







GUJARAT GAS

FORM A

Covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	Gujarat Gas Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by-	
	• CEO	 PPG SARMA
	• CFO	 NITESH BHANDARI
	• AUDITOR OF THE COMPANY	 G. R. PARMAR-PARTNER MANUBHAI & SHAH CHARTERED ACCOUNTANTS
	• AUDIT COMMITTEE CHAIRMAN	 JAL PATEL



**GUJARAT GAS LIMITED** (A Group Company of GSPC - Government of Gujarat Undertaking) (Formerly known as GSPC Distribution Networks Limited)  
Corporate Office : 2, Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006, Gujarat, India  
Tel.: +91-79-26462980, 26460095 Fax : +91-79-26466249  
Registered Office : Block No. 15, 3rd Floor, Udyog Bhavan, Sector - 11, Gandhinagar - 382 011, Gujarat, India  
Website : www.gujaratgas.com, www.gspcgroup.com CIN : U40200GJ2012SOC069118



## GUJARAT GAS

### GUJARAT GAS LIMITED

(Formerly known as GSPC Distribution Networks Limited)

CIN U40200GJ2012SGC069118

#### BOARD OF DIRECTORS

Shri G.R. Aloria, IAS Chairman (w.e.f. 13<sup>th</sup> August, 2015)  
Shri Atanu Chakraborty, IAS (w.e.f. 16<sup>th</sup> April, 2015)  
Shri L. Chuaungo, IAS (w.e.f. 21<sup>st</sup> April, 2015)  
Shri Sanjeev Kumar, IAS (w.e.f. 21<sup>st</sup> April, 2015)  
Shri Mukesh Kumar, IAS (w.e.f. 21<sup>st</sup> April, 2015)  
Shri K.D. Chatterjee (w.e.f. 21<sup>st</sup> April, 2015)  
Shri Jal Patel (w.e.f. 21<sup>st</sup> April, 2015)  
Prof Pradip Khandwalla (w.e.f. 21<sup>st</sup> April, 2015)  
Shri Ajit Kapadia (w.e.f. 21<sup>st</sup> April, 2015)  
Smt. Manjula Shroff (w.e.f. 21<sup>st</sup> April, 2015)

Shri D.J. Pandian, IAS (up to 30<sup>th</sup> May, 2015)  
Shri Tapan Ray, IAS (up to 30<sup>th</sup> September, 2014)  
Shri M. K. Das, IAS (up to 27<sup>th</sup> April, 2015)  
Shri P.P.G. Sarma (up to 21<sup>st</sup> April, 2015)  
Shri Ravindra Agrawal (up to 21<sup>st</sup> April, 2015)  
Shri N. Bose Babu (up to 21<sup>st</sup> April, 2015)  
Shri Manish Verma (up to 18<sup>th</sup> March, 2015)

#### CHIEF EXECUTIVE OFFICER

Mr. PPG Sarma (w.e.f. 25<sup>th</sup> May, 2015)

#### COMPANY SECRETARY

Ms. Rajeshwari Sharma, Company Secretary (w.e.f. 25<sup>th</sup> May, 2015)  
Mr. Rohan Sampat Company Secretary (up to 24<sup>th</sup> May, 2015)

#### INTERNAL AUDITORS

Ernst & Young

#### SECRETARIAL AUDITORS

Dhawal Chavda & Associates

#### REGISTRAR & SHARE TRANSFER AGENT

M/S Karvy Computershare Pvt. Ltd., Hyderabad

#### BANKERS & FINANCIAL INSTITUTION

Oriental Bank of Commerce  
The Kalupur Commercial Co-Operative Bank  
Bank of Maharashtra  
Corporation Bank  
UCO Bank  
Dena Bank  
Bank of Baroda  
State Bank of India  
IDBI Bank  
HDFC Bank  
ICICI Bank  
Axis Bank  
YES Bank  
IndusInd Bank  
Kotak Mahindra Bank Limited  
Gujarat State Financial Services Limited  
Housing and Urban Development Corporation Limited

#### STATUTORY AUDITORS

Manubhai & Shah Chartered Accountants  
2<sup>nd</sup> Floor, 'B' Wing, Premium House, Near Gandhigram  
Rly. Station, Navrangpura, Ahmedabad - 380 009. Gujarat, India.

#### COST AUDITORS

N D Birla & Co.  
A-3, Nirant Appartment, Opp.-Townhall, Nr.Karnavati Hospital,  
Ellis-Bridge,Ahmedabad-380006, Gujarat, India.

#### REGISTERED OFFICE

Block No. 15, 3<sup>rd</sup> floor, Udyog Bhavan, Sector-11, Gandhinagar-  
382011

#### CORPORATE OFFICE

2, Shanti Sadan Society, Near Parimal Garden,  
Ellisbridge, Ahmedabad - 380 006

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**GUJARAT GAS LIMITED**

(Formerly Known as GSPC Distribution Networks 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: U40200GJ2012SGC069118

**NOTICE OF 3RD ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 3rd (Third) Annual General Meeting of the Members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) will be held on Monday, 28th December 2015, 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 Revised Balance Sheet as on 31st March 2014, Revised Statement of Profit and Loss for the year ended on 31st March 2014 along with notes forming part of the financial statements together with the Amendment to Directors' Report, the Report of Auditors' thereon and the Nil Comments of the Comptroller & Auditor General of India, in terms of Section 619(4) of the Companies Act, 1956.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2015, 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.
3. To declare Dividend on equity shares for the year 2014-15.
4. To authorise the Board of Directors of the Company to fix the remuneration of Statutory Auditors of the Company for the F.Y. 2015-2016 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 an **Ordinary Resolution**:  
**RESOLVED THAT Shri G.R. Aloria, IAS, (DIN: 02913711)** 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 not be liable to retire by rotation.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**RESOLVED THAT Shri Atanu Chakraborty, IAS, (DIN: 01469375)** 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 not be liable to retire by rotation.
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**RESOLVED THAT Shri Lalnunmawia Chuaungo, IAS, (DIN: 00032867)** 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, liable to retire by rotation.
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**RESOLVED THAT Shri Sanjeev Kumar, IAS, (DIN: 03600655)** 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, liable to retire by rotation.



9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT Shri Mukesh Kumar, IAS, (DIN: 06811311)** 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, liable to retire by rotation.
10. 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 to the Companies Act, 2013, **Ms. Manjula Devi Shroff, (DIN: 00297159)** who was appointed as an Additional Independent Women 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 her candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for the period of 2 years effective from 21st April 2015.
11. 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 to the Companies Act, 2013, **Mr. Ajit Kapadia, (DIN: 00065081)** 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 period of 2 years effective from 21st April 2015.
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 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 to the Companies Act, 2013, **Mr. Jal Patel, (DIN: 00065021)** 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 period of 2 years effective from 21st April 2015.
13. 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 to the Companies Act, 2013, **Mr. K.D. Chatterjee, (DIN: 00421999)** 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 period of 2 years effective from 21st April 2015.
14. 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 to the Companies Act, 2013, **Prof. Pradip Khandwalla, (DIN: 00064643)** 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 period of 2 years effective from 21st April 2015.
15. 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 **N. D. Birla & Co., Cost Accountants, (firm Registration No. 000028)** 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 2014 to 31st March 2015, at a remuneration of Rs. 2,00,000/- (Rs. Two Lakhs only), plus service tax as applicable and reimbursement of out of pocket expenses, as may be incurred by them during the course of the audit, be and is hereby approved.

**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."

16. 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/s. Dalwadi & Associates, Cost Accountants, (firm Registration No. 000338)** 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 2015 to 31st March 2016, at a remuneration fees of Rs 2,00,000/- (Rupees two Lacs) plus Service Tax Plus Out of Pocket expenses, if any, on actual basis be and is hereby approved.

**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."

17. 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 Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company be altered as follows:

**Following sentence be inserted after Clause 15:**

"There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law."

**Following sentence be inserted after Clause 17:**

"A common form of transfer shall be used."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company or its Committee thereof, be and are hereby authorized to do all such acts, deeds and action as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board  
For, Gujarat Gas Limited**

**Date: 24th November, 2015  
Place: Ahmedabad**

**Rajeshwari Sharma  
Company Secretary**

**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 the 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 17 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 Monday, 21 December 2015 to Monday, 28 December 2015 (both days inclusive).





(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 computerised 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 040-67161606, 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 Bombay Stock Exchange Limited 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 is:

**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 Section 205A and 205C of the Companies Act, 1956, the amount of such dividends declared till FY 2008, 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 2008 upto FY 2013-14, may approach the Company or its Registrar & Share Transfer Agent for obtaining payment thereof mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).**

(J) The Board of Directors, in its meeting held on 13 August 2015, had declared a Dividend of Rs. 5.00 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 within a period of 30 days from the date of declaration.

(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, 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) Rule, 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 Registered 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. 2014-2015 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 has appointed Manubhai & Shah, Chartered Accountants as the Auditors of the Company for FY 2015-16 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 2015-16.

(P) **Voting through Electronic Means:**

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement with the Stock Exchanges, 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 M/s Karvy Computershare Private Limited ("Karvy") as the Authorised Agency 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 a 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 December, 2015. 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 December, 2015 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. 21 December, 2015.

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 M/s K K Patel & Associates, Practising Company Secretary, 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 25 December, 2015
End of remote e-voting	05.00 P.M. (IST) on 27 December, 2015

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

i. Open your Internet Web Browser during the voting period and navigate to following URL for e-voting :<https://evoting.karvy.com>. The home screen will be displayed then click on the shareholders icon in the homepage.

ii. Enter the login credentials i.e. User ID and Password mentioned in the email forwarding the Annual Report or mentioned on the letter accompanying the Annual Report in case email ID is not registered and physical copy of the Annual Report is being received by you. The said login credentials shall be valid only in case you continue to hold the Shares on the cut off date i.e. 21 December, 2015. Your Folio No/DP ID, Client ID will be your User ID. However, if you are already registered with M/s Karvy for e-voting, you can use your existing User ID and Password for casting your vote.

**User - ID: For Members holding Shares in demat form:-**

- a) For NSDL:- 8 Character DP ID followed by 8 Digits Client ID
- b) For CDSL:- 16 Digit Client ID

**For Members holding Shares in physical form:-**

· Event No. followed by Folio Number registered with the Company.

**Captcha :** Enter the verification code i.e. please enter the alphabets and numbers exact way as they are displayed for security reasons.

- 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 Login Password field. The new Password has to be minimum eight (8) characters consisting of 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, email ID, etc on 1st Login. You may also enter the secret question and answer of your choice to retrieve your Password in case you forget it. It is strongly recommended not to share your Password with any other person and 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 E-Voting Event Number for Gujarat Gas Limited.
- vii. On the voting page, you will see Resolution description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of Shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' 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 on the cut-off date, as mentioned above. You may also choose the option "ABSTAIN" in case you do not want to cast vote. Option "FOR" implies assent to the Resolution and "AGAINST" implies dissent to the Resolution.
- viii. You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- ix. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution.
- x. Members holding multiple Folios/Demat Account shall choose the voting process separately for each Folio/Demat Account.
- xi. 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.
- 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: scrutinizergspl@gmail.com with a copy to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO".
- xiii. Once the vote on a Resolution is casted by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote through remote e-voting shall not be allowed to vote again at the Meeting.
- xiv. Any person who becomes Member of the Company after dispatch of the Notice of the Annual General Meeting and holding Shares as on the cut-off date i.e. 21 December, 2015 may obtain the User ID and Password in the Manner as mentioned below:
  - a. If the mobile number of the Member is registered against Folio No./ DPID & Client ID, the Member may send SMS: MYEPWD <space> E-Voting Event Number +Folio no. or DPID & Client ID to +91-9212993399  
Example for NSDL : MYEPWD<SPACE>IN12345612345678  
Example for CDSL : MYEPWD<SPACE>1402345612345678  
Example for Physical: MYEPWD<SPACE> XXXX1234567890
  - b. If e-mail address or mobile number of the Member is registered against Folio No. / DP ID & Client ID, then on the homepage of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DP ID & Client ID and PAN to generate a Password.





- c. Member may call Karvy's Toll free number 1-800-3454-001
- d. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
- xv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. Chandrashekar Raman, Sr. Manager – Corporate Registry, M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 at afore mentioned Toll free number.

**(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 21 December, 2015 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, not later than 3 days of the conclusion of Annual General Meeting, i.e. on or before 31 December, 2015, 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 M/s Karvy Computershare Private Limited immediately after the Result is declared and shall be simultaneously communicated to the Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Limited (NSE), Ahmedabad Stock Exchange (ASE) and Vadodara Stock Exchange (VSE) 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) **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**

**Date: 24th November, 2015  
Place: Ahmedabad**

**Rajeshwari Sharma  
Company Secretary**

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013 AND THE INFORMATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING APPOINTED/RE-APPOINTED IS AS FOLLOW:**

Details of Promoter Directors- Mr. G.R.Aloria, IAS, Mr. Atanu Chakraborty, IAS, Mr. L. Chuaungo, IAS, Mr. Sanjeev Kumar, IAS, Mr. Mukesh Kumar, IAS, and the Independent Directors namely Ms. Manjula Shroff, Mr. Ajit Kapadia, Mr. Jal Patel, Mr. Krishnadas Chatterjee, Prof Pradip Khandwalla, and; ratification of remuneration of Cost Auditors for F.Y. 2014-15 and 2015-16 and amendment of the Articles of Association of the Company, in respect of Special Business set out at Item Nos. 5 to 17 of the Notice of the AGM:

**Item No 5. Appointment of Mr G.R.Aloria, IAS as Director and Chairman, not liable to retire by rotation.**

Mr. G.R. Aloria, IAS Chief Secretary to Government of Gujarat had been appointed as the Additional Director and Chairman on the Board of the Company w.e.f. 13th August, 2015. He and his relatives hold Nil shares of the Company. The Company has received a notice proposing candidature of Shri G.R. Aloria IAS as Director of the Company

Mr. G.R.Aloria, IAS, has been appointed as an Additional Director and Chairman of the Company by the Board of Directors w.e.f. 13th August, 2015. 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.

Your Directors recommend the appointment of Mr. G.R.Aloria, IAS as the Director of the Company.

The following Promoter Directors are deemed to be interested, in the resolution set out at Item No. 5.

- (a) Mr. Atanu Chakraborty, IAS
- (b) Mr. L. Chuaungo, IAS
- (c) Mr. Sanjeev Kumar, IAS
- (d) Mr. Mukesh Kumar, IAS
- (e) Mr. G.R. Aloria, IAS

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

<b>Name of Director</b>	Mr. G.R.Aloria, IAS
<b>Date of Birth</b>	6th July 1956
<b>Date of appointment</b>	13th August 2015
<b>Qualifications</b>	He is a Graduate in Economics and Law.
<b>Nature of Expertise / Experience</b>	Mr. Aloria has wide experience in public administration. He has served as Additional Chief Secretary Home, Principal Secretary, Urban Development, Vice Chairman and Managing Director of State Road Transport Corporation; Joint Managing Director, Sardar Sarovar Narmada Nigam Ltd etc. amongst many other important assignments. He is presently Chief Secretary, Government of Gujarat.
<b>Names of other Companies in which Directorship is held excluding Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.</b>	1. Sardar Sarovar Narmada Nigam Limited 2. GSPC LNG Limited 3. Gujarat State Petroleum Corporation Limited 4. Gujarat Alkalies and Chemicals Limited 5. Gujarat Narmada Valley Fertilizers Limited 6. Dream City Company Limited.
<b>No. of Share held</b>	Nil
<b>Names of the Committee of the Board of Companies in which Membership / Chairmanship is held</b>	Nil

None of the directors apart from aforementioned directors/ Key Managerial Personnel of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 5 of the Notice.

**Item No 6. Appointment of Mr. Atanu Chakraborty, IAS as Director, not liable to retire by rotation.**

Mr. Atanu Chakraborty, IAS, has been appointed as an Additional Director of the Company by the Board of Directors w.e.f. 16th April,



2015. 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.

Your Directors recommend the appointment of Mr. Atanu Chakraborty, IAS as the Director of the Company.

The following Promoter Directors are deemed to be interested, in the resolution set out at Item No. 6.

- (a) Mr. G.R. Aloria, IAS
- (b) Mr. L. Chuaungo, IAS
- (c) Mr. Sanjeev Kumar, IAS
- (d) Mr. Mukesh Kumar, IAS
- (e) Mr. Atanu Chakraborty, IAS

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

<b>Name of Director</b>	Mr. Atanu Chakraborty, IAS
<b>Date of Birth</b>	5th April 1960
<b>Date of appointment</b>	16th April 2015
<b>Qualifications</b>	Mr. Atanu Chakraborty, IAS, is an Engineering Graduate with specialization in Electronics and Communication and has done his Post Graduate Diploma in Business Finance and subsequently MBA from UK (Business Administration)
<b>Nature of Expertise / Experience</b>	He has wide experience of working in various State as well as Central Government Departments and Public Sector Undertakings. Mr. Atanu Chakraborty, IAS has served in the districts of Vadodara, Sabarkantha and was Collector of Amreli district. At Gandhinagar, he has served in Finance, Home, Tribal Development and Labour Departments. Mr. Atanu Chakraborty, IAS has also worked as Principal Secretary, (Economic Affairs), Finance Department, Govt. of Gujarat. Mr. Atanu Chakraborty, IAS has also served as Managing Director, Gujarat State Financial Services Ltd., Chief Executive Officer, Gujarat Infrastructure Development Board, CEO of Gujarat Maritime Board and Executive Director, Gujarat State Fertilizers and Chemicals Ltd. In the Central Government, he served as Joint Secretary, Ministry of Finance. Mr. Atanu Chakraborty, IAS has been contributing Articles on issues relating to PPP and Natural Gas transportation etc. Mr. Atanu Chakraborty, IAS is a voracious reader and areas of his interest includes subjects such as Finance, Economics, Infrastructure, etc.
<b>Names of other Companies in which Directorship is held excluding Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.</b>	<ol style="list-style-type: none"> <li>1. Torrent Pipavav Generation Limited</li> <li>2. Gujarat State Petronet Limited</li> <li>3. Dahej SEZ Limited</li> <li>4. Gujarat Industrial Corridor Corporation Limited</li> <li>5. Gujarat State Petroleum Corporation Limited</li> <li>6. ONGC Petro Additions Limited</li> <li>7. Gujarat Mineral Development Corporation Limited</li> <li>8. GSPC LNG Limited</li> <li>9. Petronet LNG Limited</li> </ol>
<b>No. of Share held</b>	NIL
<b>Names of the Committee of the Board of Companies in which Membership / Chairmanship is held</b>	Gujarat Gas Limited Audit Committee - Member Risk Management Committee - Chairman Corporate Social Responsibility Committee - Member Nomination and Remuneration Committee - Member Project Committee - Chairman HR Committee - Chairman Pricing Committee - Chairman

None of the directors apart from aforementioned directors/ Key Managerial Personnel of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 6 of the Notice.

**Item No 7. Appointment of Mr. L. Chuaungo, IAS as a Director liable to retire by rotation.**

Mr. L. Chuaungo, IAS, has been appointed as an Additional Director of the Company by the Board of Directors w.e.f. 21st April, 2015. 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.

Your Directors recommend the appointment of Mr. L. Chuaungo, IAS as the Director of the Company.

The following Promoter Directors are deemed to be interested, in the resolution set out at Item No. 7.

- (a) Mr. G.R. Aloria, IAS
- (b) Mr. Atanu Chakraborty, IAS
- (c) Mr. Sanjev Kumar, IAS
- (d) Mr. Mukesh Kumar, IAS
- (e) Mr. L. Chuaungo, IAS

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

<b>Name of Director</b>	Mr. L. Chuaungo, IAS
<b>Date of Birth</b>	1st March, 1962
<b>Date of appointment</b>	21st April 2015
<b>Qualifications</b>	Mr. L. Chuaungo, IAS, has done B.A.(Hons.) (History / Pol.Sci.) and is an IAS Officer of the 1987 batch.
<b>Nature of Expertise / Experience</b>	He has wide experience of working in various Government Departments and Public Sector Undertakings and has significant exposure to Power Sector. He has also worked as Collector and District Magistrate, Valsad, Member (Admin.) of Gujarat Electricity Board (GEB), Principal Secretary, Finance Department (Expenditure). At present he is Principal Secretary, Energy and Petrochemicals Department and holds position as Managing Director of GUVNL and Chairman of GIPCL.
<b>Names of other Companies in which Directorship is held excluding Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.</b>	<ol style="list-style-type: none"> <li>1. Gujarat Industries Power Company Limited.</li> <li>2. Gujarat Energy Transmission Corporation Limited.</li> <li>3. Gujarat Urja Vikas Nigam Limited.</li> <li>4. Gujarat State Petroleum Corporation Limited</li> <li>5. Gujarat State Petronet Limited</li> </ol>
<b>No. of Share held</b>	NIL
<b>Names of the Committee of the Board of Companies in which Membership / Chairmanship is held</b>	Gujarat Gas Limited Corporate Social Responsibility Committee - Chairman HR Committee - Member Gujarat State Petroleum Corporation Limited Audit Committee - Member

None of the directors apart from aforementioned directors/ Key Managerial Personnel of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 7 of the Notice.

**Item No 8. Appointment of Mr. Sanjeev Kumar, IAS as a Director liable to retire by rotation.**

Mr. Sanjeev Kumar, IAS, has been appointed as an Additional Director of the Company by the Board of Directors w.e.f. 21st April, 2015. 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.

Your Directors recommend the appointment of Mr. Sanjeev Kumar, IAS as the Director of the Company.

The following Promoter Directors are deemed to be interested, in the resolution set out at Item No. 8.

- (a) Mr. G.R. Aloria, IAS
- (b) Mr. Atanu Chakraborty, IAS
- (c) Mr. L. Chuaungo, IAS
- (d) Mr. Mukesh Kumar, IAS
- (e) Mr. Sanjeev Kumar, IAS



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

<b>Name of Director</b>	Mr. Sanjeev Kumar, IAS
<b>Date of Birth</b>	24th August 1970
<b>Date of appointment</b>	21st April 2015
<b>Qualifications</b>	Mr. Sanjeev Kumar, IAS holds degree of B. Tech. (Civil) Engineering Graduate from Indian Institute of Technology, Kharagpur. He is an IAS Officer having rich experience and wide exposure.
<b>Nature of Expertise / Experience</b>	Presently, he is a Secretary to Government of Gujarat, Finance Department (Expenditure). Mr. Sanjeev Kumar is a member on the Board of Directors of GSPC LNG Limited, GSPC Pipavav Power Company Limited, Gujarat Industries Power Company Limited, Gujarat Urja Vikas Nigam Limited, Gujarat Energy Transmission Corporation Limited.
<b>Names of other Companies in which Directorship is held excluding Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.</b>	<ol style="list-style-type: none"> <li>1. Gujarat Water Infrastructure Limited</li> <li>2. GSPC LNG Limited</li> <li>3. GSPC Pipavav Power Company Limited</li> <li>4. Gujarat Energy Transmission Corporation Limited</li> <li>5. Gujarat Industries Power Company Limited</li> <li>6. Gujarat Urja Vikas Nigam Limited</li> <li>7. Bhavnagar Energy Company Limited</li> <li>8. Gujarat State Police Housing Corporation Limited</li> </ol>
<b>No. of Share held</b>	NIL
<b>Names of the Committee of the Board of Companies in which Membership / Chairmanship is held</b>	Gujarat Gas Limited Audit Committee - Member Stakeholders' Relationship Committee - Member Project Committee - Member

None of the directors apart from aforementioned directors/ Key Managerial Personnel of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 8 of the Notice.

#### Item No 9. Appointment of Mr. Mukesh Kumar, IAS as a Director liable to retire by rotation.

Mr. Mukesh Kumar, IAS, has been appointed as an Additional Director of the Company by the Board of Directors w.e.f. 21st April, 2015. 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.

Your Directors recommend the appointment of Mr. Mukesh Kumar, IAS as the Director of the Company.

The following Promoter Directors are deemed to be interested, in the resolution set out at Item No. 9.

- (a) Mr. G.R. Aloria, IAS
- (b) Mr. Atanu Chakraborty, IAS
- (c) Mr. L. Chuaungo, IAS
- (d) Mr. Sanjeev Kumar, IAS
- (e) Mr. Mukesh Kumar, IAS

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

<b>Name of Director</b>	Mr. Mukesh Kumar, IAS
<b>Date of Birth</b>	8th July 1970
<b>Date of appointment</b>	21st April 2015
<b>Qualifications</b>	Mr. Mukesh Kumar, IAS is a B. Tech with specialization in Electrical Engineering from Indian Institute of Technology, Kanpur and has done his Executive Masters in Public Administration from Syracuse University, USA.
<b>Nature of Expertise / Experience</b>	Mr. Mukesh Kumar, IAS has served as Collector in the Dang District and as Municipal Commissioner at Rajkot and Bhavnagar. Mr. Mukesh Kumar has also worked as Managing Director, Industrial Extension Bureau (INDEXTB), Industries Dept, Govt. of Gujarat.





	Mr. Mukesh Kumar, IAS is a State Project Director, Sarva Shiksha Abhiyan and Ex-officio Commissioner of Primary Education and Mid-day meals, Education Dept. Govt. of Gujarat.
<b>Names of other Companies in which Directorship is held excluding Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.</b>	The Gujarat State Civil Supplies Corporation Limited
<b>No. of Share held</b>	NIL
<b>Names of the Committee of the Board of Companies in which Membership / Chairmanship is held</b>	Gujarat Gas Limited Nomination and Remuneration Committee - Member Stakeholders' Relationship Committee - Member Compensation Committee - Member

None of the directors apart from aforementioned directors/ Key Managerial Personnel of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 9 of the Notice.

#### Item No 10. Appointment of Ms. Manjula Devi Shroff as an Independent Director.

Ms. Manjula Devi Shroff has been appointed as an Additional Independent Woman Director of the Company by the Board of Directors w.e.f. 21st April, 2015. As per the provisions of section 161 of the Companies Act, 2013 and the Articles of Association of the Company, she 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 her candidature for appointment as the Independent Director of the Company.

In the opinion of the Board, she fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management.

The copy of the letter for her 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.

She is a social entrepreneur and the founder of Delhi Public School, Ahmedabad and is well known as a visionary and an educationist in Gujarat. Her varied experience and expertise would enable her to contribute to the Company and also add to diversity of Board of Directors of the Company. 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 appointment as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Manjula Devi Shroff, 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.

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

<b>Name of Director</b>	Ms. Manjula Devi Shroff
<b>Date of Birth</b>	27th February 1964
<b>Date of appointment</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 Directorship is held excluding Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.</b>	1. Surangi Services Limited 2. Odisha Television Limited 3. e-Infochips Limited 4. Eimco Elecon (India) Limited
<b>No. of Share held</b>	NIL
<b>Names of the Committee of the Board of Companies in which Membership / Chairmanship is held</b>	Gujarat Gas Limited Corporate Social Responsibility Committee - Member Stakeholders' Relationship Committee - Member Compensation Committee - Member

**Item No 11. Appointment of Mr. Ajit Kapadia as an Independent Director.**

Mr. Ajit Kapadia, has been appointed as an Additional Independent Director of the Company by the Board of Directors w.e.f. 21st April, 2015. 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 Independent Director of the Company.

In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

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.

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 appointment as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Ajit Kapadia, 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. 11.

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

<b>Name of Director</b>	Mr. Ajit Kapadia
<b>Date of Birth</b>	4th January 1942
<b>Date of appointment</b>	21st April, 2015
<b>Qualifications</b>	B.Sc (Hons.) M. Che. (Chemical Engineering)
<b>Nature of Expertise / Experience</b>	He has worked with Girdler Corporation of Louisville and Engineers India Limited (EIL). At EIL, Mr Kapadia had full involvement with Bombay High's development plan and especially with natural gas processing and transportation.  In 1982, he was appointed as the head of the Gas Task Force, a group formed by the Petroleum Ministry to review the entire country's natural gas availability and utilization pattern. In 1984, Mr Kapadia was appointed as the first Director (Planning) with Gas Authority of India Limited (GAIL).  After three years at GAIL, he joined Hindustan Oil and Exploration Company Limited (HOEC) as the first employee and was soon invited to join the Board as the Managing Director. He has spent 17 years establishing HOEC as the first private sector oil company in India.
<b>Names of other Companies in which Directorship is held excluding Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.</b>	1. Entegra Limited 2. Enertech Biofuels Limited 3. Asian Oil fields Services Limited
<b>No. of Share held</b>	NIL
<b>Names of the Committee of the Board of Companies in which Membership / Chairmanship is held</b>	1. Asian Oil fields Services Limited Audit Committee- Chairman Stakeholder Relationship Committee - Member Nomination and Remuneration Committee - Member 2. Gujarat Gas Limited Nomination and Remuneration Committee - Chairman Stakeholders' Relationship Committee - Chairman Project Committee - Member

**Item No 12. Appointment of Mr. Jal Patel as an Independent Director.**

Mr. Jal Patel has been appointed as an Additional Independent Director of the Company by the Board of Directors w.e.f. 21st April, 2015. 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 Independent Director of the Company.

In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

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.

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 appointment as an Independent Director, 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. 12.

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

<b>Name of Director</b>	Mr. Jal Patel
<b>Date of Birth</b>	17th September 1937
<b>Date of appointment</b>	21st April 2015
<b>Qualifications</b>	Associate member of Institute of Chartered Accountants of India (ICAI), Associate member of Institute of Company Secretary 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 Directorship is held excluding Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.</b>	1. ABS Bearings Limited 2. Shri Dinesh Mills Limited 3. Styrolution ABS (India) Limited 4. Munjal Auto Industries Limited 5. Elecon Engineering Company Limited
<b>No. of Share held</b>	NIL
<b>Names of the Committee of the Board of Companies in which Membership / Chairmanship is held</b>	1. Gujarat Gas Limited Audit Committee - Chairman Stakeholders' Relationship Committee - Member Nomination & Remuneration Committee - Member Risk Management Committee - Member 2. ABC Bearings Limited Audit Committee - Chairman 3. Shri Dinesh Mills Limited Shareholders' Relationship Committee - Chairman 4. Styrolution ABS (India) Limited Audit Committee - Member Shareholders' Relationship Committee - Chairman 5. Elecon Engineering Company Limited Audit Committee - Chairman

#### Item No 13. Appointment of Mr. Krishna Das Chatterjee as an Independent Director.

Mr. Krishna Das Chatterjee has been appointed as an Additional Independent Director of the Company by the Board of Directors w.e.f. 21st April, 2015. 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 Independent Director of the Company.



In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

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.

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 appointment as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Krishna Das 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. 13.

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

<b>Name of Director</b>	Mr. Krishna Das Chatterjee
<b>Date of Birth</b>	8th November 1941
<b>Date of appointment</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</b>	NIL
<b>Directorship is held excluding Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.</b>	
<b>No. of Share held</b>	NIL
<b>Names of the Committee of the Board</b>	Gujarat Gas Limited
<b>of Companies in which Membership / Chairmanship is held</b>	Audit committee - Member Compensation Committee - Chairman Project Committee - Member HR Committee - Member

#### **Item No 14. Appointment of Prof. Pradip Khandwalla as an Independent Director.**

Prof. Pradip Khandwalla, has been appointed as an Additional Independent Director of the Company by the Board of Directors w.e.f. 21st April, 2015. 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 Independent Director of the Company.

In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

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.

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 appointment as an Independent Director, for the approval by the shareholders of the Company.

Except Prof. Pradip Khandwalla, 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. 14.



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

<b>Name of Director</b>	Prof. Pradip Khandwalla
<b>Date of Birth</b>	18th February 1940
<b>Date of appointment</b>	21st April 2015
<b>Qualifications</b>	Associate member of Institute of Chartered Accountants of India (ICAI), M.B.A. from Wharton, Pennsylvania and Ph.D from Carnegie-Mellon, USA.
<b>Nature of Expertise / Experience</b>	<p>Prof. Khandwalla's research and teaching contributions have been in organisational theory and design and restructuring of organisations for management of excellence, innovative turnaround management, effective management of public enterprises and governmental organisations, and creativity and innovation. He taught at McGill University, Canada for several years. He was associated with the Indian Institute of Management, Ahmedabad as a professor from 1975 to 2002. He was L&amp;T Chair Professor of Organisational Behaviour at IIMA from 1985 to 1991 and then the Director of IIMA till 1996.</p> <p>He has made excellent contribution in the areas of management, organisational sciences etc. by authoring over a dozen books and 80 papers and articles in Indian and foreign journals and learned anthologies. He has served on the editorial/ advisory boards of several Indian and international journals. He has won the 'Lifetime Achievement Award in the field of HR' by the World HRD Congress for his immense contributions in enriching the field of management, science, organisational behaviour and leadership.</p> <p>He has served on the Boards of numerous companies and on the governing councils of several institutions. He has served as a member of Government of India's National Renewal Fund and as trustee of India Brand Equity Fund Trust. He has won many international and Indian awards. Several international 'Who's Who' carry his biographical entry.</p>
<b>Names of other Companies in which Directorship is held excluding Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.</b>	<ol style="list-style-type: none"> <li>1. Grow Talent Company Limited</li> <li>2. Cadila Pharmaceuticals Limited</li> </ol>
<b>No. of Share held</b>	NIL
<b>Names of the Committee of the Board of Companies in which Membership / Chairmanship is held</b>	<ol style="list-style-type: none"> <li>1. Gujarat Gas Limited HR Committee - Member Audit Committee - Member Nomination &amp; Remuneration Committee - Member Corporate Social Responsibility Committee - Member Risk Management Committee - Member</li> <li>2. Cadila Pharmaceuticals Limited Audit Committee - Member</li> </ol>

#### Item No. 15 Ratification of remuneration of Cost Auditors for F.Y. 2014-15.

The Board of Directors at its Meeting held on 13th August 2015, on the recommendation of the Audit Committee, subject to the approval of Government of India, appointed N.D.Birla & Company, Cost Accountants, Ahmedabad, (Firm Registration No.000028) as the Cost Auditors to conduct the Audit of the cost accounts / records maintained by the Company for the Financial Year 2014-15 at the remuneration of Rs. 2,00,000/- (Rs. Two Lakhs only), plus service tax as applicable and reimbursement of out of pocket expenses, as may be incurred by them during the course of the audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the said remuneration payable for FY 2014-15 to N.D.Birla & Company, Cost Accountants, Ahmedabad as Cost Auditor has to be ratified by the Members of the Company.

Therefore, the Directors recommend the Resolution at Item No. 15 of the Notice for your ratification / approval.

None of the Directors / Key Managerial Personnel of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 15 of the Notice.



**Item No. 16 Ratification of remuneration of Cost Auditors for F.Y. 2015-16.**

The Board of Directors at its Meeting held on 5th November, 2015, on the recommendation of the Audit Committee, subject to the approval of Government of India, appointed Dalwadi & Associates, Cost Accountants, (firm Registration No. 000338 as the Cost Auditors to conduct the Audit of the cost accounts / records maintained by the Company for the Financial Year 2015-16 at the remuneration of Rs. 2,00,000/- (Rupees two Lacs) plus Service Tax Plus Out of Pocket expenses, if any, on actual basis.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the said remuneration payable for FY 2015-16 to Dalwadi & 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. 16 of the Notice for your ratification / approval.

None of the Directors / Key Managerial Personnel of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 16 of the Notice.

**Item No. 17 To approve the amendment of the Articles of Association of the Company.**

On account of completion of Merger/Amalgamation of erstwhile GSPC Gas Company Limited, erstwhile Gujarat Gas Company Limited, erstwhile Gujarat Gas Financial Services Limited, erstwhile GujaratGas Trading Company Limited (Transferor Companies) into Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) (Transferee Company) and consequent listing of Equity Shares of the Company on BSE Limited, National Stock Exchange of India Limited, Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Limited, the Company is required to amend as provided in item no 17, its Articles of Associations to comply with the provisions/requirements of the Listing Agreements.

In compliance with Section 14 of the Companies Act, 2013, the members' approval is sought for amending the Articles of Association.

Therefore, the Directors recommend the Resolution at Item No. 17 of the Notice for your approval vide Special Resolution.

None of the Directors / Key Managerial Personnel of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 17 of the Notice.

**By Order of the Board  
For, Gujarat Gas Limited**

**Date: 24th November, 2015  
Place: Ahmedabad**

**Rajeshwari Sharma  
Company Secretary**

**AMENDMENT TO THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2013-2014**

To,  
The Members,  
**Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited)**

The Scheme of Amalgamation and Arrangement was sanctioned by the Hon'ble Gujarat High Court at Ahmedabad vide its order dated 30th March 2015 between the following Transferor Companies:

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

(Collectively called Transferor Companies)

with Gujarat Gas Limited (GGL the Company)(formerly known as GSPC Distribution Networks Limited-GDNL)(Transferee Company). Under the said Scheme, the Appointed Date was 1st April, 2013. The certified copy of order was received on 18th April 2015 and filed with Registrar of Companies (ROC) at Ahmedabad on 14th May 2015. The Scheme of Amalgamation became effective on 14th May, 2015 with an Appointed Date of 1st April, 2013 and subsequently the Company's name was changed from GSPC Distribution Networks Limited (GDNL) to Gujarat Gas Limited (GGL) with effect from 15th May 2015.

Consequent to the order dated 6th July 2015 of the Honourable High Court of Gujarat, sanctioning permission of re-opening and revision of books of accounts for the financial year 2013-14, the audited financial statements of the Company for financial year 2013-14 have been re-opened and revised to give effect of the said Amalgamation and Arrangement in its books of accounts for the financial year 2013-14. Accordingly, the operation of all the Transferor Companies from the Appointed Date of 1st April, 2013 have been accounted for in the financial statements of the GGL for financial year 2013-14 as below:

**ACCOUNTING TREATMENT**

Upon the Scheme becoming effective, the Company has accounted for the Amalgamation in its books of accounts with effect from the Appointed Date as per the "Purchase Method" as described in Accounting Standard-14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India, such that:

- A. The assets liabilities and debts of the Transferor Companies are transferred to and vested in the Company, pursuant to the Scheme and recorded at their respective fair values, as determined by the Board, as on the Appointed Date.
- B. With effect from the Appointed Date and upon the Scheme becoming effective, the investment of erstwhile GSPC Gas in the Company, the investment of the Company in erstwhile GGCL and the investment of erstwhile GGCL into erstwhile GFSL and erstwhile GTCL stands cancelled.
- C. Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Transferor Companies and the Company as appearing in their books of accounts, if any, stand cancelled.
- D. The Company has credited to the Share Capital Account in its books of account, the aggregate face value of equity shares issued to the shareholders of Transferor Companies pursuant to the Scheme of Amalgamation.
- E. The difference in the value of net assets of Transferor Companies vested in the Company and issue of shares as above, after adjustment of the cancellation of investment of erstwhile GSPC Gas into the Company, investment of the Company into erstwhile GGCL and investment of erstwhile GGCL into erstwhile GFSL and erstwhile GTCL, reduction of share capital of the Company and adjustment of differential amount arising, has been credited by the Company to "Reserves" or debited to "Goodwill Account", as the case may be.
- F. In case of any difference in accounting policy between the Company and the Transferor Companies or between Transferor Companies, the impact of the same till the Appointed Date has been adjusted in accordance with Accounting Standard - 5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" to ensure that the financial statements of the Company reflect the financial position on the basis of consistent accounting policy.

