expiring within one year (term loans, bank overdraft and other facilities)	490.00	1,468.23	293.34
Expiring beyond one year (term loans, bank overdraft and other facilities)	-	-	-
<b>Total</b>	<b>490.00</b>	<b>1,468.23</b>	<b>293.34</b>

**Notes to Consolidated financial statements for the year ended 31st March 2017****Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(Rs. in Crores)

March 31, 2017	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non current borrowings	2,291.41	2,291.41	-	123.89	525.36	1,642.16
Non current financial liabilities	-	-	-	-	-	-
Current financial liabilities	7.28	7.28	7.28	-	-	-
Trade and other payables	317.41	317.41	317.41	-	-	-
Other current financial liabilities	989.63	989.63	989.63	-	-	-
	<b>3,605.73</b>	<b>3,605.73</b>	<b>1,314.32</b>	<b>123.89</b>	<b>525.36</b>	<b>1,642.16</b>

Other current financial liabilities include customer deposits which are considered repayable on demand and hence current. These were classified as non-current under the previous GAAP.

(Rs. in Crores)

March 31, 2016	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non current borrowings	1,706.58	1,706.58	-	159.52	583.20	963.86
Non current financial liabilities	-	-	-	-	-	-
Trade and other payables	252.32	252.32	252.32	-	-	-
Other current financial liabilities	1,498.62	1,498.62	1,498.62	-	-	-
	<b>3,457.52</b>	<b>3,457.52</b>	<b>1,750.94</b>	<b>159.52</b>	<b>583.20</b>	<b>963.86</b>

(Rs. in Crores)

April 1, 2015	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non current borrowings	1,488.66	1,488.66	-	734.94	563.04	190.68
Non current financial liabilities	-	-	-	-	-	-
Trade and other payables	425.60	425.60	425.60	-	-	-
Other current financial liabilities	2,530.53	2,530.53	2,530.53	-	-	-
	<b>4,444.79</b>	<b>4,444.79</b>	<b>2,956.13</b>	<b>734.94</b>	<b>563.04</b>	<b>190.68</b>

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

**iv. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

**a) Currency risk**

The functional currency of the Company is Indian Rupee. The Company's transactions are majorly denominated in INR and the quantum of the foreign currency transactions being immaterial, the company is not exposed to currency risk on account of payables and receivables in foreign currency. The company does not have any exports. Import amount to 0.01% (previous year 0.07%) of total consumption, this is not perceived to be a major risk.

**Notes to Consolidated financial statements for the year ended 31st March 2017****b) Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

On period under review the Company do not have any borrowings at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate.

**(Rs. in Crores)**

<b>Variable-rate instruments</b>	<b>31st March, 2017</b>	<b>31st March, 2016</b>
Non current - Borrowings	2,291.41	1,706.58
Current portion of Long term borrowings	60.19	650.03
<b>Total</b>	<b>2,351.60</b>	<b>2,356.61</b>

**Sensitivity analysis**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

<b>Particulars</b>	<b>Profit or (Loss)</b>		<b>Equity (net of tax)</b>	
	<b>100 bp Increase</b>	<b>100 bp decrease</b>	<b>100 bp Increase</b>	<b>100 bp decrease</b>
<b>31st March 2017</b>				
Non current - Borrowings	(22.91)	22.91	(14.98)	14.98
Current portion of Long term borrowings	(0.60)	0.60	(0.39)	0.39
<b>Total</b>	<b>(23.52)</b>	<b>23.52</b>	<b>(15.38)</b>	<b>15.38</b>
<b>31st March 2016</b>				
Non current - Borrowings	(17.07)	17.07	(11.16)	11.16
Current portion of Long term borrowings	(6.50)	6.50	(4.25)	4.25
<b>Total</b>	<b>(23.57)</b>	<b>23.57</b>	<b>(15.41)</b>	<b>15.41</b>

**c) Commodity Price Risk**

Risk arising on account of fluctuations in prices of natural gas is managed through long term purchase contracts entered with the respective parties. The company monitors the movements in the prices closely while entering into new contracts.

**d) Equity Price Risk**

The Company do not have any investment in quoted equity shares hence not expose to equity price risk.

**Note 46 Capital Management**

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company has achieved a return on capital 13%; in March 31, 2017 (March 31, 2016: 12%). The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 9.04%.( March 31, 2016: 10.28%)

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, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

**Notes to Consolidated financial statements for the year ended 31st March 2017**

The Company's adjusted net debt to equity ratio is as follows.

Particulars	(Rs. in Crores)		
	31st March 2017	31st March 2016	1st April 2015
Interest bearing borrowings	2,351.60	2,356.61	3,250.21
Less : Current Investment	-	-	937.33
Less : Cash and bank balances	64.50	67.98	237.49
<b>Adjusted net debt</b>	<b>2,287.10</b>	<b>2,288.63</b>	<b>2,075.39</b>
Borrowings	2,351.60	2,356.61	3,250.21
Total equity	1,663.72	1,523.29	1,449.61
Adjusted net debt to adjusted equity ratio	1.37	1.50	1.43
Debt equity ratio	1.41	1.55	2.24

**Note 47-Employee Stock Option Plan:**

The erstwhile GSPC Gas Company Limited ('e-GSPC'), erstwhile Gujarat Gas Company Limited ('e-GGCL'), erstwhile Gujarat Gas Financial Services Limited ('e-GFSL') and erstwhile Gujarat Gas Trading Company Limited ('e-GTCL') merged with and into GSPC Distribution Network Limited ('GDNL') under the Composite Scheme of Amalgamation and Arrangement (the "Scheme of Amalgamation"). The effective date of Scheme of Amalgamation was 14 May 2015. Upon the Scheme of Amalgamation becoming effective, the name of GDNL has been changed to Gujarat Gas Limited ('GGL') as per the provisions of the Companies Act.

Pursuant to the Scheme of Amalgamation, the Addendum Gujarat Gas Limited Employee Stock Option Plan 2016 ("ESOP 2016") being supplementary to the Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("ESOP 2008") has been formulated for the limited purpose of adopting the ESOP 2008 in the Company.

The e-GGCL had formulated the above ESOP 2008, whereby Stock Options had been granted by e-GGCL to its employees. The ESOP 2008 has been effective from 1 November 2008 for a tenure of 8 years. As on the effective date of the Scheme of Amalgamation, certain employees of e-GGCL to whom Options had been Granted and Vested under the ESOP 2008, have not Exercised the said Options and hence as per the Scheme of Amalgamation, they are the Eligible Employees for the purpose of the ESOP 2016 as follows:

1. Revised Grants have been made to them with effect from the effective date under the Scheme of Amalgamation of 13000 equivalent number of Options-I under the ESOP 2016, against the equivalent number of Options Granted and Vested in them pursuant to the ESOP 2008, which were not Exercised by them on the effective date under the Scheme of Amalgamation.
2. The above Revised Grants of Options-I has been on the basis of the Share Exchange Ratio of 1 (one) equity share of Rs.10/- each of GGL, for every 1 (one) equity share of Rs.2/- each of e-GGCL, pursuant to the Scheme of Amalgamation.
3. The Options-I bear the Exercise Price as per the ESOP 2008. The Exercise Price payable for Options-I under ESOP 2016 is based on the Exercise Price payable by such Eligible Employees under the ESOP 2008 that has been adjusted after taking into account the effect of the Share Exchange Ratio of 1:1 as mentioned above.
4. Upon such Revised Grant of Options-I to the Eligible Employees the Options Granted under the ESOP 2008 stand cancelled and the Eligible Employees shall continue to be bound by all the terms and conditions of the ESOP 2008 in addition to this ESOP 2016.

The Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("ESOP 2008 Trust"), which has been formed and created vide execution of the Deed of Gujarat Gas Company Limited Employee Welfare Stock Option Trust dated 4 November 2008 has been renamed as Gujarat Gas Limited Employee Welfare Stock Option Trust ("ESOP 2016 Trust"). The ESOP 2016 Trust is an irrevocable Trust that functions for the limited purpose of adopting the ESOP 2008 and ESOP 2016 and to hold the existing share inventory of the ESOP 2008 Trust for the benefit of Eligible Employees under ESOP 2016 and the balance to be appropriated in line with the SEBI Regulations.

The ESOP 2016 and the ESOP 2016 Trust are governed by the provisions of the Companies Act 1956 or the Companies Act 2013, as may be applicable and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or the SEBI (Share Based Employee Benefits) Regulation, 2014, as may be applicable.

The ESOP 2008 Trust had purchased out of the funds advanced by the Company, the shares equivalent to the number of options granted. IDBI Trusteeship Services Limited are the Trustees. The Trustees can sell the shares in the market as per the approved scheme and for the year ended on 31st March 2017, there are no purchases from the market.

**Notes to Consolidated financial statements for the year ended 31st March 2017**

The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options were approved as per ESOP 2008. The graded vesting of options granted, over a period of 4 years from the date of grant is as follows:

% of Option Vested	Cumulative	Vesting Date
25%	25%	on expiry of two years from their Grant date ("First Vesting Date")
50%	75%	on expiry of three years from their Grant date ("Second Vesting Date")
25%	100%	on expiry of four years from their Grant date ("Third Vesting Date")

The options are to be exercised within a maximum period of 2 years from the date of vesting. Within the exercise period, the employee would have the option to either purchase the shares from the trust at the exercise price or to give a mandate of sale to the trust at the best available market price, in which event the difference between the net price realized on sale after taxes and charges and the Exercise Price will accrue as gains to the employee.

The options are to be exercised within a maximum period of 2 years from the date of vesting. Within the exercise period, the employee would have the option to either purchase the shares from the trust at the exercise price or to give a mandate of sale to the trust at the best available market price, in which event the difference between the net price realized on sale after taxes and charges and the Exercise Price will accrue as gains to the employee.

**Details of movement under the Stock option plan for the year ended 31 March, 2017 is as follows:****(Rs. in Crores)**

Particulars	Year ended		Year ended		Year ended	
	31-03-2017		31-03-2016		01-04-2015	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)
Options outstanding at the beginning of the year	13,000	332	25,500	334	2,45,250	303
Add: Options granted during the year	-	-	-	-	-	-
Less: Options forfeited during the year	-	-	-	-	11,250	335
Less: Options expired during the year	-	-	-	-	-	-
Less: Options exercised during the year	13,000	332	12,500	337	2,08,500	298
<b>Options outstanding at end of the year</b>	<b>-</b>	<b>-</b>	<b>13,000</b>	<b>332</b>	<b>25,500</b>	<b>334</b>

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. There are no options outstanding as on 31 March 2017. The weighted average remaining contractual life of options outstanding as on 31 March 2016 was 0.52 years (as on 01.04.2015 1.79 years).

An amount of Rs. Nil (Previous year Rs. 0.01 Crores) has been recognised as an expense in Employee Benefits Expenses (Note 33) and corresponding liability has been disclosed as Stock Options Outstanding Account (Note 20). The balance of Rs. Nil (Previous year Rs. 0.17 Crores, 1 April 2015 Rs. 0.31 Crores) in Stock Options Outstanding Account (Note 20) represents the amortised cost of stock options outstanding. As on 31 March 2017, the amount recoverable from ESOP trust is Rs. Nil (Previous year Rs.3.01 Crores, 1 April 2015 Rs. 3.01 crores).

The Company has adjusted gain of Rs. 0.17 Crores (Previous year Rs. 0.49 Crores) to General Reserve as the difference between the cost incurred by the ESOP Trust for the purchase of shares and the exercise price of those options which have been exercised by the employees.

**As the Company exercise control over the ESOP trust the same has been consolidated as a subsidiary in the consolidated Financial statement.**

**Note 48 Disclosure Of Employee Benefits**

The Company has implemented Ind AS - 19 on "Employee Benefits".

**(a) Provident Fund - Defined Contribution Plan**

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the period of 12 months ended is INR 7.32 Crores (Previous year INR 5.87 Crores).



**Notes to Consolidated financial statements for the year ended 31st March 2017**

**(b) Gratuity and Leave Encashment - Defined Benefit Plans (payable in future)**

Provision has been made for gratuity and leave encashment as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

Details of movement under the Stock option plan for the year ended 31 March, 2017 is as follows:

(Rs. in Crores)

	Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
		31st March 2017	31st March 2017	31st March 2016	31st March 2016	1st April 2015	1st April 2015
A.	Discount rate	7.25%	7.25%	7.80%	7.80%	7.74%-7.80%	7.74%-7.80%
	Rate of return on plan assets	7.25%	N.A.	7.80%	N.A.	9.00% - 8.50%	N.A.
	Salary Escalation	9.50%	9.50%	10.00%	10.00%	7.00%-12.00%	7.00%-12.00%
<b>B.</b>	<b>Change in Defined Benefit Obligations</b>						
	Liability at the beginning of the year	32.49	25.37	22.17	22.38	15.24	9.92
	Interest Cost	2.50	1.95	1.69	1.72	1.36	0.89
	Current Service Cost	3.47	2.97	2.71	2.98	1.66	1.72
	Past service cost	-	-	3.74	-	-	-
	Prior year Charge	-	-	0.34	0.17	-	-
	Benefits Paid	(0.93)	(2.41)	(0.93)	(0.68)	(0.98)	(0.79)
	Actuarial loss/ (gain) due to experience adjustment	4.29	2.55	(0.14)	1.94	-	-
	Actuarial (Gain) / Loss due to change in financial estimate	0.31	0.27	2.90	(3.13)	4.89	10.64
	<b>Total Liability at the end of the year</b>	<b>42.12</b>	<b>30.70</b>	<b>32.49</b>	<b>25.37</b>	<b>22.17</b>	<b>22.38</b>
<b>C.</b>	<b>Change in Fair Value of plan Assets</b>						
	Opening fair Value of plan assets	22.84	-	20.27	-	16.16	-
	Expected return on plan assets	1.88	-	1.88	-	1.50	-
	Expenses deduct from fund	-	-	-	-	(0.05)	-
	Return on plan assets excluding amounts included in interest income	0.68	-	(0.26)	-	0.19	-
	Contributions by employer	9.65	-	1.88	-	3.44	-
	Benefits Paid	(0.93)	-	(0.93)	-	(0.98)	-
	<b>Closing fair Value of plan assets</b>	<b>34.11</b>	<b>-</b>	<b>22.84</b>	<b>-</b>	<b>20.26</b>	<b>-</b>
<b>D.</b>	<b>Expenses Recognised in the Profit and Loss Statement</b>						
	Current Service Cost	3.47	2.97	2.71	2.98	1.66	1.72
	Interest Cost	2.50	1.95	1.69	1.72	1.36	0.89
	Expenses deduct from fund	-	-	-	-	0.05	-
	Expected return on plan assets	(1.88)	-	(1.88)	-	(1.50)	-
	Past service cost	-	-	3.74	-	-	-
	Prior year Charge	-	-	0.34	0.17	-	-
	Actuarial (Gain) / Loss	3.92	2.81	3.03	(1.20)	4.70	10.64
	<b>Exps. charged to Statement of Profit &amp; Loss</b>	<b>8.01</b>	<b>7.73</b>	<b>9.63</b>	<b>3.67</b>	<b>6.27</b>	<b>13.25</b>
<b>E.</b>	<b>Balance Sheet Reconciliation</b>						
	<b>Opening Net Liability</b>	<b>9.65</b>	<b>25.37</b>	<b>1.90</b>	<b>22.38</b>	<b>(0.92)</b>	<b>9.92</b>
	Employee Benefit Expense	4.09	7.73	6.60	3.67	6.26	13.25
	Amounts recognized in Other Comprehensive Income	3.92	-	3.03	-	(0.01)	(0.02)
	Contributions by employer	(9.65)	-	(1.88)	-	(3.44)	-
	Benefits Paid	-	(2.41)	-	(0.68)	-	(0.79)
	<b>Closing Liability</b>	<b>8.01</b>	<b>30.70</b>	<b>9.65</b>	<b>25.37</b>	<b>1.89</b>	<b>22.35</b>
<b>F.</b>	<b>Current/Non-Current Liability :</b>						
	<b>Current*</b>	4.15	0.96	3.47	1.46	1.08	0.48
	<b>Non-Current</b>	3.86	29.74	6.17	23.91	0.83	21.90

\*The Company expects that total outstanding gratuity liability payable as on 31.03.2017 will be paid to the gratuity trust within next 12 months.

