

GGL/SEC/2016/321

1st October, 2016

To,

Bombay Stock Exchange Limited, Phiroze Jijibhoy Tower, Dalal Street, Mumbai	Ahmedabad Stock Exchange Limited, Kamdhenu Complex, Nr. Panjara Pole, Ambawadi, Ahmedabad – 380 015
National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	

Kind Attn.: Manager Listing /Market Operations.

Company Code: BSE-GUJGAS, NSE-GUJGASLTD.

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

Dear Sirs,

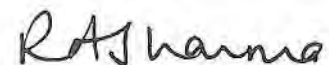
Pursuant to provisions of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the copy of 4th Annual Report approved and adopted in the Annual General Meeting.

We request you to take the above on record.

Thanking You,

Yours faithfully,

For, Gujarat Gas Limited



Rajeshwari Sharma
Company Secretary



GUJARAT GAS



Solid Base. Secure Future

- Over 1.1 Million Residential Customers
- Over 72000 Sq. Kms of Operational Area Spread Over 19 Districts
- 233 Operational CNG Stations
- Over 16000 Kms of Pipeline Network

**4th ANNUAL REPORT
2015 - 16**



GUJARAT GAS

GUJARAT GAS LIMITED

(Formerly known as GSPC Distribution Networks Limited)
CIN L40200GJ2012SGC069118

BOARD OF DIRECTORS

Dr. J.N. Singh, IAS Chairman (w.e.f. 11th August, 2016)
Shri Sujit Gulati, IAS (w.e.f. 11th August, 2016)
Shri Sanjeev Kumar, IAS (w.e.f. 21st April, 2015)
Dr. T. Natarajan, IAS (w.e.f. 11th August, 2016)
Shri K.D. Chatterjee (w.e.f. 21st April, 2015)
Shri Jal Patel (w.e.f. 21st April, 2015)
Prof. Pradip Khandwalla (w.e.f. 21st April, 2015)
Shri Ajit Kapadia (w.e.f. 21st April, 2015)
Smt. Manjula Shroff (w.e.f. 21st April, 2015)

Shri D.J. Pandian, IAS (up to 30th May, 2015)
Shri G.R. Aloria, IAS (up to 30th July, 2016)
Shri Atanu Chakraborty, IAS (up to 11th April, 2016)
Shri L. Chuaungo, IAS (up to 27th June, 2016)
Shri Mukesh Kumar, IAS (up to 8th August, 2016)
Shri M. K. Das, IAS (up to 27th April, 2015)
Shri P.P.G. Sarma (up to 21st April, 2015)
Shri Ravindra Agrawal (up to 21st April, 2015)
Shri N. Bose Babu (up to 21st April, 2015)
Shri Manish Verma (up to 18th March, 2015)

CHIEF EXECUTIVE OFFICER

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

CHIEF FINANCIAL OFFICER

Mr. Nitesh Bhandari (w.e.f. 14th September, 2015)

COMPANY SECRETARY

Ms. Rajeshwari Sharma (w.e.f. 25th May, 2015)

INTERNAL AUDITORS

Ernst & Young

SECRETARIAL AUDITORS

Manoj Hurkat & Associates

REGISTRAR & SHARE TRANSFER AGENT

M/S Karvy Computershare Pvt. Ltd., Hyderabad

BANKERS & FINANCIAL INSTITUTION

Oriental Bank of Commerce
Bank of Maharashtra
Dena Bank
State Bank of India
IDBI Bank
HDFC Bank
ICICI Bank
Axis Bank
YES Bank
IndusInd Bank
Kotak Mahindra Bank Limited
Ratnakar Bank Limited
Punjab National Bank
Bank of Baroda
Corporation Bank

STATUTORY AUDITORS

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

COST AUDITORS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

4th ANNUAL REPORT 2015 - 16

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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: L40200GJ2012SGC069118

NOTICE OF 4TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 4th (Fourth) Annual General Meeting of the Members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) will be held on Thursday, 29th September, 2016, at Town Hall, Nr. Gh-4 Circle, Sector - 17, Gandhinagar - 382 017, Gujarat, India at 12:00 Noon to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2016, together with the Board's Report, the Report of Auditors' thereon and Nil Comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.
2. To declare Dividend on equity shares for the year 2015-16.
3. To re appoint Shri Sanjeev Kumar, IAS, (DIN: 03600655), who retires by rotation and being eligible offers himself for re-appointment.
4. To authorise the Board of Directors of the Company to fix the remuneration of Statutory Auditors of the Company for the F.Y. 2016-2017 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 Dr. J.N. Singh, IAS, (DIN: 00955107) 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 Sujit Gulati, IAS (DIN: 00177274) 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 Dr. T. Natarajan, IAS (DIN: 00396367) who was appointed as an Additional Director pursuant to provisions of Sections 149,152, 161 of the Companies Act, 2013 read with Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of 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 2016 to 31st March 2017, at a remuneration of Rs.2,00,000/- (Rupees Two Lacs) plus Service Tax as applicable.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, and to take such steps as may be necessary, proper and expedient to give effect to this resolution."