Consequent to reopening and revision of books of accounts of Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited-GDNL) (Transferee Company) to give effect of the said Amalgamation and Arrangement in its books of accounts for the financial year 2013-14, information set out at the relevant paras in the Directors' Report for the financial year 2013-2014 shall stand modified as under:

**PERFORMANCE HIGHLIGHTS:**

Rs. in Crores

Particulars	12 Months ended	For the period
	31/03/2014	from 21/02/2012 to 31/03/2013
Total income	7,907.50	2.27
Gross profit before interest, depreciation and tax	675.14	0.06
Less: Interest	300.30	3.24
Depreciation	282.64	0.00
Profit before tax	92.20	(3.18)
Tax expenses	63.77	0.69
Net Profit	28.43	(3.87)
Minority Interest	0.00	0.00
Profit attributable to Group	28.43	(3.87)
Add: Undistributed profit/(Loss) of earlier years	(3.87)	0.00
Balance available for Appropriation	24.56	(3.87)
Less: Appropriations:		
Transfer to general reserve	0.00	0.00
Preference dividend	0.00	0.00
Proposed Equity dividend	0.00	0.00
Corporate dividend tax on proposed dividend	19.55	0.00
Interim Dividend	29.94	0.00
Corporate dividend tax on interim dividend	0.07	0.00
Depreciation Adjustment	0.00	0.00
Transfer to Stock Options Outstanding Account	1.05	0.00
Transfer to Debenture Redemption Reserve	0.00	0.00
Surplus/(Deficit) retained	(26.06)	(3.87)
Earnings per Share (Rs.)	2.07	(1,109.07)

\*\* Previous period's figures are not comparable as they reflect the results of pre-merged operations of the Company.

**SHARE CAPITAL****ISSUE OF EQUITY SHARES AND REORGANIZATION OF SHARE CAPITAL :**

As per the Scheme, with effect from 14th May 2015 (the Effective Date), the Company has reduced its Equity Share Capital from Rs. 9,000,500,000 to Rs. 131,578,950 after cancellation of investment of Rs 4,000,500,000 divided into 400,050,000 shares of Rs. 10 each held by erstwhile GSPC Gas Company Limited (one of the transferor company) and has reduced its remaining fully paid up equity share capital from Rs 5,000,000,000 divided into 500,000,000 shares of Rs. 10 each to Rs 131,578,950 divided into 13,157,895 shares of Rs 10 each. Further, the Committee of the Board of Directors at its meeting held on 2nd June 2015 allotted 124,520,130 fully paid up Equity Shares of Rs. 10/- each aggregating to Rs. 1,245,201,300, to shareholders holding shares of erstwhile Transferor Companies as on Record Date being 28th May 2015, pursuant to the said Scheme. Equity shares of Rs. 10 each allotted on 2nd June, 2015, were credited by the Depositories into the shareholders account on 25th June, 2015 and the physical share certificates were dispatched on 26th June, 2015 by Karvy Computershare Pvt. Ltd, the Registrar and Transfer (RTA) Agent of the Company.

**LISTING OF SHARES**

Your Company's equity shares are listed and traded 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.

**DIRECTORS:**

The Board of Directors of your Company as on 5th November, 2015 is as under:

Sr No	Name	Designation
1.	Shri G.R. Aloria, IAS	Chairman
2.	ShriAtanu Chakraborty, IAS	Director
3.	Shri L. Chuaungo, IAS	Director
4.	Shri Sanjeev Kumar, IAS	Director
5.	Shri Mukesh Kumar, IAS	Director
6.	Shri K.D. Chatterjee	Independent Director
7.	Shri Jal Patel	Independent Director
8.	Prof. Pradip Khandwalla	Independent Director
9.	Shri Ajit Kapadia	Independent Director
10.	Smt. Manjula Devi Shroff	Independent Woman Director

**AUDIT COMMITTEE**

The Audit Committee in its meeting held on 13th August, 2015 has approved and recommended the Annual Accounts (reopening and revised) for the year ended on 31st March, 2014 for approval of the Board of Directors. The Board in its meeting held on 13th August, 2015 approved the annual accounts (reopening and revised) for the year ended on 31st March, 2014.

During the year, the Terms of the Reference of the Audit Committee have undergone change in line with the provisions of section 177 of Companies Act, 2013, and the same has been noted by Audit Committee in its meeting held on 20th May, 2014. The composition of Audit Committee as on 5th November, 2015 is as under:

Sr No	Name	Designation
1	Mr. Jal Patel	Chairman
2	Mr. Atanu Chakraborty, IAS	Member
3	Mr. Sanjeev Kumar, IAS	Member
4	Prof. Pradip Khandwalla	Member
5	Mr. K. D. Chatterjee	Member

**CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to the Scheme, your Company does not have any subsidiary, and joint venture and Guj Info Petro Limited is the Associate of your Company. However there was no requirement to prepare the consolidated financial statements for the year 2013-14 for companies having only Associates. The Appointed Date for the Scheme of Amalgamation and Arrangement was 1st April, 2013 and pursuant to coming into effect of the said Scheme, the accounting treatment has been given effect from 1st April, 2013.

**AUDITORS**

Your Company being a Government Company as per the provisions of Companies Act, 1956, The Comptroller and Auditor General of India (C&AG) had appointed M/s. J. S. Maheshwari & Co. Chartered Accountants, Ahmedabad, as the Statutory Auditors to carry out the statutory audit of re-opened and revised financial statements for the financial year ended on 31st March, 2014.

**STATUTORY AND CAG AUDIT**

The Notes on Financial Statements referred to in audited re-opened and revised financial statements of the Company for financial year 2013-2014 and the Auditors' Report (Revised) are self explanatory and do not call for any further comments and explanations.

The Comptroller and Auditor General of India (C&AG) has issued NIL comment report on audited re-opened and revised financial statements of the Company for the Financial Year 2013 -14.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, your Directors hereby confirm the following :-

- That in the preparation of the revised annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014, being the end of the financial year 2013-2014 and of the profit of the Company for the year ended on 31st March 2014.



- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the Directors had prepared the annual accounts on a going concern basis.

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

Pursuant to the compliance of the provisions of Section 217(1)(e) a statement containing the information as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is appended herewith as under:

**Foreign Exchange Earnings and Outgo for FY 2013-14**

Foreign Exchange Earnings - NIL

Foreign Exchange Outgo - Rs. 0.13 Crores

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

**Date: 5th November, 2015**  
**Place: Gandhinagar**

**G.R. Aloria, IAS**  
**Chairman**



**BOARD'S REPORT****Dear Members,  
Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited)**

Your Directors have pleasure in presenting the 3rd Annual Report and the Audited Accounts for the Financial Year ended on 31st March 2015.

The name of your Company was changed from GSPC Distribution Networks Limited (GDNL) to Gujarat Gas Limited (GGL) vide the fresh certificate of incorporation granted by Registrar of Companies, Ahmedabad dated 15th May, 2015.

**FINANCIAL RESULTS**

Rs. in Crores

Particulars	Stand-alone Financials	
	12 Months ended 31-03-2015	12 Months ended 31-03-2014
Total income	9,113.40	7,907.50
Gross profit before interest, depreciation and tax	1,212.30	675.14
Less: Interest	333.18	300.30
Depreciation	237.68	282.64
Profit before tax	641.44	92.20
Tax expenses	197.86	63.77
Net Profit	443.58	28.43
Minority Interest	0.00	0.00
Profit attributable to Group	443.58	28.43
Add: Undistributed profit / (loss) of earlier years	(26.06)	(3.87)
Balance available for Appropriation	417.52	24.56
Less: Appropriations:		
Transfer to general reserve	0.00	0.00
Preference dividend	0.00	0.00
Proposed Equity dividend	68.84	0.00
Corporate dividend tax on proposed dividend	14.01	19.55
Interim Dividend	0.00	29.94
Corporate dividend tax on interim dividend	0.00	0.07
Depreciation Adjustment	5.29	0.00
Transfer to Stock Options Outstanding Account	0.00	1.05
Transfer to Debenture Redemption Reserve	125.00	0.00
Surplus / (Deficit) retained	204.38	(26.06)
Earning per Share (Rs.) 10 each	32.22	2.07

**PERFORMANCE HIGHLIGHTS**

The Company is serving over 10 lakh residential customers, dispensing CNG through a network of 234 CNG stations and providing clean energy solutions to over 2750 industrial units in Gujarat with a pipeline network of over 15,000 kilometres. 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 19 districts. Recently, your Company has won the bids for developing gas distribution network in Thane GA and Dadara and Nagar Haveli and also commissioned Jamnagar and Bhavnagar GA.

The net profit after tax for the year increased to Rs. 443.58 crores from Rs. 28.43 crores in the previous year. The Company had healthy net cashflows from operations of Rs. 1179.81 crores during the year. 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 of your Company 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.

As on 31st March 2015, the Company had long term borrowings of Rs. 1490.78 crores and current maturities of long term debt were Rs. 1734.94 crores..

**DIVIDEND**

Based on the assessment of the fund requirements of the Company for the smooth sustenance of its operations and for its future capital expenditure programme, your Directors recommend for consideration of the shareholders at the 3<sup>rd</sup> Annual General Meeting, the payment of Dividend of Rs. 5.00 per fully paid up equity share of Rs. 10/- each on 137678025 equity shares for the Financial Year 2014-15.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

The material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report pertain to the Scheme of Amalgamation as follow:

**• COMPOSITE SCHEME OF AMALAGAMATION**

The Board of Directors at its meeting dated 24<sup>th</sup> February 2014, granted its "in-principle" approval to the consolidation by way of amalgamation to Gujarat Gas Limited ["the Company" (Formerly known as GSPC Distribution Networks Limited)] of erstwhile GSPC Gas Company Limited ("GSPC Gas"), erstwhile Gujarat Gas Company Limited ("GGCL"), erstwhile Gujarat Gas Financial Services Limited ("GFSL") and erstwhile Gujarat Gas Trading Company Limited ("GTCL") through a High Court approved Composite Scheme of Amalgamation and Arrangement (Scheme). The Board at its meeting held on 21<sup>st</sup> April 2014 approved the Scheme of Amalgamation and Arrangement. In consideration of the amalgamation, the Company has issued and allotted the shares, as per the following swap ratio:

- a. 1 (one) equity share of Rs.10/- each, credited as fully-paid up of GGL, for every 1 (one) equity share of Rs. 2/- each held by equity shareholders of the GGCL;
- b. 1 (one) equity share of Rs.10/- each, credited as fully-paid up of GGL, for every 1 (one) equity share of Rs. 10/- each held by equity shareholders of GFSL;
- c. 81 (eighty one) equity shares of Rs.10/- each, credited as fully-paid up of GGL, for every 76 (seventy six) equity shares of Rs.10/- each held by equity shareholders of GSPC Gas;

Your Company had initiated the process of Amalgamation as per the relevant provisions of Companies Act 1956/ or Companies Act 2013, the SEBI requirements including the provisions under the listing agreements with the stock exchanges.

As mentioned above, the Honorable High Court of Gujarat at Ahmedabad had sanctioned the Scheme vide common oral order dated 30<sup>th</sup> March 2015 (certified copy received by the Company on 18<sup>th</sup> April 2015). A copy of the authenticated/certified Order had been filed with the office of the Registrar of Companies Ahmedabad on 14<sup>th</sup> May 2015. Accordingly, the Effective Date for the Scheme is 14<sup>th</sup> May 2015 with an appointed date of 1<sup>st</sup> April, 2013. Subsequently, the company's name has been changed from GSPC Distribution Networks Limited to Gujarat Gas Limited (GGL) with effect from 15<sup>th</sup> May 2015. As per the Scheme, the CGD Business of erstwhile GSPC Gas, erstwhile GGCL, erstwhile GFSL and erstwhile GTCL was transferred and vested in Gujarat Gas Limited.

The erstwhile GGCL was listed on BSE, NSE, ASE and VSE and hence as per the requirement of SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February 2013, GGCL obtained the Observation from the NSE, BSE, ASE and VSE vide their letters dated 5 November 2014, 7 November 2014, 10 November 2014 and 11 November 2014, respectively. Further, the Scheme was approved by an overwhelming majority of its Shareholders and Creditors at their meetings held on 5<sup>th</sup> January 2015 & 6<sup>th</sup> January, 2015 respectively. As per the Scheme, all assets, debts, liabilities, duties and obligations of every kind pertaining to CGD of the Transferor Companies have vested in Gujarat Gas Limited, being the Transferee Company with an appointed date of 1<sup>st</sup> April, 2013. The following have been effected as per the Scheme:

**1. ALTERATION TO MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION****A. Transfer of the Consolidated Authorised Share Capital of Transferor Companies**

As per the Scheme of Amalgamation and Arrangement, the authorised share capital of the Transferor Companies aggregating to 235,100,000 shares of Rs 10 each stood transferred to and combined with the authorised share capital of the Company and was re-classified without any further act or deed. Hence, Clause V of the Memorandum of Association of the Company and clause 4 of Article of Association of the Company relating to authorised share capital of the Company stands replaced with the following clause:

**i. Clause V of Memorandum of Association**

The Authorised Share capital of the company is Rs. 17,571,000,000/- (Rupees seventeen thousand five hundred and seventy one million only) divided into 1,735,100,000 (Seventeen hundred thirty five million and one lac only) Equity shares of Rs. 10/- each, 17,000,000 (Seventeen million only) 7.5% Redeemable Preference shares of Rs. 10/- each and 5,000,000 (Five million only) Preference shares of Rs. 10/- each.

**ii. Clause 4 of Articles of Association**

The Authorised Share capital of the company is Rs. 17,571,000,000/- (Rupees seventeen thousand five hundred and seventy one million only) divided into 1,735,100,000 (Seventeen hundred thirty five million and one lac only) Equity shares of Rs. 10/- each, 17,000,000 (Seventeen million only) 7.5% Redeemable Preference shares of Rs. 10/- each and 5,000,000 (Five million only) Preference shares of Rs. 10/- each.

**B. Amendment to Object Clause of the Company**

Upon the Scheme becoming effective, the following clauses stand inserted in the Main Objects clause after clause 5 of the Memorandum of Association:

6. To carry on business of dealing with all aspects of negotiations, procurement, imports, storage, handling processing, distribution and transportation of Natural Gas, Liquefied Natural Gas ("LNG"), Coal Bed Methane ("CBM"), Naphtha, Fuel Oils, Crude Oil & other Petroleum Products, coal and any other fuels and utilization thereof.
7. To administer fuel supply and purchase contracts on behalf of State Government and promoter Companies.
8. To develop expertise, provide consultation and render advisory services for various technical, legal and commercial aspects of Fuel Supply Management business and facilitating implementation of Natural Gas, LNG, CBM, Naphtha, Fuel Oils, Crude Oil & Petroleum Products, Coal and any other fuel projects.
9. To act as an advisory body to the Government / any other agency appointed by State Government for all aspects related to Policy and regulation of Natural Gas, LNG, CBM, Naphtha, Fuel Oils, Crude Oil & Petroleum Products, Coal and any other fuels import / utilization.
10. To promote and make strategic investment in infrastructure projects and facilities meant for augmenting fuel supply.

**C. Alteration to the Name Clause**

Upon the Scheme becoming effective, the name of GSPC Distribution Networks Limited was changed to Gujarat Gas Limited vide the fresh certificate of incorporation dated 15th May 2015 granted by Registrar of Companies, Ahmedabad to the Company, pursuant to change of name as per the Scheme of Amalgamation and Arrangement.

**2. ISSUE OF EQUITY SHARES AND REORGANIZATION OF SHARE CAPITAL**

As per the Scheme, with effect from 14th May 2015 (the Effective Date), the Company has reduced its Equity Share Capital from Rs. 9,000,500,000 to Rs. 131,578,950 after cancellation of investment of Rs 4,000,500,000 divided into 400,050,000 shares of Rs. 10 each held by erstwhile GSPC Gas Company Limited (one of the transferor company) and has reduced its remaining fully paid up equity share capital from Rs. 5,000,000,000 divided into 500,000,000 shares of Rs. 10 each to Rs. 131,578,950 divided into 13,157,895 shares of Rs. 10 each.

Further, the Committee of the Board of Directors at its meeting held on 2nd June 2015 allotted 124,520,130 fully paid up Equity Shares of Rs. 10/- each aggregating to Rs. 1,245,201,300, to shareholders holding shares of erstwhile Transferor Companies as on Record Date being 28 May 2015, pursuant to the said Scheme. Equity shares of Rs. 10 each allotted on 2nd June, 2015, were credited by the Depositories into the shareholders account on 25th June, 2015 and the physical share certificates were dispatched on 26th June, 2015 by Karvy Computershare Pvt. Ltd, the Registrar and Transfer (RTA) Agent of the Company.

**3. ACCOUNTING TREATMENT**

Upon the Scheme becoming effective, the Company has accounted for the Amalgamation in its books of accounts with effect from the Appointed Date as per the "Purchase Method" as described in Accounting Standard - 14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India, such that:

- A. The assets liabilities and debts of the Transferor Companies are transferred to and vested in the Company, pursuant to the Scheme and recorded at their respective fair values, as determined by the Board, as on the Appointed Date.
- B. With effect from the Appointed Date and upon the Scheme becoming effective, the investment of erstwhile GSPC Gas in the Company, the investment of the Company in erstwhile GGCL and the investment of erstwhile GGCL into erstwhile GFSL and erstwhile GTCL stands cancelled.
- C. Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Transferor Companies and the Company as appearing in their books of accounts, if any, stand cancelled.
- D. The Company has credited to the Share Capital Account in its books of account, the aggregate face value of equity shares issued to the shareholders of Transferor Companies pursuant to the Scheme of Amalgamation.



- E. The difference in the value of net assets of Transferor Companies vested in the Company and issue of shares as above, after adjustment of the cancellation of investment of erstwhile GSPC Gas into the Company, investment of the Company into erstwhile GGCL and investment of erstwhile GGCL into erstwhile GFSL and erstwhile GTCL, reduction of share capital of the Company and adjustment of differential amount arising, has been credited by the Company to "Reserves" or debited to "Goodwill Account", as the case may be.
- F. In case of any difference in accounting policy between the Transferee Company and the Transferor Companies or between Transferor Companies, the impact of the same till the Appointed Date would be adjusted in accordance with Accounting Standard - 5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

Consequent to order dated 6th July 2015 of the Honourable High Court of Gujarat sanctioning permission of re-opening and revision of books of accounts for the year 2013-14, the audited financial statements of transferee company i.e. Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited-GDNL) for year 2013-14 has been re-opened and revised by the Company to give effect of the said amalgamation and arrangement in books of accounts for the year 2013-14. The business of the transferor companies have been transferred to the Company on a going concern basis. As per the Scheme, the appointed date, for the transfer of assets and liabilities at their respective fair value as determined by the Board is 1st April 2013. Accordingly, operations of all the Transferors Companies from 1st April 2013, have been accounted for in the financial statements for financial year 2013-14.

#### 4. DISSOLUTION OF THE TRANSFEROR COMPANIES

As per the Scheme of Amalgamation, with effect from 14th May 2015, the Transferor Companies, i.e. erstwhile GSPC Gas Company Limited ("GSPC Gas"), erstwhile Gujarat Gas Company Limited ("GGCL"), erstwhile Gujarat Gas Financial Services Limited ("GFSL") and erstwhile Gujarat Gas Trading Company Limited ("GTCL") stand dissolved without winding up pursuant to the provisions of Section 394 of the Act.

#### LISTING OF SHARES

Your Company's equity shares have been listed and traded 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.

#### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Pursuant to the Scheme, your Company does not have any subsidiary and joint venture and Guj Info Petro Limited is the Associate of your Company, However there was no requirement to prepare the consolidated financial statements for the year 2014-2015 for companies having only Associates.

#### 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.

#### 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 REFERRED TO IN SECTION 188 (1) OF THE COMPANIES ACT, 2013

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 -5 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 available on the website of the Company at <http://www.gujaratgas.com/resources/downloads/csr-policy.pdf>. 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 Tapan Ray, IAS ceased to be Director with effect from 30/09/2014. Shri Manish Verma ceased to be Director with effect from 18/03/2015. Shri Ravindra Agrawal, Shri PPG Sarma and Shri N Bose Babu ceased to be Director with effect from 21/04/2015. Shri D.J. Pandian, IAS, Chief Secretary Government of Gujarat was appointed as Additional Director and Chairman on the Board of the Company with effect from 21/04/2015. Shri D.J. Pandian, IAS upon his superannuation ceased to be Director of the Company with effect from 30/05/2015. Shri M.K. Das, IAS Joint Managing Director, Gujarat State Petroleum Corporation Limited was appointed as Additional Director on the Board of Company with effect from 21/04/2015. He ceased to be the Director of the Company with effect from 27/04/2015. Your Directors wish to place on record, their appreciation for the services rendered by them as the Directors of the Company.

Shri G.R. Aloria, IAS, Chief Secretary, Government of Gujarat has been appointed as an Additional Director and Chairman on the Board of Directors of the Company with effect from 13/08/2015. Further in terms of Section 152 (6) of the Companies Act, 2013 and provisions of the Articles of Association of the Company he is not liable to retire by rotation. The appointment of Shri G. R. Aloria, IAS, was on account of resignation tendered by Shri D.J. Pandian, IAS, as the Director and Chairman, upon his superannuation as the Chief Secretary to Government of Gujarat. It is proposed to regularise the appointment of Shri G.R. Aloria, IAS, in the 3rd Annual General Meeting.

Shri Atanu Chakraborty, IAS has been appointed as Additional Director of the Company on 16/04/2015 and in terms of Section 152 (6) of the Companies Act, 2013 and provisions of the Articles of Association of the Company he is not liable to retire by rotation. Shri L. Chuaungo, IAS, Shri Sanjeev Kumar, IAS, Shri Mukesh Kumar, IAS, have been appointed as Additional Directors with effect from 21/04/2015 to hold office till the ensuing Annual General Meeting. It is proposed to regularise their appointments in the 3rd Annual General Meeting.

Shri Jal Patel, Prof Pradip Khandwalla, Shri Ajit Kapadia, Smt. Manjula Shroff and Shri K.D. Chatterjee being qualified and eligible for appointment as Independent Directors in 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, were appointed by the Board of Directors with effect from 21st April 2015 and their appointments are proposed for approval of shareholders at the 3rd Annual General Meeting as Independent Directors for a term of 2 consecutive years w.e.f. 21st April 2015.

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 Notice of the 3rd Annual General Meeting.

**Appointment and Resignation of Key Managerial Personnel**

Shri Rohan Sampat who was appointed as Company Secretary of the Company with effect from 2nd December, 2013, ceased to be the Company Secretary with effect from 25th May, 2015. Smt Rajeshwari Sharma was appointed as Company Secretary with effect from 25th May, 2015. Shri Rahul Devi, who was appointed as Chief Financial Officer with effect from 25th May, 2015, ceased to be the CFO with effect from 10th September, 2015. Shri Nitesh Bhandari was appointed as Chief Financial Officer with effect from 14th September, 2015.

**Directors Independence**

Pursuant to the provisions of Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 and Clause 49 of the Listing Agreement.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013, the performance evaluation of individual Directors for FY 2014-15 was carried out as per the terms and conditions of their appointment based on the various parameters.

**Nomination and Remuneration Policy**

The Company's Nomination and Remuneration Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under the relevant provisions of the Companies Act, 2013 and Listing Agreement is enclosed herewith as Annexure - 3 to this Report.

**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 confirmed in the subsequent Board/Committee Meetings.



During the year, four (4) 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 & C&AG Audit

As your Company is a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, the C&AG has appointed Manu bhai & Shah, Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2014 - 15. The C&AG has issued NIL comment report on accounts of the Company for the Financial Year 2014 - 15.

### 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 Dhawal Chavda & Associates, Practising Company Secretaries to conduct the Secretarial Audit of the Company for the Financial Year 2014 - 2015. The Report of Secretarial Auditor on Company's Secretarial Audit for the Financial Year 2014 - 15 is enclosed herewith as Annexure - 4 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 N. D. Birla & Co, Cost Accountants, Ahmedabad have carried out Cost Audit for the Financial Year 2014-15. The Cost Audit Report 2014 - 2015 will be 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 Dalwadi & Associates, Cost Accountants, as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2015-2016 on a remuneration of 2 lacs plus service tax plus out of pocket expenses, if any, incurred by them during the course of Audit.

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 resolutions seeking Member's ratification for the remuneration payable to the Cost Auditors for FY 2014-15 and FY 2015 - 2016 is included in the Notice convening the 3rd Annual General Meeting.

## AUDIT COMMITTEE

Audit Committee of Directors of the Company at its Meeting held on 13th August, 2015 approved the revised Annual Accounts for the Financial Year ended on 31st March, 2014 and the Annual Accounts for the Financial Year ended on 31st March, 2015 and recommended the same for approval of the Board.

## 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 Clause 49 of the Listing Agreement, the Company has 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 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 Directors' Report.

## WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for FY 2014-15 will be provided





upon request. In terms of Section 136 of the Companies Act, 2013, this Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

**ERSTWHILE GUJARAT GAS COMPANY LIMITED EMPLOYEE STOCK OPTION PLAN 2008 ("THE ESOP 2008")**

The erstwhile Gujarat Gas Company Limited had implemented the Employee Stock Option Plan 2008 ("the ESOP"). It had formed the Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("the Trust") in November 2008, for the administration of the ESOP. IDBI Trusteeship Services Limited (ITSL), having its registered office at Asian building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai was appointed as an External Trustee of the Trust w.e.f. 28 April 2011, for providing the trusteeship services to the Trust for an agreed remuneration.

Pursuant to the Amalgamation, the carry forward of the ESOP will be effected. Manubhai & Shah, Chartered Accountants, the auditors of erstwhile Gujarat Gas Company Limited, Manubhai & Shah, Chartered Accountants, have certified to the effect that the ESOP has been implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolutions passed by the members in this regard.

**HEALTH, SAFETY, SECURITY AND ENVIRONMENT (HSSE)**

Duty of care for Health, Safety, Security and the Environment (HSSE) is a core value of the Company. The management of the Company aims to protect the health, safety and security of its people, to minimize the environmental impact associated with its business and to assure the integrity and safe operation of its assets.

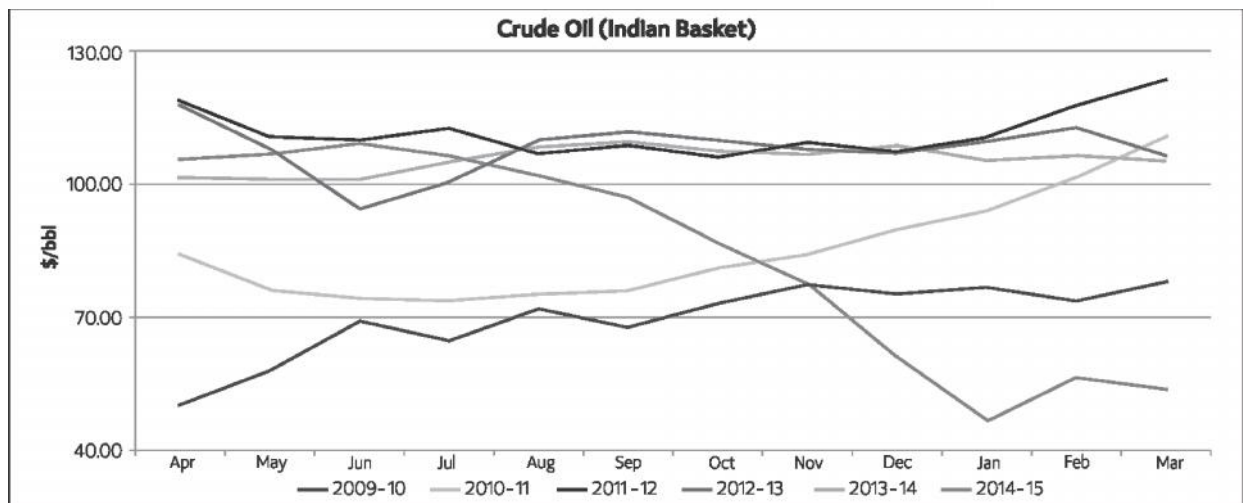
The Company believes that outstanding business performance requires outstanding HSSE performance. The safe delivery of projects and operation of its facilities is a critical success factor for the Company's business. Our HSSE goal is to deliver the company business with zero injuries to our people and to minimize the environmental impact of our activities. We seek to continuously improve our HSSE performance.

The Company believes that every individual has a duty to both themselves and those around them to ensure that safe practice is adhered to at all times. We expect all our personnel to recognize their personal responsibility for supporting outstanding HSSE performance and to accept a duty to intervene when necessary to promote and reinforce compliance with the Company Policy.

The Company continues to support the "Swachh Bharat Abhiyaan" with effective involvement and continuous efforts from all employees and contract employees across all locations.

**MANAGEMENT DISCUSSION & ANALYSIS**

The Management Discussion & Analysis is as under:



**INDUSTRY STRUCTURE & DEVELOPMENT**

Natural Gas is been used as a fuel since more than a century, but the emergence of Natural Gas as a preferred, clean and safe energy solution has been prevalent only in the last couple of decades. This year Gujarat Gas Limited (GGL or the Company) faced major challenges due to the increasing volatility in the global crude oil prices. The crude oil price (Indian Basket)<sup>1</sup> has fallen by around 50% since the beginning of the year, when it was around \$100+ a barrel. This comes after nearly five years of stability. The oil price is partly determined by actual supply and demand, and partly by expectation.

<sup>1</sup> <http://pib.nic.in>



Even though this global volatility of crude created competition for Natural Gas from polluting fuels, however Natural Gas continues to emerge preferred fuel and remain a vital energy source amongst various available resources in world's energy consumption and by most of the Company's environment conscious customers. It is one of the cleanest conventional fuels with very low level of greenhouse gas emissions in comparison to other conventional sources. Natural gas is traditionally consumed in the residential, commercial sectors, mostly for heating in the transport sector and in the industrial sector - sometimes industrials such as fertilizer producers use Natural Gas as raw material, and in the power sector.

The Petroleum and Natural Gas Regulatory Board (PNGRB) which governs and regulates the downstream gas industry is actively contributing in the growth of City or Local Natural Gas Distribution (CGD) sector by awarding licenses to lay, build, operate and expand CGD business in new geographies including Bhavnagar, Jamnagar, Kutch (East & West) for the round - 3 of CGD bidding and nine new geographies in the round - 4 of CGD bidding including Amritsar, Bengaluru Rural and Urban Districts, UT of Dadra and Nagar Haveli, UT of Daman, Ernakulam, Panipat, Raigarh, Thane and Pune. Continuing its endeavor for developing more CGDs to foster growth and development of the sector, the PNGRB has been inviting competitive bids for developing gas infrastructure including development of new cross country pipelines and CGD networks in the country. With the expected spurt in the expansion of Natural Gas infrastructure in coming years including additional Regasification terminals being erected and commissioned, nationwide cross country pipeline grid being laid and new CGD licenses being issued the reliance of Natural Gas as a primary source of energy in the overall energy basket is envisaged to increase drastically by the end of the current decade and thereafter.

#### **OPPORTUNITIES AND THREATS**

The Ministry of Petroleum and Natural Gas (MoPNG) and the PNGRB have sent positive signals to the sector with bundle of sops through their policy directive and also by offering new areas for bidding with a concentrated effort to give the much needed boost to the sector. The MoPNG has issued a revised directive for 100% allocation of indigenous (domestic) gas to the CGD sector to boost the demand of CNG (transport) and household (domestic segment) for sustainable growth. While, the quantum of the domestic source available with the Company was reduced as an arrangement to adhere to this directive issued by the MoPNG, however the Company has benefitted by securing replacement gas volumes from another domestic source, that is cheaper and assured, supporting sustainable future growth of CNG and household markets, which would have otherwise been challenging to develop with RLNG as source of supply. Further the MoPNG and PNGRB, both review the continuous growth and progress of the sector thereby ensuring structured growth and development all across in the sector. The PNGRB issued the tentative list of 71(41 immediate and 30 subsequently) upcoming CGD areas in the last quarter of the previous calendar year and out of which 20 new geographies have been offered for bid. The PNGRB is aggressively looking for the roll out of the CGD development plan across the length and breadth of the country. This give ample opportunity to the Company which has immensely experienced technical and commercial resources in the gas markets to lead this market from the front. The Company is actively evaluating the geographic areas for bid in order to expand its horizon for growth.

The enduring focus of the Company continues to be on the strong industrial growth coupled with well penetrated presence of gas transportation network and an encouraging business environment attracting large investments in the state of Gujarat. The state and union budgetary announcements indicate plans for significant additional investments in manufacturing and urban facilities. It is expected that these investments will continue to fuel further growth of the CGD sector in Gujarat in the near to medium term. The volatility in the global crude oil prices impacted the overall stability maintained during the last five preceding years. The Company was also wedged due to the unexpected steep decline in the oil prices which made the alternate conventional polluting fuels cheaper temporarily eating away some portion of the key industrial sector. The Company could however bravely sustain the tempest due to its strong parentage and the depth & quality of the customer profile couple with optimal gas sourcing decisions. The reliance on imported fuel continued during the preceding year had ensured the gas supplies inspite of the continuous decline in the available indigenous domestic gas and no new major gas finds in the country. The demand of Natural Gas is expected to rise going forward and reinstate the loss of volume in the near future as the volatility is expected to stabilize soon.

GGL experienced the major volatility in the crude oil prices that was ever encountered in the recent past. This impacted the sales of industrial volumes temporarily on account of few industries switching to cheaper alternates though the same is not expected to sustain for long. The optimal sourcing mix and affordable product pricing is expected to reinstate the volumes lost along with an anticipated growth through greener pastures. GGL continues focus on placing Natural Gas to affordable markets and has set-up an internal application development center and endeavors improving fuel efficiencies in certain processes targeting to regain the loss volumes and also fuel growth by adding new industries currently using alternate fuel.

#### **FUTURE OUTLOOK**

The demand for Natural Gas is expected to increase going forward to satiate the ever increasing energy needs in the country. Natural Gas having the merits of being a preferred fuel over the conventional polluting fuel due to its efficiencies and economies coupled with the advantage of the boost from the policy directive is expected to impact the demand of the sector positively. The emphasis on infrastructure development through aggressive roll out by the Regulatory body gives further impetus for the growth of the sector. The global volatility in crude prices is expected to settle down sooner than later to further add to the demand in near future. The Company would continue its focused efforts on growth of volume across its segments of residential, commercial, transport and more specifically in industrial segment through expanding further in the existing areas of operations as well as in the



green field opportunities secured through competitive bidding.

#### RISKS AND CONCERNS

##### 1. Availability of natural gas and price

In the dynamic natural gas market, the assured supply of gas at competitive price will always play an important role for the growth and development of robust downstream sector. With the advent of new gas pricing mechanism coupled with 100% allocation of domestic gas to CNG and PNG (domestic) segments the economics of switching to gas becomes more attractive for the end consumers, which in turn is expected to drive growth in consumption. The gas demand of the commercial and industrial segments is met by the costlier RLNG which has its linkage to the global volatility of availability and price.

##### 2. Gas pipeline connectivity:

A CGD company has to depend on the transmission pipeline company, the bargaining power of the CGD entity with respect to the transmission pipeline company remains limited, given the much larger size of the latter. Besides, once pipeline project commences, laying of new pipelines might get delayed due to several reasons including delay in securing right of use (ROU), delays in approvals, local activism etc.

##### 3. Regulatory Regime

The Petroleum and Natural Gas Regulatory Board (PNGRB) which has been constituted under the Act notified by the Parliament, governs and regulates the downstream gas industry through various notified bylaws, guidelines, etc. for growth and sustenance of the downstream gas business. In an endeavor for developing more City or Local Natural Gas Distribution Networks (CGD) to foster growth and development of the sector, the PNGRB has been inviting competitive bids for developing gas infrastructure including development of new cross country pipelines and CGD networks in the country. This would make the overall business environment very competitive.

##### 4. Statutory & local administrative approvals

The implementation and operation of a CGD network requires a host of approvals from a number of agencies. Obtaining such multiple approvals from various statutory and local administrative authorities consumes enormous time of the ever scarce resources leading to possible delays in execution and value realization and maximization; however the Company manages the same to an extent by way of advance planning.

#### 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 (C&AG) and Statutory Audit by Statutory Auditors appointed by the C&AG. The Internal Control System is designed to ensure that all financials 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 significant 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 19 districts. Recently, your Company has won the bids for developing gas distribution network in Thane GA and Dadara and Nagar Haveli and also commissioned Jamnagar and Bhavnagar GA.

The net profit after tax for the year increased to Rs. 443.58 crores from Rs. 28.43 crores in the previous year. The Company had healthy net cashflows from operations of Rs. 1179.81 crores during the year. 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 of your Company 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 1083 employees as on 31st October 2015. Your Company has a focus on building capabilities and developing competencies of its employees. The Company believes that training and personnel 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 employee skills/knowledge. The 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, indiscriminatory and harassment-free (including 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, 2015, no complaint has been received pertaining to sexual harassment.

**CORPORATE GOVERNANCE**

The Company believes that good governance can deliver continuous good business performance. The Company was listed w.e.f. 15th September 2015 and the particulars on Corporate Governance as required under Clause 49 of the Listing Agreement is incorporated as a part of this Board's Report (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 - 6.

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

Prior to Amalgamation, during FY 2014-15, the information required to be disclosed pursuant to provisions of the Companies Act, 2013 read with rules thereto with respect to Conservation of Energy and Technology Absorption are not applicable. The Company has incurred expenditure in Foreign Exchange to the extent of Rs. 0.47 Crores during FY 2014-15 and the Foreign Exchange Earnings during FY 2014-15 were nil.

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

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations during the year.

**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 financial statements for the year ended 31st March, 2015, 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 judgement 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, 2015 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 for their valuable support, trust and confidence reposed in the Company.

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

**Date: 5th November, 2015**  
**Place: Gandhinagar**

**G.R. Aloria, IAS**  
**Chairman**

**ANNEXURE - 1  
A REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance as on 31st October 2015.

**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 ten Directors, all of whom are Non-Executive Directors (NED). Out of these ten NED, five are Independent Directors including one Woman Independent Director, which is in compliance with Clause 49 of the Listing Agreement. The details of composition of the Board as on 31st October 2015, 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 of Membership/ Chairmanship in Board Committees in which Chairman / member**	
			+Membership	Chairmanship
Mr. G.R. Aloria, IAS	Promoter and non-executive Director	7	-	-
Mr. Atanu Chakraborty, IAS		10	4	1
Mr. L. Chuaungo, IAS		9	2	0
Mr. Sanjeev Kumar, IAS		9	-	-
Mr. Mukesh Kumar, IAS		2	-	-
Mr. Jal Patel	Non-executive and Independent Director	6	3	4
Prof. Pradip Khandwalla		3	2	-
Mr. K.D.Chatterjee		1	1	-
Mr. Ajit Kapadia		4	3	1
Ms. Manjula Shroff		4	-	-

\* Excluding 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 Clause 49 of the Listing Agreement.

+ Membership does not include chairmanship.

The details of attendance of the Directors at the Board Meetings during FY 2014-15 and from 1st April, 2015 till 31st October, 2015 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 while holding office	Attendance at the last AGM
Mr. Tapan Ray, IAS (resigned w.e.f 30th September 2014)	3	3	No
Mr. Manish Verma (resigned w.e.f. 18th March 2015)	4	4	No
Mr. PPG Sarma (resigned w.e.f 21st April 2015)	5	5	Yes
Mr. Ravindra Agarwal (resigned w.e.f 21st April 2015)	5	4	No
Mr. N. Bose Babu (resigned w.e.f 21st April 2015)	5	3	Yes
Mr. G.R.Aloria, IAS (Appointed w.e.f. 13th August 2015)	1	1	Not Applicable
Mr. Atanu Chakraborty, IAS (appointed w.e.f. 16st April 2015)	4	4	Not Applicable
Mr. Lalnunmawia Chuaungo, IAS (appointd w.e.f. 21st April, 2015)	3	3	Not Applicable



Mr. Sanjeev Kumar, IAS (appointed w.e.f. 21st April 2015)	3	2	Not Applicable
Mr. Mukesh Kumar, IAS (appointed w.e.f. 21st April 2015)	3	2	Not Applicable
Mr. Jal Patel (appointed w.e.f. 21st April 2015)	3	3	Not Applicable
Mr. K.D.Chatterjee (appointed w.e.f. 21st April 2015)	3	3	Not Applicable
Mr. Ajit Kapadia (appointed w.e.f. 21st April 2015)	3	2	Not Applicable
Prof. Pradip Khandwalla (appointed w.e.f. 21st April 2015)	3	3	Not Applicable
Ms. Manjula Shroff (appointed w.e.f. 21st April 2015)	3	3	Not Applicable

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 Annexure X of Clause 49 of the Listing Agreement. 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 confirmed 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.