**Notes to Consolidated financial statements for the year ended 31st March 2017****(c) Amounts recognised in current year and previous four years****(Rs. in Crores)**

	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
<b>A. Gratuity</b>					
Present value of Defined Benefit Obligation	42.12	32.49	22.17	15.24	-
Fair value of Plan Assets	34.11	22.84	20.26	16.17	-
(Surplus) / Deficit in the plan	8.01	9.65	1.91	(0.93)	-
Actuarial (Gain) / Loss on Plan Obligation	0.31	2.90	4.89	(0.98)	-
Actuarial Gain / (Loss) on Plan Assets	0.68	(0.26)	0.19	(0.31)	-
<b>B. Earned Leave</b>					
Present value of Defined Benefit Obligation	30.70	25.37	22.38	9.92	-
Actuarial (Gain) / Loss on Plan Obligation	0.27	(3.13)	10.64	(0.12)	-
<b>C. Long Service Award</b>					
Present value of Defined Benefit Obligation	0.94	1.43	-	-	-
Actuarial (Gain) / Loss on Plan Obligation	-	-	-	-	-

**(d) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31st March 2017			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	39.64	28.56	44.84	33.06
Salary growth rate (0.5% movement)	44.77	33.00	39.68	28.59

Particulars	31st March 2016			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	31.66	23.61	35.95	24.84
Salary growth rate (0.5% movement)	35.89	24.82	31.70	23.62

**(e) Gratuity Benefits Plan:**

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	No ceiling
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	60 years

**Notes to Consolidated financial statements for the year ended 31st March 2017****(i) Entity's responsibilities for the governance of the plan****Risk to the Plan**

Following are the risk to which the plan exposes the entity:

**A Actuarial Risk:**

"It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date."

**B Investment Risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**C Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

**D Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**E Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

- (ii) The company has participated in Group Gratuity Scheme Plan with Life Insurance Corporation of India (LIC), Reliance & HDFC life insurance co. Ltd through Gratuity Trust to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year. The total value of plan assets is as certified by the LIC, Reliance & HDFC life insurance co. Ltd.

(a) Composition of the plan assets

Particulars	31st March, 2017	31st March, 2016	31st March, 2015
Bank balance	0.11%	0.11%	0.09%
Policy of insurance	98.89%	98.85%	98.83%
Others	1.00%	1.04%	1.08%

- (b) The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

(c) Expected benefit payments as on 31 March 2017.

Particulars	1-3 years	4-9 years	10 year & Above
Cash flow ( Rs. in Crores)	3.81	19.25	101.60
Distribution ( in %)	3.06%	15.44%	81.50%

**Notes to Consolidated financial statements for the year ended 31st March 2017****(f) Expected benefit payments as on 31 March 2017 for Privilege Leave encashment benefits.**

Particulars	1-3 years	4-5 years	6 year & Above
Cash flow ( Rs. in Crores)	2.25	2.87	10.26
Distribution ( in %)	14.62%	18.67%	66.71%

**(g) Other Notes:**

- (i) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.
- (ii) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.
- (iii) The company has provided long service award benefits to its employees who completed 15/20/25 Years of employment with company. Accordingly company has provided Rs. 0.94 Crores (Previous year Rs. 1.43 crores) on account of Long service award benefit. Current Liability as at 31st March 2017 is Rs. 0.17 Crores(Previous year Rs. 0.31 Crores) and Non-Current Liability is Rs.0.77 Crores(Previous year Rs. 1.12 Crores).



**Notes to Consolidated financial statements for the year ended 31st March 2017**

**Note 49 Related Party Transactions for the period**

(Rs. in Crores)

Sr.	Name of Related Party	Relationship	Nature of Transactions & Balances	For the year ended 31st March, 2017	For the year ended 31st March, 2016	As at 31st March, 2015		
1	Gujarat State Petroleum Corporation Limited - GSPC	Holding Company	Purchase of Natural Gas	3,474.16	4,556.73			
			Rent Expense	0.17	0.16			
			Administration Expenses	0.07	1.00			
			Dividend Paid	9.78	19.55			
			Reimbursement of Expenses	0.45	0.03			
			Recharge of Salary - Income (Net)	0.17	0.05			
			Recharge of Expenses - Income	-	0.001			
			CNG Sales - Income	0.07	0.12			
			PNG Gas Sales - Income	0.02	0.03			
			Asset - Sale	0.03	-			
			<b>Balance as period end</b>					
			Amount Receivable/(Payable)	(184.16)	(132.82)	(310.54)		
			Investment at Period end	68.25	120.44	162.00		
			Deposits Asset / (Liability) - Net	(0.004)	(0.01)	0.01		
Bank Guarantee by GGL to GSPC	295.91	78.32	430.54					
2	Gujarat State Petronet Limited - GSPL	Subsidiary of Holding Company	Gas Transmission Expense	209.67	211.79			
			Supervision Expenses	0.31	0.09			
			Recharge of Salary (Net)	0.06	-			
			Right of Way Expense (ROW)	8.84	3.99			
			Reimbursement of Expenses	0.56	0.09			
			Dividend Paid	8.87	17.73			
			Rent Expense	1.13	1.06			
			Tender Fees (Paid)	0.004				
			Interest Exps.		0.02			
			Purchase of Assets		19.58			
			CNG Sales	0.001	0.08			
			PNG Sales - Income	0.03	0.04			
			O&M Charges Recovered - Income	0.12	0.12			
			Reimbursement of expenses - Income		0.10			
			<b>Balance at the period end</b>					
			Amount Receivable/(Payable)	(10.13)	(8.76)	(10.46)		
			Deposits Asset / (Liability) - Net	1.75	1.78	0.97		
			Advance Lease Rent (Paid)	0.21	0.22	0.19		
Bank Guarantee - by GGL to GSPL	23.79	23.79	20.66					
Letter of Credit - by GGL to GSPL	0.15	0.01	0.03					
3	Sabarmati Gas Limited - SGL	Joint Venture of Holding Company	Gas Transportation Expense	0.69	0.65			
			CNG Gas Purchase	-	5.05			
			PNG Sales - Income	0.002	3.64			
			Gas Transportation Charges - Income	0.05	0.04			
			<b>Balance at the period end</b>					
Amount Receivable/(Payable)	(0.03)	(0.03)	(0.44)					
Deposits Asset / (Liability) - Net	(0.04)	(0.04)	(0.04)					
4	Guj Info Petro Limited- GIPL	Associate	Web Development Charges	0.0005	0.0002			
			Dividend Received	-	0.0013			
			<b>Balance at the period end</b>					
Investment at Period end	0.03	0.03	0.03					

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 49 Related Party Transactions****Related Party Transactions for the period (Continued .....****(Rs. in Crores)**

Sr.	Name of Related Party	Relationship	Nature of Transactions & Balances	For the year ended 31st March, 2017	For the year ended 31st March, 2016	As at 31st March, 2015
5	Gujarat State Energy Generation Limited - GSEG	Associate of Holding Company	Reimbursement of Expenses	0.01	0.01	
			Reimbursement of Exps. - Income	0.02	-	
			Dividend Paid	0.07	0.13	
			PNG Sales - Income	0.00	0.00	
			<b>Balance at the period end</b>			
			Amount Receivable/(Payable)	(0.003)	(0.005)	(0.03)
			Deposits Asset / (Liability) - Net	(0.11)	(0.11)	(0.08)
6	GSPC LNG Limited	Associate of Holding Company	Recharge of Salary - Income	0.08	0.30	
			<b>Balance at the period end</b>			
			Amount Receivable/(Payable)	-	0.05	
7	GSPL India Gasnet Limited - GIGL	Joint Venture of Holding Company	Asset Purchased	-	0.04	
			Recharge of Salary & Allowances - Income	-	0.09	
8	GSPL India Transco Limited - GITL	Joint Venture of Holding Company	Asset Purchased	-	0.11	
			Recharge of Salary & Allowances - Income	-	0.09	
			Asset - Sale	0.01	-	
9	Gujarat State Financial Services Limited - GSFS (upto 01.08.2016)	Enterprise where KMP has control / significant influence	Interest Income	0.35	-	
10	Gujarat Gas Limited Employees Group Gratuity Scheme	Enterprise controlled by the company	Contribution Paid	9.65	1.88	
11	Mr.Nitin Patil- CEO (w.e.f 02.03.2016)	Key Managerial Person	Remuneration- Short Term Benefits - Rs. 0.79 Crores.Post Employment Benefit (Gratuity & PF Contribution) -Rs. 0.07 Crores.	0.86	0.07	
	Mr.PPG Sarma - CEO (upto 01.03.2016)		Remuneration	-	1.05	
12	Ms. P Subbalakshmi (related to Mr.PPG Sarma)	Relative of Key Managerial Person	Rent Paid		0.03	

**Notes**

- 1 GSPC Gas Company Limited Employees' Group Gratuity Scheme have been merged with Gujarat Gas Limited Employees Group Gratuity Scheme w.e.f 01.04.2016.
- 2 Shri. J.N.Singh, IAS was appointed director on board of GGL w.e.f. 25.04.2016. The sitting fees which becomes payable to him are directly deposited in Govt. Treasury Account.
- 3 Shri. T.Natarajan, IAS was appointed director on board of GGL w.e.f. 11.08.2016. The sitting fees which becomes payable to him are directly deposited in Govt. Treasury Account.
- 4 All transactions with related parties were carried out in the ordinary course of business and at arms length.

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 50 Corporate Social Responsibility Expenditure**

As per Section 135 of the Companies Act, 2013, a company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. CSR expenditure is contain the following:

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
(1) Gross amount required to be spent by the company during the year.	6.86	5.08	0.93
(2) Amount spent during the year on:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	1.90	1.01	1.07

**Note 51-Segment Reporting**

The Company primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The MD/CEO of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment needs to be disclosed.

**Information about geographical areas**

1. The Company does not have geographical distribution of revenue and hence segmentwise disclosure is not applicable to the Company.
2. None of the company's assets are located outside India hence segmentwise disclosure is not applicable to the Company.

**Information about major customers**

None of the customers account for more than 10% of the revenue of the revenue of the company.

**Note 52-Disclsoure on Specified Bank Notes (SBNs)**

Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016:

Particulars	SBNs	(Rs. in Crores)	
		Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	2,47,000	1,56,557	4,03,557
(+) Permitted receipts	41,57,85,093	43,06,08,756	84,63,93,849
(-) Permitted payments	-	7,48,970	7,48,970
(-) Amount deposited in Banks	41,60,32,093	42,96,43,090	84,56,75,183
Closing cash in hand as on 30.12.2016	-	3,73,253	3,73,253

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**Note 53 Transition to Ind AS:**

These financial statements, for the year ended 31 March 2017, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the "transition date"). In preparing the opening Ind AS balance sheet, the Group has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that acGroup the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS."

**A Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from IGAAP to Ind AS.

**A1 Ind AS optional exemptions****A1.1 Business Combination**

Ind AS 101 permits an entity to apply the requirements of Ind AS 103 - Business combinations (Ind AS 103) prospectively from the transition date or opt for retrospective application of Ind AS 103. Retrospective application could be either done since



## Notes to Consolidated financial statements for the year ended 31st March 2017

inception or from a date determined by the management. The exemption for past business combinations also applies to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

Accordingly, the Group has elected not to restate past business combinations with an acquisition date prior to the transition date. However, any consequential deferred tax adjustments as required by Ind AS) have been duly considered. An explanation of the same has been provided in the note no. 53.10 subsequently.

### A1.2 Share based payment

Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. The standard addresses three types of share-based payment transactions: equity-settled, cash-settled, and with cash alternatives. A first-time adopter is encouraged, but is not required, to apply Ind AS 102 to:

- (i) Equity instruments that vested before the transition date to Ind AS,
- (ii) Liabilities arising from share-based payment transactions that were settled before the transition date to Ind AS. The Group has elected to apply this exemption for its stock options which have vested prior to the transition date.

### A1.3 Leases

Ind AS 101 permits an entity to assess whether a contract or an arrangement contains a lease on the basis of facts and circumstances existing at the transition date to Ind AS. The Group has elected to apply this exemption for such contracts/arrangements.

### A1.4 Recognition of financial instruments through OCI

Ind AS 101 allows an entity to designate certain investments in equity instruments as fair valued through the OCI on the basis of the facts and circumstances at the transition date to Ind AS. The Group has elected to apply this exemption for its investment in equity instruments.

### A1.5 First time consolidation of a subsidiary

Ind AS 101 permits a first time adopter to consolidate a subsidiary that was not required to be consolidated under the previous GAAP based on carrying amounts of the subsidiary's assets and liabilities restated under Ind AS based as on the transition date. Accordingly, the Group has opted for this exemption for consolidation of the ESOP trust.

## A2 Mandatory Exceptions

### A2.1 Embedded derivative

Under Ind AS 101, a first-time adopter shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date a reassessment is required by Ind AS 109 when there is a change in the terms of the contract that significantly modifies the cash flows. Accordingly the Group has applied this exception.

### A2.2 Estimates

An entity's estimates in accordance with Ind ASs at the transition date to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the transition date as these were not required under previous GAAP:-

- Investment in financial instruments carried at FVTPL or FVTOCI; and
- Impairment of financial assets based on expected credit loss model
- Determination of the discounted value for financial instrument carried at amortised cost.

### A2.3 Classification and measurement of financial asset

Ind AS 101 provides exemption to certain classification and measurement requirement of financial assets under Ind AS 109, where these are impracticable to implement. Classification and measurement is done on the basis of facts and circumstances existing on the transition date. Accordingly the Group has determined classification of financial asset based on facts and circumstances existing on the transition date.