The Board Meetings were held as follows:-

Sr. No.	Date of Meeting
1	21st April, 2014
2	20th May, 2014
3	25th August, 2014
4	20th December, 2014
5	16th April, 2015
6	11th May, 2015
7	25th May, 2015
8	13th August, 2015
9	5th Novemebr 2015

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

Information as required under Clause 49 (VIII) (E) of the Listing Agreement is annexed to the Notice of the Annual General Meeting.

### 3. Audit Committee

The composition of the Audit Committee as on 5th November, 2015 is as follows:-

- Mr. Jal Patel - Chairman
- Prof. Pardip Khandwalla - Member
- Mr. Atanu Chakraborty, IAS - Member
- Mr. Sanjeev Kumar, IAS - Member
- Mr. K.D.Chatterjee - 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, Prof. Pradip Khandwalla 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 FY 2014-15 and from 1st April 2015 till 5th November 2015 and attendance:

Sr. No.	Date of Meeting	Number of Members	Attendance
1	21st April, 2014	3	3
2	20th May, 2014	3	2
3	13th August, 2015	5	5
4	5th Novemebr, 2015	5	5

#### 4. Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee (NRC) as on 5 November, 2015 is as follows:-

1. Mr. Ajit Kapadia - Chairman
2. Mr. Atanu Chakraborty, IAS - Member
3. Mr. Mukesh Kumar, IAS - Member
4. Mr. Jal Patel - Member
5. Prof Pradip Khandwalla - Member

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.

Details of meetings of NRC is as below:

Sr. No.	Date of Meeting	Number of Members	Attendance
1	13th August, 2015	5	5
2	5th November, 2015	5	4

The Nomination and Remuneration Policy of the Company framed pursuant to requirement of Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement is annexed to the Director's Report.

#### Sitting fees

Sitting fees of Rs. 7500.00 per meeting are paid to the Directors for attending meetings of the Board of Directors and its Committees. Prior to Amalgamation, the Company was an unlisted Company and it was holding shares in erstwhile Gujarat Gas Company Limited. During the Financial Year 2014-2015 no sitting fees had been paid to directors for meeting of Board or its Committees.

**5. 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 CEO is authorised to approve share transfers upto 10,000 shares per folio, name deletions, share transmissions, etc. As the shares of the Company are under compulsory demat trading, this delegation is considered adequate.

The Company has been listed w.e.f. 15th September, 2015 and the Company received 441 complaints during the quarter ended 30th September, 2015. All the complaints were resolved to the satisfaction of the shareholders.

The composition of this Committee as on 31st October 2015, is as under:

1. Mr. Ajit Kapadia - Chairman
2. Mr. Mukesh Kumar, IAS - Member
3. Mr. Sanjeev Kumar, IAS - Member
4. Ms. Manjula Shroff - Member
5. Mr. Jal Patel - Member

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

The meeting of this Committee was held on 5th November, 2015 and was attended by 4 members out of the total five members.

**6. General Body Meetings:**

The Company since its incorporation has held two AGMs has below :

Location and time of last two AGMs.

**Annual General Meeting**

Date	Time	Venue
30th December, 2014	11.30 A.M.	3rd Floor, GSPC Bhavan, Sector-11, Gandhinagar - 382011
26th July, 2013	11.30 A.M.	3rd Floor, GSPC Bhavan, Sector-11, Gandhinagar - 382011

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

**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.

**Annual General Meeting held on 26th July 2013**

No Special Resolution was passed at the Annual General Meeting held on 26th July 2013.

**Extra-ordinary General Meeting**

Date	Time	Venue
21st March 2013	5.30 P.M.	3rd Floor, GSPC Bhavan, Sector-11, Gandhinagar - 382011
20th September 2012	10.30 A.M.	Block No.15, 3rd Floor, Udyog Bhavan, Sector-11, Gandhinagar - 382011
23rd March 2012	11.00 A.M.	Block No.15, 3rd Floor, Udyog Bhavan, Sector-11, Gandhinagar - 382011

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

**Extra-ordinary General Meeting held on 21st March 2013**

No special resolution was passed at the Extra-ordinary General Meeting held on 21st March 2013.

**Extra-ordinary General Meeting held on 20th September 2012**

- (1) A special resolution was passed for increase in the powers of the Board to grant loans and make investments.

**Extra-ordinary General Meeting held on 23rd March 2012**

- (1) A special resolution was passed for approval / consent of members u/s 149(2A) of the Companies Act, 1956 or commencement of other objects.
- (2) A special resolution was passed for approval / consent u/s 372A of the Companies Act, 1956 to Board of Directors of Company to make loan/ give guarantee/ provide any security to the limit not exceeding Rs. 2500 crores.

**7. Postal Ballot Resolutions**

The Company has not passed any resolution through postal ballot since its incorporation on 21st February 2012.

**8. Disclosures**

There are certain transactions with Related Parties which have been disclosed at the relevant place in the Notes to the Annual Accounts. 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 since the listing of Company's equity shares with effect from 15th September 2015 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.

**9. Means of Communication**

The Financial Results of the Company are normally published in one National news paper (English) and one Regional news paper. These results can also be viewed from the Company's website [www.gujaratgas.com](http://www.gujaratgas.com). Further, the 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 Bombay Stock Exchange Limited ([www.bseindia.com](http://www.bseindia.com)).

**10. 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 w.e.f. 15th September, 2015. 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.

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

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement, the Company has an 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 Employee 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/pdf/ggl-whistle-blower-policy.pdf>

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

As required under Clause 49 (VIII) of the revised Listing Agreement, the Company has formulated a Related Party Transactions Policy which has been put 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.

**13. 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 and the revised Clause 49 of the Listing Agreement. 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>.

**14. General Shareholder Information****A. Schedule & Venue of the 3rd Annual General Meeting of the Company:**

Date & Day	:	28th December, 2015, Monday
Time	:	12.00 noon
Venue	:	Seminar hall - 2 (SR-2), 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:**

Monday, 21 December, 2015, to Monday, 28 December, 2015 (both days inclusive).

**D. Dividend Payment:**

Dividend if approved by the Shareholders, will be paid on Tuesday, 19 January 2016.

**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
Vadodara Stock Exchange Limited	23477

Listing fees have been paid for the financial year 2015-16 and for the financial year 2014-15 as per the Listing Agreement 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 Company was listed with effect from 15 September 2015 and the Market price data on the BSE and NSE for the period from 15th September, 2015 to 31st October, 2015 is given below:

Month and Year	Company's share price on BSE		Company's share price on NSE	
	High	Low	High	Low
September 2015 (15th September- 30th September)	680.00	495.55	680.00	492.15
October 2015	563.50	455.00	564	453.20

**G. Distribution of shareholding**

The Company was listed with effect from 15 September 2015 and the Distribution of Shareholding as on 23/10/2015 is given below:

Category (Amount)	No. of Shareholders	% of shareholding	Total Shares	Amount	% of Amount
1-5000	23748	81.342697	2408261	24082610	1.749198%
5001 - 10000	4377	14.992293	4100419	41004190	2.978267%
10001 - 20000	591	2.024319	961004	9610040	0.698008%
20001 - 30000	154	0.527488	413338	4133380	0.300221%
30001 - 40000	79	0.270594	288138	2881380	0.209284%
40001 - 50000	52	0.178113	250194	2501940	0.181724%
50001 - 100000	77	0.263744	555898	5558980	0.403767%
100001 & Above	117	0.400754	128700773	1287007730	93.479532%
<b>TOTAL</b>	<b>29195</b>	<b>100.00 %</b>	<b>137678025</b>	<b>1376780250</b>	<b>100.00%</b>

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

Sr.	Name of Geographical Area
1	Bhavnagar
2	Surat- Bharuch -Ankleshwar
3	Thane District (Maharashtra) excluding areas already authorized
4	Jamnagar
5	Rajkot
6	Surendranagar
7	Kutch (west)
8	Nadiad
9	Navsari
10	Valsad
11	UT of Dadra & Nagar Haveli
12	Hazira

**15. Compliance**

GGL has complied with the mandatory requirements of the Corporate Governance Code. The Board would review implementation of the non-mandatory requirements of the Corporate Governance Code in due course of time. The Company was listed w.e.f. 15th September 2015 and hence the Certificate regarding compliance with the Corporate Governance Code for the financial year 2014-15 is not applicable and hence is not annexed to this report.

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

**Date: 5 November 2015**  
**Place: Gandhinagar**

**G.R. Aloria, IAS**  
**Chairman**

**ANNEXURE -2  
ANNUAL REPORT ON CSR ACTIVITIES****1. Outline of the CSR Policy**

Gujarat Gas Limited has developed its CSR policy in accordance with section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility) rules 2014 thereof. The Policy shall apply to all CSR projects/programmes undertaken by the Company across its working geographies. As a socially responsible corporate GGL will promote sustained and inclusive growth in the society, especially the communities it operates in, through its business practices and social initiatives. The Company shall strive to remain ahead of the law in pursuit of environment protection and natural resource conservation.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company at <http://www.gujaratgas.com/resources/downloads/csr-policy.pdf>.

**2. The Composition of the CSR Committee**

The Committee on CSR consists of the following members

S. No.	CSR Committee Member	Designation/Category
1	Mr. Lalnunmawia Chuaungo, IAS	Chairman
2	Mr. Atanu Chakraborty, IAS	Member
3	Prof. Pradeep Khandwalla	Member
4	Ms. Manjula Shroff	Member

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

Average Net Profit (2011 - 12 to 2013 - 14): Rs. 46.32 Crores

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

Approx. Rs. 0.93 Crores

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

- Total amount spent for the financial year : Rs.1,06,82,186
- Amount unspent, if any: N.A.
- 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) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise(Rs.)	(6) Amount spent on the projects or programs (Rs.)		(7) Cumulative expenditure up to the reporting period (Rs.)	(8) Amount spent: Directly or through implementing agency
					Direct expenditure on projects or programs	Over heads		
1	Contribution for Supporting Kanya Praveshotsav 2014	Community Development	Bhachau Rapar Dahod Garbada Dhanpur Devgadh Baria Dahod Bharuch	-	44,94,000 15,12,000 1,86,186	-	44,94,000 15,12,000 1,86,186	Directly
2	Contribution for Supporting Kanya Praveshotsav 2014	Community Development		-		-		Directly
3	Contribution for Supporting Kanya Praveshotsav 2014	Community Development		-		-		Directly
4	Contribution for Initiatives of Promoting Education in Tribal area 1000 benches to Tribal schools in Bardoli Taluka	Education	District : Surat State :Gujarat	-	21,00,000	-	21,00,000	Directly





5	Contribution for 65th Van Mahotsav at Bhadbhut, Taluka Bharuch	Community Development	District : Bharuch State : Gujarat	–	50,000	–	50,000	Directly
6	Construction of 234 toilets at Kasad and Bholav villages Bharuch District under Nirmal Bharat Abhiyan	Community Development	District : Bharuch State : Gujarat	–	23,40,000	–	23,40,000	Directly
<b>TOTAL</b>					<b>Rs. 1,06,82,186</b>		<b>Rs. 1,06,82,186</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.**

Not Applicable

**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.

Sd/-  
PPG Sarma  
Chief Executive Officer

Sd/-  
L Chuaungo, IAS  
Chairman, CSR Committee



### ANNEXURE - 3 NOMINATION AND REMUNERATION POLICY

As per the provisions of the Companies Act, 2013 and the Listing Agreement, the "Nomination and Remuneration Committee" (NRC) of Gujarat Gas Limited ("the Company") was constituted by the Board of Directors on 25th May 2015.

#### 1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy are in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

The Key Objectives of the Committee would be:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- c) to recommend to the Board, the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

#### 2. DEFINITIONS

**2.1. Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

**2.2. Board** means Board of Directors of the Company.

**2.3. Directors** mean Directors of the Company.

**2.4. Key Managerial Personnel** means:-

1. Chief Executive Officer or the Managing Director or the Manager;
2. Whole-time director;
3. Chief Financial Officer;
4. Company Secretary; and
5. such other officer as may be prescribed.

**2.5. Senior Management** means personnel of the Company who are members of its core management team excluding the Board of Directors but including Functional Heads.

#### 3. ROLE OF COMMITTEE

The role of the Committee inter alia will be the following:

##### **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The Committee shall:

- i) to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and to carry out evaluation of every Director's performance;
- ii) to formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Remuneration Policy (RP), relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other employees;

while formulating the RP, to ensure that-

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- iii) to formulate the criteria for evaluation of Independent Directors and the Board;
  - iv) devising a policy on Board diversity;
  - v) to carry out such responsibilities and functions as may be entrusted by the Board from time to time."



#### 4. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation;
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- i) Delegating any of its powers to one or more of its members;
- j) Recommend any necessary changes to the Board; and
- k) Considering any other matters, as may be requested by the Board.

#### 5. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- a) to consider and determine the Remuneration, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- b) to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c) to delegate any of its powers to one or more of its members;
- d) to consider any other matters as may be prescribed by the Board;
- e) professional indemnity and liability insurance for Directors and senior management.

#### 6. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

#### 7. POLICIES

##### 7.1. Policy for appointment and removal of Director, KMP and Senior Management

##### 7.1.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.



### 7.1.2. Term / Tenure

#### a) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### b) **Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### 7.1.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

1. Performance evaluation of Independent Directors
  - a. The evaluation criteria for performance evaluation of independent directors shall be the fulfillment of their roles, duties and responsibilities as specified in their letter of appointment.
  - b. The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).
  - c. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.
2. Performance evaluation of the Board, Chairperson and Non-Independent Directors  
Separate meetings of the Independent Directors
  - a. The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting.
  - b. The independent directors in the meeting shall, inter-alia:
    - i. review the performance of non-independent directors and the Board as a whole;
    - ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
    - iii. assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
3. Criteria for evaluation of performance:  
The criteria for evaluation of performance of Board, Chairperson and Non-Independent Directors:
  - a) Attendance and contribution at Board and Committee meetings;
  - b) expertise, skills, behaviour, experience, leadership qualities, understanding of business, strategic direction to align Company's value and standards;
  - c) knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance;
  - d) ability to create a performance culture that drives value creation and a high quality of discussions;



- e) effective decisions making ability, to respond positively and constructively to implement the same to encourage more transparency;
- f) recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board;
- g) ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.

#### 7.1.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### 7.1.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### 7.2. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

#### 7.2.1. General:

1. The following recommendations with respect to the remuneration of directors, as may be applicable, will be made by the Committee to the Board:
  - a. All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.
  - b. Details of fixed component and performance linked incentives, along with the performance criteria.
  - c. Service contracts, notice period, severance fees.
  - d. Stock option details, if any – and whether issued at a discount as well as the period over which accrued and over which exercisable.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
3. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### 7.2.2 Remuneration to Non- Executive / Independent Director:

All fees / compensation, if any paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors and shall require previous approval of shareholders in general meeting. The shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to non-executive directors, in any financial year and in aggregate.

Provided that the requirement of obtaining prior approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees without approval of the Central Government.

##### a) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof, as determined from time to time.

##### b) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the applicable provisions of the Act.

##### c) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

**ANNEXURE - 4**  
**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**  
**(Formerly known as GSPC Distribution Networks Limited)**  
Block No. 15, 3rd Floor, Udyog Bhavan,  
Sector - 11, Gandhinagar - 382011

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, 2015 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, 2015 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, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - 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 which could not be examined as the same were not notified and hence not applicable during the audit period.
- II. The Equity Listing Agreements with the Stock Exchanges which could not be examined as the Company was an unlisted company during the Audit Period.

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 subject to the following observations:

We have been informed that the Company being a Government Company, the appointment of Independent Directors, Woman Director and other such compliances were subject to the approval of the Government of Gujarat/Holding Government Company. Moreover, during the year under Audit, the Company has undertaken an exercise for merger of Gujarat Gas Company Limited.





(GGCL), Gujarat Gas Financial Services Limited (GFSL), Gujarat Gas Trading Company Limited (GTCL) and GSPC Gas Company Limited (GSPC Gas) [Four Transferor Companies] with the Company. Consequently,

- a) The Company has appointed 5 (five) Independent Directors vide Circular Resolutions dated 21st April, 2015. The said Circular Resolutions were noted in the Board meeting held on 11th May, 2015. As per Section 149(4) of the Act read with Rule 4 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Company was required to appoint atleast two Independent Directors within one year from the commencement of Section 149(4) of the Act.
  - b) The Company has been having an Audit Committee in compliance with Section 292A of the Companies Act, 1956. The Company constituted an Audit Committee and Nomination and Remuneration Committee under Section 177 & 178 respectively of the Companies Act, 2013 at the Board meeting held on 25th August, 2014. The constitution and composition of the Audit Committee and also the Nomination and Remuneration Committee were changed at the Board meeting held on 25th May, 2015 by having the requisite number of Independent Directors. As per Rule 6 of the Companies (Meeting of Board and its powers) Rules, 2014, the Company was required to constitute such committees within one year from the commencement of that Rules or from appointment of independent directors, whichever was earlier.
  - c) The Company has constituted the Corporate Social Responsibility (CSR) Committee at the Board meeting held on 25th May, 2015. The provisions of Section 135 of the Act pertaining to CSR were made effective from 1st April, 2014. As per Section 135 of the Companies Act, 2013 read with Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, there is no specific time limit laid down for the constitution of the CSR committee.
  - d) The Company has been having a Company Secretary. The Company appointed a Chief Financial Officer and also a Chief Executive Officer as Whole Time Key Managerial Personnel at the Board meeting held on 25th May, 2015 as per the requirement of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2013.
  - e) The Company has appointed a Woman Director vide Circular Resolution dated 21st April, 2015. The said Circular Resolution was noted in the Board meeting held on 11th May, 2015. As per the requirement of Section 149(1) read with Section 149(2) of the Act read with Rule 3 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Company was required to comply with such provision within one year from the commencement of such provision.
- III. 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 except for the fact that the appointments of Independent Directors were made vide Circular Resolutions dated 21st April, 2015 of the Board of Directors. The said Circular Resolutions were noted in the Board meeting held on 11th May, 2015. 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 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 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, the following event/action has taken place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

- i. The Hon'ble High Court of Gujarat has vide its order dated 30th March, 2015, approved the Composite Scheme of Amalgamation ("Scheme") of Gujarat Gas Company Limited (GGCL), Gujarat Gas Financial Services Limited (GFSL), Gujaratgas Trading Company Limited (GTCL) and GSPC Gas Company Limited (GSPC Gas) [Four Transferor Companies] with the Company as Transferee Company under Section 391 and 394 read with Section 100 to 103 of the Companies Act, 1956. The order of the Hon'ble Gujarat High Court was filed with the office of the ROC, Gujarat in Form INC-28 on MCA portal by all the concerned companies on 14th May, 2015 i.e. the Effective Date of the Scheme. Under the Scheme, the Appointment Date was 1st April, 2013.



- ii. Pursuant to the Scheme, the Issued, Subscribed and Paid up capital of the Company has changed from Rs. 900,05,00,000/- divided into 90,00,50,000 Equity share of Rs. 10/- each to Rs. 137,67,80,250/- divided into 13,76,78,025 Equity share of Rs. 10/- each. Similarly pursuant to the Scheme, the Authorised Capital of the Company has changed from Rs. 1500,00,00,000/- divided into 150,00,00,000 Equity share of Rs. 10/- each to Rs. 1757,10,00,000/- divided into 173,51,00,000 Equity share of Rs. 10/- each and 1,70,00,000 7.5% Redeemable preference shares of Rs. 10/- each and 50,00,000 Preference shares of Rs. 10/- each.
- iii. The name of the Company has been changed from GSPC Distribution Networks Limited to Gujarat Gas Limited w.e.f. 15th May, 2015 consequent upon issuance of new Certificate of Incorporation by the ROC, Gujarat.
- iv. The Hon'ble Gujarat High Court has vide its order dated 6th July, 2015 permitted the Company to reopen and revise its accounts for the financial year 2013-14 to reflect correct financial position and to comply with the conditions of the Scheme particularly to make the Amalgamation effective from 1st April, 2013 being the Appointed Date.
- v. The Company was an unlisted public company during the audit period. However, upon implementation of the Scheme and as applied for by the Company and as permitted by the SEBI under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and as further permitted by all four Stock Exchanges i.e. Bombay Stock Exchange Limited vide its letter no.: DCS/AMAL/CS/TRD/1751/2015 - 16 dated 11th September, 2015, The National Stock Exchange of India Limited vide its letter no. NSE/LIST/42260 dated 11th September, 2015, Ahmedabad Stock Exchange Limited vide its letter no. Trading Permission/ASEL/05/2015 dated 15th September, 2015 and Vadodara Stock Exchange Limited vide its letter no. VSE/MD-CS/LISTING/2015/02 dated 15th September, 2015 (being the Stock Exchanges on which the Equity shares of Gujarat Gas Company Limited i.e. Transferor Listed Company were listed), the 13,76,78,025 Equity shares of the Rs. 10/- were admitted for listing w.e.f. 15th September, 2015. Thus, the Company became listed public company w.e.f. 15th September, 2015.
- vi. The Company continues to be Government Company during the Audit period and also upon implementation of the Scheme.

Place: Ahmedabad  
Date: 15th September, 2015

For, **DHAWAL CHAVDA & ASSOCIATES**  
Practicing Company Secretaries

**DHAWAL CHAVDA**  
ACS No. 23795  
C P No.: 8689  
Firm No.: S2015GJ327000



To  
The Members

**GUJARAT GAS LIMITED**

**(Earlier known as GSPC Distribution Networks Limited)**

Block No. 15, 3rd Floor, Udyog Bhavan,  
Sector -11, Gandhinagar - 382011

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 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.

For, **DHAWAL CHAVDA & ASSOCIATES**  
Practicing Company Secretaries

**DHAWAL CHAVDA**

ACS No. 23795

C P No.: 8689

Firm No.: S2015GJ327000

Place: Ahmedabad

Date: 15th September, 2015

**ANNEXURE - 5**  
**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:

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</b> - Holding Company	Purchase of Natural Gas-	Regular-	Rs.7342.58 Crs -	-N.A.-	-N.A.-

# All the transactions are in the ordinary course of business and have been entered into considering Arms' Length principle. Definition of Material Related Party Transactions (as disclosed in GGL - Policy on Related Party Transaction): "a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with the previous transactions during a financial year, exceeds five percent of the annual turnover or twenty percent of the net worth of the company as per the last audited financial statement of the company, whichever is higher."

Date : 5th November

Place : Gandhinagar

For and on behalf of the Board

G.R.Aloria, IAS  
Chairman



**ANNEXURE - 6**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015**

[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:**

CIN:	U40200GJ2012SGC069118	Registration Date	21 st February 2012
Name of the Company	Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited)	Category of the Company  Sub Category of the Company	Public  Limited by shares
Address	Regd. Office: Block No. 15, 3rd Floor, Udyog Bhavan, Sector-11, Gandhinagar - 382011	Contact Details	079-26462980, 079-26460095
Whether Shares Listed	As on 31st March, 2015 the equity shares of the Company were not listed. Post scheme of Amalgamation and Arrangement the equity shares of the Company were listed on BSE, NSE, ASE and VSE with effect from 15th September, 2015.		

**Details of Registrar and Transfer Agent**

Name	Karvy Computershare Private Limited
Address	Karvy Selenium Tower B, Plot 31 -32, Gachibowli Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032
Contact Details	040-67161500, 040-67161606

**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:-

Sr. No.	Name and description of main products / services	NIC code of the product/service	% of total turnover of the company
01	The Company is engaged in City Gas Distribution including sale, purchase, supply, distribution, transport, trading in Natural Gas, CNG, LNG, LPG & other Gaseous from 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] - 2

Sr. No.	Name and Address of the Company	CIN/GLN	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)									
d) Bodies Corp.	0	750,050,000	750,050,000	83.33	0	750,050,000	750,050,000	83.33	0
e) Banks / FI									
f) Any Other									
<b>Sub-total (A) (1)</b>	<b>0</b>	<b>750,050,000</b>	<b>750,050,000</b>	<b>83.33</b>	<b>0</b>	<b>750,050,000</b>	<b>750,050,000</b>	<b>83.33</b>	<b>0</b>
<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>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>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>0</b>	<b>750,050,000</b>	<b>750,050,000</b>	<b>83.33</b>	<b>0</b>	<b>750,050,000</b>	<b>750,050,000</b>	<b>83.33</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions:</b>	0	0	0	0	0	0	0	0	0
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1)</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>2. Non Institutions:</b>									
a) Bodies Corp.	0	150,000,000	150,000,000	16.67	0	150,000,000	150,000,000	16.67	0
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholder holding nominal share capital in excess of Rs 1 lakh									
c) Others(specify)									
<b>Sub-total (B)(2)</b>	<b>0</b>	<b>150,000,000</b>	<b>150,000,000</b>	<b>16.67</b>	<b>0</b>	<b>150,000,000</b>	<b>150,000,000</b>	<b>16.67</b>	<b>0</b>
<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	<b>0</b>	<b>150,000,000</b>	<b>150,000,000</b>	<b>16.67</b>	<b>0</b>	<b>150,000,000</b>	<b>150,000,000</b>	<b>16.67</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>		<b>900,050,000</b>	<b>900,050,000</b>	<b>100</b>		<b>900,050,000</b>	<b>900,050,000</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.	GSPC Gas Company Limited (including its 6 nominees holding 10 equity shares each of Rs 10) 1 Ahmed Raza Khan 2 Sandeep Dave 3 Manish Seth 4 P.P.G Sarma 5 Ravindra Agrawal 6 Sanjay Sengupta	40,00,50,000	44.45%	0	40,00,50,000	44.45%	0	0
2.	Gujarat State Petronet Limited	35,00,00,000	38.89%	0	35,00,00,000	38.89%	0	0
	<b>Total</b>	<b>75,00,50,000</b>	<b>83.33%</b>	<b>0</b>	<b>75,00,50,000</b>	<b>83.33%</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
	At the beginning of the year	No	No	No	No
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No	No	No	No
	At the End of the year	No	No	No	No

**(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	15,00,00,000	16.67%	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 (or on the date of separation, if separated during the year) Gujarat State Fertilizers & Chemicals Limited	15,00,00,000	16.67%	N.A.	N.A.



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

Sr. No.	For Each of the Directors 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 P.P. G. Sarma	10	0.0	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 P.P. G. Sarma	10	0.0	N.A.	N.A.

**V. INDEBTEDNESS:**

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

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,080.98	2,220.36	0	3301.34
ii) Interest due but not paid	0	0		0
iii) Interest accrued but not due	0.47	168.36		168.83
<b>Total (i+ii+iii)</b>	<b>1081.45</b>	<b>2388.72</b>		<b>3470.17</b>
Change in Indebtedness during the financial year				
· Addition	133.37	26.87		160.23
· Reduction	72.40	305.38	0	377.78
<b>Total (i+ii+iii)</b>	<b>1142.42</b>	<b>2110.20</b>		<b>3252.62</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.
	<b>Total (A)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
	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
1.	<b>Independent Directors</b> · Fee for attending board / committee meetings " Commission " Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total (1)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
2.	<b>Other Non-Executive Directors</b> " Fee for attending board / committee meetings " Commission " Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total (2)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
	<b>Total (B)=(1+2)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
	Total Managerial Remuneration	N.A.	N.A.	N.A.	N.A.	N.A.
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.

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

Sr No.	Particulars of Remuneration	Key Managerial	Total Amount Personnel Company Secretary- Shri Rohan Sampat
1.	Gross Salary (in Rs) 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	Rs. 405,999/- PA  Rs. 130,881/- PA	Rs. 5,36,880/- Per Annum
2.	Stock Options	0	0
3.	Sweat Equity	0	0
4.	Commission - As % of profit - Others, please specify	0	0
5.	Others, please specify	0	0
	<b>Total</b>	<b>5,36,880</b>	

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

**REVISED INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
**Gujarat Gas Limited,**  
**(Formerly known as GSPC Distribution Networks Limited)**  
3rd Floor, Block No. 15, Udyog Bhavan,  
Sector-11, Gandhinagar,  
Gujarat -382011.

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited)** ("the Company"), which comprise the Balance Sheet as at **31st March, 2014**, and the Statement of Profit and Loss and the Cash Flow Statement **for the Year ended as on 31st March, 2014** and a summary of significant accounting policies and other explanatory information, which have been signed under reference to this report.

The financial statements for the year the ended 31st March, 2014 were audited by us and our report dated 20th May, 2014 expressed an unqualified opinion on those financial statements.

Consequent to the below mentioned facts, the audited financial statements for the year ended 31st March, 2014 were revised by the Company to give effect to the said amalgamation and arrangement, effective from 1st April, 2013.

1. The Honourable High Court of Gujarat at Ahmedabad vide its oral order dated 30th March 2015 and certified order dated 18th April, 2015 sanctioned the Scheme of amalgamation and arrangement between the following mentioned companies w.e.f. 14th May, 2015 having the appointed date of 1st April, 2013.
  - (i) GSPC Gas Company Limited (GSPC Gas),
  - (ii) Gujarat Gas Company Limited (GGCL),
  - (iii) Gujarat Gas Financial Services Limited (GFSL)
  - (iv) Gujaratgas Trading Company Limited (GTCL)

with the Company and the certified copy of the order of the High Court was filed with the Registrar of Companies (ROC), Gujarat on 14th May, 2015 from which date the Scheme of Amalgamation and arrangement has become effective, with the appointed date of 1st April, 2013.

Subsequently, the Company's name has been changed from GSPC Distribution Networks Limited (GDNL) to Gujarat Gas Limited (GGL) with effect from 15th May 2015.

2. The Honourable High Court of Gujarat at Ahmedabad vide its order dated 6th July, 2015 permitted to reopen and revise accounts of the company in the financial year 2013-14 to reflect the correct financial position and comply with the conditions of sanctioned scheme of amalgamation and arrangement.

Accordingly, we have carried out audit procedures and amended the date of our audit report in respect of this subsequent event (Refer Note No. 48 to the financial statements).

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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, issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes



evaluating the appropriateness of 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 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 financial statements.

**Other Matter**

We did not audit total assets as at March 31, 2014, total revenues of and net cash outflows of the transferor companies for the year ended on March 31, 2014, included in the accompanying financial statements in respect of erstwhile -

- (i) GSPC Gas Company Limited (GSPC Gas),
  - (ii) Gujarat Gas Company Limited (GGCL),
  - (iii) Gujarat Gas Financial Services Limited (GFSL)
  - (iv) Gujaratgas Trading Company Limited (GTCL)
- (collectively referred to as "Transferor Companies")

which got amalgamated with the Company pursuant to the order of Honourable High Court of Gujarat at Ahmedabad its oral order dated 30th March 2015 and certified order dated 18th April, 2015. The financial statements and other financial information for the financial year 2013-14 of erstwhile above mentioned transferor companies have been audited by their respective statutory auditors and office of the C&AG and has been approved by their respective Board and shareholders of the transferor companies and whose report has been furnished to us. Our opinion, in so far as it relates to the affairs of erstwhile above mentioned transferor companies is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

**Opinion**

Based on our audit and matter of emphasis, we report that,

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit and Loss, of the "Profit" for the Year ended 31st March, 2014; and
- c) In the case of the Cash Flow Statement, of the cash flows for the Year ended 31st March, 2014.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) As the Company is a Government Company, in terms of notification no. G.S.R. 829(E) dated 21st October, 2003, issued by Department of Company Affairs, Ministry of Finance, the clause (g) of subsection(1) of section 274 of the Companies Act, 1956 is not applicable.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid. Thus, it would not be possible for us to comment on the regularity or otherwise about the cess till the time relevant rules or regulations are issued. However, till the time such Rules are prescribed, we need not make any comment in respect of the Cess under section 441A of the Companies Act, 1956 in report under paragraph 4(ix)(a) of CARO 2003.

For, J. S. Maheshwari & Co.  
Chartered Accountants  
Firm Regn. No.: 001318C

(Ashish Maheshwari)  
Partner  
M. No. 412441

Place : Gandhinagar  
Date : 17/08/2015

**ANNEXURE TO AUDITOR'S REPORT**

Referred to in Paragraph 1 under report on 'other legal and regulatory requirements' of our report of even date of the members of Gujarat Gas Limited (GGL) (erstwhile known as GSPC Distribution Networks Limited) on the financial statements for the year ended on 31st March, 2014.

**1. In respect of its fixed assets:**

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) We have been provided letters specifying that all major fixed assets other than underground gas pipeline networks which are not physically verifiable, have been verified by the management during the year and no material discrepancies were noticed on the said verification.
- c) According to the information and explanation given to us the company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.

**2. In respect of its inventories:**

- a) As explained to us, inventories (except stock with third parties) have been physically verified by the management during the year at reasonable interval. In respect of inventories lying with third parties, these have substantially been confirmed by them.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory. On physical verification of such inventory by management no any material discrepancies were noticed as compared to book records.

**3. In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956:**

The Company has neither granted nor taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the provisions of clause (iii) (a) to (iii) (g) of the said Order, 2003 are not applicable to the Company.

**4. In respect of internal control:**

In our opinion and according to the information and explanations given to us, there is an adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. Further on the basis of our examination of the books and records of the company and according to the information and explanations given to us we have not come across any continuing failure to correct major weaknesses in internal control system.

**5. In respect of contracts or arrangements need to be entered into a register maintained u/s 301 of the Companies Act, 1956:**

- a) According to the information, explanations and representations given to us, we are of the opinion that the company has entered all the transaction, if any required to be entered into the registered maintained under section 301 of the Companies Act, 1956.
- b) According to the information, explanations and representations given to us, the transactions made, if any in pursuance of such contracts or arrangements that exceed the value of Rs. five lacs in respect of any party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

**6. In respect of Deposit from Public:**

In our opinion and according to the information, explanations and representations given to us, the Company has not accepted any deposits from the public pursuant to sections 58A, 58AA or any other relevant provisions of the Companies Act 1956 and rules framed thereunder. Therefore, the provisions of clause (vi) of the Order are not applicable to the Company.

**7. In respect of Internal Audit System :**

The Company has an internal audit system commensurate with its size of the company and nature of its business. The internal audit during the period under review was carried out by the firm of Chartered Accountants. In our opinion the internal audit system is adequate commensurate with the size of the company and nature of its business.

**8. In respect of maintenance of cost records:**

We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government of India for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained and cost audit report have been produced before us. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.

**9. In respect of statutory dues:**

- a) According to the information and explanations given to us and record of the company has been examined by us, In our



opinion, the company is generally regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year, *except that the service tax on commitment charges were not deposited within the prescribed time limit by erstwhile Gujarat Gas Company Limited. The amount of service tax outstanding for a period exceeding 6 months from the date they become payable was Rs. 1.38 crores and the same has been paid on 05.05.2014.*

b) According to the information and explanation given to us and record of the company has been examined by us, the disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under:-

Sr. No.	Name of the statute	Nature of Liability	Amount (Rs. in Crores)	Period to which relates	Forum where dispute is pending as on 31/03/2014	Remarks (Status as on date)
1	Finance Act, 1994	Service tax (Including interest and penalties)	35.79	2005-2012 (GGCL)	CESTAT	-----
2	Central Excise Act, 1944	Excise related to SSI units	0.24	2003-2004 (GSPC GAS)	CESTAT	-----
3	Central Excise Act, 1944	Excise Duty (Including interest and penalties)	11.86	October 2006 (GGCL)	Commissioner (Appeals)	-----
4	Income Tax Act, 1961	Income tax and interest thereon	0.79	F.Y. 2009-10 (GGCL)	CIT (Appeals)	Demand adjusted against refund dated 30/05/2014
5	Income Tax Act, 1961	Income tax and interest thereon	0.35	F.Y. 1995-96 (GGCL)	CIT (Appeals)	-----
6	Income Tax Act, 1961	Income tax including interest as applicable	4.16	F.Y. 2010-11 (GTCL)	CIT (Appeals)	Matter partly decided in company's favour by CIT (A) by order dated 15/05/2015. Appeal effect awaited. Matter pending at ITAT
7	Income Tax Act, 1961	Income tax and interest thereon	0.20	F.Y. 1995-96 (GFSL)	A. O.	-----
8	Income Tax Act, 1961	Income tax and interest thereon	0.31	F.Y. 2009-10 (GFSL)	CIT (Appeals)	Matter decided in company's favour by CIT (A). Dept. is contesting at I.T.A.T
9	Income Tax Act, 1961	Income tax and interest thereon	0.07	F.Y. 2010-11 (GFSL)	CIT (Appeals)	Matter decided in company's favour by CIT (A). Dept. is contesting at I.T.A.T
10	Income Tax Act, 1961	Income tax and interest thereon	0.60	F.Y. 2006-07 (GSPC GAS)	A.O.	Deleted by A.O. by order dated 30.03.2015
11	Income Tax Act, 1961	Income tax and interest thereon	8.45	F.Y. 2007-08 (GSPC GAS)	A.O.	pursuant to matters remitted back by I.T.A.T
12	Income Tax Act, 1961	Income tax and interest thereon	14.32	F.Y. 2008-09 (GSPC GAS)	A.O.	for verification afresh.
13	Income Tax Act, 1961	Income tax and interest thereon	12.22	F.Y. 2009-10 (GSPC GAS)	CIT (Appeals)	Pending with I.T.A.T
14	Income Tax Act, 1961	Income tax and interest thereon	60.80	F.Y. 2010-11 (GSPC GAS)	CIT (Appeals)	-----
15	Central Excise Act, 1944	Service Tax credit Cenvat Issues	2.31	2013-2014 (GSPC GAS)	Excise and Service Tax Commissioner	CESTAT

**10. In respect of accumulated losses and cash losses:**

Since the company has been incorporated on 21/02/2012 and not more than five year has been elapsed at the end of the current financial year, hence this clause of the said order is not applicable.

**11. In respect of dues to financial institution / banks / debenture:**

According to the information and explanations given to us and based on the documents and records produced to us, the company has not defaulted in repayment of dues to the Financial Institution or Bank or debenture holders.

**12. In respect of loans and advances granted on the basis of security:**

The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

**13. In respect of provisions applicable to Chit fund:**

The company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

**14. In respect of dealing or trading in shares, securities, debentures and other investment:**

In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments as such provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

**15. In respect of guarantee given for loans taken by others:**

According to the information and explanations given to us and the representations made by the management, the company has not given any guarantee for loans taken by others from any bank or financial institution.

**16. In respect of application of term loans:**

In our opinion, and according to the information and explanations given to us, term loans have been applied for the purpose for which they were raised.

**17. In respect of funds used:**

According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short term basis have, prima facie, not been used for long-term investments and vice-versa.

**18. In respect of preferential allotment of shares:**

During the period under review, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable.

**19. In respect of securities created for debentures:**

On the basis of the records and documents examined by us, and according to the information and explanation given to us, the Company has issued 10.30% redeemable, unlisted, non-convertible debentures of Rs 500 crores. However, such debentures have been secured by jointly and severally corporate guarantee of erstwhile GSPC GAS and GSPL of Rs. 500 crores.

**20. In respect of end use of money raised by public issues:**

The Company has not raised any money by way of public issue during the period under review and therefore clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.

**21. In respect of fraud:**

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, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period under review /audit.

For, J. S. Maheshwari & Co.