**Notes to Consolidated financial statements for the year ended 31st March 2017**

**B Reconciliations between previous GAAP and Ind AS**

**B.1 Reconciliation of equity as at April 01, 2015**

(Rs. in Crores)

Particulars	Foot not Ref	Amount as per IGAAP*	Effects of Transition to Ind AS	Amount as per Ind AS
<b>I. ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, plant and equipment	1,2	4,320.01	(1.35)	4,318.66
(b) Capital work in progress		357.19	-	357.19
(c) Investment property	1	-	1.30	1.30
(d) Intangible assets		166.65	-	166.65
(e) Intangible assets under development		0.20	-	0.20
(f) Investment in associate		19.12	0.80	19.92
(g) Financial assets				
(i) Investments		162.00	-	162.00
(ii) Loans	4	29.98	(1.78)	28.20
(iii) Other financial assets	2	-	0.05	0.05
(h) Other non-current assets	2, 11	227.35	(7.31)	220.04
<b>Total Non-Current Assets</b>		<b>5,282.50</b>	<b>(8.29)</b>	<b>5,274.21</b>
<b>2 Current assets</b>				
(a) Inventories		41.09	-	41.09
(b) Financial Assets				
(i) Investments	3	936.99	0.34	937.33
(ii) Trade receivables		400.48	-	400.48
(iii) Cash and cash equivalents		234.58	0.09	234.67
(iv) Bank balances other than (iii) above		2.82	-	2.82
(v) Loans		1.45	-	1.45
(vi) Other financial assets	2,4	41.04	(1.22)	39.82
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	2	13.60	0.07	13.67
<b>Total Current Assets</b>		<b>1,672.05</b>	<b>(0.72)</b>	<b>1,671.33</b>
<b>TOTAL ASSETS</b>		<b>6,954.55</b>	<b>(9.01)</b>	<b>6,945.54</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity share capital		137.68	-	137.68
(b) Other Equity	11	1,872.31	(560.38)	1,311.93
<b>Total equity</b>		<b>2,009.99</b>	<b>(560.38)</b>	<b>1,449.61</b>
<b>2 Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	5	1,490.77	(2.11)	1,488.66
(ii) Other financial liabilities		-	-	-
(b) Provisions		22.04	-	22.04
(c) Deferred tax liabilities (Net)	10	352.77	635.77	988.54
(d) Other non-current liabilities		-	-	-
<b>Total Non-Current Liabilities</b>		<b>1,865.58</b>	<b>633.66</b>	<b>2,499.24</b>
<b>Current liabilities</b>				
(a) Financial Liability				
(i) Borrowings		-	-	-
(ii) Trade payables	2	424.74	0.86	425.60
(iii) Other financial liabilities	6	2,613.68	(83.15)	2,530.53
(b) Other current liabilities		38.07	-	38.07
(c) Provisions		2.49	-	2.49
(d) Current Tax Liabilities (Net)		-	-	-
<b>Total Current Liabilities</b>		<b>3,078.98</b>	<b>(82.29)</b>	<b>2,996.69</b>
<b>Total liabilities</b>		<b>4,944.56</b>	<b>551.37</b>	<b>5,495.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,954.55</b>	<b>(9.01)</b>	<b>6,945.54</b>



**Notes to Consolidated financial statements for the year ended 31st March 2017**

**B.2 Reconciliation of equity as at March 31, 2016**

(Rs. in Crores)

Particulars	Foot not Ref	Amount as per IGAAP*	Effects of Transition to Ind AS	Amount as per Ind AS
<b>I. ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, plant and equipment	1,2	4,471.97	(1.28)	4,470.72
(b) Capital work in progress		467.96	-	467.96
(c) Investment property	1	-	1.30	1.30
(d) Intangible assets		202.16	-	202.16
(e) Intangible assets under development		0.20	-	0.20
(f) Investment in associate		22.05	0.02	22.07
(g) Financial assets		-	-	-
(i) Investments	7	162.00	(41.56)	120.44
(ii) Trade receivables		-	-	-
(ii) Loans	4	47.05	0.19	47.23
(iii) Other financial assets	2	-	0.05	0.05
(h) Other non-current assets	2, 11	288.93	(18.22)	270.72
<b>Total Non-Current Assets</b>		<b>5,662.32</b>	<b>(59.50)</b>	<b>5,602.85</b>
<b>2 Current assets</b>				
(a) Inventories		41.34	-	41.34
(b) Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade receivables		300.49	-	300.49
(iii) Cash and cash equivalents		22.73	0.14	22.87
(iv) Bank balances other than (iii) above		45.11	-	45.11
(v) Loans		2.47	(0.43)	2.04
(vi) Other financial assets	2,4	35.55	(2.74)	32.81
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	2	21.61	0.11	21.72
<b>Total Current Assets</b>		<b>469.29</b>	<b>(2.92)</b>	<b>466.38</b>
<b>TOTAL ASSETS</b>		<b>6,131.61</b>	<b>(62.41)</b>	<b>6,069.23</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity share capital		137.68	-	137.68
(b) Other Equity	11	1,987.11	(601.50)	1,385.61
<b>Total equity</b>		<b>2,124.79</b>	<b>(601.50)</b>	<b>1,523.29</b>
<b>2 Liabilities</b>				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	5	1,707.56	(0.98)	1,706.58
(ii) Other financial liabilities		-	-	-
(b) Provisions		25.25	-	25.25
(c) Deferred tax liabilities (Net)	10	410.28	580.69	990.98
(d) Other non-current liabilities		-	-	-
<b>Total Non-Current Liabilities</b>		<b>2,143.09</b>	<b>579.71</b>	<b>2,722.81</b>
<b>Current liabilities</b>				
(a) Financial Liability				
(i) Borrowings		-	-	-
(ii) Trade payables	2	251.51	0.81	252.32
(iii) Other financial liabilities	6	1,540.04	(41.43)	1,498.62
(b) Other current liabilities		60.77	-	60.77
(c) Provisions		11.42	-	11.42
(d) Current Tax Liabilities (Net)		-	-	-
<b>Total Current Liabilities</b>		<b>1,863.74</b>	<b>(40.62)</b>	<b>1,823.13</b>
<b>Total liabilities</b>		<b>4,006.83</b>	<b>539.10</b>	<b>4,545.94</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,131.61</b>	<b>(62.41)</b>	<b>6,069.23</b>



**Notes to Consolidated financial statements for the year ended 31st March 2017**

**B.3 Reconciliation of profit or loss for the year ended 31 March, 2016**

(Rs. in Crores)

Particulars	Foot not Ref	Amount as per IGAAP*	Effects of Transition to Ind AS	Amount as per Ind AS
<b>Revenue</b>				
I. Revenue from Operations	8	6,105.58	139.90	6,245.48
II. Other income		44.51	0.00	44.51
<b>III. Total Income (I+II)</b>		<b>6,150.08</b>	<b>139.91</b>	<b>6,289.99</b>
<b>IV. Expenses</b>				
Cost of materials consumed		4,909.73	-	4,909.73
Purchase of Stock-in -trade		4.39	-	4.39
Changes in inventories of natural gas		0.31	-	0.31
Employee Benefits Expenses	9	131.67	(2.94)	128.72
Finance costs	5	246.02	1.42	247.44
Depreciation and Amortization Expenses	2	245.69	(0.28)	245.42
Excise Duty	8	-	139.90	139.90
Other Expenses	2,3	334.40	0.34	334.74
<b>Total Expenses (IV)</b>		<b>5,872.21</b>	<b>138.44</b>	<b>6,010.65</b>
V. Profit/(Loss) Before Exceptional Items and Tax		277.88	1.46	279.35
VI. Exceptional Items		25.62	-	25.62
<b>VII. Profit/(Loss) Before Tax (V-VI)</b>		<b>252.26</b>	<b>1.46</b>	<b>253.72</b>
Add: Share of net profit of equity accounted investee		2.92	(0.78)	2.14
<b>VIII. Profit/(Loss) Before Tax</b>		<b>255.18</b>	<b>0.68</b>	<b>255.86</b>
<b>IX. Tax expense:</b>				
Current Tax		52.36	-	52.36
Adjustments of tax for earlier years		(0.25)	(0.00)	(0.25)
Deferred Tax	10	57.52	(33.48)	24.04
Less: MAT credit entitlement		(10.33)	-	(10.33)
<b>X Profit/(Loss) for the period(VIII-IX)</b>		<b>155.87</b>	<b>34.16</b>	<b>190.04</b>
XI. Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss	7,9	-	(44.59)	(44.59)
(ii) Income tax related to items that will not be reclassified to profit or loss	7,9	-	10.64	10.64
B. (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax related to items that will be reclassified to profit or loss		-	-	-
Other comprehensive income		-	(33.95)	(33.95)
<b>XII. Total comprehensive income for the period (X+XI)</b>		<b>155.87</b>	<b>0.22</b>	<b>156.10</b>

\*IGAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.



## Notes to Consolidated financial statements for the year ended 31st March 2017

### Footnotes to the above reconciliation are as under:

#### 1) Investment property

Under Ind AS, land and building held to earn rental income or for capital appreciation or both, rather than for use in production or supply of goods and services or sale in the ordinary course of business are to be classified as Investment Property. Under the IGAAP, investment properties were presented as part of Freehold Land. The Group has reclassified land valuing Rs 1.30 Crores as Investment property. However, there is no impact on the total equity or profit as a result of this adjustment.

#### 2) Own your asset scheme (OYAS)

Under IGAAP, assets given to employees under OYAS scheme were reflected as fixed assets and depreciated over their respective useful lives. Under Ind AS, this has been accounted as a finance lease and the WDV of the underlying assets has been derecognised. The difference between the cost of the asset and present value of the consideration received in the future has been recognized as an employee cost over the period. The consideration due from the employees over the period has been recognised as receivable. Consequently an amount of Rs 0.39 crores has been derecognised from PPE on the transition date. The total equity of the Group reduced by Rs 0.03 Crore as on the transition date. The impact of reversal of the depreciation and the employee cost are similar to each other for the year ended 31st March 2016, hence there is no significant impact on equity as on 31st March 2016.

**3) Fair valuation of investments in mutual funds:** Under IGAAP, the Group accounted for short term investments in mutual funds at cost. Under Ind AS, the Group has designated such investments as FVTPL investments. Carrying value of investments in mutual fund was Rs. 936.99 Crores as per previous GAAP on the date of transition. Consequently the value of total equity on the transition date has increased by Rs. 0.22 Crores (net of tax) while the value of investment have increased by Rs 0.34 crores.

#### 4) Interest accrued but not due

Under IGAAP, the Group has invested in fixed deposits with the banks. The interest is accrued on the same at each reporting date which is disclosed separately as interest accrued and due separate from the fixed deposit. Under Ind AS, the fixed deposits are to be reported at amortised cost. Accordingly interest accrued but not due of Rs 1.24 Crores and Rs. 2.76 Crores as on the transition date and 31st March 2016 respectively has been reclassified to respective fixed deposits. There is no impact on the total equity or profit as a result of this adjustment.

#### 5) Interest bearing loans and borrowings

Under IGAAP, transaction costs incurred in connection with interest bearing loans and borrowings were charged to profit or loss when incurred. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the EIR method. Accordingly the total equity increased by Rs 1.57 Crores on the transition date and Rs 0.64 Crores on 31st March 2016. The profit for the year ended 31st March 2016 reduced by Rs 0.93 Crores as a result of additional interest expense.

#### 6) Proposed Dividend and Tax thereon

Under IGAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly the liability proposed dividend of Rs 41.43 as at 31 March 2016 and Rs 82.85 as on the transition date included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

**7) FVTOCI financial assets:** Under IGAAP, the Group accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated such investments as FVTOCI investments. At the transition date, difference between the fair value and IGAAP carrying amount has been recognised as a separate component of equity, net of related deferred taxes. This has resulted in a decrease in total equity by Rs 31.97 Crores on 31 March 2016 (net of tax).

**8) Accounting for excise duty on sale of goods:** Under IGAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty which is considered as an expense. Thus sale of goods for the financial year 2015-16 under Ind AS has increased by Rs. 139.90 Crores with a corresponding increase in other expense. This adjustment has no impact on the total equity on the transition date as well as 31 March 2016.

**9) Employee benefits:** Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under IGAAP, these remeasurements were forming part of the profit or loss for the year. This adjustment has no impact on the total equity on the transition date as well as 31 March 2016.

#### 10) Deferred tax assets (net):

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on certain temporary differences which was not required under IGAAP as discussed below. Further, Group has reclassified MAT credit entitlement to deferred tax assets.

**Notes to Consolidated financial statements for the year ended 31st March 2017****The changes in deferred tax liability is as follows:****(Rs. in Crores)**

Particulars	Note	31-Mar-16	01-Apr-15
DT on FV of assets acquired in the merger	10(a)	(607.44)	(641.89)
Impact on account of OYAS	2	0.02	0.02
FV movement for investment in Mutual Funds	3	-	(0.12)
Reclassification of Lease hold land		3.53	3.63
Amortisation of transaction costs of Interest bearing loans and borrowing	5	(0.34)	(0.83)
Reclassification of MAT	10	18.44	7.47
On account DT on change in value of Investment in equity accounted investee		(4.49)	(4.05)
FV of Investment in equity shares	7	9.59	-
Change in deferred tax liability		(580.69)	(635.77)

**10(a) Deferred tax on temporary differences on account of scheme**

The composite Scheme of Amalgamation and Arrangement resulting in merger of GSPC Gas Company Limited (GSPC Gas), Gujarat Gas Company Limited (GGCL), Gujarat Gas Financial Services Limited (GFSL), Gujarat Gas Trading Company Limited (GTCL) and GSPC Distribution Networks Limited (GDNL) (consequently renamed to Gujarat Gas Limited (GGL)) was accounted using purchase method wherein all tangible as well as intangible assets were acquired at fair values as prescribed in the scheme approved by Hon'ble High court of Gujarat. The carrying amounts of these assets for tax purposes remained unchanged. Under IGAAP, based on the principles of AS 22 - Income taxes, being permanent difference no deferred tax was created on difference of fair value and book value as the differences arose on balance sheet items. Ind AS 12 - Income taxes, mandates creation of deferred tax on temporary differences based on difference in book base and tax base including those arising on account of a fair valuation of assets due to business combination. Consequently, a deferred tax liability of Rs 641.89 Crores through the reserves has been accounted for on the transition date i.e. 01 April 2015 to Ind AS. The impact of this on 31 March 2016 is Rs 607.44 Crores with the difference of Rs. 34.46 Crores has been reversed through the statement of profit and loss.

**11) Consolidation of ESOP trust**

Under IGAAP, the ESOP trust was not consolidated based on requirements of AS 21 (Consolidated Financial Statements) since the Group had no economic interest in the same. Under Ind AS, based on the requirements of Ind AS 110 (Consolidated Financial Statements), the Group controls the trust. Accordingly, the same has been consolidated as a subsidiary. The shares of the Group held by the trust have been accounted as treasury shares and presented as a part of statement of changes in equity.