Chartered Accountants

Firm Regn. No.: 001318C

(Ashish Maheshwari)

Partner

M. No. 412441

Place : Gandhinagar

Date: 17/08/2015





## **REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

### **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GUJARAT GAS LIMITED (ERSTWHILE KNOWN AS GSPC DISTRIBUTION NETWORKS LIMITED) FOR YEAR ENDED 31 ST MARCH 2014**

The preparation of financial statements of **Gujarat Gas Limited** (erstwhile GSPC Distribution Networks Limited) for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Auditor Report dated 17th August 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of **Gujarat Gas Limited** (erstwhile GSPC Distribution Networks Limited) for year ended 31st March 2014. 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. Based on my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors report under Section 619(4) of the Companies Act, 1956.

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

(Y. N. Thakare)  
Pr. Accountant General (E&RSA), Gujarat

Place: Ahmedabad  
Date: 16-10-2015



## BALANCE SHEET AS AT 31ST MARCH 2014

(Rs. in Crores)

Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	137.68	0.05
(b) Reserves and surplus	3	1,498.12	(3.87)
<b>Share application money pending allotment</b>	2	-	348.00
		<b>1,635.80</b>	<b>344.18</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	1,592.43	1,500.00
(b) Deferred tax liabilities (Net)	5	289.23	-
(c) Other Long term liabilities	6	522.53	3.19
(d) Long-term provisions	7	9.85	-
		<b>2,414.04</b>	<b>1,503.19</b>
<b>Current liabilities</b>			
(a) Short-term borrowings	8	3.69	-
(b) Trade payables	9	526.04	2.05
(c) Other current liabilities	10	2,073.73	-
(d) Short-term provisions	11	0.60	0.74
		<b>2,640.06</b>	<b>2.79</b>
<b>TOTAL</b>		<b>6,653.90</b>	<b>1,850.16</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		4,327.91	-
(ii) Intangible assets		145.53	-
(iii) Capital work-in-progress		269.87	-
(iv) Intangible asset under development		0.20	-
<b>Total Fixed Assets (Net Block)</b>		<b>4,743.51</b>	-
(b) Non-current investments	13	162.11	347.68
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	14	35.80	-
(e) Other non-current assets	15	7.51	-
		<b>205.42</b>	<b>347.68</b>
<b>Current assets</b>			
(a) Current investments	16	678.88	1,499.91
(b) Inventories	17	37.54	-
(c) Trade receivables	18	545.13	-
(d) Cash and cash equivalents	19	211.58	0.06
(e) Short-term loans and advances	20	187.53	0.24
(f) Other current assets	21	44.31	2.27
		<b>1,704.97</b>	<b>1,502.48</b>
<b>TOTAL</b>		<b>6,653.90</b>	<b>1,850.16</b>

Significant Accounting Policies – Note 1 and Notes 2 to 49 are accompanying and form integral part of the Financial Statements.

As per our report attached.

For and on behalf of Board of Directors

**For, J. S. Maheshwari & Co.**  
Chartered Accountants  
Firm Regn. No. 001318C

**G.R. Aloria, IAS**  
Chairman

**Atanu Chakraborty, IAS**  
Director

**Jal Patel**  
Director

**Ashish Maheshwari**  
Partner  
M. No. : 412441  
Place : Gandhinagar  
Date : 17/08/2015

**P.P.G.Sarma**  
Chief Executive  
Officer  
Place : Gandhinagar  
Date : 13/08/2015

**Rahul Devi**  
Executive Vice President  
(F & A)

**Rajeshwari Sharma**  
Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 ST MARCH 2014

(Rs. in Crores)

Particulars	Note No.	For the Year Ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
Revenue from operations (Gross)	22	7,950.56	–
Less: Excise Duty		153.14	–
Revenue from operations (Net)		7,797.42	–
Other income	23	110.10	2.27
<b>Total Revenue</b>		<b>7,907.52</b>	<b>2.27</b>
<b>Expenses:</b>			
Cost of materials consumed	24	6,774.17	–
Purchases of Stock-in-Trade	25	34.30	–
Changes in inventories	26	(0.76)	–
Employee benefits expense	27	99.45	–
Finance costs	28	300.30	3.24
Depreciation and amortization expense	12	282.64	–
Other expenses	29	316.19	2.21
<b>Total Expenses</b>		<b>7,806.29</b>	<b>5.45</b>
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		<b>101.23</b>	<b>(3.18)</b>
(a) Prior period items (Net)	30	1.87	–
(b) Exceptional items	31	7.16	–
<b>Profit/(Loss) before extraordinary items and tax</b>		<b>92.20</b>	<b>(3.18)</b>
Extraordinary items		–	–
<b>Profit/(Loss) Before Tax (PBT)</b>		<b>92.20</b>	<b>(3.18)</b>
Tax expense:			
(a) Current tax	32	(0.00)	0.69
(b) Deferred tax	5	63.77	–
<b>Profit/(Loss) for the year from continuing operations</b>		<b>28.43</b>	<b>(3.87)</b>
Profit/(Loss) from discontinuing operations		–	–
Tax expense of discontinuing operations		–	–
<b>Profit/(Loss) from discontinuing operations (after tax)</b>		<b>–</b>	<b>–</b>
<b>Profit/(Loss) After Tax</b>		<b>28.43</b>	<b>(3.87)</b>
Earnings per equity share:	33		
(a) Basic		2.06	(1,106.21)
(b) Diluted		2.06	(1.18)

Significant Accounting Policies – Note 1 and Notes 2 to 49 are accompanying and form integral part of the Financial Statements. As per our report attached.

**For J. S. Maheshwari & Co.**  
Chartered Accountants  
Firm Regn. No. 001318C

For and on behalf of Board of Directors

**G.R. Aloria, IAS**  
Chairman

**Atanu Chakraborty, IAS**  
Director

**Jal Patel**  
Director

**Ashish Maheshwari**  
Partner  
M. No. : 412441  
Place : Gandhinagar  
Date : 17/08/2015

**P.P.G.Sarma**  
Chief Executive  
Officer  
Place : Gandhinagar  
Date : 13/08/2015

**Rahul Devi**  
Executive Vice President  
(F & A)

**Rajeshwari Sharma**  
Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

(Rs. in Crores)

Particulars	For the Year Ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax	92.20	(3.18)
<b>Adjustments for:</b>		
Depreciation	282.64	-
Loss on Sale of Fixed Assets	4.77	-
Stock Option Outstanding Account	0.56	-
Provision for Assets written off	0.12	-
Loss on sale as scrap and diminution in Capital Inventory	4.46	-
Material Shortage/Gain	7.16	-
Prior period adjustment on account of depreciation	0.14	-
Provision for Wealth Tax	0.02	-
Provision for Gratuity	2.16	-
Provision for Leave Encashment	1.96	-
Bad Debts Written Off	0.40	-
Advance Writeoff	0.03	-
Doubtful Debts (Trade Receivables)	1.55	-
Doubtful Advances	2.39	-
Provision Diminution in Investment	-	-
Interest Expense	300.30	3.24
Provision Written Back	(4.63)	-
Profit on Sale of Investments	(9.26)	-
Dividend Income	(31.08)	-
Interest Income	(53.32)	(2.27)
<b>Operating Profit before Working Capital Changes</b>	<b>602.57</b>	<b>(2.21)</b>
<b>Adjustments for changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	(174.35)	-
(Increase)/Decrease in Other – Non Current Assets	(7.50)	-
(Increase)/Decrease in Short Terms Loans and Advances	47.29	-
(Increase)/Decrease in Other Current Assets	(141.45)	-
(Increase)/Decrease in Inventories	(7.87)	-
(Increase)/Decrease in Long-term loan and advances	6.03	(0.24)
<b>Changes in Trade and Other Receivables</b>	<b>(277.85)</b>	<b>(0.24)</b>
Increase/(Decrease) in Trade Payables	157.54	-
Increase/(Decrease) in Other Long term liabilities	(2.65)	-
Increase/(Decrease) in Advance from Customers	84.00	-
Increase/(Decrease) in Other Current liabilities	12.24	-
Increase/(Decrease) in Short-term provisions	(4.15)	2.06
<b>Changes in Trade and Other Payables</b>	<b>246.98</b>	<b>2.06</b>
<b>Cash Generated from Operations</b>	<b>571.71</b>	<b>(0.40)</b>
Extra Ordinary Items and Other Adjustments	-	-
Taxes Refund	1.26	-
Taxes Paid	(161.11)	-
<b>Net Cash from Operating Activities</b>	<b>411.85</b>	<b>(0.40)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including capital work in progress and capital advances.	(345.56)	-
Sale of Non-current investments	-	-
Sale of Current Investment	3,141.56	-
Purchase of Non-current investments	(2,463.47)	(347.68)
Purchase of Other Current Investment	(1,917.75)	(1,499.91)
Proceeds from Margin Money Deposit	-	-
Interest Received	54.39	-
Sale of Fixed Assets	8.48	-
Dividend Income	31.08	-
<b>Net Cash used in Investing Activities</b>	<b>(1,491.27)</b>	<b>(1,847.59)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

(Rs. in Crores)

Particulars	For the Year Ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Application Money	500.00	348.05
Repayment of Share Application Money	-	-
Proceeds from Long-term borrowings	1,599.08	1,500.00
Proceeds from Short-term borrowings	33.69	-
Repayment of Long-term borrowings	(799.63)	-
Repayment of Short-term borrowings	(40.83)	-
Interest Paid	(135.09)	-
Dividend Paid (including tax thereon)	(60.10)	-
<b>Net Cash from Financing Activities</b>	<b>1,097.12</b>	<b>1,848.05</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>17.70</b>	<b>0.06</b>
Cash and Cash Equivalents at the beginning of the year	41.97	-
Cash and Cash Equivalents at the end of the year	59.67	0.06
<b>Closing Cash and Cash Equivalents comprise:</b>		
Cash in hand	0.82	-
Balances with Scheduled Banks	-	0.06
Balance in Current Account	33.11	-
Balance with other Banks	-	-
Balances in Fixed Deposits	25.75	-

**Notes to Cash Flow Statement:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 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.
- Figures in bracket indicate cash-outflow.

As per our report attached.

**For J. S. Maheshwari & Co.**  
Chartered Accountants  
Firm Regn. No. 001318C

**Ashish Maheshwari**  
Partner  
M. No. : 412441  
Place : Gandhinagar  
Date : 17/08/2015

For and on behalf of Board of Directors

**G.R. Aloria, IAS**  
Chairman

**P.P.G.Sarma**  
Chief Executive  
Officer  
Place : Gandhinagar  
Date : 13/08/2015

**Atanu Chakraborty, IAS**  
Director

**Rahul Devi**  
Executive Vice President  
(F & A)

**Jal Patel**  
Director

**Rajeshwari Sharma**  
Company Secretary

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****Note 1: Significant Accounting Policies****1. General Information**

- a) Gujarat Gas Limited ("Company") formerly known as GSPC Distribution Networks Limited (GDNL) is engaged in Natural Gas Business in Gujarat. Natural gas business involves distribution of gas from sources of supply to centers of demand and to the end customers.
- b) The company is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and is a part of GSPC group. The Company was originally incorporated as GSPC Distribution Networks Limited (GDNL) on 21st February 2012.

The Scheme of amalgamation and arrangement (Refer Note No. 48) 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. Gujaratgas 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. The certified copy of order was received on 18th April 2015 and filed with Registrar of Companies (ROC) at Ahmedabad on 14th May 2015. The Scheme of Amalgamation became effective on 14th May, 2015 with an appointed date of 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.

Consequent to order dated 6th July 2015 of the Honourable High Court of Gujarat for sanctioning permission of re-opening and revision of books of accounts for the year 2013-14, the audited financial statements of transferee company Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited-GDNL) for year 2013-14 has been re-opened and revised by the Company to give effect of the said amalgamation and arrangement in books of accounts for the year 2013-14. Accordingly, operation of all the transferors companies from April 1, 2013, have been accounted for in the financial statements for financial year 2013-14.

**2. Basis of Preparation of Financial Statements**

The financial statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The financial statements have been prepared and presented to comply in all material aspects with the Generally Accepted Accounting Principles (IGAAP) in India and the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules 2006 as per Section 211(3C) of the Companies Act, 1956 and the other relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. The company has consistently applied the accounting principles and policies; and accounting policies not referred to otherwise, are in conformity with IGAAP.

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 Revised Schedule VI to the Companies Act, 1956.

These financial statements are the merged financial statements of the company prepared in accordance with the Scheme of Amalgamation and Arrangement (*Refer note no. 48*)

**3. Use of Estimates**

The preparation of financial statements in conformity with IGAAP requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Such estimates and assumptions are based on evaluation of relevant facts and circumstances as on date of the financial statements. Differences between the actual results and estimates are recognized in the period in which they are known or materialise.

**4. Fixed Assets and Capital Work in Progress (CWIP)****a. Tangible assets**

Fixed assets are stated at their cost of acquisition / construction (Fair value as determined on the date of acquisition of business) 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).

Costs of meter / regulator consumed for initial connection to customers are capitalized as per underlying contracts with customers and consumed for replacement during the year are charged to statements of profit & loss.

Gains or losses arising from disposal/retirement of fixed assets, which are carried at cost, are recognized in the Statement of Profit and Loss.

**b. 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 in terms of Accounting Standard -26 "Intangible Assets" where it is expected to provide future enduring economic benefits.

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.

**c. Capital Work In Progress**

Capital Work in Progress -CWIP 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 identifiable and ascertainable expenditure including direct, indirect expenses, 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.

**5. Depreciation and Amortization**

- a) Depreciation is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 or over the estimated useful lives of the assets, whichever is higher, except as under:
- Depreciation on Plant and Machinery - pipelines (Steel and MDPE) acquired from erstwhile GSPC GAS Company Limited is provided at 3.17 % on Straight-Line Method (SLM) considering useful life of thirty years. The company has changed the depreciation rate on natural gas pipelines from 5.28% per annum on SLM basis as per schedule XIV to 3.17% per annum on SLM basis w.e.f. 1st April, 2011 in terms of approval of Ministry of Corporate Affairs (MCA) vide its letter no. 45/5/2011 -CL-III dated 1st September, 2011.
  - Cost of mobile phones, are depreciated / expensed off in the year of purchase.
- b) Depreciation on assets acquired and or disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase/capitalization.
- c) 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 :
- Right of Way (ROW) Permissions
    - 18 Years for assets acquired from erstwhile Gujarat Gas Company Ltd.
    - 30 Years for assets acquired from erstwhile GSPC Gas Company Ltd.(Considered more than 10 years as inextricably linked and dependent on the useful life of pipeline networks as referred 5(a) above for which the Right of Way has been obtained).
  - Software and other Intangibles 6 Years.
- d) Cost of leasehold land is amortized equally over the period of lease.
- e) No amortisation is charged on Right of Use (RoU) of Land being perpetual in nature.
- f) 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 normal rates as referred above, as the management does not foresee non-renewal of the above lease arrangements by the lessor.

Capital assets installed at the customers' premises on the land of the customers have been depreciated at the rates specified as above.





## 6. Impairment of Assets

In accordance with Accounting Standard 28 on "Impairment of Assets" at the balance sheet date, Fixed 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.

## 7. Revenue Recognition

- a) 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. Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to consumers from retail outlets. Sales of natural gas are stated at net of value added tax.
- b) Gas transmission income is recognized in the same period in which the related volumes of gas are delivered to the customers.
- c) 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.
- d) The amounts charged from customers for gas connections are accounted for based on the terms of the underlying contract with customers by accounting the revenue on commencement of the supply of gas to the customer 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 connection amounts collected from certain domestic customers which are "refundable" in nature. Accordingly, the same are recognized as a liability under head "Deposit from Customers" in the balance sheet as and when the Company commences the supply of gas to the customers. Until then, the amounts so collected are shown as advances received from customers in the balance sheet. The difference between the amounts charged from customers for gas connections and amounts of connection which are refundable is disclosed as revenue as and when the company commences the supply of gas to the customers.

- e) 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.
- f) Liquidated damages income, if any is recognized at the time of recording the purchase of materials in books of accounts and the matter is considered settled by the Management.
- g) Interest expense and income are recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- h) Dividend income is recognised, when the right to receive the dividend is established by the reporting date.
- i) Other operating income and misc. income are accounted on accrual basis as and when the right to receive arises.
- j) Expenditure charged to profit and loss statement is provided for the period for which the expenditure is incurred. Adequate provisions are made for all known expenses and liabilities.

## 8. Borrowing Costs

Interest and other costs in connection with the borrowing of funds to the extent they relate to the acquisition / construction of qualifying fixed assets as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such assets up to the date of commissioning. The expenses incurred in connection with the arrangement of 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 profit and loss statement.

**9. Investments**

Investments are classified as long term or short term in accordance with Accounting Standard 13 on "Accounting for Investments". Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long term Investments are stated at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Provision, if any, is made to recognize any diminution in value of investments, other than that of a temporary nature.

Current Investments are stated at lower of cost and fair value determined category wise. Any reduction in carrying amount and any reversals of such reductions are charged or credited to the profit and loss statement.

**10. 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 cost on moving weighted average basis.

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

**11. Foreign Currency Transactions****Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Subsequent Recognition**

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of monetary items are recognized in the Statement of Profit and Loss.

Any income or expense on account of foreign exchange difference either on settlement or on translation is recognised in the statement of profit and loss in line with the provisions of Accounting Standard -11 on "The Effects of Changes in Foreign Exchange Rates".

**12. Employee Benefits**

Employees Benefits are provided in the books as per Accounting Standard -15 on "Employee Benefits" (revised 2005) in the following manner:

**Post-employment benefit plans****Defined Contribution Plan**

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

**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 administered through a Trust. Contributions in respect of gratuity are made to the approved Gratuity Fund. The Company's liability is actuarially determined (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 Profit and Loss in the year in which they arise.

**Long term employee benefits**

The liability in respect of accrued leave benefits which are expected to be availed or encashed beyond 12 months from the end of the year, is treated as long term employee benefits. The Company's liability is actuarially determined using the Projected Unit Credit method at balance sheet date. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

**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 also include accrued leave benefits, which are expected to be availed or encashed within 12 months from the end of the year.

**Employee Stock Option Plan**

Stock Option grants to the employees who accept the grant under the Stock Option Plan are accounted in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The company follows the fair value method for option pricing and accordingly the fair value of the option as of the date of the grant of the option is recognized as employee compensation cost which is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option.

**13. Leases****Operating Lease****As a lessee:**

The Company has entered into cancellable operating lease arrangements for office premises, staff quarters and others. The lease rentals paid for the same are charged to the Statement of Profit and Loss. The lease rentals on non-cancellable lease a contract is accounted for on are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

**As a lessor:**

The Company has leased certain tangible assets and such leases where the group has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

**Finance lease****As a lessor:**

The Company has leased certain tangible assets and such leases where the Company has passed on substantially all the risks and rewards of ownership are classified as finance leases.

The aggregate of minimum lease payments less unearned finance income is recognized as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance Income is recognized over the term of the lease using net investment method, which reflects a constant periodic rate of return. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

**14. Taxes on Income**

Tax provision comprises of current tax and deferred tax.

Tax provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws that have been enacted as on balance sheet date.

Deferred tax liability and assets is computed as per Accounting Standard (AS-22) on "Accounting for Taxes on Income". Deferred tax is recognized, subject to consideration of prudence, on timing 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. Deferred tax asset is recognized on carried forward losses (if any) under tax laws, only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against the current tax liabilities.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Provision for Wealth Tax is made in accordance with the provisions of the Wealth Tax Act, 1957.

**15. Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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.



For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of any dilutive potential equity shares.

#### **16. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Provision for contractual obligation has been disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed in the Notes to Financial Statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements.

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

#### **17. 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 other activity of the Company comprised leasing of natural gas fired Cogeneration units, the income from which is not material in financial terms. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard 17 on Segment Reporting are not relevant to the Company.

#### **18. Cash Flow Statement**

The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company. Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand, current account balances with Banks and demand deposits with banks.

Cash equivalents consist of investments with original maturity of three months or less and which are readily convertible to known amounts of cash."

#### **19. Prior Period Adjustments**

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, is shown under the head "Prior Period Adjustments Account" in the profit and loss statements as per the provisions of Accounting Standard 5 on "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies.

#### **20. Proposed Dividend**

Dividend recommended by the Board of directors is provided for in the accounts, subject to the approval of the shareholders in the Annual General Meeting.

#### **21. 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.

#### **22. Event Occurring after Balance Sheet Date**

Material 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. Non adjusting events (that are indicative 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 reports of the board of directors.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

## Note 2:

## A. SHARE CAPITAL

## 2.1 AUTHORISED, ISSUED, SUBSCRIBED, FULLY PAID UP SHARE CAPITAL

(Rs. in Crores)

Share Capital	As at 31st March 2014		As at 31st March 2013	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
Equity Shares of Rs.10 each	1,735,100,000	1,735.10	1,500,000,000	1,500.00
7.5% Redeemable preference Shares of Rs.10 each	17,000,000	17.00	–	–
Preference shares of Rs. 10 each (Refer Note below)	5,000,000	5.00	–	–
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs.10 each fully paid up (Refer Note below)	137,678,025	137.68	50,000	0.05
<b>Total</b>	<b>137,678,025</b>	<b>137.68</b>	<b>50,000</b>	<b>0.05</b>

**Note :** Out of the above, 12,45,20,130 Equity Shares of Rs. 10 each have been allotted as fully paid pursuant to the Scheme of Amalgamation without payments being received in cash.

Pursuant to the scheme, the authorized share capital of the transferee Company on the effective date has automatically stand increased by merging the authorized share capital of transferor Company with transferee Company without any further act or deed on the part of the transferee Company, including payment of stamp duty and Registrar of Companies fees, for the authorized share capital of transferor Company.

## 2.2 RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

(Rs. in Crores)

Particulars	As at 31st March 2014		As at 31st March 2013	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the period	50,000	0.05	50,000	0.05
Add: Shares issued during the period for cash	900,000,000	900.00	–	–
Add: Shares issued during the period pursuant to the scheme of amalgamation and arrangement (Refer Note 48 & note below)	124,520,130	124.52	–	–
Add: Shares bought back during the period	–	–	–	–
Less: on account of capital reduction (Refer Note 48 & note below)	486,842,105	486.84	–	–
Less: Shares cancelled pursuant to the scheme of amalgamation (Refer Note 48 & note below)	400,050,000	400.05	–	–
<b>Shares outstanding at the end of the period</b>	<b>137,678,025</b>	<b>137.68</b>	<b>50,000</b>	<b>0.05</b>

Pursuant to the scheme of amalgamation and arrangement 12,45,20,130 equity shares of Rs. 10 each were issued at face value to the transferor companies for transfer of the assets and liabilities determined by the management as on the appointed date. Further, the shares issued to GSPC Gas Company Limited during the year 2013-14 have been cancelled and the resultant share capital was subsequently reduced in line with the capital reduction per the scheme of amalgamation and arrangement.

The reduction in the share capital of the transferee Company has effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme has been deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction.

## 2.3 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 remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

**2.4 SHARE HOLDING BY PRESCRIBED ENTITIES**

Out of Equity shares issued by the Company, shares held by its holding company and their subsidiaries and associates are as under :

(Rs. in Crores)

Share Holder (Nature of Relationship)	As at 31st March 2014		As at 31st March 2013	
	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)	39,106,328	39.11	–	–
(ii) Gujarat State Petronet Limited (Subsidiary of Holding co. & Entity having significant influence)	35,468,472	35.47	–	–
(iii) Gujarat State Energy Generation Limited (Associate of Holding co.)	266,447	0.27	–	–
(iv) GSPC GAS Company Limited with nominee's (PY – Holding Company)	–	–	50,000	0.05
<b>Total</b>	<b>74,841,247</b>	<b>74.84</b>	<b>50,000</b>	<b>0.05</b>

**2.5 SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL SHARE CAPITAL**

Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
	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	39,106,328	28.40%	–	–
Gujarat State Petronet Limited	35,468,472	25.76%	–	–
Aberdeen Global Indian Equity (Mauritius) Limited	12,256,000	8.90%	–	–
Gujarat State Fertilizers and Chemicals Limited	9,382,895	6.82%	–	–
Government of Gujarat	8,995,462	6.53%	–	–
GSPC GAS Company Limited, (with Nominee's.)	–	–	50,000	100.00%

**2.6 ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH, BONUS SHARES AND BUYBACK OF SHARES :**

Particulars	Year (Aggregate No. of Shares)			
	2013-14	2012-13	2011-12	2010-11
<b>Equity Shares:</b>				
(i) Equity Shares of Rs. 10 each fully paid pursuant to Scheme of amalgamation without payment being received in cash. (Refer sub note 2.2)	124,520,130	–	–	–
(ii) Equity Shares Fully paid up by way of bonus shares	–	–	–	–
(iii) Equity Shares bought bck	–	–	–	–

**B. SHARE APPLICATION MONEY PENDING ALLOTMENT**

The Company has received the share application money from the following applicant:

(Rs. in Crores)

Name of applicants	As at 31 March 2014	As at 31 March 2013
GSPC GAS Company Limited	–	348.00
<b>Total</b>	<b>–</b>	<b>348.00</b>

Board of Directors in its Board meeting held on 20.05.2013, issued and allotted Equity shares of the company at face value of Rs. 10 each to share applicants.

**Note 3: RESERVES AND SURPLUS**

(Rs. in Crores)

Reserves and Surplus	As at 31st March 2014	As at 31st March 2013
<b>Reserve Account</b>		
Opening Balance	-	-
Add: Adjustments pursuant to scheme of amalgamation and arrangement (Refer Note 48)	1,521.48	-
<b>Closing Balance</b>	<b>1,521.48</b>	-
<b>Stock Options Outstanding Account</b>		
Transferred pursuant to scheme of amalgamation and arrangement	3.51	-
Less: Options exercised during the period	1.73	-
Add: Adjustment on exercise of options during the period	1.05	-
<b>Closing Balance</b>	<b>2.83</b>	-
<b>Less: Deferred Stock Option Outstanding Account</b>		
Transferred pursuant to scheme of amalgamation and arrangement	0.70	-
Less: Options exercised during the period	0.56	-
<b>Closing Balance</b>	<b>0.14</b>	-
<b>Net balance in stock options outstanding Account</b>	<b>2.69</b>	-
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	(3.87)	-
Add: Profit/(Loss) for the year as per Statement of Profit and Loss	28.43	(3.87)
Closing Balance	24.56	(3.87)
<b>Less: Appropriations:</b>		
Depreciation Adjustment	-	-
Proposed Dividend	-	-
Corporate Tax on Dividend	19.55	-
Interim Dividend	29.94	-
Short/(Excess) Provision of earlier year Dividend Distribution Tax	0.07	-
Transfer to Stock Option Outstanding Account	1.05	-
<b>Closing Balance</b>	<b>(26.05)</b>	<b>(3.87)</b>
<b>Debenture Redemption Reserve (Refer Note Below)</b>	-	-
<b>Total</b>	<b>1,498.12</b>	<b>(3.87)</b>

**Note :** Debenture Redemption Reserve (DRR) : The Company has not reported sufficient profit during the year and not having sufficient balance of surplus in statement of profit and loss as on 31.03.2014, hence the Debenture redemption reserve has not been created as on 31.03.2014 by the company.

**Note 4: LONG TERM BORROWINGS**

(Rs. in Crores)

Long Term Borrowings	As at 31st March 2014	As at 31st March 2013
<b>Secured</b>		
<b>(a) Term loans</b>		
from banks (Refer detailed Note 4.1)	925.77	-
from other parties (Refer detailed Note 4.1)	83.33	-
The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.		
<b>Total – [A]</b>	<b>1,009.10</b>	-
<b>Unsecured</b>		
<b>(a) Term loans</b>		
from other parties (Refer detailed Note 4.2)	83.33	1,500.00
<b>(b) Redeemable, Unsecured, Unlisted, and Non-Convertible Debentures – NCD (Refer detailed note 4.2)</b>	500.00	-
The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.		
<b>Total – [B]</b>	<b>583.33</b>	<b>1,500.00</b>
<b>Total – [A + B]</b>	<b>1,592.43</b>	<b>1,500.00</b>





(Rs. in Crores)

Secured Loans	Total Outstanding Amount as on 31.03.2014	Total Outstanding Amount as on 31.03.2013	Terms of repayment of term loans	Repayment Terms			Rate of Interest as on 31.03.2014 in %	Non-Current Portion		Current Maturities *	
				Maturity of Loan	Total Number of installments payable after 31.03.2014	Number of installments payable within one year from 31.03.2014		Amount of Installments due within one year from 31.03.2014	Amount of Installments due within one year from 31.03.2013	Amount of Installments due within one year from 31.03.2014	Amount of Installments due within one year from 31.03.2013
<b>From Banks</b>											
Dena Bank TL - III	54.77	-	Quarterly installment from December 2012	Sep-19	22	4	11.00%	44.77	-	10.00	-
The Kalupur Commercial Co-op Bank	5.86	-	Monthly installment along with interest from December 2010 or from the date of loan	Aug-15	17	12	10.90%	1.69	-	4.17	-
The Kalupur Commercial Co-op	26.20	-	Quarterly installment from September 2013	Jun-19	21	4	10.90%	21.20	-	5.00	-
Oriental Bank of Commerce TL - I	16.05	-	Monthly installment along with interest from December 2010 or after moratorium period of one year from the date of loan	May-16	26	12	11.00%	8.55	-	7.50	-
Oriental Bank of Commerce TL - II	7.40	-	Monthly installment along with interest from started from December 2010 or after moratorium period of one year from the date of loan	Mar-17	36	12	11.00%	4.90	-	2.50	-
Oriental Bank of Commerce TL - III	21.11	-	Monthly installment along with interest from December 2010 or after moratorium period of one year from the date of loan	May-17	38	12	11.00%	14.39	-	6.71	-
Bank of Maharashtra Corporation Bank	52.60	-	Quarterly installment from December 2012	Sep-19	22	4	11.00%	46.60	-	6.00	-
UCO Bank	87.88	-	Quarterly installment from December 2012	Sep-19	22	4	11.00%	77.88	-	10.00	-
Bank of Baroda	65.83	-	Quarterly installment from December 2012	Sep-19	22	4	11.00%	58.33	-	7.50	-
Dena Bank TL - IV	59.96	-	Quarterly installment from December 2012	Sep-19	22	4	11.00%	47.46	-	12.50	-
	600.00	-	Quarterly installment from June 2015	Mar-23	32	-	11.00%	600.00	-	-	-
<b>Total (A)</b>	<b>997.65</b>	-						<b>925.77</b>	-	<b>71.88</b>	-
<b>From Financial Institutions</b>											
HUDCO	83.33	-	Quarterly installment from August 2016	May-23	28	-	11.10%	83.33	-	-	-
<b>Total (B)</b>	<b>83.33</b>	-						<b>83.33</b>	-	-	-
<b>Total (A+B)</b>	<b>1,080.98</b>	-						<b>1,009.10</b>	-	<b>71.88</b>	-
* Less: Amount disclosed under the head "other Current Liabilities" (Note No. 10)											
Net Amount											
								<b>1,009.10</b>	-	-	-

The details of security given and other information for all loans are as under :

Particulars	As at 31st March 2014	As at 31st March 2013
Secured Loan	First pari - passu charge on Present & Future Fixed Assets (Movable & Immovable) of the erstwhile GSPC GAS Company and Second pari - passu charge on Present & Future Current Assets of the erstwhile GSPC GAS Company	-
Guaranteee by Directors or others	None of the loan has been guaranteed by the directors or others	-
Loan from related party	None of the loan has been taken from the related party(ies)	-



(Rs. in Crores)

Unsecured Loans	Total Outstanding Amount as on 31.03.2014	Total Outstanding Amount as on 31.03.2013	Terms of repayment of term loans	Repayment Terms			Rate of Interest as on 31.03.2014 in %	Non-Current Portion		Current Maturities *	
				Maturity of Loan	Total Number of Installments payable after 31.03.2014	Number of Installments payable within one year from 31.03.2014		Amount of Installments not due within one year from 31.03.2014	Amount of Installments not due within one year from 31.03.2013	Amount of Installments due within one year from 31.03.2014	Amount of Installments due within one year from 31.03.2013
<b>Medium Term Loans from Financial Institutions</b>											
Gujarat State Financial Services Ltd III	33.33	-	In six Equal Half Yearly Installments along with interest	Jul-14	1	1	9.50%	-	-	33.33	-
Gujarat State Financial Services Ltd IV	50.00	-	In six Equal Half Yearly Installments along with interest	Aug-15	3	2	9.50%	16.67	-	33.33	-
Gujarat State Financial Services Ltd V	133.33	-	In six Equal Half Yearly Installments along with interest	Mar-16	4	2	9.50%	66.67	-	66.67	-
Gujarat State Financial Services Ltd	100.00	100.00	In six Equal Half Yearly Installments along with interest	Aug-14	1	1	9.50%	-	100.00	100.00	-
Gujarat State Financial Services Ltd	1,400.00	1,400.00	In six Equal Half Yearly Installments along with interest	Sep-14	1	1	9.50%	-	1,400.00	1,400.00	-
<b>Total (A)</b>	<b>1,716.67</b>	<b>1,500.00</b>						<b>83.33</b>	<b>1,500.00</b>	<b>1,633.33</b>	-
<b>Debentures</b>											
Redeemable, Unsecured, Unlisted, and Non-Convertible Debentures - NCD	500.00	-	Rs. 495 Crores is repayable after 36 months from the date of allotment of NCD. Rs. 5 Crores NCD holders having call / put option after 18 months for repayment from the date of allotment of NCD.	Apr-16	NA	NA	10.30% pa payable on semi annually basis.	500.00	-	-	-
<b>Total (B)</b>	<b>500.00</b>	-						<b>500.00</b>	-	-	-
<b>Total (A+B)</b>	<b>2,216.67</b>	<b>1,500.00</b>						<b>583.33</b>	<b>1,500.00</b>	<b>1,633.33</b>	-
* Less: Amount disclosed under the head "Other Current Liabilities" (Note 10)											
<b>Net Amount</b>								<b>583.33</b>	<b>1,500.00</b>	<b>1,633.33</b>	-

The details of security given and other information for all loans are as under:

Particulars	As at 31st March 2014	As at 31st March 2013
Unsecured Loan	Demand Promissory Note and Post dated cheques for repayment of principal and interest has been given to GSFS.	Demand Promissory Note and Post dated cheques for repayment of principal and interest has been given to GSFS.
Guarantee by Directors or others	Erstwhile GSFC GAS and GSPL (Associate Co.) has guaranteed to IDBI Trustee for NCD of Rs. 500 Crores.	Erstwhile GSFC GAS and GSPL (Associate Co.) has guaranteed to IDBI Trustee for NCD of Rs. 500 Crores.
Loan from related party	None of the loan has been taken from the related party(ies).	None of the loan has been taken from the related party(ies).

**Note 5: DEFERRED TAX LIABILITY (NET)**

Major components of deferred tax liability and assets are as follows:

(Rs. in Crores)

Components	As at 31st March 2014	As at 31st March 2013
<b>Opening Balance</b>	–	–
<b>Transferred pursuant to scheme of amalgamation and arrangement</b>		
Depreciation	232.89	–
Expenditure Disallowed U/s. 43B of the Income Tax Act, 1961	(6.92)	–
Add: Accounting policy Adjustment	(0.53)	–
<b>Total</b>	<b>225.44</b>	–
<b>Closing Balance</b>		
Depreciation	306.83	–
Expenditure Disallowed U/s. 43B of the Income Tax Act, 1961	(9.28)	–
On account of carry-forward of loss & Unabsorbed Depreciation	(8.32)	–
<b>Total</b>	<b>289.23</b>	–
<b>Net Amount Recognised in the Balance sheet</b>	<b>289.23</b>	–
<b>Increase/(Decrease) during the year and recognised in Profit and Loss Statement</b>	<b>63.77</b>	–

**Note:** Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing tax laws.

Company has unabsorbed depreciation and carried forward losses under tax laws and deferred tax asset on the same has been recognised having evidence of sufficient profit for FY 2014–15.

**Note 6 : OTHER LONG TERM LIABILITIES**

(Rs. in Crores)

Other Long Term Liabilities	As at 31st March 2014	As at 31st March 2013
Security Deposits from Customers	519.21	–
Deposit from collection centres and others	3.17	–
Interest Accrued but not due on long term borrowings	–	3.19
Other payables	0.15	–
(For details, Dues to Micro, Small and Medium Enterprises – Refer Note 40)		
<b>Total</b>	<b>522.53</b>	<b>3.19</b>

**Note :** Security Deposits received from customers have been considered as a long-term liabilities as the amount of deposits are refundable only on termination of gas connection or agreement by the customers.**Note 7: LONG TERM PROVISIONS**

(Rs. in Crores)

Long Term Provisions	As at 31st March 2014	As at 31st March 2013
<b>Provision for employee benefits (Refer Note 41)</b>		
Gratuity	0.13	–
Leave Encashment (unfunded)	9.72	–
<b>Total</b>	<b>9.85</b>	–

**Note 8 : SHORT TERM BORROWINGS**

(Rs. in Crores)

Short Term Borrowings	As at 31st March 2014	As at 31st March 2013
<b>Unsecured</b>		
<b>(a) Loans repayable on demand</b>		
from banks	3.69	–
The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.		
<b>Total</b>	<b>3.69</b>	–



**Note 9 : TRADE PAYABLES**

(Rs. in Crores)

Trade Payables	As at 31st March 2014	As at 31st March 2013
Sundry Creditors – Gas Purchase / Transmission	471.95	–
Trade payables – Others (For details, Dues to Micro, Small and Medium Enterprises - Refer Note 40)	54.09	2.05
<b>Total</b>	<b>526.04</b>	<b>2.05</b>

**Note 10 : OTHER CURRENT LIABILITIES**

(Rs. in Crores)

Other Current Liabilities	As at 31st March 2014	As at 31st March 2013
<b>Other Current Liabilities :</b>		
Current maturities of long-term debt		
From Banks (Secured)	71.88	–
From Other Parties (Unsecured) (Refer Note No. 4.1 and 4.2)	1,633.33	–
Interest accrued but not due on borrowings	168.83	–
Interest payable others	12.32	–
<b>Other Payables :</b>		
Payables for Capital Goods and Services	97.64	–
Advances from Customers towards MGO	17.57	–
Advances from Customers towards Gas connection	37.12	–
Security Deposit from vendors	3.80	–
Unpaid Dividend	3.02	–
Duties and Taxes	27.28	–
PF Payable	0.94	–
<b>Other Liabilities :</b>		
BG Asia Pacific Holdings Limited	464.78	–
Less : Amount deposited in Escrow Account with Citi Bank (Refer Note 10.2)	(464.78)	–
Net Payable	–	–
(For details, Dues to Micro, Small and Medium Enterprises - Refer Note 40)		
<b>Total</b>	<b>2,073.73</b>	<b>–</b>

**Note 10.1:** 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 after the expiry of seven years from the date of declaration of dividend.