**Notes to Consolidated financial statements for the year ended 31st March 2017****12 Equity**

The Impact of the above Ind AS adjustments on equity is as below:

Particulars	Note	(Rs. in Crores)	
		31-Mar-16	01-Apr-15
<b>IGAAP Equity (A)</b>		<b>2,124.79</b>	<b>2,009.99</b>
<b>Ind AS adjustments</b>			
<b>Comprehensive Income</b>			
DT on FV of assets acquired in the merger	10	(607.44)	(641.89)
Impact on account of OYAS	2	(0.03)	(0.03)
FV movement for investment in Mutual Funds	3	-	0.22
Impact on account of reclass of lease hold land		4.06	3.98
Amortisation of transaction costs of Interest bearing loans and borrowing	5	0.64	1.57
Reversal of proposed dividend	6	41.43	82.85
Impact of Ind AS adjustments on equity accounted investee		0.02	0.79
Treasury shares	11	(3.96)	(4.04)
Impact on Consolidation of ESOP trust	11	0.22	0.22
On account Deferrred Tax on change in value of Investment in equity accounted investee		(4.49)	(4.05)
Reclassification of Actuarial gains and losses to OCI	9	1.97	-
<b>Total Adjustments accounted through P&amp;L (B)</b>		<b>(567.57)</b>	<b>(560.38)</b>
<b>Other comprehensive income</b>			
FV of Investment in equity instruments	7	(31.97)	-
Reclassification of Actuarial gains/(losses) to OCI	9	(1.97)	-
<b>Total Adjustments accounted through OCI (C)</b>		<b>(33.94)</b>	<b>-</b>
<b>Total impact on account of Ind AS adjustments (D) = (B) + (C)</b>		<b>(601.51)</b>	<b>(560.38)</b>
<b>Equity after Ind AS adjustments (E) = (A) + (D)</b>		<b>1,523.29</b>	<b>1,449.61</b>

**C Cash flow statement**

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

**Note 54 Interest in other entities****a) Subsidiaries**

Set out below is the Subsidiary of the Company as at 31st March 2017. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of business	Principal Activity	Relationship	% of ownership		
				31st March 2017	31st March 2016	1st April 2015
Gujarat Gas Limited Employees Welfare Stock Option Trust	India	ESOP Trust	Subsidiary/100% sole controlled entity	100%	100%	100%

**Notes to Consolidated financial statements for the year ended 31st March 2017****b) Associates**

Set out below is the associate of the Company as at 31 March 2017 which, in the opinion of the directors, are material to the Company. The entity listed below has share capital consisting solely of equity shares, which are held directly by the Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(Rs. in Crores)

Name of Entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amount		
					31st March 2017	31st March 2016	1st April 2015
Guj Info Petro Limited (GIPL)*	India	49.94%	Associate	Equity Method	23.39	22.07	19.92
<b>Total equity accounted investments</b>					<b>23.39</b>	<b>22.07</b>	<b>19.92</b>

\* Unlisted entity - no quoted price available

GIPL is primarily engaged in the marketing, selling value distribution of internet bandwidth and added services like web hosting, designing, development & maintenance of websites, IT consultancy services, software development, server co-location, mailing solutions, operation & maintenance of systems/networks, trading in hardware equipments, facility management services etc. to various organisations across Gujarat.

**Commitments and contingent liabilities in respect of associates**

(Rs. in Crores)

Particulars	31st March 2017	31st March 2016	1st April 2015
<b>Contingent liabilities - associates</b>			
For direct tax	0.72	0.67	0.39
Performance guarantee*	1.08	1.06	1.00
Bank guarantee & Corporate guarantee*	0.11	0.16	0.18
<b>Total commitments and contingent liabilities</b>	<b>1.91</b>	<b>1.90</b>	<b>1.57</b>

\*Not included in group contingent liabilities as per group accounting policy.

**Summarised financial information for associate**

The tables below provide summarised financial information for those associates that are material to the Company. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Company's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(Rs. in Crores)

Particulars	GIPL		
	31st March 2017	31st March 2016	1st April 2015
Non-current assets	3.58	3.44	3.16
Current Assets	55.73	76.15	99.24
Non-current liabilities	1.13	0.53	0.88
Current liabilities	11.32	34.87	61.65
<b>Net Assets</b>	<b>46.85</b>	<b>44.20</b>	<b>39.88</b>

**Reconciliation to carrying amounts**

(Rs. in Crores)

Particulars	GIPL	
	31st March 2017	31st March 2016
<b>Net assets</b>	<b>46.85</b>	<b>44.20</b>
Company's Share in %	49.94%	49.94%
Company's Share in INR	23.39	22.07
Goodwill/Capital Reserve	-	-
<b>Carrying amount</b>	<b>23.39</b>	<b>22.07</b>



**Notes to Consolidated financial statements for the year ended 31st March 2017**

**Summarised statement of profit and loss**

(Rs. in Crores)

Particulars	GIPL	
	31st March 2017	31st March 2016
Revenue	15.93	23.83
Profit for the year	2.70	4.30
Other comprehensive income	(0.05)	0.03
Total comprehensive income	2.65	4.33
Dividend received (Current year Nil, Previous year Rs. 12500/-)	-	-

**Note 55 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III**

(Rs. in Crores)

Sr. no.	Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or Loss	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>A</b>	<b>Parent</b>								
	<b>Gujarat Gas Limited</b>								
	31 March 2017	98.59%	1,640.33	99.51%	219.50	100%	(42.67)	99.40%	176.83
	31 March 2016	98.61%	1,502.17	99.10%	188.33	100%	(33.95)	98.89%	154.38
<b>B</b>	<b>Subsidiaries/ 100% sole controlled entity</b>								
<b>(i)</b>	<b>Indian</b>								
	<b>Gujarat Gas Limited Employees Welfare Stock Option Trust</b>								
	31 March 2017	0.00%	-	0.00%	0.004	-	-	0.00%	0.00
	31 March 2016	-0.06%	(0.95)	0.01%	0.01	-	-	0.01%	0.01
<b>(ii)</b>	<b>Foreign</b>	-	-	0.00%	-	-	-	0.00%	-
	<b>Non-controlling interest in all subsidiaries</b>	-	-	0.00%	-	-	-	0.00%	-
<b>C</b>	<b>Associates (Investments as per the equity method)</b>								
<b>(i)</b>	<b>Indian</b>								
	<b>Guj Info Petro Limited (GIPL)</b>								
	31 March 2017	1.41%	23.39	0.49%	1.08	0%	(0.02)	0.59%	1.06
	31 March 2016	1.45%	22.07	0.90%	1.70	0%	0.01	1.10%	1.71
<b>(ii)</b>	<b>Foreign</b>	-	-	-	-	-	-	0.00%	-
<b>D</b>	<b>Joint Ventures (Investments as per the equity method)</b>								
<b>(i)</b>	<b>Indian</b>	-	-	-	-	-	-	-	-
<b>(ii)</b>	<b>Foreign</b>	-	-	-	-	-	-	-	-
	<b>Total</b>								
	31 March 2017	100%	1,663.72	100%	220.58	100%	(42.69)	100%	177.89
	31 March 2016	100%	1,523.29	100%	190.04	100%	(33.94)	100%	156.10

**Notes to Consolidated financial statements for the year ended 31st March 2017****Note 56 Previous year figures**

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

The Accompanying Notes are an integral part of the financial Statements.

As per our report attached

**For Manubhai & Shah LLP**  
**Chartered Accountants**

ICAI Firm Reg. No. 106041W/W100136

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

**Dr. J. N. Singh, IAS**  
Chairman

**Dr. T. Natarajan, IAS**  
Director

**Jal Patel**  
Director

**G.R.Parmar**  
Partner  
M. No. : 121462

**Nitin Patil**  
Chief Executive Officer

**Nitesh Bhandari**  
Chief Financial Officer

**Rajeshwari Sharma**  
Company Secretary  
Place : Gandhinagar  
Date : 24 May 2017

Place : Ahmedabad  
Date : 24 May 2017



GUJARAT GAS

**GUJARAT GAS LIMITED**

Registered Office: Block No. 15, 3rd Floor, Udyog Bhavan, Sector - 11, Gandhinagar - 382011  
Tel: +91 -79-26462980 Fax + 91 -79-26466249 · website: www.gujaratgas.com,  
E-mail Id: rajeshwari.sharma@gujaratgas.com  
CIN: L40200GJ2012SGC069118

**ATTENDANCE SLIP**

**To be handed over at the entrance of the Meeting Hall**

Name of the attending member (In Block Letters)	Folio No/ DP ID / Client ID
Name of Proxy (In Block Letters) (To be filled in if the proxy attends instead of the Member)	No. of shares held

I/We hereby record my/our presence at the 5 (Fifth) Annual General Meeting of the Company held on Thursday, 28th September, 2017, at Seminar Hall - 2 (Sr2), Gate No. 1, Mahatma Mandir, Gandhinagar, Gujarat, India at 12:00 Noon.

-----  
**Shareholder's / Proxy's Signature**  
**(To be signed at the time of handing over this slip)**

*This page is intentionally left blank.*



GUJARAT GAS

**GUJARAT GAS LIMITED**

CIN: L40200GJ2012SGC069118

Reg. off. : Block No. 15, 3rd Floor, Udyog Bhavan, Sector-11, Gandhinagar-382011 Tel: +91-79-26462980,  
Fax + 91-79-26466249, Website: www.gujaratgas.com, E-mail Id: rajeshwari.sharma@gujaratgas.com

**Form No. MGT-11 PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of Member(s):

Registered Address:

E-mail ID:

Folio No/Client ID/ DP ID:

I/We, being the Member(s) holding \_\_\_\_\_ shares of the above named Company, hereby appoint;

(1) Name: \_\_\_\_\_ Address \_\_\_\_\_

E Mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her;

(2) Name: \_\_\_\_\_ Address \_\_\_\_\_

E Mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her;

(3) Name: \_\_\_\_\_ Address \_\_\_\_\_

E Mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 5th Annual General Meeting of the Company, to be held on Thursday, 28th September, 2017 at 12:00 Non at Seminar Hall - 2 (SR2), Gate No. 1, Mahatma Mandir, Gandhinagar, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Item/ Resolution No.	Ordinary Business
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2017, together with the Board's Report, the Report of Auditors' thereon and Nil Comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.
2	To declare Dividend on equity shares for the year 2016 - 17.
3	To re- appoint Dr. T. Natarajan, IAS, (DIN: 00396367), who retires by rotation and being eligible offers himself for re-appointment.
4	To authorise the Board of Directors of the Company to fix the remuneration of Statutory Auditors of the Company for the F.Y. 2017 - 2018, in terms of the provisions of Section 142 of Companies Act, 2013
	<b>Special Business</b>
5	Re-Appointment of Mr Jal Patel as an Independent Director for the second term of 5 years w.e.f. 21/04/2017.
6	Re-Appointment of Mr K.D. Chatterjee as an Independent Director for the second term of 5 years w.e.f. 21/04/2017.
7	Re-Appointment of Ms. Manjula Devi Shroff as an Independent Women Director for the second term of 5 years w.e.f. 21/04/2017.
8	Appointment of Prof. Piyush Kumar Sinha as an Independent Director for the first term of 2 years w.e.f. 16/08/2017.
9	Appointment of Prof. Vishal Gupta as an Independent Director for the first term of 2 years w.e.f. 16/08/2017.
10	Appointment of Shri Milind Torawane, IAS as Director liable to retire by rotation.
11	To approve enhancement of the Borrowing Powers of the Board under Section 180(1)(c) of the Companies Act, 2013.
12	Ratification of remuneration of Cost Auditors for FY 2017 - 18.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

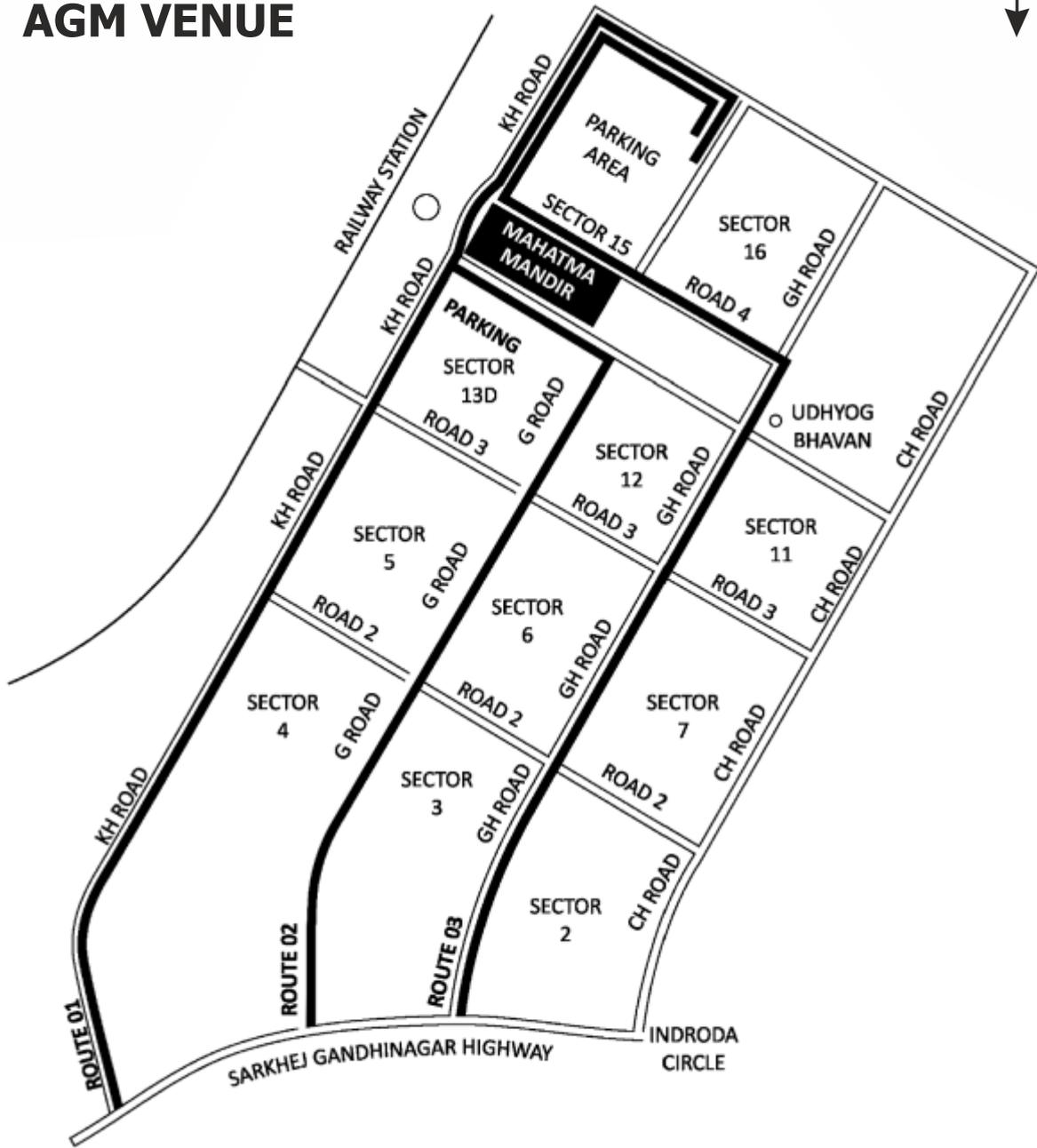
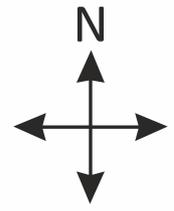
Signature of Shareholder(s) \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at: Block No. 15, 3rd Floor, Udyog Bhavan, Sector - 11, Gandhinagar - 382011 not less than 48 hours before the commencement of the Meeting.

*This page is intentionally left blank.*

# Route map to AGM VENUE



*This page is intentionally left blank.*