**Note 10.2:** The Company deposited Rs. 464.78 crores 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) on 12th June, 2013, pursuant to the escrow agreement executed between the BG Asia Pacific Holdings Pte. Limited (the Seller), 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 11: SHORT TERM PROVISIONS**

(Rs. in Crores)

Short Term Provisions	As at 31st March 2014	As at 31st March 2013
<b>Provision for Income Tax</b>		
Income Tax Payable	–	0.74
Less: MAT Credit Utilization	–	–
Less: Advance Tax Paid and TDS	–	–
<b>Net Provision for Income Tax</b>	<b>–</b>	<b>0.74</b>
Provision for Interest on Income Tax	–	–
Provision for Wealth Tax	0.10	–
<b>Provision for Employee Benefits (Refer Note 41)</b>		
Gratuity	0.15	–
Leave Encashment (unfunded)	0.35	–
	0.50	–
<b>Total</b>	<b>0.60</b>	<b>0.74</b>



**Note 12 : FIXED ASSETS** (Rs. in Crores)

Particulars	Gross Block				Depreciation and Amortization			Net Block				
	As at 1st April 2013	Acquired in pursuance to scheme of amalgamation and arrangement (Refer Note 4B)	Addition during the year	Disposal	Other Adjustments*	As at 31st March 2014	As at 1st April 2013	For the year	Disposal/ Adjustment	As at 31st March 2014	As at 31st March 2013	
	A	B	C	D	E	F=A+B+C-D+E	G	H	I	J=G+H-I	K=F-J	L
<b>TANGIBLE ASSETS :</b>												
Lease hold Land	-	10.76	0.44	-	-	11.19	-	0.18	-	0.18	11.02	-
Freehold Land	-	380.69	-	1.46	-	379.23	-	-	-	-	379.23	-
Buildings	-	148.00	31.05	2.95	-	176.10	-	3.71	0.03	3.68	172.42	-
Plant and Machinery	-	3,559.37	412.51	6.92	-4.75	3,960.21	-	247.17	0.33	246.83	3,713.37	-
Furniture and Fixture	-	11.94	1.91	0.12	-	13.73	-	1.39	0.05	1.34	12.39	-
Computer Equipments	-	19.96	3.96	0.06	-	23.86	-	6.62	0.04	6.58	17.27	-
Office Equipments	-	12.16	2.37	0.31	-	14.23	-	1.34	0.36	0.98	13.25	-
Vehicles	-	12.70	0.35	2.16	-	10.90	-	2.23	0.29	1.94	8.95	-
<b>Total Tangible Assets (A)</b>	-	<b>4,155.57</b>	<b>452.60</b>	<b>13.98</b>	<b>-4.75</b>	<b>4,589.44</b>	-	<b>262.64</b>	<b>1.10</b>	<b>261.53</b>	<b>4,327.91</b>	-
<b>INTANGIBLE ASSETS :</b>												
ROW Permissions	-	79.51	19.60	0.38	-	98.73	-	3.17	0.00	3.17	95.56	-
ROU	-	7.43	1.60	0.00	-	9.03	-	-	-	-	9.03	-
Software and other Intangibles	-	52.26	5.51	0.00	-	57.77	-	16.83	0.00	16.83	40.94	-
<b>Total Intangible Assets (B)</b>	-	<b>139.20</b>	<b>26.72</b>	<b>0.38</b>	-	<b>165.53</b>	-	<b>20.00</b>	<b>0.01</b>	<b>20.00</b>	<b>145.53</b>	-
<b>Total Assets (A+B)</b>	-	<b>4,294.76</b>	<b>479.32</b>	<b>14.36</b>	<b>-4.75</b>	<b>4,754.97</b>	-	<b>282.64</b>	<b>1.11</b>	<b>281.53</b>	<b>4,473.44</b>	-
Previous year	-	-	-	-	-	-	-	-	-	-	-	-

\* Other adjustments indicate de-capitalization of assets.

**Notes :**

1. Borrowing Cost: Additions to the fixed assets during the current year includes borrowing costs capitalized Rs. 13.95 Crores- (Previous Year Nil) pertaining to borrowings for qualifying assets as per the requirements of Accounting Standard - 16 (AS-16) "Borrowing Costs".
2. Impairment: There is no impairment of any assets in terms of Accounting Standard - 28 (AS-28) 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 assets.
3. Transfer of title deed / ownership of all assets acquired from Transferor companies under scheme of amalgamation are in process.
4. Land includes leasehold land of Rs. 0.02 Crores.

**Note 12.1: CAPITAL WORK IN PROGRESS**

	As at		As at	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
<b>Capital work in progress</b>				
Capital Inventory	132.67	-	-	-
Capital Work-in-Progress	125.26	-	-	-
Interest during the construction period	13.48	-	-	-
Loan Syndication Expenses	0.19	-	-	-
	271.60	-	-	-
Less - Provision for Diminution in Capital Inventory & CWIP	1.73	-	-	-
<b>Total</b>	<b>269.87</b>	-	-	-

**Note 12.2: INTANGIBLE ASSETS UNDER DEVELOPMENT**

	As at		As at	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
<b>Intangible assets under development</b>				
Software Assets under Development	0.20	-	0.20	-
<b>Total</b>	<b>0.20</b>	-	<b>0.20</b>	-



**Note 13: NON-CURRENT INVESTMENTS**

(Rs. in Crores)

Non-Current Investment	As at 31st March 2014	As at 31st March 2013
Aggregate amount of quoted investments	-	347.68
Aggregate amount of unquoted investments (For details Refer Note 13.1)	162.18	-
<b>Total</b>	<b>162.18</b>	<b>347.68</b>
Aggregate amount of Provision for diminution in the value of Unquoted Investments	(0.07)	-
<b>Total</b>	<b>162.11</b>	<b>347.68</b>

**Note 13.1: Details of Investments**

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs. in Crores)		Whether stated at cost Yes / No	If Answer to Column (9) is 'No'- Basis of Valuation
			As at 31.03.2014	As at 31.03.2013			As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013		
1	<b>Investment in Equity Instruments</b> Gujarat Gas Company Limited	Others		11,000,330	Quoted	Equity Shares of Rs.2 each fully paid	-	8.58%	-	347.68	Yes	-
2	Gujarat State Petroleum Corporation Limited	Holding Company	20,000,000	-	Unquoted	Equity Shares of Re.1 each fully paid	0.90%	-	162.00	-	Yes (Fair value as determined on the date of acquisition of business)	-
3	Guj Info Petro Limited	Associate Company	25,000	-	Unquoted	Equity Shares of Rs.10 each fully paid	49.94%	-	0.03	-	Yes	-
4	The Kalupur Co Op Comm Bank Ltd	Others	200	-	Unquoted	Equity Shares of Rs.25 each fully paid	0.001%	-	0.00	-	Yes	-
5	Krishna Godavari Gas Network Limited	Others	150,000	-	Unquoted	Equity Shares of Rs.10 each fully paid	3.00%	-	0.15	-	Yes	-
<b>Total</b>									<b>162.18</b>	<b>347.68</b>		
<b>Aggregate amount of market value of quoted investments:</b>									<b>-</b>	<b>263.84</b>		
<b>Aggregate amount of unquoted investments:</b>									<b>162.18</b>	<b>-</b>		
<b>Aggregate amount of Provision for diminution in the value of Investments : Krishna Godavari Gas Network Limited</b>									<b>0.07</b>	<b>-</b>		

**Note 14: LONG TERM LOANS AND ADVANCES**

(Rs. in Crores)

Long Term Loans And Advances	As at 31st March 2014	As at 31st March 2013
<b>Capital Advances</b>		
To Others [Unsecured, considered good]	6.90	-
To related parties [Unsecured, considered good]	-	-
	<b>6.90</b>	<b>-</b>
<b>Security Deposits</b>		
To Others [Unsecured, considered good]	17.66	-
To related parties [Unsecured, considered good]	0.63	-
To Others [Unsecured, considered doubtful]	5.59	-
Less: Provision for doubtful deposits (Refer Note 14.1)	(5.59)	-
	<b>18.29</b>	<b>-</b>
Loan to Employees [Unsecured, considered good]	1.70	-
Prepaid Expenses	1.37	-
<b>Advance Against Expenses (Receivables in cash/kind in value to be received)</b>		
For Advance against Expenses-other [Unsecured, considered good]	0.18	-
For Advance against Expenses-doubtful	-	-
	0.18	-
Less: Provision for doubtful	0.03	-
	<b>0.15</b>	<b>-</b>



**Note 14: LONG TERM LOANS AND ADVANCES (Contd...)**

(Rs. in Crores)

Long Term Loans And Advances	As at 31st March 2014	As at 31st March 2013
For Advance against Expenses-related parties [Unsecured, considered good]	–	–
	<b>0.15</b>	–
Balances with Government authorities	0.06	–
Advance to ESOP Trust	7.33	–
<b>Total</b>	<b>35.80</b>	–

**Note 14.1:** 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 deposits amounting Rs. 3.64 Cr. (Previous Year NIL), till the same are in custody with project authorities as "Security Deposits" under the Note- "Long term Loans and Advances" in the Balance sheet.

**Note 15: OTHER NON-CURRENT ASSETS**

(Rs. in Crores)

Other Non-Current Assets	As at 31st March 2014	As at 31st March 2013
Other Bank Balances	7.51	–
Other Receivable [Unsecured, considered doubtful]	0.36	–
Less : Provision for Doubtful	(0.36)	–
<b>Total</b>	<b>7.51</b>	–

**Note 16: CURRENT INVESTMENTS**

(Rs. in Crores)

Current Investments	As at 31st March 2014	As at 31st March 2013
Units of Mutual Funds (At cost or fair market value whichever is lower, determined category wise) <i>(Refer Note 16.1 for Qty. details)</i>	678.88	–
Certificate of Deposit <i>(Refer Note 16.2 for Qty. details)</i>	–	1,499.91
<b>Total</b>	<b>678.88</b>	<b>1,499.91</b>

**Note 16.1: A. Details of investment in Mutual Funds**

(Rs. in Crores)

Sr. No.	Scheme	As at 31.03.2014		As at 31.03.2013	
		No. of Units	Amount	No. of Units	Amount
1	Baroda Pioneer Liquid Fund Plan – B – Direct – Dividend	331,541	33.17	–	–
2	Birla Sunlife Cash Plus Plan – Dividend	448,155	4.49	–	–
3	Birla Sunlife Floating Rate Fund – Short Term Plan – Direct – Dividend	4,239,220	42.40	–	–
4	Birla Sunlife Floating Rate Long Term – Direct – Dividend	4,282,059	42.92	–	–
5	DSP BlackRock Liquidity Fund – Direct – Dividend	62,641	6.27	–	–
6	DWS Insta Cash Plus Fund – Direct – Dividend	1,534,226	15.39	–	–
7	DWS Treasury Fund Investment – Direct – Dividend	7,865,194	8.04	–	–
8	DWS Ultra Short Term Fund – Direct – Dividend	29,468,555	29.52	–	–
9	HDFC Cash Management Fund – Savings Plan – Direct – Dividend	25,310,668	26.92	–	–
10	ICICI Prudential Liquid – Direct – Dividend	504,404	5.05	–	–
11	JM High Liquidity Fund – Direct – Dividend	46,473,436	48.47	–	–
12	JM Money Manager Fund – Super Plus – Direct – Dividend	32,427,171	32.45	–	–
13	JP MORGAN India Liquid Fund – Direct Plan – Dividend	83,880,698	83.97	–	–
14	Kotak Banking & PSU Debt Fund – Direct – Dividend	12,990,840	13.07	–	–
15	Kotak FMP Series 100 Direct Plan – Growth	2,500,000	2.50	–	–
16	Kotak Liquid Scheme Plan A – Direct – Dividend	80,283	9.82	–	–
17	L & T Cash Fund Direct – Dividend	46,915	5.00	–	–
18	L & T Liquid Fund Direct – Dividend	19,800	2.00	–	–
19	L & T Ultra Short Term Fund Direct – Dividend	6,384,603	6.65	–	–
20	LIC Nomura MF Liquid Fund – Direct – Dividend	39,267	4.31	–	–



**Note 16.1: Details of investment in Mutual Funds (Contd...)**

(Rs. in Crores)

Sr. No.	Scheme	As at 31.03.2014		As at 31.03.2013	
		No. of Units	Amount	No. of Units	Amount
21	Principal Cash Management Fund – Direct – Dividend	112,955	11.30	–	–
22	Reliance Fixed Horizon Fund – XXIII Series 5 – Direct – Growth	10,000,000	10.07	–	–
23	Reliance liquid Fund – Treasury Plan – Direct – Dividend	198,559	30.35	–	–
24	Reliance Liquid Fund–Cash Plan – Direct– Dividend	135,191	15.06	–	–
25	Reliance Liquidity Fund Direct – Dividend	49,466	4.95	–	–
26	Religare Invesco Liquid Fund – Direct – Dividend	346,303	34.66	–	–
27	Religare Invesco Ultra Short Term Fund – Direct – Dividend	200,076	20.13	–	–
28	SBI Premier Liquid Fund – Direct – Dividend	416,740	41.81	–	–
29	Sundaram Fixed Term Plan DH 378 days Direct – Growth	2,500,000	2.50	–	–
30	Sundaram Money Fund – Direct – Dividend	12,533,286	12.66	–	–
31	Sundaram Ultra Short Term Fund Direct – Dividend	9,997,442	10.04	–	–
32	Tata Money Market Fund Direct – Dividend	150,208	15.04	–	–
33	Templeton India Low Duration Fund – Direct – Dividend	3,298,816	3.46	–	–
34	Templeton India Treasury Management Account Super Institutional Direct – Dividend	257,992	25.83	–	–
35	Templeton Ultra Short Bond Fund Super Institutional – Direct – Dividend	4,668,084	4.68	–	–
36	UTI Floating Rate Fund – STP– Regular Plan Direct – Dividend	52,100	5.61	–	–
37	UTI Money Market Fund – Institutional Plan – Direct – Dividend	82,936	8.32	–	–
	<b>Total</b>	<b>303,889,830</b>	<b>678.88</b>	–	–

**Note 16.2: Certificate of Deposit – Banks**

(Rs. in Crores)

Sr. No.	Name of C D	As at 31.03.2014		As at 31.03.2013	
		No. of Units	Amount	No. of Units	Amount
1	IDBI Bank	–	–	20,000	191.91
2	IDBI Bank	–	–	40,000	384.00
3	Punjab National Bank	–	–	50,000	469.87
4	Punjab National Bank	–	–	20,000	183.49
5	Punjab National Bank	–	–	20,000	183.49
6	Andhra Bank	–	–	9,500	87.15
	* Face value per CD– Rs. 1 lakh				
	<b>Total</b>	–	–	<b>159,500</b>	<b>1,499.91</b>

**Note 17: INVENTORIES**

(Rs. in Crores)

Inventories	As at 31st March 2014	As at 31st March 2013
Stores and spares (Valued at as refer Note 1.10)	32.91	–
Inventory of Natural Gas (Valued at as refer Note 1.10)	4.63	–
<b>Total</b>	<b>37.54</b>	–

**Note 18: TRADE RECEIVABLES**

(Rs. in Crores)

Trade Receivables	As at 31st March 2014	As at 31st March 2013
<b>Trade receivables outstanding for a period less than six months from the date they are due for payment</b>		
Secured, considered good	115.55	–
Unsecured, considered good (Refer Note 18.1)*	407.68	–
Unsecured, considered good	64.41	–
Doubtful	–	–
<b>Total (A)</b>	<b>587.64</b>	–
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	0.70	–
Unsecured, considered good (Refer Note 18.1)*	0.12	–
Unsecured, considered good	1.59	–
Doubtful	1.40	–
<b>Total (B)</b>	<b>3.81</b>	–
<b>Total (A+B)</b>	<b>591.45</b>	–
Less: Provision for doubtful debts	1.40	–
Less: Advance from Customers towards MGO	44.92	–
<b>Total</b>	<b>545.13</b>	–

\*18.1: Trade receivables are backed by Bank Guarantees.

**Note 19: CASH AND CASH EQUIVALENTS**

(Rs. in Crores)

Cash And Cash Equivalents	As at 31st March 2014	As at 31st March 2013
<b>Cash and cash equivalents</b>		
<b>Balances with banks</b>		
(a) In Current Accounts – including Sweep-in Facility Accounts	33.11	0.06
(b) Deposits with Original Maturity of less than three months	25.75	–
<b>Cash on Hand</b>	0.82	–
	<b>59.68</b>	<b>0.06</b>
<b>Other Bank Balances</b>		
I. Unpaid dividend accounts	3.02	–
II. Deposits with original maturity of more than three months but less than twelve months	148.88	–
III. Deposits with original maturity of more than twelve months	7.51	–
	159.41	–
Less : Non-current Deposits with original maturity of more than twelve months (Disclosed under other non-current assets)	7.51	–
	<b>151.90</b>	–
<b>Total</b>	<b>211.58</b>	<b>0.06</b>

**Note :** 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.



**Note 20: SHORT TERM LOANS AND ADVANCES**

(Rs. in Crores)

Short Term Loans And Advances	As at 31st March 2014	As at 31st March 2013
<b>Advance Against Expenses (Receivables in cash/kind in value to be received)</b>		
Unsecured, considered good – Other	1.77	–
Unsecured, considered good to related party	0.39	0.24
Unsecured, considered Doubtful	–	–
Less: Provision for doubtful Advances	–	–
	<b>2.16</b>	<b>0.24</b>
<b>Loan To Employees</b>		
Unsecured, considered good	1.28	–
Staff Advance	0.01	–
<b>Advance Tax, TDS and MAT</b>		
Advance Tax and TDS (Net of provision)	160.83	–
MAT Credit Entitlement	13.92	–
Pre Paid Expenses	4.29	–
CENVAT Credit Account	3.01	–
Balances with PLA Account	0.65	–
Balances with Stamp Duty Authorities	0.06	–
Advance to ESOP Trust	1.30	–
Other Deposits	0.02	–
<b>Total</b>	<b>187.53</b>	<b>0.24</b>

**Note 21: OTHER CURRENT ASSETS**

(Rs. in Crores)

Other Current Assets	As at 31st March 2014	As at 31st March 2013
Interest Accrued But Not Due on Fixed Deposits	7.77	2.27
Interest Accrued But Not Due on Security Deposits	0.28	–
Unbilled Revenue	34.92	–
Claims Recoverable – Insurance	0.14	–
Balance with Gratuity trust fund	1.20	–
Other Current Assets	–	–
<b>Total</b>	<b>44.31</b>	<b>2.27</b>

**Note 22: REVENUE FROM OPERATIONS**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
<b>Sale of Products</b>		
Natural Gas	7,877.89	–
<b>Other operating revenues</b>		
Gas transmission Income	14.43	–
Contract Renewal Charges Income	8.43	–
Commitment (Take or Pay) Charges Income	14.15	–
Registrations, Connections, Service & Fitting Income	34.66	–
Other Operating Income	1.00	–
	72.67	–
<b>Revenue from Operations (Gross)</b>	<b>7,950.56</b>	–
Less: Excise duty	153.14	–
<b>Revenue from Operations (Net)</b>	<b>7,797.42</b>	–

**Note 23: OTHER INCOME**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
Interest Income*	53.32	2.27
Dividend Income**	31.08	-
Profit on Sale of Assets	0.02	-
Profit on Sale of Current Investments (Net)	9.26	-
Material Recovery Income	3.45	-
Provision Liability No Longer Required	4.63	-
Other non-operating Income	8.34	-
<b>Total</b>	<b>110.10</b>	<b>2.27</b>

\* Includes interest income from customer and on staff advances

\*\*Includes dividend income on mutual funds &amp; trade investments

**Note 24: COST OF MATERIAL CONSUMED**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
Purchases of Natural Gas	6,610.97	-
Add: Gas Transportation Charges	163.20	-
<b>Total</b>	<b>6,774.17</b>	<b>-</b>

**Note 25: PURCHASE OF STOCK-IN-TRADE**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
Purchases of CNG	34.30	-
<b>Total</b>	<b>34.30</b>	<b>-</b>

**Note 26: CHANGES IN INVENTORIES**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
Inventory at the beginning of the year	3.80	-
Less: Inventory at the end of the year	4.56	-
<b>Changes in Inventories [ (Increase) / Decrease]</b>	<b>(0.76)</b>	<b>-</b>

**Note 27: EMPLOYEE BENEFIT EXPENSES**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
Salaries and Incentives	85.95	-
Share based compensation	0.56	-
Contributions to Provident fund	5.01	-
Leave Encashment	1.65	-
Gratuity fund contributions	2.17	-
Staff welfare expenses	4.11	-
<b>Total</b>	<b>99.45</b>	<b>-</b>

**Note 28: FINANCE COSTS**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
<b>I. Interest expense</b>		
Interest on Term Loan	306.72	3.19
Interest on Working capital Loan	0.22	-
Interest on Security Deposits	1.68	-
Total Interest Expense (a)	308.62	3.19
Less: Interest Capitalised as per AS 16 (b)	10.17	-
<b>Net Interest Expense [(a)-(b)]</b>	<b>298.45</b>	<b>3.19</b>
II. Interest on income tax	0.33	0.05
III. Other borrowing costs	1.52	-
IV. Applicable net gain/loss on foreign currency transactions and translation	-	-
<b>Total</b>	<b>300.30</b>	<b>3.24</b>

**Note 29: OTHER EXPENSES**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
Consumption of Stores and Spare Parts	6.91	-
Service & fitting expense	7.23	-
Power and Fuel	45.12	-
<b>Rent</b>		
Rent – Others (Refer Note 29.1)	4.52	-
Rent –Pipelines	11.18	-
<b>Repair and Maintenance Expenses</b>		
Repairs to Buildings	1.36	-
Repairs to Plant & Machinery	78.04	-
Repairs and Maintenance Others	17.05	-
Billing and Collection expenses	3.57	-
LCV/HCV Hiring, Operating and Maintenance Charges	24.13	-
Franchisee and other Commission	18.98	-
Advertisement and Business Promotion	3.21	-
Legal, Professional and Technical Consultancy Exp.	15.70	0.15
Preliminary Expenses	-	0.01
Registration Fees for Increased Authorised Share Capital	-	2.05
Insurance	4.16	-
<b>Rates and Taxes (Excluding taxes on Incomes)</b>		
Rates, taxes and duties	3.55	-
Provision for Wealth Tax	0.02	-
Office & Administrative Expenses	5.29	-
Stationery and Printing Expenses	1.54	-
Telephone and Communication Expenses	3.84	-
Agency & Contract Staff Expenses	20.15	-
Conveyance and Travelling Expenses	2.30	-
Vehicle Hiring and Running Expenses	6.12	-
Audit Fees (Refer Note 29.2)	0.68	-
Donations	0.58	-
Bank Charges	1.08	-
Loss on Sale of Assets	4.77	-
Loss on Disposal of Assets	0.02	-
Assets written off	0.12	-
Loss on sale as scrap and diminution in Capital Inventory	4.46	-
Bad Debts Written Off	0.40	-
Provision for Doubtful Debt	1.55	-

**Note 29: OTHER EXPENSES (Contd...)**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
Provision for Doubtful Advances/Deposits	2.39	–
Provision for Diminution in Investment (C.Y. Rs. 15,000/-)	0.00	–
Net loss on foreign currency transaction	0.12	–
Other Interest Cost	12.39	–
Miscellaneous Expenses	3.66	0.01
<b>Total</b>	<b>316.19</b>	<b>2.21</b>

**Note 29.1:** 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 4.52 Crores. The lease arrangement typically ranges from 11 months to 9 years.

**Note 29.2: PAYMENTS TO AUDITOR**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
For Statutory Audit–First (P.Y. Rs. 28,090/-)	0.01	0.00
For Statutory Audit–other transferor companies	0.43	–
For Taxation Matters	0.01	–
For Other Services	0.19	–
For reimbursement of expenses	0.04	–
<b>Total</b>	<b>0.68</b>	<b>–</b>

**Note 30: PRIOR PERIOD ITEMS (NET)**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
Depreciation	0.14	–
Miscellaneous Expenses	0.20	–
Other Borrowing Cost	1.53	–
<b>Total</b>	<b>1.87</b>	<b>–</b>

**Note 31: EXCEPTIONAL ITEMS**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
Material Shortage (Gain)/Loss	7.16	–
<b>Total</b>	<b>7.16</b>	<b>–</b>

**Note 32: CURRENT TAX**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
Current Tax Payable including Interest on such Tax	14.26	0.74
Less: Interest on Tax	0.33	0.05
<b>Current Tax</b>	<b>13.93</b>	<b>0.69</b>
Less: MAT Credit Entitlement	13.93	–
<b>Net Current Tax for the year</b>	<b>–</b>	<b>0.69</b>
Add: Short / (Excess) Provision of Tax made in earlier years	–	–
<b>Net Current Tax</b>	<b>–</b>	<b>0.69</b>



**Note 33: EARNINGS PER SHARE (EPS)**

Particulars		For the year ended 31st March 2014	For the Period from 21.02.2012 to 31.03.2013
Profit /(Loss) attributable to equity shareholders	Rs. in Cr.	28.43	(3.87)
Weighted average number of ordinary equity shares for Basic EPS	Nos.	137,678,025	34,931
Weighted average number of ordinary equity shares for Diluted EPS	Nos.	137,678,025	32,861,642
Nominal Value of equity share	Rs.	10.00	10.00
Basic EPS	Rs.	2.06	(1,106.21)
Diluted EPS	Rs.	2.06	(1.18)

**Note 34:**

**A. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED** (Rs. in Crores)

Particulars	For the year ended 31st March 2014		For the Period from 21.02.2012 to 31.03.2013	
	% of Total Consumption	Amount	% of Total Consumption	Amount
<b>Raw Materials</b>				
<b>Natural Gas</b>				
– Imported	–	–	–	–
– Indigenous	99.30%	6,774.18	–	–
<b>Purchase of stock in Trade</b>				
– Imported	–	–	–	–
– Indigenous	0.50%	34.30	–	–
<b>Stores and Spare Parts</b>				
– Imported	0.00%	0.26	–	–
– Indigenous	0.20%	13.98	–	–
<b>Total</b>	<b>100%</b>	<b>6,822.72</b>	–	–

**B. DETAILS OF MANUFACTURED GOODS, TRADED GOODS AND WORK-IN-PROGRESS**

**1 MANUFACTURED GOODS**

(Rs. in Crores)

Particulars	Sales For the year ended 31st March 2014	Sales For the year ended 31st March 2013	Closing Inventory as at 31st March 2014	Closing Inventory as at 31st March 2013
<b>Manufactured Goods</b>				
Natural Gas*	7,691.29	–	4.56	–
<b>Total</b>	<b>7,691.29</b>	–	<b>4.56</b>	–

\*Sale in value is net of discounts and excise duty.

**2 TRADED GOODS**

(Rs. in Crores)

Particulars	Sales For the year ended 31st March 2014	Sales For the year ended 31st March 2013	Closing Inventory as at 31st March 2014	Closing Inventory as at 31st March 2013
<b>Traded Goods</b>				
CNG	33.45	–	–	–
<b>Total</b>	<b>33.45</b>	–	–	–



**3 QUANTITATIVE DETAILS**

Particulars	Unit of Measurements	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>Purchase Goods</b>			
Purchase of Natural Gas	MMBTU	82,593,860	–
Purchase of CNG	KGS	6,270,609	–
<b>Manufactured Goods</b>			
Sale of Natural Gas	SCM at various Calorific values	2,159,383,804	–
<b>Traded Goods</b>			
Sale of CNG	KGS	6,270,609	–
<b>Closing Inventory</b>			
Natural Gas	SCM	1,566,579	–

**Note:** Difference in reconciliation of purchases and sales of gas quantities is on account of measurement tolerance and normal loss. In addition, the purchase is effected mostly in energy terms (MMBTU / Kcals etc.), while the sale is done in terms of volume (SCM). Hence both the figures are not comparable.

**Note 35: CONTINGENT LIABILITIES**

(Rs. in Crores)

Contingent liabilities and commitments (to the extent not provided for)	As at 31st March 2014	As at 31st March 2013
<b>A. Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debt	5.49	–
(b) Other Contingent Liabilities–Statutory claims ( <i>Refer Note 35.1</i> )	168.53	–
(c) Other Contingent Liabilities – Stamp duty on amalgamation	25.00	–
<b>Sub Total (A)</b>	<b>199.01</b>	–
<b>B. Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	278.56	–
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for	146.57	–
(c) Others Commitments		
– Commitment of payment to BG Asia Pacific Holding Pte. Limited, Singapore for acquisition of 65.12% stake i.e. 8,35,18,750 Equity Shares of Rs. 2 each in Gujarat Gas Company Limited at the price specified in Share Purchase Agreement dated 03.10.2012.	–	2,463.80
<b>Sub Total (B)</b>	<b>425.13</b>	<b>2,463.80</b>
<b>Total (A+B)</b>	<b>624.14</b>	<b>2,463.80</b>

**Note:** In addition to above, Claims of Rs. 2.17 Crores against the Company have been disputed by the Company. The Company is, however, indemnified by an insurance policy.

**Note 35.1 Other Contingent Liabilities - Statutory claims**

(Rs. in Crores)

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Disputed statutory claims in respect of appeals filed against / by company :		
	(a) Excise Duty related to exposures	2.67	–
	(b) Income Tax related exposures	129.50	–
	(c) Service Tax related exposures	36.36	–
	(d) Retrenched Employees Related Liabilities	–	–
	<b>Total</b>	<b>168.53</b>	–

The company is contesting the demands and the management including its tax 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 36: VALUE OF IMPORTS CALCULATED ON CIF BASIS**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Raw Materials	-	-
Components and Spare Parts	0.64	-
Capital goods	11.91	-

**Note 37: EXPENDITURE IN FOREIGN CURRENCIES**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Know-how, Royalty	-	-
Professional, Technical, Legal and Consultancy Fees etc.	0.11	-
Interest Expense	-	-
<b>Other Expenses:</b>		
Subscription Expenses	0.02	-

**Note 38: EARNINGS IN FOREIGN CURRENCIES**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Export of Goods on FOB Basis	-	-
Interest and Dividends	-	-
Know-how, Royalty	-	-
Professional and Consultancy Fees	-	-
Other Income, if any	-	-

**Note 39: The amount of foreign currency expense payables that are not hedged by a derivative instruments**

(Rs. in Crores)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Foreign currency expense payable (Includes EURO 2,884 , USD 4,723)	0.05	-

**Note 40: Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006**

(Rs. in Crores)

Sr. No.	Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
1	The principal amount outstanding as at the end of accounting year.	14.99	-
2	Principal amount due and remaining unpaid as at the end of accounting year .	0.62	-
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	-
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.



**Note 41 DISCLOSURE OF EMPLOYEE BENEFITS**

The Company has implemented Accounting Standard – 15 (Revised 2005) on “Employee Benefits”, issued by the Institute of Chartered Accountants of India.

**(a) Provident Fund – Defined Contribution Plan**

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss year is Rs 5.01 Crores (Previous Year – NIL).

**(b) Gratuity and Leave Encashment**

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:

(Rs. in crores)

	Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
		For the year ended 31st March 2014	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2013
<b>A.</b>	Discount rate	8.10% – 9.13%	9.10% – 9.13%	–	–
	Rate of return on plan assets	8.75%– 9.00%	N.A.	–	–
	Salary Escalation ( <i>Refer note below</i> )	7.00%	7.00% – 8.50%	–	–
<b>B.</b>	<b>Change in Defined Benefit Obligations</b>				
	Liability at the beginning of the year	13.30	8.80	–	–
	Interest Cost	1.08	0.69	–	–
	Current Service Cost	1.51	1.40	–	–
	Prior year Charge	1.33	–	–	–
	Benefits Paid	(1.01)	(0.84)	–	–
	Actuarial (Gain) / Loss on obligations	(0.98)	(0.12)	–	–
	<b>Liability at the end of the year – Total</b>	<b>15.24</b>	<b>9.92</b>	–	–
<b>C.</b>	<b>Change in Fair Value of plan Assets</b>				
	Opening fair Value of plan assets	10.73	–	–	–
	Expected return on plan assets	1.10	–	–	–
	Expenses deduct from fund	–	–	–	–
	Actuarial (Gain) / Loss	(0.31)	–	–	–
	Contributions by employer	5.58	–	–	–
	Benefits Paid	(0.94)	–	–	–
	<b>Closing fair Value of plan assets</b>	<b>16.17</b>	–	–	–
<b>D.</b>	<b>Expenses Recognised in the Profit and Loss Statement</b>				
	Current Service Cost	1.51	1.40	–	–
	Interest Cost	1.08	0.69	–	–
	Expenses deduct from fund	–	–	–	–
	Expected return on plan assets	(1.10)	–	–	–
	Prior year Charge	1.33	–	–	–
	Actuarial (Gain) / Loss	(0.66)	(0.12)	–	–
	<b>Expenses charged to Statement of Profit &amp; Loss</b>	<b>2.16</b>	<b>1.96</b>	–	–
<b>E.</b>	<b>Balance Sheet Reconciliation</b>				
	Opening Net Liability	2.57	8.80	–	–
	Expenses Charged to Profit and Loss Statement	2.16	1.96	–	–
	Contributions by employer	(5.58)	–	–	–
	Benefits Paid	(0.07)	(0.84)	–	–
	<b>Closing Liability</b>	<b>(0.92)</b>	<b>9.92</b>	–	–
<b>F.</b>	<b>Current/Non-Current Liability :</b>				
	Current	(1.05)	0.20	–	–
	Non-Current	0.13	9.72	–	–

The estimates of future salary increase considered in the actuarial valuation takes into account inflation, promotion and other relevant factors such as supply and demand in the employment market.

**Note 42 Employee Stock Option Plan 2008:**

The erstwhile Gujarat Gas Company Ltd implemented an Employee Stock Option Plan 2008 ('ESOP 2008') which provides for the allotment of equity shares of Rs. 2/- each to eligible employees of the erstwhile Gujarat Gas Company Ltd and its subsidiaries. The Scheme is administered by an ESOP Trust (Gujarat Gas Company Limited Employee Stock Option Welfare Trust) which purchases, out of the funds advanced by the Company, the shares equivalent to the number of options granted, for allotment to the grantees. IDBI Trusteeship Services Limited are the trustees of the said trust. The trustees can purchase or sell the shares from the market as per the approved scheme. For the 12 months ended on 31st March 2014, there are no purchases from the market.

Pursuant to the above scheme, the Company has granted options, as mentioned here below, convertible into equity shares of Rs. 2/- each to employees of the erstwhile Gujarat Gas Company Ltd and its subsidiaries. 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 by board of directors and shareholders. The Scheme provides for graded vesting of options granted, over a period of 4 years from the date of grant.

% 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 March 31, 2014 is as follows:

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)
Options o/s. at the beginning of the year	366,444	254	-	-
Add: Options granted during the year	-	-	-	-
Less: Options forfeited during the year	-	-	-	-
Less: Options expired during the year	-	-	-	-
Less: Options exercised during the year	121,194	155	-	-
Options outstanding at end of the year	245,250	303	-	-

In accordance with the approval granted by the members of the erstwhile Gujarat Gas Company Limited, to the issue of Bonus Shares in the ratio of one equity share of the Company of Rs. 2/- each for every one equity share of the Company held by the Shareholders of the Company as on September 19, 2009, being the Record Date, the Compensation Committee of the Board of Directors of the Company, on September 22, 2009, had approved adjustments to the Options granted and unvested as on September 19, 2009, under the Gujarat Gas Company Ltd – Employee Stock Option Plan 2008, whereby each option had been doubled and the Exercise Price thereof been halved with effect from September 22, 2009.

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. The weighted average remaining contractual life of options outstanding as on 31 March 2014 is 1.67 years. (Previous year NA.)

In accordance with Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities Exchange Board of India, an amount of Rs. 0.56 Crores (Previous year NIL) has been recognised as an expense in Employee Benefits Expenses (Note 27) and corresponding liability has been disclosed as Stock Options Outstanding Account (Note 2). The balance of Rs. 2.69 Crores (Previous year NIL) in Stock Options Outstanding Account (Note 2) represents the amortised cost of stock options outstanding. As on 31 March 2014, the amount recoverable from ESOP trust is Rs. 8.63 Crores (Previous year NIL).



The Company has adjusted loss of Rs. 1.05 Crores (Previous year NIL) 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 during the current year, in accordance with Guidance Note on accounting for Employee share based payment, issued by the ICAI.

**Note 43: Related Party Transactions :****(A) Name of related parties and description of relationship :**

Sr. No.	Relationships	Name of Company												
1	Holding company	Gujarat State Petroleum Corporation Limited – GSPC												
2	Subsidiary of Holding Company	Gujarat State Petronet Limited – GSPL GSPC Pipavav Power Company Limited – GPPC GSPC LNG Limited – GLL Guj Info Petro Limited – GIPL GSPC JPDA Limited												
3	Associate of Holding Company	Gujarat State Energy Generation Limited – GSEG Sabarmati Gas Limited – SGL												
4	Enterprise controlled by the Entity	Gujarat Gas Company Limited Employee-Stock Option Welfare Trust Gujarat Gas Company Limited Employees Gratuity-Trust Fund GSPC GAS Company Limited Employees Gratuity-Trust Fund												
5	Key Managerial Personnel	<table border="0"> <thead> <tr> <th>Name</th> <th>Relationship</th> </tr> </thead> <tbody> <tr> <td>Mr. Tapan Ray, IAS</td> <td>Director</td> </tr> <tr> <td>Mr. PPG Sarma</td> <td>Director &amp; CEO</td> </tr> <tr> <td>Mr. Manishkumar Verma</td> <td>Director</td> </tr> <tr> <td>Mr. Ravindra Agrawal</td> <td>Director</td> </tr> <tr> <td>Mr. N. Bose Babu</td> <td>Director</td> </tr> </tbody> </table> <p><b>Erstwhile – Transferor Companies KMP:</b> Mr. Sugata Sircar (up to 11.12.2013) Managing Director–GGCL</p>	Name	Relationship	Mr. Tapan Ray, IAS	Director	Mr. PPG Sarma	Director & CEO	Mr. Manishkumar Verma	Director	Mr. Ravindra Agrawal	Director	Mr. N. Bose Babu	Director
Name	Relationship													
Mr. Tapan Ray, IAS	Director													
Mr. PPG Sarma	Director & CEO													
Mr. Manishkumar Verma	Director													
Mr. Ravindra Agrawal	Director													
Mr. N. Bose Babu	Director													
6	Relatives of Key Managerial Personnel	Ms. P Subbalakshmi is relative of Mr. PPG Sarma												

**(B) Related Party Transactions :**

(Rs. in Crores)

Sr. No.	Particulars	Amount	
		Year Ended 31st March 2014	Year Ended 31st March 2013
<b>1</b>	<b>Gujarat State Petroleum Corporation Limited – GSPC</b>		
	<b>Transactions during the year</b>		
	Purchase of Natural Gas	6,461.22	–
	Amount receivable written off	1.58	–
	Salary & Allowances paid	0.27	–
	Dividend Paid	3.67	–
	Rent Paid	0.25	–
	CNG Sales	0.11	–
	GGCL Share Acquisition Exp. Received	1.70	–
	PNG Gas Sales	0.07	–
	O&M Charges Paid (GSPC Niko JV)	–	–
	Deposit Received (Liability)	–	–
	Interest paid–Others	12.31	–
	<b>Balance at the end of the year</b>		
	Amount Receivable/(Payable) at year end	(406.06)	–
	Interest payable– Others	12.31	–
	Investment at year end	162.00	–
	Deposits (Liability)	–	–

**(B) Related Party Transactions :**

(Rs. in Crores)

Sr. No.	Particulars	Amount	
		Year Ended 31st March 2014	Year Ended 31st March 2013
<b>2</b>	<b>Gujarat State Petronet Limited</b>		
	<b>Transactions during the year</b>		
	Share Capital / Application Money Received	350.00	–
	Gas Transmission Expenses	153.35	–
	Supervision Charges (Received)	0.01	–
	ROW Charges	0.75	–
	Sale of Capital goods	3.44	–
	Reimbursement of expenses(Paid)	0.07	–
	Deposit Given (Assets)	0.19	–
	Deposit Received (Liability)	0.89	–
	Dividend Paid	2.46	–
	GGCL Share Acquisition Exp. Received	1.70	–
	CNG Sales	0.09	–
	PNG Gas Sales	0.02	–
	Rent Expense	0.36	–
	Reimbursement of expenses(Received)	0.13	–
	Corporate Bank Gaurantee (Jointly & severally by GSPL and GSPC GAS)	500.00	–
<b>Balance at the end of the year</b>			
Amount Receivable/(Payable) at year end	(11.33)	–	
Deposits Asset	0.63	–	
Deposits Liability	0.01	–	
<b>3</b>	<b>Sabarmati Gas Limited</b>		
	<b>Transactions during the year</b>		
	Gas Transportation Charges paid	0.62	–
	CNG Purchase	39.44	–
	PNG Gas Sales	29.67	–
	Gas Transportation Charges Received	0.05	–
	Supervision Charges Paid	0.04	–
Deposit Given (Assets)	0.02	–	
<b>Balance at the end of the year</b>			
Amount Receivable/(Payable) at year end	(0.48)	–	
Deposits Liability	0.04	–	
<b>4</b>	<b>Guj Info Petro Limited</b>		
	<b>Transactions during the year</b>		
	Bandwidth Charges	0.03	–
	Charge Allowances Recovered	0.01	–
Reimbursement of Exp (Received)	0.01	–	
<b>Balance at the end of the year</b>			
Amount Receivable/(Payable) at year end	–	–	
<b>5</b>	<b>Gujarat State Energy Generation Ltd.</b>		
	<b>Transactions during the year</b>		
	Dividend Paid	0.03	–
	Deposit Received (Liability)	0.04	–
	CNG Sales	0.01	–
	PNG Gas Sales	0.01	–
	Administration Expenses	–	–
	<b>Balance at the end of the year</b>		
Amount Receivable/(Payable) at year end	–	–	
Deposits Liability	0.08	–	

**(B) Related Party Transactions :**

(Rs. in Crores)

Sr. No.	Particulars	Amount	
		Year Ended 31st March 2014	Year Ended 31st March 2013
6	<b>GSPC LNG Limited</b> <b>Transactions during the year</b> <b>Balance at the end of the year</b> Amount Receivable/(Payable) at year end	–	–
7	<b>GSPC Pipavav Power Company Ltd.</b> <b>Transactions during the year</b> <b>Balance at the end of the year</b> Amount Receivable/(Payable) at year end	–	–
8	<b>Gujarat Gas Company Limited Employee Stock Option Welfare Trust</b> <b>Transactions during the year</b> Amount Received from Trust [Excluding adjustment of Rs. 1.73 Crores on account of exercise of options] <b>Balance at the end of the year</b> Amount Receivable/(Payable) at year end	1.98	–
9	<b>Gujarat Gas Company Limited Employees Gratuity Trust Fund</b> <b>Transactions during the year</b> Contribution Paid	3.35	–
10	<b>GSPC Gas Company Limited Employees Gratuity Trust Fund</b> <b>Transactions during the year</b> Contribution Paid	2.23	–
11	<b>Key Managerial Personnel</b> <b>Transactions during the year</b> Remuneration Paid (Mr. PPG Sarma) Remuneration Paid (Mr. Sugata Sircar) <b>Balance at the end of the year</b> Amount Receivable/(Payable) at year end	0.72 0.87	–
12	<b>Relative of Key Managerial Personnel</b> <b>Transactions during the year</b> Rent Paid (Ms. P Subbalakshmi Sarma) <b>Balance at the end of the year</b> Amount Receivable/(Payable) at year end	0.04	–

**Note :** There are no transactions between the company and Mr. Tapan Ray, IAS– Director. The sitting fees which are payable to him from erstwhile GGCL & GSPC GAS, are directly deposited in Government Treasury Account.

**Note 44 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 other activity of the Company comprised leasing of natural gas fired Cogeneration units, the income from which is not material in financial terms. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard 17 on Segment Reporting are not relevant to the Company.

**Note 45 Dividends proposed/declared by the company (excluding dividend distribution tax)**

Particulars	Rs. Per share	Rs. in Crores	Date
Equity			
– Interim Dividend	9.00 (NIL)	29.94 (NIL)	Nov. 12, 2013 –

Previous year figures are in bracket.



**Dividends remitted by company in foreign currency during the year**

Particulars	Rs. in Crores	No. of Non Resident Shareholders	No. of Shares	Date
Preference Dividend	0.27 (NIL)	1 (NIL)	14,400,000 (NIL)	August 29, 2013 –

Previous year figures are in bracket.

**Note 46 RECOVERABLE VALUE OF ALL ASSETS OTHER THAN FIXED ASSETS AND NON CURRENT INVESTMENTS**

In the opinion of management, the current assets including loans and advances, trade receivables and other current assets are recoverable at the value stated in the balance sheet in ordinary course of business.

**Note 47 Authorisation with PNGRB :**

Erstwhile GSPC GAS Company Limited had applied to the 'Petroleum & Natural Gas Regulatory Board' in May 2008 for authorization of its various Geographical Areas (GA)– City Gas Distribution Network under section 18(1) of the 'Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand local or City Gas Distribution Network) Regulations, 2008. The authorisations for Valsad, Hazira, Palej and Gandhinagar are under process of authorisation with PNGRB .

The PNGRB has not considered the application of authorization of Halol and Khambhat GA of erstwhile GSPC GAS Company Ltd by issuing a speaking order in May, 2011. The management of erstwhile GSPC GAS Company Limited has replied to PNGRB against the said speaking order and requested to continue to operate in Halol and Khambhat GA in public interest and company continue to operate and book the income thereof. Erstwhile GSPC GAS Company Limited has incurred capital expenditure amounting to Rs. 8.82 Crores during FY 2013–14 in said GA. Total actual Capital expenditure till Balancesheet date is Rs. 135.69 Crores in said GA's. Total revenue of Rs. 207.26 Crores during FY 2013–14 is generated from said GA's. Further, the company is engaged with PNGRB to obtain authorization for Halol and Khambhat GA as well along with other GA's under relevant rules of the PNGRB Act, 2006. Company has not received any further communication from PNGRB in this regard.

**Note 48 Scheme of Amalgamation and Arrangement****Scheme of Amalgamation and Arrangement and Capital Reduction****Overview of the scheme of amalgamation and arrangement**

The Board of Directors of the following Companies at its meeting held on 21 st April, 2014 passed a resolution to consider the Composite Scheme of Amalgamation and Arrangement under section 391 to 394 read with section 100 to 103 and other relevant provisions of the Companies Act 1956 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 with appointed date as 1st April, 2013. The Scheme of Amalgamation and Arrangement was approved by respective board of directors and the shareholders of the transferor and transferee companies.

The scheme of arrangement was sanctioned by the Hon'ble Gujarat High Court at Ahmedabad vide its order dated 30th March 2015. The certified copy of order was received on 18th April 2015 and filed with Registrar of Companies (ROC) at Ahmedabad on 14th May 2015. The Scheme of Amalgamation became effective on 14th May, 2015 on submission of the order of the High Court of Gujarat with the Registrar of Companies at Ahmedabad. Subsequently, the company's name has been changed from GSPC Distribution Networks Limited to Gujarat Gas Limited (GGL) with effect from 15th May 2015.



The scheme of amalgamation and arrangement covers the below entities:

1. GSPC Distribution Networks Limited (GDNL) is an unlisted company incorporated under the Companies Act 1956 and main objective of the company is to engage in Natural Gas Business in Gujarat.
2. GSPC Gas Company Limited (GSPC Gas), an unlisted company incorporated under the Companies Act 1956, was also engaged in the business of natural gas. It caters to the requirements of retail segment comprising of industrial, commercial CNG and residential customers.
3. Gujarat Gas Company Limited (GGCL), a listed company incorporated under the Companies Act 1956, was also engaged in the business of transmission and distribution of natural gas to industrial, commercial, CNG and residential customers.
4. Gujarat Gas Financial Services Limited (GFSL), an unlisted company incorporated under the Companies Act 1956, was also engaged in the business of sale of gas connections in India to GGCL and other commercial as well as non-commercial customers in India.
5. Gujarat Gas Trading Company Limited (GTCL), an unlisted company incorporated under the Companies Act 1956, was also engaged in the business of distribution of gas from sources of supply to centers of demand and/or end customers.

As a part of the scheme of amalgamation and arrangement, GSPC Gas, GGCL, GFSL and GTCL (transferor companies) have merged into to Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited-GDNL).

The appointed date of the Scheme of Amalgamation for the merger is 1st April 2013 (the appointed date). Upon the coming into effect of the Scheme of Amalgamation, and with effect from the appointed date, the transferor company carried all business and activities relating to the transferor company and stand possessed of all the estates, assets, rights, title, all debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and interest of the transferor company for and on account of, and in trust for, the transferee Company.

Upon the Scheme becoming effective, all the Transferor Company have dissolved without winding up pursuant to the provisions of Section 394 of the Companies Act, 1956.

Further details and salient features of the Scheme of Amalgamation and Arrangement are available at company website at <http://www.gujaratgas.com/investors/scheme-of-amalgamation>.

#### **Accounting Treatment**

The above Scheme of Amalgamation is an amalgamation in the nature of purchase in accordance with the requirements of Accounting Standard 14- "Accounting for Amalgamations" and has been accounted for the amalgamation in books of the transferee company with effect from the appointed date (1st April 2013) as per the Purchase method under AS -14 "Accounting for Amalgamations".

Consequent to order dated 6th July 2015 of the Honourable High Court of Gujarat for sanctioning permission of re-opening and revision of books of accounts for the year 2013-14, the audited financial statements of transferee company Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited-GDNL) for year 2013-14 has been re-opened and revised by the Company to give effect of the said amalgamation and arrangement in books of accounts for the year 2013-14. Accordingly, operation of all the transferors companies from 1st April 2013, as detailed below have been accounted for in the financial statements for financial year 2013-14.

- 1 The business of the transferor companies have been transferred to the company on a going concern basis. As per the Scheme, the appointed date, for the transfer of assets and liabilities at their respective fair value as determined by the board, is 1st April 2013.



- 2 Assets and liabilities at their respective fair value transferred from the transferor companies has been recorded by transferee company under the respective schedules, are as below:

(Rs. in Crores)

Particulars	GSPC Gas	GGCL	GTCL	GFSL	Total
Tangible assets	2,367.65	1,787.92	-	-	4,155.57
Intangible assets	103.97	35.23	-	-	139.20
Capital work-in-progress	351.74	88.03	-	11.51	451.28
Intangible assets under development	0.20	2.76	-	-	2.96
Non-current investments	0.16	163.53	-	-	163.69
Long-term loan and advances	373.00	20.63	1.23	1.67	396.52
Other non-current assets	0.01	-	-	-	0.01
Current investments	-	379.97	13.55	-	393.52
Inventories	6.62	24.23	-	-	30.85
Trade receivables	240.27	138.63	7.78	5.65	392.34
Cash and cash equivalents	4.52	37.39	0.29	10.52	52.72
Short-term loans and advance	50.70	21.46	0.13	5.54	77.83
Other current assets	15.96	47.87	-	0.07	63.90
Deferred stock compensation A/c	-	0.70	-	-	0.70
<b>Total Assets (A)</b>	<b>3,514.80</b>	<b>2,748.33</b>	<b>22.99</b>	<b>34.97</b>	<b>6,321.09</b>
Long-term borrowings	365.29	-	-	-	365.29
Deferred tax liabilities (Net )	137.30	95.75	-	(7.08)	225.97
Other Long term liabilities	157.58	280.41	1.23	-	439.22
Long-Term provisions	2.94	5.70	-	0.05	8.69
Short-term Borrowings	10.83	-	-	-	10.84
Trade payables	259.55	96.88	8.14	-	364.57
Other Current liabilities	758.89	71.22	0.01	5.64	835.76
Stock options outstanding	-	3.51	-	-	3.51
Short-term provisions	44.06	29.30	-	5.11	78.48
<b>Total Liabilities (B)</b>	<b>1,736.44</b>	<b>582.77</b>	<b>9.38</b>	<b>3.73</b>	<b>2,332.31</b>
<b>Net assets taken over (C) = (A) –(B)</b>	<b>1,778.36</b>	<b>2,165.56</b>	<b>13.61</b>	<b>31.23</b>	<b>3,988.77</b>

**Note :** The above mentioned figures has been increased/(deceased) due to alignment of accounting policies as on 1st April, 2013 as mentioned below. These adjustments have been recorded in the opening reserves as per the accounting treatment prescribed by the scheme.

- Inventories have been increased by Rs 2.12 Crores on account of recognition of Gas Inventory of erstwhile GGCL.
  - Long Term loans and advances have been decreased by Rs 1.55 Crores on account of recognition of provision for doubtful advances of erstwhile GSPC GAS.
  - Trade Receivables have been increased by Rs 0.33 Crores on account of recognition of interest income accrual of erstwhile GSPC GAS.
  - Unbilled Revenue has been decreased by Rs 18.37 Crores to align accrual of sales income of erstwhile GGCL with erstwhile GSPC Gas.
- 3 As a purchase consideration for the transfer of the above mentioned assets and liabilities determined by the Board as on the appointed date 1st April, 2013 and consequential expected future cash flows from the transferor companies, the company has to issue 4,731,764,975 equity shares of Rs 10 each totalling value Rs 4,731.77 Crores. This has resulted in recognition of goodwill of Rs 742.99 Crores (equity shares of Rs 4,731.77 Crores for net assets of Rs 3,988.77 Crores) based on the Purchase method of accounting as prescribed under AS 14 – "Accounting for amalgamations". Pursuant to the scheme and after re-organisation of share capital, new 124,520,130 equity shares have been issued to equity shareholders of Transferor Company in the swap ratio as specified in the scheme.
- 4 Pursuant to the scheme, equity shares of transferee Company held by the transferor Company and transferor companies inter-company investments have stood cancelled. Accordingly, investments of Rs 2,811.14 Crores (GDNL investments in GGCL) and Rs 0.13 Crores (GGCL investments in GTCL) and Rs 1.40 Crores (GGCL investments in GFSL) and Rs 400.05 Crores (GSPC Gas investments in GDNL) have been cancelled.



Further, in accordance with the scheme, cancellation of equity shares of transferor has resulted in creation of goodwill of Rs 2,812.67 Crores. This along with the amount of goodwill as mentioned in (3) above has been fully adjusted against the reserves arising on account of capital reduction to reduce the share capital to comprise of 137,678,025 equity shares of Rs 10 each totalling value Rs. 137.68 Crores. The reduction in the share capital of the transferee Company has been effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Companies Act, 1956 and the order of the High Court sanctioning the Scheme.

- 5 Considering above point no. 1 to 4 and pursuant to the Scheme, the net assets of the transferor company acquired by the transferee company in excess of the consideration issued as share capital by the transferee company to the shareholders of the transferor company after adjustments of the inter-company investment holdings and inter-company balances, if any, and reduction of share capital has been adjusted against the "Reserve Account" of the transferee company (*Refer Note 3*) in accordance with the requirements of the approved Scheme of Amalgamation.

**Note 49 Previous year figures**

Previous year figures are of standalone entity for the period from 21.02.2012 to 31.03.2013 (first accounting year was from 21.02.2012 to 31.03.2013) hence they are not comparable with the current year figures of 12 months which includes the impact of the Scheme of Amalgamation and Arrangement w.e.f. 01.04.2013.

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 J. S. Maheshwari & Co.**  
Chartered Accountants  
Firm Regn. No. 001318C

**Ashish Maheshwari**  
Partner  
M. No. : 412441  
Place : Gandhinagar  
Date : 17/08/2015

For and on behalf of Board of Directors

**G.R. Aloria, IAS**  
Chairman

**P.P.G.Sarma**  
Chief Executive  
Officer  
Place : Gandhinagar  
Date : 13/08/2015

**Atanu Chakraborty, IAS**  
Director

**Rahul Devi**  
Executive Vice President  
(F & A)

**Jal Patel**  
Director

**Rajeshwari Sharma**  
Company Secretary



## INDEPENDENT AUDITOR'S REPORT

**TO  
THE MEMBERS OF  
GUJARAT GAS LIMITED  
(Formerly known as GSPC Distribution Networks Limited)**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **GUJARAT GAS LIMITED (Formerly known as GSPC Distribution Networks Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended on that date and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns of four branches [erstwhile GSPC Gas Company Limited, Gujarat Gas Financial Services Limited, Gujaratgas Trading Company Limited and GSPC Distribution Networks Limited (without considering any impact of Scheme of Amalgamation and Arrangement effected from dated April 01, 2013)] audited by branch auditors of the Company's branches and the return of one branch (erstwhile Gujarat Gas Company Limited) audited by us, for the year ended on that date.

### **Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### **Other Matters**

We did not audit the financial statements of four branches included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs. 5,931.03 Crores as at 31st March, 2015 and total revenues of Rs. 6,553.09 Crore for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - I a statement on the matters specified in paragraphs 3 and 4 of the Order, in which the comments in the branch auditors' reports are also incorporated.
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 and proper returns adequate for the purpose of our audit have been received from the branches not audited by us.
  - (c) The reports on the accounts of the branch offices of the Company audited under section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - (d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.
  - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (f) As the Company is a Government Company, in terms of notification no. G.S.R 463(E) dated 5<sup>th</sup> June 2015, issued by Ministry of Corporate Affairs, the sub-section (2) of section 164 of the Act is not applicable.
  - (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 financial statements – Refer Notes 35 and 48 to the financial statements;
    - (ii) The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by section 143 (5) of the Act, we give in Annexure – II a report on the directions and sub directions issued by the Comptroller and Auditor General of India, in which the comments in the branch auditors' reports are also incorporated.

Place: Ahmedabad  
Date:13/08/2015

For, Manubhai & Shah  
Chartered Accountants  
Firm Regn. No.: 106041W

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



**ANNEXURE - I**  
**TO INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report on Standalone Financial Statements of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) of even date)

- (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.
- (ii) (a) The inventory, excluding stocks with third parties, has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. 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 or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii) [(a) and (b)] of the said Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

However as reported by Branch Auditor of erstwhile GSPC Gas Company Limited, internal control as regards inventory with contractors and physical verification of fixed assets needs to be strengthened in order to avoid encroachments by third parties in ROU / ROW.

- (v) 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 thereunder. 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 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, with appropriate authorities.

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 March 31, 2015 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, wealth tax and customs duty which have not been deposited on account of any dispute.

The particulars of dues of service tax, excise and income tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of dues	Amount (Rs. in Crores)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax (including interest and penalty)	24.30	Financial Years 2005-06 to 2012-13	Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad
Central Excise Act, 1944	Excise Exemption related to SSI Unit	0.24	Financial Year 2003-04	Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad





Name of the Statute	Nature of dues	Amount (Rs. In Crores)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty (including interest and penalty)	0.12	October 2006	Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad
Central Excise Act, 1944	CENVAT Credit of service tax paid on Franchisee Commission	1.07	April 2009 to August 2014	Commissioner of Central Excise Department
Central Excise Act, 1944	CENVAT Credit of service tax paid on outward freight transfer	3.53	April 2010 to August 2014	Commissioner of Central Excise Department
Income Tax Act, 1961	Income Tax and Interest thereon.	0.19	Assessment Year 1996-97	Assessing Officer
Income Tax Act, 1961	Income Tax and Interest thereon	0.35	Assessment Year 1996-97	Commissioner of Income Tax (Appeals), Ahmedabad
Income Tax Act, 1961	Income Tax Assessment order u/s 143(3) of the Income Tax Act, 1961	12.22	Assessment Year 2010-11	Commissioner of Income Tax (Appeals), Gandhinagar
Income Tax Act, 1961	Income Tax and Interest thereon.	0.31	Assessment Year 2010-11	Commissioner of Income Tax (Appeals) ruled in favour of Gujarat Gas Financial Services Limited. Appeal Effect awaited.
Income Tax Act, 1961	Income Tax and Interest thereon	2.19	Assessment Year 2011-12	Commissioner of Income Tax (Appeals), Ahmedabad
Income Tax Act, 1961	Income Tax Assessment order u/s 143(3) of the Income Tax Act, 1961	60.80	Assessment Year 2011-12	Income Tax Assessment order u/s 143(3) of the Income Tax Act, 1961
Income Tax Act, 1961	Income Tax and Interest thereon.	0.06	Assessment Year 2011-12	Commissioner of Income Tax (Appeals) ruled in favour of Gujarat Gas Financial Services Limited. Appeal Effect awaited.
Income Tax Act, 1961	Income Tax and Interest thereon.	4.77	Assessment Year 2012-13	Commissioner of Income Tax (Appeals), Ahmedabad

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Company has transferred the amount required to be transferred to Investor Education and Protection Fund within the time in accordance with the provisions of the Companies Act, 1956 and rules made thereunder.
- (viii) Since the company has been incorporated on February 21, 2012 and not more than five years has been elapsed at the end of the current financial year, the provisions of Clause 3 (VIII) of the Order are not applicable to the Company.
- (ix) The Company has not defaulted in repayment of dues to financial institution or bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Therefore, the provisions of Clause 3 (X) of the Order are not applicable to the Company.
- (xi) In our opinion, and according to the information and explanations given to us, terms loans have been applied for the purpose for which they were raised.
- (xii) 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, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For, Manubhai & Shah  
Chartered Accountants  
Firm Regn. No.: 106041W

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

Place: Ahmedabad  
Date: 13/08/2015

**ANNEXURE - II  
TO INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 3 under "Report on Other Legal and Regulatory Requirements" section of our report on Standalone Financial Statements of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) of even date)

Sr. No.	Directions / Sub-Directions Issued by the Comptroller and Auditor General of India	Response															
(1)	If the Company is selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and liabilities (including committed & general reserves) may be examined including the mode and present stage of disinvestment process.	The Company has not been selected for disinvestment. Thus reporting under this direction is not applicable.															
(2)	Please report whether there are any cases of waiver / write offs of debts/loans/interest etc, if yes, the reasons therefore and the amount involved.	<p>During the year company has written off debts amounting to Rs. 0.23 Crores. The debts were considered as bad debts and written off during the year.</p> <p><b>In respect of erstwhile Gujarat Gas Financial Services Limited:</b></p> <p>During the VAT assessment for the year 2009-10, the assessing authorities had disallowed few input tax credit as not shown by vendors. The total amount of the VAT input credit disallowed along with the interest was Rs. 0.03 Crores. Out of this Company had recovered some amount and written off the remaining amount of Rs. 0.02 Crores from terminated vendors.</p> <p>There are no other cases of any waiver of loan / debt / interest during the year.</p>															
(3)	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities?	Proper records are maintained for material lying with outside parties. Reconciliation of the inventory issued to third party is done on yearly basis. The company has not received any assets as gifts from Government or other authorities during the year.															
(4)	Number of pending legal/arbitration cases indicating the age-wise analysis and reasons for their pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	<p>The Statement showing pending legal/ arbitration cases, other than disputed statutory dues reported as Contingent Liability in Note 35.1 of Financial Statements, along with the age-wise analysis and reasons for their pendency, as provided to us by the Company is mentioned here under :</p> <table border="1" data-bbox="815 1402 1449 1619"> <thead> <tr> <th>Particulars</th> <th>Number of Legal Cases</th> <th>Amount (Rs. in Crores)</th> </tr> </thead> <tbody> <tr> <td>Less than One Year</td> <td>112</td> <td>2.48</td> </tr> <tr> <td>One year to Three Years (*)</td> <td>70</td> <td>44.68</td> </tr> <tr> <td>More than Three Years</td> <td>12</td> <td>3.82</td> </tr> <tr> <td><b>Total</b></td> <td><b>194</b></td> <td><b>50.98</b></td> </tr> </tbody> </table> <p>(*) Out of the above claims one of the claim is of Rs. 40.00 Crores filed against the erstwhile Gujarat Gas Company Limited (GGCL) by UPL Limited (UPL). UPL a customer of GGCL filed a complaint before Petroleum and Natural Gas Regulatory Board (PNGRB) against GGCL alleging charging of tariff illegally under the City Gas Network Distribution Agreement entered into between the Parties. The matter was decided against GGCL by PNGRB. GGCL has preferred an appeal at Appellate Tribunal for Electricity (APTEL) against the PNGRB Order. GGCL has also sought an interim stay on the PNGRB order which was granted by APTEL subject to submission of a bank guarantee of Rs. 40.00 Crores by GGCL to UPL. The APTEL has in its order stated that it is an interim order without considering the merit of the case. In compliance with the order GGCL has provided the bank guarantee to UPL.</p>	Particulars	Number of Legal Cases	Amount (Rs. in Crores)	Less than One Year	112	2.48	One year to Three Years (*)	70	44.68	More than Three Years	12	3.82	<b>Total</b>	<b>194</b>	<b>50.98</b>
Particulars	Number of Legal Cases	Amount (Rs. in Crores)															
Less than One Year	112	2.48															
One year to Three Years (*)	70	44.68															
More than Three Years	12	3.82															
<b>Total</b>	<b>194</b>	<b>50.98</b>															



Sr. No.	Directions / Sub-Directions Issued by the Comptroller and Auditor General of India	Response
		<p>As informed, the cases are admitted in various courts and may be taken up for hearing as per their term in respective courts as per the procedures.</p> <p>The company has framed guidelines for appointment of Consultants and Advisers, which specifies the principles, approval matrix and monetary limits for appointment of consultants and advisers for Company's legal or any other matter.</p>
(5)	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?	<p>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.</p> <p>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.</p>
(6)	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.	<p>In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The company has proper system for valuation of stock, treatment of non-moving items and accounting the effect of shortage / excess noticed during the physical verification.</p> <p>However as reported by Branch Auditor of erstwhile GSPC Gas Company Limited, taking into account the quantum of stock and the geographical spread of operations, the internal control needs to be strengthened in respect of stocks.</p>
(7)	The effectiveness of the system followed in recovery of dues in respect of sale activities may be examined and reported.	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.

For, Manubhai & Shah  
Chartered Accountants  
Firm Regn. No.: 106041W

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

Place: Ahmedabad  
Date:13/08/2015



## **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 FINANCIAL STATEMENTS OF GUJARAT GAS LIMITED FOR THE YEAR ENDED 31ST MARCH 2015**

The preparation of financial statements of **Gujarat Gas Limited** for the year ended 31st March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 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 13th August 2015.

I, on the 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 31st March 2015. 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

(Y. N. Thakare)  
Pr. Accountant General (E&RSA), Gujarat

Place: Ahmedabad  
Date: 19-10-2015



## BALANCE SHEET AS AT 31ST MARCH 2015

(Rs. in Crores)

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	137.68	137.68
(b) Reserves and surplus	3	1,853.23	1,498.12
		<b>1,990.91</b>	<b>1,635.80</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	1,490.78	1,592.43
(b) Deferred tax liabilities (Net)	5	352.77	289.23
(c) Other Long term liabilities	6	561.44	522.53
(d) Long-term provisions	7	21.90	9.85
		<b>2,426.89</b>	<b>2,414.04</b>
<b>Current liabilities</b>			
(a) Short-term borrowings	8	-	3.69
(b) Trade payables	9	426.24	526.04
(c) Other current liabilities	10	1,963.07	2,073.73
(d) Short-term provisions	11	85.50	0.60
		<b>2,474.81</b>	<b>2,604.06</b>
<b>TOTAL</b>		<b>6,892.61</b>	<b>6,653.90</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		4,320.87	4,327.91
(ii) Intangible assets		165.79	145.53
(iii) Capital work-in-progress		357.19	269.87
(iv) Intangible asset under development		0.20	0.20
<b>Total Fixed Assets</b>		<b>4,844.05</b>	<b>4,743.51</b>
(b) Non-current investments	13	162.03	162.11
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	14	67.31	35.80
(e) Other non-current assets	15	0.01	7.51
		<b>229.35</b>	<b>205.42</b>
<b>Current assets</b>			
(a) Current investments	16	936.99	678.88
(b) Inventories	17	41.09	37.54
(c) Trade receivables	18	360.60	545.13
(d) Cash and Bank Balances	19	237.79	211.58
(e) Short-term loans and advances	20	202.09	187.53
(f) Other current assets	21	40.65	44.31
		<b>1,819.21</b>	<b>1,704.97</b>
<b>TOTAL</b>		<b>6,892.61</b>	<b>6,653.90</b>

Significant Accounting Policies – Accompanying Note 1 and Notes 2 to 50 form integral part of the Financial Statements.

As per our report attached

**For, Manubhai & Shah**  
Chartered Accountants  
Firm Regn. No. 106041W

**G. R. Parmar**  
Partner  
M. No. : 121462  
Place : Ahmedabad  
Date : 13/08/2015

For and on behalf of Board of Directors

**G.R. Aloria, IAS**  
Chairman

**P.P.G.Sarma**  
Chief Executive  
Officer  
Place : Gandhinagar  
Date : 13/08/2015

**Atanu Chakraborty, IAS**  
Director

**Rahul Devi**  
Executive Vice President  
(F & A)

**Jal Patel**  
Director

**Rajeshwari Sharma**  
Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(Rs. in Crores)

Particulars	Note No.	For the Year Ended 31st March 2015	For the Year Ended 31st March 2014
Revenue from operations (Gross)	22	9,137.43	7,950.56
<i>Less: Excise Duty</i>		131.17	153.14
Revenue from operations (Net)		<b>9,006.26</b>	<b>7,797.42</b>
Other income	23	107.14	110.08
<b>Total Revenue</b>		<b>9,113.40</b>	<b>7,907.50</b>
<b>Expenses:</b>			
Cost of materials consumed	24	7,449.14	6,774.17
Purchases of Stock-in-Trade	25	28.37	34.30
Changes in inventories of Natural Gas	26	0.56	(0.76)
Employee benefits expense	27	113.41	99.45
Finance costs	28	333.18	300.30
Depreciation and amortization expense	12	237.68	282.64
Other expenses	29	308.63	316.17
<b>Total expenses</b>		<b>8,470.98</b>	<b>7,806.27</b>
<b>Profit/(Loss) before exceptional and extraordinary items and Tax</b>		642.42	101.23
(a) Prior period items (Net)	30	0.16	1.87
(b) Exceptional items	31	0.82	7.16
<b>Profit/(Loss) Before Tax</b>		<b>641.44</b>	<b>92.20</b>
Tax expense:			
(a) Current tax	32	131.30	-
(b) Deferred tax	5	66.56	63.77
<b>Profit/(Loss) After Tax</b>		<b>443.58</b>	<b>28.43</b>
Earnings per equity share:			
(a) Basic	33	32.22	2.06
(b) Diluted		32.22	2.06

Significant Accounting Policies – Accompanying Note 1 and Notes 2 to 50 form integral part of the Financial Statements.

As per our report attached

**For, Manubhai & Shah**  
Chartered Accountants  
Firm Regn. No. 106041W

**G. R. Parmar**  
Partner  
M. No. : 121462  
Place : Ahmedabad  
Date : 13/08/2015

For and on behalf of Board of Directors

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**Atanu Chakraborty, IAS**  
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**Rahul Devi**  
Executive Vice President  
(F & A)

**Jal Patel**  
Director

**Rajeshwari Sharma**  
Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2015**

(Rs. in Crores)

Particulars	For the Year Ended 31st March 2015	For the Year Ended 31st March 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax	641.44	92.20
<b>Adjustments for:</b>		
Depreciation	237.68	282.64
Loss on Sale of Fixed Assets	4.86	4.77
Stock Option Outstanding Account	0.00	0.56
Provision for Assets written off	0.53	0.12
Loss on sale as scrap and diminution in Capital Inventory	2.17	4.46
Material Shortage/(Gain)	(0.54)	7.16
Prior period adjustment on account of depreciation	(0.01)	0.14
Provision for Wealth Tax	0.02	0.02
Provision for Gratuity	6.27	2.16
Provision for Leave Encashment	13.24	1.96
Bad Debts Written Off	0.23	0.40
Advance Writeoff	-	0.03
Doubtful Debts (Trade Receivables)	2.49	1.55
Doubtful Advances	1.28	2.39
Provision Diminution in Investment	-	0.00
Interest Expense	333.18	300.30
Provision Written Back	(2.13)	(4.63)
Profit on Sale of Investments	(1.69)	(9.26)
Dividend Income	(54.72)	(31.08)
Interest Income	(43.59)	(53.32)
<b>Operating Profit before Working Capital Changes</b>	<b>1,140.71</b>	<b>602.57</b>
<b>Adjustments for changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	181.79	(174.35)
(Increase)/Decrease in Other – Non Current Assets	7.50	(7.50)
(Increase)/Decrease in Short Terms Loans and Advances	(0.05)	47.29
(Increase)/Decrease in Other Current Assets	84.02	(141.45)
(Increase)/Decrease in Inventories	(3.70)	(7.87)
(Increase)/Decrease in Long-term loan and advances	(12.49)	6.03
<b>Changes in Trade and Other Receivables</b>	<b>257.07</b>	<b>(277.85)</b>
Increase/(Decrease) in Trade Payables	(99.80)	157.54
Increase/(Decrease) in Other Long term liabilities	0.41	(2.65)
Increase/(Decrease) in Advance from Customers	-	84.00
Increase/(Decrease) in Other Liabilities	(10.48)	12.24
Increase/(Decrease) in Deposits from Customers	38.50	-
Increase/(Decrease) in Short-term provisions	(0.47)	(4.15)
<b>Changes in Trade and Other Payables</b>	<b>(71.84)</b>	<b>246.98</b>
<b>Cash Generated from Operations</b>	<b>1,325.94</b>	<b>571.70</b>
Taxes Refund	13.05	1.26
Taxes Paid	(159.18)	(161.11)
<b>Net Cash from Operating Activities</b>	<b>1,179.81</b>	<b>411.85</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including capital work in progress and capital advances.	(352.46)	(345.56)
Sale of Non-current investments	0.08	-
Sale of Current Investment	2,662.92	3,141.56
Purchase of Non-current investments	-	(2,463.47)
Purchase of Current Investment	(2,919.33)	(1,917.75)
Interest Received	50.41	54.39
Sale of Fixed Assets	1.67	8.48
Dividend Income	54.72	31.08
<b>Net Cash used in Investing Activities</b>	<b>(501.99)</b>	<b>(1,491.27)</b>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2015**

(Rs. in Crores)

Particulars	For the Year Ended 31st March 2015	For the Year Ended 31st March 2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Application Money	–	500.00
Proceeds from Long-term borrowings	133.33	1,599.08
Proceeds from Short-term borrowings	–	33.69
Repayment of Long-term borrowings	(205.26)	(799.63)
Repayment of Short-term borrowings	(3.69)	(40.83)
Interest Paid	(487.42)	(135.09)
Dividend Paid (including tax thereon)	(0.20)	(60.10)
<b>Net Cash from Financing Activities</b>	<b>(563.24)</b>	<b>1,097.12</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>114.58</b>	<b>17.70</b>
Cash and Cash Equivalents at the beginning of the year	59.68	41.97
Cash and Cash Equivalents at the end of the year	174.26	59.67
<b>Closing Cash and Cash Equivalents comprise:</b>		
Cash in hand	1.01	0.82
Balances with Scheduled Banks	26.09	33.11
Balances in Fixed Deposits	147.17	25.75

**Notes to Cash Flow Statement:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 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.
- Figures in bracket indicate cash-outflow.

As per our report attached

**For, Manubhai & Shah**  
Chartered Accountants  
Firm Regn. No. 106041W

**G. R. Parmar**  
Partner  
M. No. : 121462  
Place : Ahmedabad  
Date : 13/08/2015

For and on behalf of Board of Directors

**G.R. Aloria, IAS**  
Chairman

**P.P.G.Sarma**  
Chief Executive  
Officer  
Place : Gandhinagar  
Date : 13/08/2015

**Atanu Chakraborty, IAS**  
Director

**Rahul Devi**  
Executive Vice President  
(F & A)

**Jal Patel**  
Director

**Rajeshwari Sharma**  
Company Secretary

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****Note 1 - Significant Accounting Policies****1. General Information**

- a) Gujarat Gas Limited ("Company") formerly known as GSPC Distribution Networks Limited (GDNL) is engaged in Natural Gas Business in Gujarat. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers.
- b) The scheme of amalgamation and arrangement (Refer Note 49) 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. Gujaratgas 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. The certified copy of order was received on 18th April, 2015 and filed with Registrar of Companies (ROC) at Ahmedabad on 14th May, 2015. The Scheme of Amalgamation became effective on 14th May, 2015 with an appointed date of 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.

**2. Basis of Preparation of Financial Statements**

The financial statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The financial statements have been prepared and presented to comply in all material aspects with the Generally Accepted Accounting Principles (IGAAP) in India and the Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions. The company has consistently applied the accounting principles and policies; and accounting policies not referred to otherwise, are in conformity with IGAAP.

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.

**3. Use of Estimates**

The preparation of financial statements in conformity with IGAAP requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Such estimates and assumptions are based on evaluation of relevant facts and circumstances as on date of the financial statements. Differences between the actual results and estimates are recognized in the period in which they are known or materialise.

**4. Fixed Assets and Capital Work in Progress (CWIP)****a. Tangible assets**

Fixed assets 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).

Costs of meter / regulator consumed for initial connection to customers are capitalized as per underlying contracts with customers and consumed for replacement during the year are charged to statements of profit & loss.

Gains or losses arising from disposal/retirement of fixed assets, which are carried at cost, are recognized in the Statement of Profit and Loss.

**b. 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 in terms of Accounting Standard -26 "Intangible Assets" where it is expected to provide future enduring economic benefits.



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.

**c. Capital Work In Progress**

Capital Work in Progress -CWIP 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 identifiable and ascertainable expenditure including direct, indirect expenses, 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.

**5. Depreciation and Amortization**

- a) Depreciation is provided on Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II of the Companies Act, 2013, read with the following notes:
- 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.
  - City gas stations, skids, pressure regulating stations, meters & regulators are estimated to have useful life of 18 years based on technical evaluation by external valuer.
  - Cost of mobile phones, are expensed off in the year of purchase.
- b) Depreciation on assets acquired and or disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.
- c) 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 :
- 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 5(a) above for which the Right of Way has been obtained).
  - Software and other Intangibles 6 Years.
- d) Cost of leasehold land is amortized equally over the period of lease.
- e) No amortisation is charged on Right of Use (RoU) of Land being perpetual in nature.
- f) 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 installed at the customers' premises on the land of the customers have been depreciated at the rates specified as above.

**6. Impairment of Assets**

In accordance with Accounting Standard 28 on "Impairment of Assets" at the balance sheet date, Fixed 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.

**7. Revenue Recognition**

- a) 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. Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to consumers from retail outlets. Sales of natural gas are stated inclusive of excise duty and net of value added tax.



- b) Gas transmission income is recognized in the same period in which the related volumes of gas are delivered to the customers.
- c) 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.
- d) The amounts charged from customers for gas connections are accounted based on the terms of the underlying contract with customers by accounting the revenue on commencement of the supply of gas to the customer 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 connection amounts collected from certain domestic customers which are "refundable" in nature. Accordingly, the same are recognized as a liability under head "Deposit from Customers" in the balance sheet as and when the Company commences the supply of gas to the customers. Until then, the amounts so collected are shown as advances received from customers in the balance sheet. The difference between the amounts charged from customers for gas connections and amounts of connection which are refundable is disclosed as revenue as and when the company commences the supply of gas to the customers.

- e) 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.
- f) Liquidated damages income, if any is recognized at the time of recording the purchase of materials in books of accounts and the matter is considered settled by the Management.
- g) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- h) Dividend income is recognised, when the right to receive the dividend is established by the reporting date.
- i) Other operating income and misc. income are accounted on accrual basis as and when the right to receive arises.

#### **8. Borrowing Costs**

Interest and other costs in connection with the borrowing of funds to the extent they relate to the acquisition / construction of qualifying fixed assets as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such assets up to the date of commissioning. The Expenses incurred in connection with the arrangement of 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 profit and loss statement.

#### **9. Investments**

Investments are classified as long term or short term in accordance with Accounting Standard 13 on "Accounting for Investments". Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long term Investments are stated at cost less provisions recognized in the carrying value of each investment. Provision, if any, is made to recognize any diminution in value of investments, other than that of a temporary nature.

Current Investments are stated at lower of cost and fair value determined category wise. Any reduction in carrying amount and any reversals of such reductions are charged or credited to the profit and loss statement.

#### **10. 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.



## 11. Foreign Currency Transactions

### Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of monetary items are recognized in the Statement of Profit and Loss.

Any income or expense on account of foreign exchange difference either on settlement or on translation is recognised in the statement of profit and loss in line with the provisions of Accounting Standard -11 on "The Effects of Changes in Foreign Exchange Rates".

## 12. Employee Benefits

Employees Benefits are provided in the books as per Accounting Standard -15 on "Employee Benefits" (revised 2005) in the following manner:

### Post-employment benefit plans

#### Defined Contribution Plan

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

#### 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 administered through a Trust. Contributions in respect of gratuity are made to the approved Gratuity Fund. The Company's liability is actuarially determined (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 Profit and Loss in the year in which they arise.

#### Long term employee benefits

The liability in respect of accrued leave benefits which are expected to be availed or encashed beyond 12 months from the end of the year, is treated as long term employee benefits. The Company's liability is actuarially determined using the Projected Unit Credit method at balance sheet date. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

#### 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 also include accrued leave benefits, which are expected to be availed or encashed within 12 months from the end of the year.

#### Employee Stock Option Plan

Stock Option grants to the employees who accept the grant under the Stock Option Plan are accounted in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The company follows the fair value method for option pricing and accordingly the fair value of the option as of the date of the grant of the option is recognized as employee compensation cost which is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option.

## 13. Leases

### Operating Lease

#### As a lessee:

The Company has entered into cancellable operating lease arrangements for office premises, staff quarters and others. The lease rentals paid for the same are charged to the Statement of Profit and Loss. The lease rentals on non-cancellable lease contract are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

**As a lessor:**

The Company has leased certain tangible assets and such leases where the group has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

**Finance lease****As a lessor:**

The Company has leased certain tangible assets and such leases where the Company has passed on substantially all the risks and rewards of ownership are classified as finance leases.

The aggregate of minimum lease payments less unearned finance income is recognized as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance Income is recognized over the term of the lease using net investment method, which reflects a constant periodic rate of return. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

**14. Taxes on Income**

Tax provision comprises of current tax and deferred tax.

Tax provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws that have been enacted as on balance sheet date.

Deferred tax liability and assets is computed as per Accounting Standard (AS-22) on "Accounting for Taxes on Income". Deferred tax is recognized, subject to consideration of prudence, on timing 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. Deferred tax asset is recognized on carried forward losses (if any) under tax laws, only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against the current tax liabilities.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Provision for Wealth Tax is made in accordance with the provisions of the Wealth Tax Act, 1957.

**15. Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the company's earnings per share is the net profit for the year after deducting preference dividends, if any, and any attributable distribution tax thereto for the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of any dilutive potential equity shares.

**16. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Provision for contractual obligation has been disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.



Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed in the Notes to Financial Statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements.

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

#### **17. 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. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard 17 on Segment Reporting are not relevant to the Company.

#### **18. Cash Flow Statement**

The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company. Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand, current account balances with Banks and demand deposits with banks.

Cash equivalents consist of investments with original maturity of three months or less and which are readily convertible to known amounts of cash.

#### **19. Prior Period Adjustments**

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, is shown under the head "Prior Period Adjustments Account" in the profit and loss statements as per the provisions of Accounting Standard 5 on "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies.

#### **20. Proposed Dividend**

Dividend recommended by the Board of directors is provided for in the accounts, subject to the approval of the shareholders in the Annual General Meeting.

#### **21. 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.

#### **22. Event Occurring after Balance Sheet Date**

Material 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. Non adjusting events (that are indicative 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 reports of the board of directors.





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## Note 2: SHARE CAPITAL

## 2.1 AUTHORISED, ISSUED, SUBSCRIBED, FULLY PAID UP SHARE CAPITAL

(Rs. in Crores)

Share Capital	As at 31st March 2015		As at 31st March 2014	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
Equity Shares of Rs.10 each	1,735,100,000	1,735.10	1,735,100,000	1,735.10
7.5% Redeemable preference Shares of Rs.10 each	17,000,000	17.00	17,000,000	17.00
Preference shares of Rs. 10 each (Refer Note below)	5,000,000	5.00	5,000,000	5.00
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs.10 each fully paid up (Refer Note below)	137,678,025	137.68	137,678,025	137.68
<b>Total</b>	<b>137,678,025</b>	<b>137.68</b>	<b>137,678,025</b>	<b>137.68</b>

**Note 1:** Out of the above, 12,45,20,130 Equity Shares of Rs. 10 each have been allotted as fully paid pursuant to the Scheme of Amalgamation without payments being received in cash.

**Note 2:** Pursuant to the scheme, the authorized share capital of the Company on the effective date has automatically stand increased by merging the authorized share capital of transferor Company with transferee Company without any further act or deed on the part of the transferee Company, including payment of stamp duty and Registrar of Companies fees, for the authorized share capital of transferor Company.

## 2.2 RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

(Rs. in Crores)

Particulars	As at 31st March 2015		As at 31st March 2014	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	137,678,025	137.68	50,000	0.05
Add: Shares issued during the year for cash	–	–	900,000,000	900.00
Add: Shares issued during the year pursuant to the scheme of amalgamation and arrangement	–	–	124,520,130	124.52
Add: Shares bought back during the year	–	–	–	–
Less: on account of capital reduction	–	–	486,842,105	486.84
Less: Shares cancelled pursuant to the scheme of amalgamation	–	–	400,050,000	400.05
<b>Shares outstanding at the end of the year</b>	<b>137,678,025</b>	<b>137.68</b>	<b>137,678,025</b>	<b>137.68</b>

During previous year, pursuant to the scheme of amalgamation and arrangement 12,45,20,130 equity shares of Rs. 10 each were issued at face value to the transferor companies for transfer of the assets and liabilities determined by the management as on the appointed date. Further, the shares issued to GSPC Gas Company Limited during the year 2013–14 have been cancelled and the resultant share capital was subsequently reduced in line with the capital reduction as per the scheme of amalgamation and arrangement. (Refer Note 2.6 and 49)

The reduction in the share capital of the Company has been effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme has been deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction.

## 2.3 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.



**2.4 SHARE HOLDING BY PRESCRIBED ENTITIES**

Out of Equity shares issued by the company, shares held by its holding company and their subsidiaries and associates are as under :

(Rs. in Crores)

Share Holder (Nature of Relationship)	As at 31st March 2015		As at 31st March 2014	
	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)	39,106,328	39.11	39,106,328	39.11
(ii) Gujarat State Petronet Limited (Subsidiary of Holding co. & Entity having significant influence)	35,468,472	35.47	35,468,472	35.47
(iii) Gujarat State Energy Generation Limited (Associate of Holding company)	266,447	0.27	266,447	0.27

**2.5 SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL SHARE CAPITAL**

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	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	39,106,328	28.40%	39,106,328	28.40%
Gujarat State Petronet Limited	35,468,472	25.76%	35,468,472	25.76%
Aberdeen Global Indian Equity (Mauritius) Limited	7,362,972	5.35%	12,256,000	8.90%
Gujarat State Fertilizers and Chemicals Limited	9,382,895	6.82%	9,382,895	6.82%
Government of Gujarat	8,995,462	6.53%	8,995,462	6.53%

**2.6 ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH:**

Particulars	Year (Aggregate No. of Shares)		
	2014-15	2013-14	2012-13
<b>Equity Shares:</b>			
Equity Shares of Rs. 10 each fully paid pursuant to contract(s) without payment being received in cash. (Refer sub note 2.2)	-	124,520,130	-

**Note 3: RESERVES AND SURPLUS**

(Rs. in Crores)

Reserves and Surplus	As at 31st March 2015	As at 31st March 2014
<b>Reserve (Refer note 49)</b>		
Opening Balance	1,521.48	-
Add : Adjustments pursuant to scheme of amalgamation and arrangement	-	1,521.48
<b>Closing Balance</b>	<b>1,521.48</b>	<b>1,521.48</b>
<b>Stock Options Outstanding Account</b>		
Opening Balance	2.83	-
Transferred pursuant to scheme of amalgamation and arrangement	-	3.51
Less : Options exercised during the year	0.31	1.73
Add : Adjustment on exercise of options during the year	(2.06)	1.05
Less : Lapse of options during the year	0.14	-
<b>Closing Balance</b>	<b>0.32</b>	<b>2.83</b>
<b>Less : Deferred Stock Option Outstanding Account</b>		
Opening Balance	0.14	-
Transferred pursuant to scheme of amalgamation and arrangement	-	0.70
Less : Options exercised during the year	0.13	0.56



**Note 3: RESERVES AND SURPLUS (Contd...)**

(Rs. in Crores)

Reserves and Surplus	As at 31st March 2015	As at 31st March 2014
Less : Lapse of options during the year	-	-
<b>Closing Balance</b>	<b>0.01</b>	<b>0.14</b>
<b>Net balance in stock options outstanding Account</b>	<b>0.31</b>	<b>2.69</b>
<b>General Reserve</b>		
Opening Balance	-	-
Add : Adjustment from Stock Options Outstanding Account	2.06	-
<b>Closing Balance</b>	<b>2.06</b>	-
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	(26.06)	(3.87)
Add: Profit/(Loss) for the year as per Statement of Profit and Loss	443.58	28.43
<b>Closing Balance</b>	<b>417.52</b>	<b>24.56</b>
<b>Less : Appropriations:</b>		
Depreciation Adjustment [Refer note 12 (1)]	5.29	-
Proposed Dividend	68.84	-
Corporate Tax on Dividend	14.01	19.55
Interim Dividend	-	29.94
Short / (Excess) Provision of dividend distribution tax of earlier year	-	0.07
Transfer to Stock Options Outstanding Account	-	1.05
Transfer to Debenture Redemption Reserve	125.00	-
<b>Closing Balance</b>	<b>204.38</b>	<b>(26.06)</b>
<b>Debenture Redemption Reserve</b>		
Opening Balance	-	-
Add : Transfer during the year	125.00	-
<b>Closing Balance</b>	<b>125.00</b>	-
<b>Total</b>	<b>1,853.23</b>	<b>1,498.12</b>

**Note 4: LONG TERM BORROWINGS**

(Rs. in Crores)

Long Term Borrowings	As at 31st March 2015	As at 31st March 2014
<b>Secured</b>		
<b>(a) Term loans</b>		
from banks (Refer Note 4.1)	774.12	925.77
from other parties (Refer Note 4.1)	216.66	83.33
The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.		
<b>Total [A]</b>	<b>990.78</b>	<b>1,009.10</b>
<b>Unsecured</b>		
<b>(a) Term loans</b>		
from other parties (Refer Note 4.2)	-	83.33
<b>(b) Redeemable, Unlisted, and Non-Convertible Debentures – NCD</b> (Refer Note 4.2)	500.00	500.00
The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.		
<b>Total [B]</b>	<b>500.00</b>	<b>583.33</b>
<b>Total [A + B]</b>	<b>1,490.78</b>	<b>1,592.43</b>



**GUJARAT GAS LIMITED**

**4.1 Secured Loans** (Rs. in Crores)

Secured Loans	Total Outstanding Amount as on 31.03.2015	Total Outstanding Amount as on 31.03.2014	Terms of repayment of term loans	Repayment Terms			Rate of Interest as 31.03.2015 in %	Non-Current Portion		Current Maturities*	
				Maturity of Loan	Total Number of Installments payable after 31.03.2015	Number of Installments payable within one year from 31.03.2015		Amount of Installments not due within one year from 31.03.2015	Amount of Installments due within one year from 31.03.2015	Amount of Installments due within one year from 31.03.2014	
<b>From Banks:</b>											
Dena Bank TL - III	44.77	54.77	Quarterly installment from December 2012	Sep-19	18	4	11.00%	34.77	44.77	10.00	10.00
The Kalupur Commercial Co-op TL-II	1.69	5.86	Monthly installment from December 2010	Aug-15	5	5	10.90%	-	1.69	1.69	4.17
The Kalupur Commercial Co-op TL-I	21.20	26.20	Quarterly installment from September 2013	Jun-19	17	4	10.90%	16.20	21.20	5.00	5.00
Oriental Bank of Commerce TL - I	8.55	16.05	Monthly installment from December 2010	May-16	14	12	11.00%	1.05	8.55	7.50	7.50
Oriental Bank of Commerce TL - II	4.90	7.40	Monthly installment from December 2010	Mar-17	24	12	11.00%	2.40	4.90	2.50	2.50
Oriental Bank of Commerce TL - III	14.39	21.11	Monthly installment from December 2010	May-17	26	12	11.00%	7.68	14.39	6.71	6.71
Bank of Maharashtra Corporation Bank	46.58	52.60	Quarterly installment from December 2012	Sep-19	18	4	11.00%	39.38	46.60	7.20	6.00
UCO Bank	77.88	87.88	Quarterly installment from December 2012	Sep-19	18	4	11.00%	65.88	77.88	12.00	10.00
Bank of Baroda	58.33	65.83	Quarterly installment from December 2012	Sep-19	18	4	11.00%	49.33	58.33	9.00	7.50
Dena Bank TL - IV	47.46	59.96	Quarterly installment from December 2012	Sep-19	18	4	11.00%	32.46	47.46	15.00	12.50
	599.98	600.00	Quarterly installment from June 2015	Mar-23	32	4	11.00%	524.98	600.00	75.00	-
<b>Total (A)</b>	<b>925.73</b>	<b>997.66</b>						<b>774.13</b>	<b>925.77</b>	<b>151.60</b>	<b>71.88</b>
<b>From Financial Institutions :</b>											
HUDCO	216.66	83.33	Quarterly installment from August 2016	May-23	28	-	11.00%	216.66	83.33	-	-
<b>Total (B)</b>	<b>216.66</b>	<b>83.33</b>						<b>216.66</b>	<b>83.33</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>1,142.39</b>	<b>1,080.99</b>						<b>990.79</b>	<b>1,009.10</b>	<b>151.60</b>	<b>71.88</b>
*Less: Amount disclosed under the head "other Current Liabilities" (Note No. 10)										151.60	71.88
<b>Net Amount</b>								<b>990.79</b>	<b>1,009.10</b>	<b>-</b>	<b>-</b>

The details of security given and other information for all loans are as under :

Particulars	As at 31st March 2015	As at 31st March 2014
Secured Loan	First pari - passu charge on Present & Future Fixed Assets (Movable & Immovable) of the erstwhile GSPC GAS Company Ltd. and Second pari - passu charge on Present & Future Current Assets of the erstwhile GSPC GAS Company Ltd.	First pari - passu charge on Present & Future Fixed Assets (Movable & Immovable) of the erstwhile GSPC GAS Company Ltd. and Second pari - passu charge on Present & Future Current Assets of the erstwhile GSPC GAS Company Ltd.
Guarantee by Directors or others	None of the loan has been guaranteed by the directors or others.	None of the loan has been guaranteed by the directors or others.
Loan from related party	None of the loan has been taken from the related party(ies)	None of the loan has been taken from the related party(ies)



**GUJARAT GAS LIMITED**

**4.2 Unsecured Loans** (Rs. in Crores)

Unsecured Loans	Repayment Terms				Non-Current Portion		Current Maturities*		
	Total Outstanding Amount as on 31.03.2015	Total Outstanding Amount as on 31.03.2014	Terms of repayment of term loans	Maturity of Loan	Total Installments payable after 31.03.2015	Number of Installments payable within one year from 31.03.2015	Rate of Interest as on 31.03.2015 in %	Amount of Installments not due within one year from 31.03.2015	Amount of Installments due within one year from 31.03.2014
<b>Medium Term Loans from Financial Institutions :</b>									
Gujarat State Financial Services Ltd	-	33.33	In six Equal Half Yearly Installments	Jul-14	0	0	NA	-	33.33
Gujarat State Financial Services Ltd	16.67	50.00	In six Equal Half Yearly Installments	Aug-15	1	1	10.00%	16.67	33.33
Gujarat State Financial Services Ltd	66.67	133.33	In six Equal Half Yearly Installments	Mar-16	2	2	10.00%	66.67	66.67
Gujarat State Financial Services Ltd	100.00	100.00	Bullet Payment from first Disbursement not exceeding 18 Months from the date of disbursement	Feb-16	NA	NA	10% P.A. Payable on Qtrly Basis	100.00	100.00
Gujarat State Financial Services Ltd	1,400.00	1,400.00	Bullet Payment from first Disbursement not exceeding 18 Months from the date of disbursement	Mar-16	NA	NA	10% P.A. Payable on Qtrly Basis	1,400.00	1,400.00
<b>Total (A)</b>	<b>1,583.34</b>	<b>1,716.66</b>						<b>1,583.34</b>	<b>1,633.33</b>
<b>Debentures :</b>									
Redeemable, Unlisted and Non-Convertible Debentures - NCD	500.00	500.00	Rs. 495 Crores is repayable after 36 months from the date of allotment of NCD Rs. 5 Crores NCD holders having call / put option after 18 months for repayment from the date of allotment of NCD	Apr-16	NA	NA	10.30% p.a payable on semi annually basis.	500.00	-
<b>Total (B)</b>	<b>500.00</b>	<b>500.00</b>						<b>500.00</b>	<b>-</b>
<b>Total (A+B)</b>	<b>2,083.34</b>	<b>2,216.66</b>						<b>1,583.34</b>	<b>1,633.33</b>
<i>*Less: Amount disclosed under the head "Other Current Liabilities" (Note No. 10)</i>									
<b>Net Amount</b>								<b>500.00</b>	<b>-</b>

The details of security given and other information for all loans are as under :

Particulars	As at 31st March 2015		As at 31st March 2014	
Unsecured Loan	Demand Promissory Note and Post dated cheques for repayment of principal and interest has been given to GSFS		Demand Promissory Note and Post dated cheques for repayment of principal and interest has been given to GSFS.	
Guarantee by Director's or others	Erstwhile GSPC GAS and GSPL (Associate Co.) has guaranteed to IDBI Trustee Co. Ltd. for NCD of Rs. 500 Crores.		Erstwhile GSPC GAS and GSPL (Associate Co.) has guaranteed to IDBI Trustee Co. Ltd. for NCD of Rs. 500 Crores.	
Loan from related party	None of the loan has been taken from the related party(is).		None of the loan has been taken from the related party(is).	

**Note 5: DEFERRED TAX LIABILITY (NET)**

Major components of deferred tax liability and assets are as follows:

(Rs. in Crores)

Components	As at 31st March 2015	As at 31st March 2014
<b>Opening Balance</b>		
Depreciation	306.83	–
Expenditure Disallowed U/s. 43B of the Income Tax Act, 1961	(9.28)	–
On account of carry-forward of loss & Unabsorbed Depreciation	(8.32)	–
<b>Transferred pursuant to scheme of amalgamation and arrangement</b>	–	225.45
<b>Total</b>	<b>289.23</b>	<b>225.45</b>
<b>Closing Balance</b>		
Depreciation	368.42	306.83
Expenditure Disallowed U/s. 43B of the Income Tax Act, 1961	(12.64)	(9.28)
On account of carry-forward of loss & Unabsorbed Depreciation	–	(8.32)
<b>Total</b>	<b>355.78</b>	<b>289.23</b>
Increase/(Decrease) during the year on account of depreciation adjustment*	(3.01)	–
<b>Net Amount Recognised in the Balance sheet</b>	<b>352.77</b>	<b>289.23</b>
<b>Increase/(Decrease) during the year and recognised in Profit and Loss Statement</b>	<b>66.56</b>	<b>63.77</b>

\*Adjustment of deferred tax for the carrying value of assets, whose remaining useful life is Nil as at 1st April, 2014, and therefore its residual value is charged to the opening balance of retained earnings as per the provisions of the Companies Act, 2013.

Note : Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing tax laws.

**Note 6 : OTHER LONG TERM LIABILITIES**

(Rs. in Crores)

Other Long Term Liabilities	As at 31st March 2015	As at 31st March 2014
Security Deposits from Customers	557.72	519.21
Deposit from collection centres and others	3.72	3.17
Interest accrued but not due on long term borrowings	–	–
Other payables	–	0.15
(For details, Dues to Micro, Small and Medium Enterprises – Refer Note 40)		
<b>Total</b>	<b>561.44</b>	<b>522.53</b>

**Note :** Security Deposits received from customers have been considered as a long-term liabilities as the amount of deposits are refundable only on termination of gas connection or agreement by the customers.

**Note 7: LONG TERM PROVISIONS**

(Rs. in Crores)

Long Term Provisions	As at 31st March 2015	As at 31st March 2014
<b>Provision for employee benefits (Refer Note 41)</b>		
Gratuity	–	0.13
Leave Encashment (unfunded)	21.90	9.72
<b>Total</b>	<b>21.90</b>	<b>9.85</b>

**Note 8 : SHORT TERM BORROWINGS**

(Rs. in Crores)

Short Term Borrowings	As at 31st March 2015	As at 31st March 2014
<b>Unsecured:</b>		
<b>Loans repayable on demand</b>		
from banks	–	3.69
(The company does not have any continuing defaults in repayment of loans and interest as at the reporting date).		
<b>Total</b>	<b>–</b>	<b>3.69</b>



**Note 9 : TRADE PAYABLES**

(Rs. in Crores)

Trade Payables	As at 31st March 2015	As at 31st March 2014
Trade payables – Gas Purchase / Transmission	385.43	471.95
Trade payables – Others (For details, Dues to Micro, Small and Medium Enterprises – Refer Note 40)	40.81	54.09
<b>Total</b>	<b>426.24</b>	<b>526.04</b>

**Note 10 : OTHER CURRENT LIABILITIES**

(Rs. in Crores)

Other Current Liabilities	As at 31st March 2015	As at 31st March 2014
<b>Other Current Liabilities :</b>		
Current maturities of long-term debt		
<b>Term Loans (Refer Note 4.1 and 4.2)</b>		
From Banks (Secured)	151.61	71.88
From Other Parties (Unsecured)	1,583.33	1,633.33
	1,734.94	1,705.21
Interest accrued but not due on borrowings	26.90	168.83
Interest payable others	–	12.32
<b>Other Payables :</b>		
Payable for Capital Goods and Services	119.49	97.64
Advances from Customers towards MGO	21.20	17.57
Advances from Customers towards Connection	36.82	37.12
Security Deposit from Suppliers	4.89	3.80
Unpaid Dividend (Refer Note 10.1)	2.82	3.02
Duties and Taxes	14.54	27.28
PF Payable	1.01	0.94
Other Payable to related parties	0.33	–
Other Payable	0.13	–
<b>Other Current Liabilities :</b>		
BG Asia Pacific Holdings Limited	464.78	464.78
Less : Amount deposited in Escrow Account with Citi Bank (Refer Note 10.2)	(464.78)	(464.78)
Net Payable	–	–
(For details, Dues to Micro, Small and Medium Enterprises – Refer Note 40)		
<b>Total</b>	<b>1,963.07</b>	<b>2,073.73</b>

**Note 10.1:** 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 after the expiry of seven years from the date of declaration of dividend.

**Note 10.2:** 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), GSPC Distribution Networks Limited (the Purchaser) and Citibank N.A. The Payment of said amount into Escrow Account which 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 11: SHORT TERM PROVISIONS**

(Rs. in Crores)

Short Term Provisions	As at 31st March 2015	As at 31st March 2014
Provision for Wealth Tax (Net)	0.11	0.10
Provision for Proposed Dividend	68.84	–
Provision for Dividend Distribution Tax	14.01	–
	82.85	
<b>Provision for Employee Benefits</b>		
Gratuity (Refer Note 41)	1.91	0.15
Superannuation	0.14	–
Leave Encashment – unfunded (Refer Note 41)	0.49	0.35
	2.54	0.50
<b>Total</b>	<b>85.50</b>	<b>0.60</b>





**GUJARAT GAS LIMITED**

**Note 12 : FIXED ASSETS** (Rs. in Crores)

Particulars	Gross Block			Depreciation and Amortization			Net Block		
	As at 1st April 2014	Addition during the year	Disposal	As at 31st March 2015	As at 1st April 2014	For the year	Disposal/ Adjustment	As at 31st March 2015	As at 31st March 2014
<b>TANGIBLE ASSETS :</b>									
Lease hold Land	11.19	-	-	11.19	0.18	0.17	-	0.35	11.02
Freehold Land	379.23	-	0.27	378.96	-	-	-	-	379.23
Buildings	176.10	4.06	0.73	179.43	3.68	3.90	0.32	7.26	172.42
Plant and Machinery	3,960.21	220.55	5.37	4,175.39	246.83	203.15	0.97	449.01	3,713.37
Furniture and Fixture	13.73	0.66	0.92	13.47	1.34	2.63	0.25	3.72	12.39
Computer Equipments	23.86	1.32	0.01	25.17	6.58	10.06	0.01	16.63	8.54
Office Equipments	14.23	3.02	0.52	16.73	0.98	8.43	0.47	8.94	17.27
Vehicles	10.90	0.34	1.05	10.19	1.94	2.38	0.54	3.78	13.25
Books and Periodicals	-	0.10	-	0.10	-	0.07	-	0.07	8.95
<b>Total Tangible Assets (A)</b>	<b>4,589.45</b>	<b>230.05</b>	<b>8.87</b>	<b>4,810.63</b>	<b>261.53</b>	<b>230.79</b>	<b>2.56</b>	<b>489.76</b>	<b>4,320.87</b>
<b>INTANGIBLE ASSETS :</b>									
ROW Permissions	98.73	32.04	0.24	130.53	3.17	3.74	0.01	6.90	123.63
ROU	9.03	1.35	-	10.38	-	-	-	-	10.38
Software and other Intangibles	57.77	2.30	0.22	59.85	16.83	11.46	0.22	28.07	31.78
<b>Total Intangible Assets (B)</b>	<b>165.53</b>	<b>35.69</b>	<b>0.46</b>	<b>200.76</b>	<b>20.00</b>	<b>15.20</b>	<b>0.23</b>	<b>34.97</b>	<b>145.53</b>
<b>Total Assets (A + B)</b>	<b>4,754.98</b>	<b>265.74</b>	<b>9.33</b>	<b>5,011.39</b>	<b>281.53</b>	<b>245.99</b>	<b>2.80</b>	<b>524.73</b>	<b>4,473.44</b>
Previous year	-	4,769.34	14.36	4,754.98	-	282.64	1.11	281.53	-

**Notes:**

- During the current year, the Company has revised the useful life of certain fixed assets as per useful life specified in Schedule II to the Companies Act, 2013 or as reassessed by the Company as on 1st April 2014. Accordingly, the carrying value of fixed assets as on that date, net of residual value, has been depreciated over the revised remaining useful life. Depreciation adjustment amount of Rs. 8.31 Crores represents the carrying value of assets, whose remaining useful life is Nil as at April 1, 2014 pursuant change in useful life of assets as per Companies Act, 2013. Rs. 5.29 Crores (WDV - net of deferred tax of Rs 3.01 Crores) has been charged to the opening balance of retained earnings.
- There is no impairment of any assets in terms of Accounting Standard - 28 (AS-28) 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 assets.
- Borrowing Cost : Additions to the fixed assets during the current year includes borrowing costs capitalized Rs. 6.28 Crores (Previous Year Rs. 13.95 Crores) pertaining to borrowings for qualifying assets as per the requirements of Accounting Standard - 16 (AS-16) "Borrowing Costs".
- Previous year additions includes assets acquired in pursuant to scheme of amalgamation and arrangement Rs. 4294.76 Crores.
- During the current year, the Company has revised the useful life of certain fixed assets as per useful life specified in Schedule II to the Companies Act, 2013 or as reassessed by the Company as on 1st April 2014. Accordingly, the carrying value of fixed assets as on 1st April 2014, net of residual value, has been depreciated over the revised remaining useful life. As a result of this change, the depreciation charge for the year is lower by Rs. 33.19 Crores.

**Note 12.1: CAPITAL WORK IN PROGRESS**

Capital work in progress	(Rs. in Crores)	
	As at 31st March 2015	As at 31st March 2014
Capital Inventory	152.39	132.67
Capital Work-in-Progress	187.20	125.26
Interest during the construction period	17.60	13.48
Loan Syndication Expenses	-	0.19
<b>Total</b>	<b>357.19</b>	<b>271.60</b>
Less - Provision for Diminution in Capital Inventory & CWIP	-	1.73
<b>Total</b>	<b>357.19</b>	<b>269.87</b>

**Note 12.2: INTANGIBLE ASSETS UNDER DEVELOPMENT**

(Rs. in Crores)	
As at 31st March 2015	As at 31st March 2014
Intangible assets under development	
Software under Development	0.20
<b>Total</b>	<b>0.20</b>



**Note 13: NON-CURRENT INVESTMENTS**

(Rs. in Crores)

Non-Current Investments	As at 31st March 2015	As at 31st March 2014
Aggregate amount of unquoted investments <i>(For details Refer Note 13.1)</i>	162.03	162.18
<b>Total</b>	<b>162.03</b>	<b>162.18</b>
Aggregate amount of Provision for diminution in the value of Unquoted Investments	-	(0.07)
<b>Total</b>	<b>162.03</b>	<b>162.11</b>

**Note 13.1: Details of Investments**

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Nature	Partly Paid / Fully paid	Amount (Rs. in Crores)	
			As at 31.03.2015	As at 31.03.2014			As at 31.03.2015	As at 31.03.2014
<b>Investment in Equity Instruments</b>								
1	Gujarat State Petroleum Corporation Limited	Others	20,000,000	20,000,000	Trade - Unquoted	Equity Shares of Re.1 each fully paid	162.00	162.00
2	Guj Info Petro Limited	Associate Company	25,000	25,000	Non Trade Unquoted	Equity Shares of Rs.10 each fully paid	0.03	0.03
3	The Kalupur Co. Op. Comm. Bank Ltd.	Others	200	200	Non Trade Unquoted	Equity Shares of Rs. 25 each fully paid	-	-
4	Krishna Godavari Gas Network Limited	Others	-	150,000	Non Trade Unquoted	Equity Shares of Rs.10 each fully paid	-	0.15
<b>Total</b>							<b>162.03</b>	<b>162.18</b>
<b>Aggregate amount of unquoted investments :</b>							<b>162.03</b>	<b>162.18</b>
<b>Aggregate amount of Provision for diminution in the value of Investments</b>							<b>-</b>	<b>0.07</b>

**Note 14: LONG TERM LOANS AND ADVANCES**

(Rs. in Crores)

Long Term Loans And Advances	As at 31st March 2015	As at 31st March 2014
Capital Advances [Unsecured, considered good]	19.19	6.90
<b>Security Deposits</b>		
To Others [Unsecured, considered good]	23.97	17.66
To related parties [Unsecured, considered good]	1.05	0.63
To Others [Unsecured, considered doubtful]	5.81	5.59
Less: Provision for doubtful deposits <i>(Refer Note No. 14.1)</i>	(5.81)	(5.59)
	<b>25.02</b>	<b>18.29</b>
Loan to Employees [Unsecured, considered good]	1.93	1.70
Prepaid Expenses	4.70	1.37
<b>Advance Against Expenses (Receivables in cash/kind in value to be received)</b>		
For Advance against Expenses–other [Unsecured, considered good]	0.16	0.15
For Advance against Expenses–doubtful	0.03	0.03
	0.19	0.18
Less: Provision for doubtful	0.03	0.03
	<b>0.16</b>	<b>0.15</b>
Balances with Government authorities	13.30	0.06
Advance to ESOP Trust	3.01	7.33
<b>Total</b>	<b>67.31</b>	<b>35.80</b>

**Note 14.1:** 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 deposits amounting Rs. 7.37 Crores– (Previous Year Rs. 3.64 Crores), till the same are in custody with project authorities as “Security Deposits” under the Note– 14 “Long term Loans and Advances” in the Balance sheet.



**Note 15: OTHER NON-CURRENT ASSETS**

(Rs. in Crores)

Other Non-Current Assets	As at 31st March 2015	As at 31st March 2014
Bank Deposits	0.01	7.51
Other Receivable [Unsecured, considered doubtful]	0.36	0.36
Less : Provision for Doubtful	(0.36)	(0.36)
<b>Total</b>	<b>0.01</b>	<b>7.51</b>

**Note 16: CURRENT INVESTMENTS**

(Rs. in Crores)

Current Investments	As at 31st March 2015	As at 31st March 2014
Investment in Mutual Funds (At cost or fair market value whichever is lower, determined category wise) <i>(Refer Note 16.1 for Qty. details)</i>	936.99	678.88
<b>Total</b>	<b>936.99</b>	<b>678.88</b>

**Note 16.1: Details of investment in Mutual Funds**

(Rs. in Crores)

Sr. No.	Scheme	As at 31st March 2015		As at 31st March 2014	
		No. of Units	Amount	No. of Units	Amount
1	Baroda Pioneer Liquid Fund Plan-B- Direct- Dividend	-	-	331,541	33.17
2	Birla Sunlife Cash Plus Plan - Dividend	472,070	4.73	448,155	4.49
3	Birla Sun Life Floating Rate Fund -Short Term Plan- Direct-Dividend	1,441,531	14.42	4,239,220	42.40
4	Birla Sun Life Floating Rate-Long Term-Direct - Dividend	80,144	0.80	4,282,059	42.92
5	Birla Sun Life Savings Fund-Direct - Dividend	13,346,621	133.86	-	-
6	DSP Black Rock Liquidity Fund - Direct - Dividend	-	-	62,641	6.27
7	DSP Black Rock Money Manager Fund -Direct - Dividend	582,731	58.52	-	-
8	DWS Insta Cash Plus Fund -Direct - Dividend	-	-	1,534,226	15.39
9	DWS Treasury Fund Investment -Direct - Dividend	-	-	7,865,194	8.04
10	DWS Ultra Short Term Fund - Direct - Dividend	-	-	29,468,555	29.52
11	HDFC Cash Management Fund - Savings Plan- Direct- Dividend	4,726,157	5.03	25,310,668	26.92
12	HDFC Floating Rate Inc. Fund-STP-Wholesale-Direct -Dividend	96,448,400	97.23	-	-
13	ICICI Prudential Flexible Income- Direct - Dividend	7,677,775	81.18	-	-
14	ICICI Prudential Liquid -Direct - Dividend	230,166	2.30	504,404	5.05
15	ICICI Prudential Money Market Fund - Direct -Dividend	519,823	5.21	-	-
16	IDFC Cash Fund -Direct - Dividend	57,727	5.77	-	-
17	IDFC Ultra Short Term Fund-Direct- Dividend	105,993,929	106.58	-	-
18	JM High Liquidity Fund- Direct - Dividend	-	-	46,473,436	48.47
19	JM Money Manager Fund - Super Plus-Direct- Dividend	-	-	32,427,171	32.45
20	JP Morgan India Liquid Fund - Direct - Dividend	-	-	83,880,698	83.97
21	Kotak Banking & PSU Debt Fund - Direct -Dividend	-	-	12,990,840	13.07
22	Kotak Treasury Advantage Fund- Direct- Dividend	64,422,140	64.94	-	-
23	Kotak FMP Series 100 Direct Plan - Growth	-	-	2,500,000	2.50
24	Kotak Liquid Scheme Plan A - Direct- Dividend	101,743	12.44	80,283	9.82
25	L & T Cash Fund- Direct - Dividend	-	-	46,915	5.00
26	L & T Liquid Fund Direct - Dividend	-	-	19,800	2.00
27	L & T Ultra Short Term Fund Direct - Dividend	-	-	6,384,603	6.65
28	LIC Nomura MF Liquid Fund - Direct - Dividend	-	-	39,267	4.31
29	Principal Cash Management Fund - Direct-Dividend	-	-	112,955	11.30
30	Reliance Fixed Horizon Fund - XXIII Series 5- Direct - Growth	-	-	10,000,000	10.07
31	Reliance liquid Fund - Treasury Plan - Direct - Dividend	-	-	198,559	30.35
32	Reliance Liquid Fund-Cash Plan-Direct- Dividend	309,722	34.51	135,191	15.06
33	Reliance Liquidity Fund Direct - Dividend	52,630	5.27	49,466	4.95
34	Reliance Money Manager Fund - Direct- Dividend	742,947	74.45	-	-
35	Religare Invesco Liquid Fund - Direct -Dividend	-	-	346,303	34.66
36	Religare Invesco Ultra Short Term Fund - Direct - Dividend	-	-	200,076	20.13



**Note 16.1: Details of investment in Mutual Funds (Contd...)**

Sr. No.	Scheme	As at 31st March 2015		As at 31st March 2014	
		No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
37	SBI Premier Liquid Fund – Direct – Dividend	5	–	416,740	41.81
38	SBI Ultra Short Term Debt Fund–Direct – Dividend	317,245	31.80	–	–
39	Sundaram Fixed Term Plan DH 378 days–Direct –Growth	–	–	2,500,000	2.50
40	Sundaram Money Fund – Direct – Dividend	–	–	12,533,286	12.66
41	Sundaram Ultra Short Term Fund– Direct – Dividend	–	–	9,997,442	10.04
42	TATA Money Market Fund– Direct – Dividend	–	–	150,208	15.04
43	Templeton India Low Duration Fund –Direct–Dividend	–	–	3,298,816	3.46
44	Templeton India Treasury Management Account Super Institutional – Direct –Dividend	211,190	21.16	257,992	25.83
45	Templeton Ultra Short Bond Fund Super Institutional– Direct – Dividend	78,567,594	78.86	4,668,084	4.68
46	UTI Floating Rate Fund – STP– Regular Plan–Direct – Dividend	–	–	52,100	5.61
47	UTI Money Market Fund – Institutional Plan – Direct – Dividend	6,045	0.61	82,936	8.32
48	UTI Treasury Advantage Fund– Institutional Plan – Direct – Dividend	971,030	97.33	–	–
	<b>Total</b>	<b>377,279,365</b>	<b>936.99</b>	<b>303,889,830</b>	<b>678.88</b>

**Note 17: INVENTORIES**

(Rs. in Crores)

Inventories	As at 31st March 2015	As at 31st March 2014
Stores and spares	37.01	32.91
Inventory of Natural Gas	4.08	4.63
<b>Total</b>	<b>41.09</b>	<b>37.54</b>

**Note 18: TRADE RECEIVABLES**

(Rs. in Crores)

Trade Receivables	As at 31st March 2015	As at 31st March 2014
<b>Trade receivables outstanding for a period less than six months from the date they are due for payment</b>		
Secured, considered good	83.77	115.55
Unsecured, considered good (Refer Note 18.1)*	249.02	407.68
Unsecured, considered good	63.68	64.41
<b>Total (A)</b>	<b>396.47</b>	<b>587.64</b>
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	1.12	0.70
Unsecured, considered good (Refer Note 18.1)*	0.05	0.12
Unsecured, considered good	2.84	1.59
Doubtful	3.90	1.40
<b>Total (B)</b>	<b>7.91</b>	<b>3.81</b>
<b>Total (A+B)</b>	<b>404.38</b>	<b>591.45</b>
Less: Provision for doubtful debts	3.90	1.40
Less: Advance from Customers towards MGO	39.88	44.92
<b>Total</b>	<b>360.60</b>	<b>545.13</b>

\*18.1: Trade receivables are backed by Bank Guarantees.

**Note 19: CASH AND BANK BALANCES**

(Rs. in Crores)

Cash and Bank Balances	As at 31st March 2015	As at 31st March 2014
<b>Cash and cash equivalents</b>		
Balances with banks		
(a) In Current Accounts – including Sweep-in Facility Accounts	26.09	33.11
(b) Deposits with Original Maturity of less than three months	147.17	25.75
<b>Cash on Hand</b>	1.01	0.82
	174.27	59.68
<b>Other Bank Balances</b>		
I. Unpaid dividend accounts ( <i>Refer note below</i> )	2.82	3.02
II. Deposits with original maturity of more than three months but less than twelve months	60.70	148.88
III. Deposits with original maturity of more than twelve months	0.01	7.51
	63.53	159.41
Less : Non-current Deposits with original maturity of more than twelve months ( <i>Disclosed under other non-current assets</i> )	0.01	7.51
	63.52	151.90
<b>Total</b>	<b>237.79</b>	<b>211.58</b>

**Note:** 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.

**Note 20: SHORT TERM LOANS AND ADVANCES**

(Rs. in Crores)

Short Term Loans and Advances	As at 31st March 2015	As at 31st March 2014
<b>Advance Against Expenses (Receivables in cash/kind in value to be received)</b>		
To Others [Unsecured, considered good]	1.46	1.77
To related parties [Unsecured, considered good]	0.01	0.39
	1.47	2.16
Loan to Employees [Unsecured, considered good]	1.45	1.28
Staff Advance	0.01	0.01
<b>Advance Tax, TDS and MAT Credit</b>		
Advance tax and TDS	189.58	160.83
MAT Credit Entitlement	-	13.93
Pre Paid Expenses	6.00	4.29
CENVAT Credit Account	3.53	3.01
Balances with PLA Account	0.04	0.65
Balances with Stamp Duty Authorities	0.01	0.06
Advance to ESOP Trust	-	1.30
Other Deposits	-	0.02
<b>Total</b>	<b>202.09</b>	<b>187.53</b>

**Note 21: OTHER CURRENT ASSETS**

(Rs. in Crores)

Other Current Assets	As at 31st March 2015	As at 31st March 2014
Interest Accrued But Not Due on Fixed Deposits	0.99	7.77
Interest Accrued But Not Due on Security Deposits	0.25	0.28
Unbilled Revenue	38.65	34.92
Claims Recoverable – Insurance	0.76	0.14
Balance with Gratuity trust fund	-	1.20
<b>Total</b>	<b>40.65</b>	<b>44.31</b>

**Note 22: REVENUE FROM OPERATIONS**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>Sale of Products</b>		
Natural Gas	9,066.71	7,877.89
<b>Other operating revenue</b>		
Gas transmission Income	14.35	14.43
Contract Renewal Charges Income	7.62	8.43
Take or Pay Charges Income	12.35	14.15
Registrations, Connections, Service & Fitting Income	34.88	34.66
Other Operating Income	1.52	1.00
	70.72	72.67
<b>Revenue from Operations (Gross)</b>	<b>9,137.43</b>	<b>7,950.56</b>
Less: Excise duty	131.17	153.14
<b>Revenue from Operations (Net)</b>	<b>9,006.26</b>	<b>7,797.42</b>

**Note 23: OTHER INCOME**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest Income*	35.89	53.32
Dividend Income**	54.72	31.08
Interest on income tax refund	7.71	-
Profit on Sale of Current Investments (Net)	1.69	9.26
Material Recovery Income	-	3.45
Provision Liability No Longer Required	2.13	4.63
Other non-operating Income	5.00	8.34
<b>Total</b>	<b>107.14</b>	<b>110.08</b>

\* Includes interest income on customer and staff advances

\*\*Includes dividend income on mutual funds &amp; trade investments

**Note 24: COST OF MATERIAL CONSUMED**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Purchases of Natural Gas	7,166.64	6,610.97
Add: Gas Transportation Charges	282.51	163.20
<b>Total</b>	<b>7,449.14</b>	<b>6,774.17</b>

**Note 25: PURCHASE OF STOCK-IN-TRADE**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Purchases of CNG	28.37	34.30
<b>Total</b>	<b>28.37</b>	<b>34.30</b>

**Note 26: CHANGES IN INVENTORIES**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Inventory at the beginning of the year	4.56	3.80
Less: Inventory at the end of the year	4.00	4.56
<b>Changes in Inventories [(Increase) / Decrease]</b>	<b>0.56</b>	<b>(0.76)</b>

**Note 27: EMPLOYEE BENEFIT EXPENSES**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Salaries and Incentives	84.66	85.95
Share based compensation	–	0.56
Contributions to Provident fund	5.36	5.01
Leave Encashment	13.27	1.65
Gratuity fund contributions	6.27	2.17
Staff welfare expenses	3.85	4.11
<b>Total</b>	<b>113.41</b>	<b>99.45</b>

**Note 28: FINANCE COSTS**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>I. Interest expense</b>		
Interest on Term Loan	338.59	306.72
Interest on Working capital Loan	0.65	0.22
Interest on Security Deposits	1.62	1.68
Total Interest Expense (a)	340.86	308.62
Less: Interest Capitalised (b)	10.40	10.17
<b>Net Interest Expense [(a)–(b)]</b>	<b>330.46</b>	<b>298.45</b>
II. Interest on income tax	0.16	0.33
III. Other borrowing costs	2.56	1.52
<b>Total</b>	<b>333.18</b>	<b>300.30</b>

**Note 29: OTHER EXPENSES**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Consumption of Stores and Spare Parts	8.17	6.91
Service & fitting expense	7.24	7.23
Power and Fuel	52.09	45.12
<b>Rent</b>		
Rent – Others (Refer Note 29.1)	3.80	4.52
Rent – Pipelines	12.38	11.18
<b>Repair and Maintenance</b>		
Buildings	1.11	1.36
Plant & Machinery	89.10	78.04
Others	11.69	17.05
Billing and Collection expenses	4.33	3.57
LCV/HCV Hiring, Operating and Maintenance Charges	22.21	24.13
Franchisee and other Commission	21.27	18.98
Advertisement and Business Promotion	3.02	3.21
Legal, Professional and Technical Consultancy Exp.	11.37	15.70
Insurance	4.76	4.16
<b>Rates and Taxes (Excluding taxes on Incomes)</b>		
Rates, taxes and duties	1.56	3.55
Provision for Wealth Tax	0.02	0.02
Office & Administrative Expenses	3.98	5.29
Stationery and Printing Expenses	1.80	1.54
Telephone and Communication Expenses	3.88	3.84
Agency & Contract Staff Expenses	20.10	20.15
Conveyance and Travelling Expenses	1.67	2.30
Vehicle Hiring and Running Expenses	5.18	6.12



**Note 29: OTHER EXPENSES (Contd...)**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Audit Fees (Refer Note 29.2)	0.43	0.68
Donations	1.05	0.58
Bank Charges	1.18	1.08
Loss on Sale of Assets	4.86	4.75
Loss on Disposal of Assets	–	0.02
Assets written off	0.53	0.12
Loss on sale as scrap and diminution in Capital Inventory	2.17	4.46
Bad Debts Written Off	0.23	0.40
Provision for Doubtful Debt	2.49	1.55
Provision for Doubtful Advances/Deposits	1.28	2.39
Provision for Diminution in Investment	–	–
Net loss on foreign currency transaction	0.02	0.12
Other Interest Cost	0.01	12.39
Miscellaneous Expenses	3.65	3.66
<b>Total</b>	<b>308.63</b>	<b>316.17</b>

**Note 29.1:** 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. 3.80 Crores (P.Y. 4.52 Crores). The lease arrangement typically ranges from 11 months to 9 years.

**Note 29.2: PAYMENTS TO AUDITOR**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
For Statutory Audit	0.42	0.44
For Taxation Matters	–	0.01
For Other Services	0.01	0.19
For reimbursement of expenses	0.00	0.04
<b>Total</b>	<b>0.43</b>	<b>0.68</b>

**Note 30: PRIOR PERIOD ITEMS (NET)**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Depreciation	(0.01)	0.14
Other Borrowing Cost	–	1.53
Other Expenses	0.17	0.20
<b>Total</b>	<b>0.16</b>	<b>1.87</b>

**Note 31: EXCEPTIONAL ITEMS**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Amalgamation and Arrangement expenses	1.36	–
Material Shortage (Gain)/Loss	(0.54)	7.16
<b>Total</b>	<b>0.82</b>	<b>7.16</b>



**Note 32: CURRENT TAX**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Current Tax including Interest on such Tax	165.28	14.26
Less: Interest on Tax	0.16	0.33
<b>Current Tax</b>	<b>165.12</b>	<b>13.93</b>
Less: MAT Credit Entitlement	34.19	13.93
<b>Net Current Tax for the year</b>	<b>130.93</b>	–
Add: Short / (Excess) Provision of Tax made in earlier years	0.37	–
<b>Net Current Tax</b>	<b>131.30</b>	–

**Note 33: EARNINGS PER SHARE (EPS)**

Particulars		For the year ended 31st March 2015	For the year ended 31st March 2014
Profit /(Loss) attributable to equity shareholders	(Rs. in Crores)	443.58	28.43
Weighted average number of ordinary equity shares for Basic EPS	Nos.	137,678,025	137,678,025
Weighted average number of ordinary equity shares for Diluted EPS	Nos.	137,678,025	137,678,025
Nominal Value of equity share	Rs.	10.00	10.00
Basic EPS	Rs.	32.22	2.06
Diluted EPS	Rs.	32.22	2.06

**Note 34:**

**A. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015		For the year ended 31st March 2014	
	% of Total Consumption	Amount	% of Total Consumption	Amount
<b>Raw Materials</b>				
<b>Natural Gas</b>				
– Imported	–	–	–	–
– Indigenous	99.35%	7,462.31	99.30%	6,774.18
<b>Purchase of stock in Trade</b>				
– Imported	0.00%	–	0.00%	–
– Indigenous	0.38%	28.37	0.50%	34.30
<b>Stores and Spare Parts</b>				
– Imported	0.03%	2.21	0.00%	0.26
– Indigenous	0.24%	17.83	0.20%	13.98
<b>Total</b>	<b>100%</b>	<b>7,510.72</b>	<b>100%</b>	<b>6,822.72</b>

**B. DETAILS OF MANUFACTURED GOODS, TRADED GOODS AND WORK-IN-PROGRESS**

**1 MANUFACTURED GOODS**

(Rs. in Crores)

Particulars	Sales For the year ended 31st March 2015	Sales For the year ended 31st March 2014	Closing Inventory as at 31st March 2015	Closing Inventory as at 31st March 2014
<b>Manufactured Goods</b>				
Natural Gas*	8,907.60	7,691.29	4.00	4.56
<b>Total</b>	<b>8,907.60</b>	<b>7,691.29</b>	<b>4.00</b>	<b>4.56</b>

\*Sale in value is net of discounts and excise duty.

**2 TRADED GOODS**

(Rs. in Crores)

Particulars	Sales For the year ended 31st March 2015	Sales For the year ended 31st March 2014	Closing Inventory as at 31st March 2015	Closing Inventory as at 31st March 2014
<b>Traded Goods</b>				
CNG	27.94	33.45	-	-
<b>Total</b>	<b>27.94</b>	<b>33.45</b>	-	-

**3 QUANTITATIVE DETAILS**

Particulars	Unit of Measurements	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>Purchase Goods</b>			
Purchase of Natural Gas	MMBTU	90,483,856	82,593,860
Purchase of CNG	KGS	6,927,120	6,270,609
<b>Manufactured Goods</b>			
Sale of Natural Gas	SCM at various Calorific values	2,384,751,257	2,159,383,804
<b>Traded Goods (CNG)</b>			
Sale of CNG	KGS	6,927,120	6,270,609
<b>Closing Inventory</b>	SCM	1,619,956	1,566,578

**Note:** Difference in reconciliation of purchases and sales of gas quantities is on account of measurement tolerance and normal loss. In addition, the purchase is effected mostly in energy terms (MMBTU / Kcals etc.), while the sale is done in terms of volume (SCM). Hence both the figures are not comparable.

**Note 35: CONTINGENT LIABILITIES**

(Rs. in Crores)

Contingent liabilities and commitments (to the extent not provided for)	As at 31st March 2015	As at 31st March 2014
<b>A. Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debt	47.24	5.49
(b) Other Contingent Liabilities - Statutory claims ( Refer Note 35.1)	153.12	168.53
(c) Other Contingent Liabilities - Stamp duty on amalgamation	25.00	25.00
<b>Sub Total (A)</b>	<b>200.36</b>	<b>199.02</b>
<b>B. Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	440.60	278.56
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for	161.83	146.57
<b>Sub Total (B)</b>	<b>602.43</b>	<b>425.13</b>
<b>Total (A+B)</b>	<b>802.79</b>	<b>624.15</b>

**Notes:**

- In addition to above, Claims of C. Y. Rs 2.22 Crores (P. Y. Rs. 2.17 Crores) against the Company have been disputed by the Company. The Company is, however, indemnified by an insurance policy.
- UPL Limited (UPL) a customer of erstwhile GGCL filed a complaint before Petroleum and Natural Gas Regulatory Board (PNGRB) 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 subject to submission of a bank guarantee of Rs. 40 Crores by erstwhile GGCL to UPL. The APTEL has in its order stated that it is an interim order without considering the merit of the case. In compliance with the order, erstwhile GGCL has provided the bank guarantee to UPL.

**Note 35.1 Other Contingent Liabilities - Statutory claims**

(Rs. in Crores)

Sr. No.	Particulars	As at 31st March 2015	As at 31st March 2014
1	Disputed statutory claims in respect of Appeals filed against / by company :		
	(a) Excise Duty related exposures	5.02	2.67
	(b) Income Tax related exposures	109.43	129.50
	(c) Service Tax related exposures	37.54	36.36
	(d) Retrenched Employees related Liabilities	1.13	-
	<b>Total</b>	<b>153.12</b>	<b>168.53</b>

The company is contesting the demands and the management including its tax 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 35.2:** 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 23.02.2012 APTEL had issued an interim order for shifting the Delivery Point from GAIL-GSPL Delivery Point to GSPL-PLL Delivery Point. On 18.12.2013 APTEL issued its judgement 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 20.11.2008 to 29.02.2012.

GSPCL has filed an appeal against the APTEL's above referred judgement 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 28.02.2014. 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).

**Note 36 VALUE OF IMPORTS CALCULATED ON CIF BASIS**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Components and Spare Parts	0.22	0.64
Capital goods	4.59	11.91

**Note 37 EXPENDITURE IN FOREIGN CURRENCIES**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Subscription Expenses	-	0.02
Repairs	0.40	-
Advertisement in Magazine	0.07	-
Legal & Professional Expenses	-	0.11

**Note 38 EARNINGS IN FOREIGN CURRENCIES**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Earnings in Foreign currencies	-	-

**Note 39 The amount of foreign currency expense payables that are not hedged by a derivative instruments**

(Rs. in Crores)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Foreign currency expense payable (PY:- Includes EURO 2,884 USD 4,723)	-	0.05

**Note 40 Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006**

(Rs. in Crores)

Sr. No.	Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
1	The principal amount outstanding as at the end of accounting year.	11.58	14.99
2	Principal amount due and remaining unpaid as at the end of accounting year.	0.01	0.62
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)	0.02	0.01
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.

**Note 41 DISCLOSURE OF EMPLOYEE BENEFITS**

The Company has implemented Accounting Standard – 15 (Revised 2005) on "Employee Benefits", issued by the Institute of Chartered Accountants of India.

**(a) Provident Fund – Defined Contribution Plan**

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during 12 months ended is Rs. 5.40 Crores (Previous year Rs. 5.01 Crores).

**(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:

(Rs. in Crores)

Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	For the year ended 31st March 2015	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2014
A. Discount rate	7.74%–7.80%	7.74%–7.80%	8.10% – 9.13%	9.10% – 9.13%
Rate of return on plan assets	8.50%– 9.00%	N.A.	8.75%– 9.00%	N.A.
Salary Escalation (Refer note below)	7.00%–12.00%	7.00%–12.00%	7.00%	7.00% – 8.50%



(Rs. in Crores)

Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	For the year ended 31st March 2015	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2014
<b>B. Change in Defined Benefit Obligations</b>				
Liability at the beginning of the year	15.24	9.92	13.30	8.80
Interest Cost	1.36	0.89	1.08	0.69
Current Service Cost	1.66	1.72	1.51	1.40
Prior year Charge	-	-	1.33	-
Benefits Paid	(0.98)	(0.79)	(1.01)	(0.84)
Actuarial (Gain) / Loss on obligations	4.89	10.64	(0.98)	(0.12)
<b>Liability at the end of the year – Total</b>	<b>22.17</b>	<b>22.37</b>	<b>15.24</b>	<b>9.92</b>
<b>C. Change in Fair Value of plan Assets</b>				
Opening fair Value of plan assets	16.16	-	10.73	-
Expected return on plan assets	1.50	-	1.10	-
Expenses deduct from fund	(0.05)	-	-	-
Actuarial Gain / (Loss)	0.19	-	(0.31)	-
Contributions by employer	3.44	-	5.58	-
Benefits Paid	(0.98)	-	(0.94)	-
<b>Closing fair Value of plan assets</b>	<b>20.26</b>	<b>-</b>	<b>16.17</b>	<b>-</b>
<b>D. Expenses Recognised in the Statement of Profit and Loss</b>				
Current Service Cost	1.66	1.72	1.51	1.40
Interest Cost	1.36	0.89	1.08	0.69
Expenses deduct from fund	0.05	-	-	-
Expected return on plan assets	(1.50)	-	(1.10)	-
Prior year Charge	-	-	1.33	-
Actuarial (Gain) / Loss	4.70	10.64	(0.66)	(0.12)
<b>Expenses charged to Statement of Profit &amp; Loss</b>	<b>6.26</b>	<b>13.25</b>	<b>2.16</b>	<b>1.96</b>
<b>E. Balance Sheet Reconciliation</b>				
Opening Net Liability	(0.92)	9.92	2.57	8.80
Expenses Charged to Profit and Loss Statement	6.26	13.25	2.16	1.96
Contributions by employer	(3.44)	-	(5.58)	-
Benefits Paid	-	(0.79)	(0.07)	(0.84)
<b>Closing Liability</b>	<b>1.90</b>	<b>22.38</b>	<b>(0.92)</b>	<b>9.92</b>
<b>F Current/Non-Current Liability :</b>				
Current	1.74	0.48	(1.05)	0.20
Non-Current	0.16	21.90	0.13	9.72

The estimates of future salary increase considered in the actuarial valuation takes into account inflation, promotion and other relevant factors such as supply and demand in the employment market.

#### Note 42 Employee Stock Option Plan 2008:

The erstwhile Gujarat Gas Company Ltd implemented an Employee Stock Option Plan 2008 ('ESOP 2008') which provides for the allotment of equity shares of Rs. 2/- each to eligible employees of the erstwhile Gujarat Gas Company Ltd and its subsidiaries. The Scheme is administered by an ESOP Trust (Gujarat Gas Company Limited Employee Stock Option Welfare Trust) which purchases, out of the funds advanced by the Company, the shares equivalent to the number of options granted, for allotment to the grantees. IDBI Trusteeship Services Limited are the trustees of the said trust. The trustees can purchase or sell the shares from the market as per the approved scheme. For the year ended on 31st March 2015, there are no purchases from the market.



Pursuant to the above scheme, the Company has granted options, as mentioned here below, convertible into equity shares of Rs. 2/- each to employees of erstwhile Gujarat Gas Company Ltd and its subsidiaries. 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. The Scheme provides for graded vesting of options granted, over a period of 4 years from the date of grant.

% 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, 2015 is as follows:

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	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	245,250	303	366,444	254
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	208,500	298	121,194	155
Options outstanding at end of the year	25,500	334	245,250	303

In accordance with the approval granted by the members of the erstwhile Gujarat Gas Company Limited, to the issue of Bonus Shares in the ratio of one equity share of the Company of Rs. 2/- each for every one equity share of the Company held by the Shareholders of the Company as on September 19, 2009, being the Record Date, the Compensation Committee of the Board of Directors of the Company, on September 22, 2009, had approved adjustments to the Options granted and unvested as on September 19, 2009, under the Gujarat Gas Company Ltd - Employee Stock Option Plan 2008, whereby each option had been doubled and the Exercise Price thereof been halved with effect from September 22, 2009.

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. The weighted average remaining contractual life of options outstanding as on 31 March 2015 is 1.79 years. (Previous year 1.67 years).

In accordance with Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities Exchange Board of India, an amount of Nil (Previous year Rs. 0.56 Crores) has been recognised as an expense in Employee Benefits Expenses (Note 27) and corresponding liability has been disclosed as Stock Options Outstanding Account (Note 3). The balance of Rs. 0.32 Crores (Previous year Rs. 2.69 Crores) in Stock Options Outstanding Account (Note 3) represents the amortised cost of stock options outstanding. As on 31 March 2015, the amount recoverable from ESOP trust is Rs. 3.01 Crores (Previous year Rs.8.63 Crores).

The Company has adjusted gain of Rs.2.06 Crores (Previous year loss of Rs. 1.05 Crores) to General Reserve (to Surplus in Statement of Profit and Loss in previous year) to 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 during the current year, in accordance with Guidance Note on accounting for Employee share based payment, issued by the ICAI.







(Rs. in Crores)

Sr. No.	Particulars	Amount	
		Year Ended 31st March 2015	Year Ended 31st March 2014
2	<b>Gujarat State Petronet Limited</b>		
	<b>Transactions during the year</b>		
	Share Capital / Application Money Received	-	350.00
	Gas Transmission Expenses	254.23	153.35
	Connectivity Expenses	1.48	-
	Supervision Charges (Received)	0.13	0.01
	Supervision Charges (Paid)	0.12	-
	ROW Charges	4.30	0.75
	Sale of Capital goods	1.29	3.44
	Reimbursement of expenses (Paid)	0.10	0.07
	Deposit Given (Assets)	0.44	0.19
	Deposit Received (Liability)	0.02	0.89
	Dividend Paid	-	2.46
	GGCL Share Acquisition Expenses (Received)	-	1.70
	CNG Sales	0.11	0.09
	PNG Gas Sales	0.03	0.02
	Rent Expense	0.50	0.36
	Rent Income	0.04	-
	Interest paid on late Payments	0.04	-
	Reimbursement of expenses (Received)	0.01	0.13
	O&M Charges Recovered	0.11	-
	Corporate Bank Gaurantee (Jointly & severally by GSPL and GSPC GAS)	-	500.00
	<b>Balance at the end of the year</b>		
Amount Receivable/(Payable) at year end	(10.46)	(11.33)	
Deposits Asset	1.03	0.63	
Deposits Liability	0.06	0.01	
Advance Lease Rent (Paid)	0.19	-	
3	<b>Sabarmati Gas Limited</b>		
	<b>Transactions during the year</b>		
	Gas Transportation Charges paid	0.63	0.62
	CNG Purchase	32.63	39.44
	PNG Gas Sales	23.40	29.67
	Gas Transportation Charges Received	0.04	0.05
	Supervision Charges Paid	-	0.04
	Sale of Capital Goods	0.53	-
	Deposit Given (Assets)	-	0.02
	<b>Balance at the end of the year</b>		
Amount Receivable/(Payable) at year end	(0.44)	(0.48)	
Deposits Liability	0.04	0.04	



(Rs. in Crores)

Sr. No.	Particulars	Amount	
		Year Ended 31st March 2015	Year Ended 31st March 2014
4	<b>Guj Info Petro Limited</b>		
	<b>Transactions during the year</b>		
	Bandwidth Charges	-	0.03
	Charge Allowances Recovered	-	0.01
	Reimbursement of Exp (Received)	0.01	0.01
	<b>Balance at the end of the year</b>		
	Amount Receivable/(Payable) at year end	-	-
5	<b>Gujarat State Energy Generation Ltd.</b>		
	<b>Transactions during the year</b>		
	Dividend Paid	-	0.03
	Deposit Received (Liability)	-	0.04
	CNG Sales	0.01	0.01
	PNG Gas Sales	0.01	0.01
		<b>Balance at the end of the year</b>	
	Amount Receivable/(Payable) at year end	(0.03)	-
	Deposits Liability	0.08	0.08
6	<b>Gujarat Gas Company Limited Employee Stock Option Welfare Trust</b>		
	<b>Transactions during the year</b>		
	Amount Received from Trust	6.24	1.98
	Amount paid to Trust	0.93	-
	[Excluding adjustment of Rs. 0.31 Crores (Previous Year Rs.1.79 Cores on account of exercise of options)]		
	<b>Balance at the end of the year</b>		
	Amount Receivable/(Payable) at year end	3.01	8.63
7	<b>Gujarat Gas Company Limited Employees Gratuity Trust Fund</b>		
	<b>Transactions during the year</b>		
	Contribution Paid	-	3.35
8	<b>GSPC Gas Company Limited Employees Gratuity Trust Fund</b>		
	<b>Transactions during the year</b>		
	Contribution Paid	3.44	2.23
9	<b>Key Managerial Personnel</b>		
	<b>Transactions during the year</b>		
	Remuneration Paid (Mr. PPG Sarma)	0.78	0.72
	Remuneration Paid (Mr. Sugata Sircar)	-	0.87
	<b>Balance at the end of the year</b>		
	Amount Receivable/(Payable) at year end	-	-
10	<b>Relative of Key Managerial Personnel</b>		
	<b>Transactions during the year</b>		
	Rent Paid (Ms. P Subbalakshmi)	0.04	0.04
	<b>Balance at the end of the year</b>		
	Amount Receivable/(Payable) at year end	-	-

**Note 44 Corporate Social Responsibility**

During the year, the Company spent Rs 1.07 crores on corporate social responsibility out of which Rs. 1.05 Crores is included in Donation in Note 29.

**Note 45 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. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard 17 on Segment Reporting are not relevant to the Company.

**Note 46 Dividends proposed/declared by the company (excluding dividend distribution tax)**

Particulars	Rs. Per share	Rs. in Crores	Date
Equity			
– Proposed Final Dividend	5.00	68.84	
– Interim Dividend	–	–	–
	(9.00)	(29.94)	November 12, 2013

Previous year figures are in brackets

**Dividends remitted by company in foreign currency during the year**

Particulars	Rs. in Crores	No. of Non Resident Shareholders	No. of Shares	Date
Preference Dividend	–	–	–	–
	(0.27)	(1)	(14,400,000)	August 29, 2013

Previous year figures are in bracket.

**Note 47 RECOVERABLE VALUE OF ALL ASSETS OTHER THAN FIXED ASSETS AND NON CURRENT INVESTMENTS**

In the opinion of management, the current assets including loans and advances, Trade receivables and other current assets are recoverable at the value stated in the balance sheet in ordinary course of business.

**Note 48 Authorisation with PNGRB :**

Erstwhile GSPC GAS Company Limited had applied to the 'Petroleum & Natural Gas Regulatory Board' in May 2008 for authorization of its various Geographical Areas (GA)- City Gas Distribution Network under section 18(1) of the 'Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand local or City Gas Distribution Network) Regulations, 2008. The authorisations for Palej and Gandhinagar are under process of authorisation with PNGRB.

The PNGRB has rejected the application of authorization of Halol and Khambhat GA by issuing a speaking orders in May, 2011. The management of company has replied to PNGRB against the said speaking order and requested to continue to operate in Halol and Khambhat GA in public interest and company has continued to operate and book the income thereof. Erstwhile GSPC Gas has incurred capital expenditure amounting to Rs. 5.44 Crores during FY 2014-15 (Previous year Rs. 8.82 crores) in said GA. Though the company's application for reviewing of the decisions are pending before the board, it is exposed to penal provisions for contravention and continued contravention of the directions of the Board of the PNGRB Act, 2006. Total Capital expenditure till Balance sheet date is Rs. 141.14 Crores (Previous year Rs. 135.69 Crores) in said GA. Total revenue of Rs. 207.57 Crores (Previous year Rs. 207.06 Crores) is generated from said GA. Further, the company is engaged with PNGRB to obtain authorization for Halol and Khambhat GA as well along with other GA's under relevant rules of the PNGRB Act, 2006. Company has not received any further communication from PNGRB in this regard.

**NOTE 49 Scheme of Amalgamation and Arrangement****Scheme of Amalgamation and Arrangement and Capital Reduction****Overview of the scheme of amalgamation and arrangement**

The Board of Directors of the following Companies at their meeting held on 21st April, 2014 passed a resolution to consider the Composite Scheme of Amalgamation and Arrangement under section 391 to 394 read with section 100 to 103 and other relevant provisions of the Companies Act 1956 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. Gujaratgas 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 with appointed date as 1st April, 2013. The Scheme of Amalgamation and Arrangement was approved by respective board of directors and the shareholders of the transferor and transferee companies.

The scheme of arrangement was sanctioned by the Hon'ble Gujarat High Court at Ahmedabad vide its order dated 30th March 2015. The certified copy of order was received on 18th April 2015 and filed with Registrar of Companies (ROC) at Ahmedabad on 14th May 2015. The Scheme of Amalgamation became effective on 14th May, 2015 on submission of the order of the High Court of Gujarat with the Registrar of Companies at Ahmedabad. Subsequently, the company's name has been changed from GSPC Distribution Networks Limited to Gujarat Gas Limited (GGL) with effect from 15th May 2015.

The scheme of amalgamation and arrangement covers the below entities:

1. GSPC Distribution Networks Limited (GDNL) is an unlisted company incorporated under the Companies Act 1956 and main objective of the company is to engage in Natural Gas Business in Gujarat.
2. GSPC Gas Company Limited (GSPC Gas), an unlisted company incorporated under the Companies Act 1956, was also engaged in the business of Natural Gas. It caters to the requirements of retail segment comprising of industrial, commercial, CNG and residential customers.
3. Gujarat Gas Company Limited (GGCL), a listed company incorporated under the Companies Act 1956, was also engaged in the business of transmission and distribution of natural gas to industrial, commercial, CNG and residential customers.
4. Gujarat Gas Financial Services Limited (GFSL), an unlisted company incorporated under the Companies Act 1956, was also engaged in the business of sale of gas connections in India to GGCL and other commercial as well as non-commercial customers in India.
5. Gujaratgas Trading Company Limited (GTCL), an unlisted company incorporated under the Companies Act 1956, was also engaged in the business of distribution of gas from sources of supply to centers of demand and/or end customers.

As a part of the scheme of amalgamation and arrangement, GSPC Gas, GGCL, GFSL and GTCL (transferor companies) have merged into to Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited–GDNL).

The appointed date of the Scheme of Amalgamation for the merger is 1st April 2013 (the appointed date). Upon the coming into effect of the Scheme of Amalgamation and with effect from the appointed date, the transferor company carried all business and activities relating to the transferor company and stand possessed of all the estates, assets, rights, title, all debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and interest of the transferor company for and on account of, and in trust for, the transferee Company.

Upon the Scheme becoming effective, all the Transferor Companies are dissolved without winding up pursuant to the provisions of Section 394 of the Companies Act, 1956

#### **Accounting Treatment**

The above Scheme of Amalgamation is an amalgamation in the nature of purchase in accordance with the requirements of Accounting Standard 14– "Accounting for Amalgamations" and has been accounted in books of the company with effect from the appointed date (1st April 2013) as per the Purchase method under AS –14 "Accounting for Amalgamations".

Consequent to order dated 6th July 2015 of the Honourable High Court of Gujarat for sanctioning permission of re-opening and revision of books of accounts for the year 2013–14, the audited financial statements of transferee company Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited–GDNL) for year 2013–14 have been re-opened and revised to give effect of the said amalgamation and arrangement in books of accounts for the year 2013–14. Accordingly, operation of all the transferors companies from 1st April 2013, as detailed below have been accounted for in the financial statements for financial year 2013–14.

- 1 The business of the transferor companies have been transferred to the company on a going concern basis. As per the Scheme, the appointed date, for the transfer of assets and liabilities at their respective fair value as determined by the board, is 1st April 2013.



- 2 Assets and liabilities at their respective fair value transferred from the transferor companies has been recorded by transferee company under the respective schedules, are as below:

(Rs. in Crores)

Particulars	GSPC Gas	GGCL	GTCL	GFSL	Total
Tangible assets	2,367.65	1,787.92	-	-	4,155.57
Intangible assets	103.97	35.23	-	-	139.20
Capital work-in-progress	351.74	88.03	-	11.51	451.28
Intangible assets under development	0.20	2.76	-	-	2.96
Non-current investments	0.16	163.53	-	-	163.69
Long-term loan and advances	373.00	20.63	1.23	1.67	396.53
Other non-current assets	0.01	-	-	-	0.01
Current investments	-	379.97	13.55	-	393.52
Inventories	6.62	24.23	-	-	30.85
Trade receivables	240.27	138.63	7.78	5.65	392.33
Cash and cash equivalents	4.52	37.39	0.29	10.52	52.72
Short-term loans and advance	50.70	21.46	0.13	5.54	77.83
Other current assets	15.96	47.87	-	0.07	63.90
Deferred stock compensation A/c	-	0.70	-	-	0.70
<b>Total Assets (A)</b>	<b>3,514.80</b>	<b>2,748.35</b>	<b>22.98</b>	<b>34.96</b>	<b>6,321.09</b>
Long-term borrowings	365.29	-	-	-	365.29
Deferred tax liabilities (Net )	137.30	95.75	-	(7.08)	225.97
Other Long term liabilities	157.58	280.41	1.23	-	439.22
Long-Term provisions	2.94	5.70	-	0.05	8.69
Short-term Borrowings	10.83	-	-	-	10.83
Trade payables	259.55	96.88	8.14	-	364.57
Other Current liabilities	758.89	71.22	0.01	5.64	835.76
Stock options outstanding	-	3.51	-	-	3.51
Short-term provisions	44.06	29.30	-	5.11	78.47
<b>Total Liabilities (B)</b>	<b>1,736.44</b>	<b>582.77</b>	<b>9.38</b>	<b>3.72</b>	<b>2,332.31</b>
<b>Net assets taken over (C) = (A) –(B)</b>	<b>1,778.36</b>	<b>2,165.58</b>	<b>13.60</b>	<b>31.24</b>	<b>3,988.78</b>

**Note :** The above mentioned figures have been increased/(deceased) due to alignment of accounting policies as on 1st April, 2013 as mentioned below. These adjustments have been recorded in the opening reserves as per the accounting treatment prescribed under the scheme.

- Inventories have been increased by Rs. 2.12 Crores on account of recognition of Gas Inventory of erstwhile GGCL.
  - Long Term loans and advances have been decreased by Rs. 1.55 Crores on account of recognition of provision for doubtful advances of erstwhile GSPC GAS.
  - Trade Receivables have been increased by Rs. 0.33 Crores on account of recognition of interest income accrual of erstwhile GSPC GAS.
  - Unbilled Revenue has been decreased by Rs. 18.37 Crores to align accrual of sales income of erstwhile GGCL with erstwhile GSPC Gas.
- 3 As a purchase consideration for the transfer of the above mentioned assets and liabilities determined by the Board as on the appointed date 1st April, 2013 and consequential expected future cash flows from the transferor companies, the company has to issue 4,731,764,975 equity shares of Rs. 10 each totalling value Rs. 4,731.77 Crores. This has resulted in recognition of goodwill of Rs. 742.99 crores (equity shares of Rs. 4,731.77 Crores for net assets of Rs. 3,988.77 Crores) based on the Purchase method of accounting as prescribed under AS 14 – "Accounting for Amalgamations". Pursuant to the scheme and after re-organization of share capital, new 124,520,130 equity shares have been issued to equity shareholders of Transferor Companies in the swap ratio as specified in the scheme.
- 4 Pursuant to the scheme, equity shares of the Company held by the transferor Company and transferor companies inter-company investments stood cancelled. Accordingly, investments of Rs. 2,811.14 crores (GDNL investments in GGCL) and Rs. 0.13 Crores (GGCL investments in GTCL) and Rs. 1.40 Crores (GGCL investments in GFSL) and Rs. 400.05 Crores (GSPC Gas investments in GDNL) have been cancelled.



Further, in accordance with the scheme, cancellation of equity shares of transferor companies has resulted in creation of goodwill of Rs. 2,812.67 Crores. This along with the amount of goodwill as mentioned in (3) above has been adjusted against the reserves arising on account of capital reduction to reduce the share capital to comprise of 137,678,025 equity shares of Rs. 10/- each aggregating value Rs. 137.68 Crores. The reduction in the share capital of the Company has been effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Companies Act, 1956 and the order of the High Court sanctioning the Scheme.

- 5 Considering above points no. 1 to 4 and pursuant to the Scheme, the net assets of the transferor companies acquired by the transferee company in excess of the consideration issued as share capital by the transferee company to the shareholders of the transferor company after adjustments of the inter-company investment holdings and inter-company balances, if any, and reduction of share capital has been adjusted against the "Reserve Account" of the transferee company (Refer Note 3) in accordance with the requirements of the approved Scheme of Amalgamation.

**Note 50 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 intergal part of the financial Statements.

As per our report attached

**For, Manubhai & Shah**  
Chartered Accountants  
Firm Regn. No. 106041W

**G. R. Parmar**  
Partner  
M. No. : 121462  
Place : Ahmedabad  
Date : 13/08/2015

For and on behalf of Board of Directors

**G.R. Aloria, IAS**  
Chairman

**P.P.G.Sarma**  
Chief Executive  
Officer  
Place : Gandhinagar  
Date : 13/08/2015

**Atanu Chakraborty, IAS**  
Director

**Rahul Devi**  
Executive Vice President  
(F & A)

**Jal Patel**  
Director

**Rajeshwari Sharma**  
Company Secretary



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**GUJARAT GAS**

**Gujarat Gas Limited**

(Formerly Known as GSPC Distribution Networks 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: U40200GJ2012SGC069118

**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 THIRD ANNUAL GENERAL MEETING of the Company held on Monday 28th December, 2015 at Seminar Hall - 2 (SR-2), Gate No. 1, Mahatma Mandir, Gandhinagar, Gujarat at 12:00 Noon.

-----  
**Shareholder's /Proxy's Signature**  
**(To be signed at the time of handing over this slip)**

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**GUJARAT GAS**

**Gujarat Gas Limited** (CIN: U40200GJ2012SGC069118)

(Formerly Known as GSPC Distribution Networks Limited)

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 the Member(s):

Registered Address:

E-mail ID:

Folio No / DP ID / Client ID:

I / We, being the Member(s) holding \_\_\_\_\_ shares of the above named Company, hereby appoint;

- (1) Name: \_\_\_\_\_ Address \_\_\_\_\_  
E Mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or falling him/her;
- (2) Name: \_\_\_\_\_ Address \_\_\_\_\_  
E Mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or falling 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 3rd Annual General Meeting of the Company, to be held on Monday 28th December, 2015 at Seminar Hall - 2 (SR-2), Gate No. 1, Mahatma Mandir, Gandhinagar, Gujarat at 12:00 Noon and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions
	<b>Ordinary Business</b>
1	To receive, consider and adopt the Audited Revised Balance Sheet as on 31st March 2014, Revised Statement of Profit and Loss for the year ended on 31st March 2014 along with notes forming part of the financial statements together with the Amendment to Directors' Report, the Report of Auditors' thereon and the Nil Comments of the Comptroller & Auditor General of India, in terms of Section 619(4) of the Companies Act, 1956.
2	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2015, 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.
3	To declare Dividend on equity shares for the year 2014-15.
4	To authorise the Board of Directors of the Company to fix the remuneration of Statutory Auditors of the Company for the F.Y. 2015-2016 in terms of the provisions of Section 142 of Companies Act, 2013.
	<b>Special Business</b>
5	Appointment of Mr. G.R.Aloria, IAS as Director, not liable to retire by rotation.
6	Appointment of Mr. Atanu Chakraborty, IAS as Director, not liable to retire by rotation.
7	Appointment of Mr. L. Chuaungo, IAS as Director, liable to retire by rotation.
8	Appointment of Mr. Sanjeev Kumar, IAS as Director, liable to retire by rotation.
9	Appointment of Mr. Mukesh Kumar, IAS as Director, liable to retire by rotation.
10	Appointment of Ms. Manjula Devi Shroff as Independent Woman Director.
11	Appointment of Mr. Ajit Kapadia as Independent Director.
12	Appointment of Mr. Jal Patel as Independent Director.
13	Appointment of Mr. Krishna Das Chatterjee as Independent Director.
14	Appointment of Prof. Pradip Khandwalla as Independent Director.
15	Ratification of remuneration of Cost Auditors for F.Y. 2014-15.
16	Ratification of remuneration of Cost Auditors for F.Y. 2015-16.
17	Approval of amendment of the Articles of Association of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

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 Corporate Office of Company at : 2, Shanti Sadan Society, Nr Parimal Garden, Ellisbridge, Ahmedabad-380006 not less than 48 hours before the commencement of the Meeting.

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## Route map to AGM VENUE