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

**Rajeshwari Sharma
Company Secretary**

Date: 26th August, 2016

Place: Ahmedabad

IMPORTANT NOTES:

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

In terms of Section 105 of the Companies Act, 2013, and rules thereunder, a person can act as a proxy on behalf of members not exceeding fifty and holding in 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 8 is annexed hereto. The particulars of qualifications, experience and other Directorships etc. of the Directors proposed to be appointed / reappointed are given in the Annexure forming part of this Notice.
- (C) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23rd September, 2016 to Thursday, 29th September, 2016 (both days inclusive) for the purpose of payment of the dividend and for the Annual General Meeting. The dividend, if declared at the Annual General Meeting will be paid on 19th October, 2016 to those Members of the Company whose names appear (a) as beneficial owners as at the close of business hours on 22nd September, 2016 as per the list to be furnished by the depositories in respect of the Shares held in electronic form; and (b) as Members in the Register of Members of the Company as on 22nd September, 2016, after giving effect to all valid Share Transfers in physical form received on or before 22nd September, 2016.
- (D) Registrar and Share Transfer Agents

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

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

Karvy Computershare Private Limited, Unit: GUJARAT GAS LIMITED, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032. Phone Number: 040-67161500 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 BSE Limited and the National Stock Exchange of India Limited. 39.11% equity shares of the Company are held by non-promoter shareholders.



- (F) Correspondence with the Company
Shareholders are requested to correspond with the Company through e-mail to get faster response. Address for correspondence:
Gujarat Gas Limited, 2, Shantisadan Society, Nr. Parimal Garden, Ellis Bridge, Ahmedabad - 380006, India. Telephone Numbers: +91-79-26462980, +91-79-26460095, Fax: +91-79-26466249.
E-mail address of the Company Secretary and Compliance officer is: rajeshwari.sharma@gujaratgas.com. Shareholders may lodge their complaints and requests on this email address.
- (G) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account / folio no. would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.
- (H) All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 10.30 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and public holidays, from the date hereof, up to the date of the Annual General Meeting.
- (I) The erstwhile Gujarat Gas Company Limited and erstwhile Gujarat Gas Financial Services Limited had paid dividends to its shareholders and pursuant to Section 205A and 205C of the Companies Act, 1956, the amount of such dividends pertaining to CY 2009, that was unclaimed / unpaid have been transferred to the Investor Education and Protection Fund (IEPF) of the Government. Members who have not encashed their dividend warrants pertaining to CY 2009 upto FY 2014-15, 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 17th May 2016, had declared a Dividend of Rs. 2.50 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 Annual General Meeting.
- (K) Members desirous of obtaining any information on any item of business of this meeting are requested to forward the same at least 10 days before the date of the Annual General Meeting to Company Secretary at the Corporate Office of the Company at Gujarat Gas Limited, 2, Shantisadan Society, Nr. Parimal Garden, Ellisbridge, Ahmedabad - 380 006, India, so that the same may be attended to, appropriately.
- (L) Members holding shares in physical form, may avail of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the Form-SH 13 as prescribed in the Companies (Share Capital & Debenture) Rules, 2014 (further SH-13 substituted by Companies (Share Capital & Debenture) Amendment Rules, 2015, any person to whom their shares in the Company shall vest on occurrence of events stated in the Form. Those holding shares in physical form may obtain Form-SH 13 and send the same in duplicate to the RTA. In case of Shares held in dematerialised form, the nomination has to be lodged with the respective DP.
- (M) Members holding physical shares in multiple folios in identical names are requested to send their share certificate to Company's Registrar and Share Transfer Agent, M/s Karvy Computershare Private Ltd. for consolidation. Shareholders are requested to update their addresses, bank account details and ECS details with the depositories if shares are held in demat form and with the Registrar and Share Transfer Agent if shares are held in physical mode.
- (N) Pursuant to section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Annual Report of the Company is being sent through email to those members whose email ID is registered with the Company / Depository. In case any member wants a physical copy of the Annual Report, he may send a request to the Company Secretary at the Corporate Office / RTA. Those members who have not registered their email ID are requested to write to the RTA / their Depository Participant for registering the same.
The Annual Report for F.Y. 2015-2016 as circulated to the members of the Company is also available on the website of the Company 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 will appoint Auditors of the Company for FY 2016-17 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 2016-17.



(P) Voting through Electronic Means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendments Rules, 2015 (Amended Rules 2015), and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS2) issued by The Institute of Company Secretaries of India, the Company is providing facility to the Members to exercise their right to vote by electronic means in respect of the Resolution(s) contained in this Notice. The Company has engaged the services of Central Depository Services (India) Limited 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 Annual 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 Thursday, 22nd September, 2016. 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 22nd September, 2016 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. 22nd September, 2016
- 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 KK 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 Monday, 26th September, 2016
End of remote e-voting	05.00 P.M. (IST) on Wednesday, 28th September, 2016

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) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If Demat account holder has forgotten the password then enter the User ID, Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is printed on the address sticker in case of the dispatch of the Annual Report through physical mode and mentioned in the covering e-mail in case of dispatch of soft copy.
	<ul style="list-style-type: none"> ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in DD/MM/YYYY format) as recorded in your demat account or in the Company records in order to login.
	<ul style="list-style-type: none"> ● If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).



- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly to the company selection screen.
- (x) However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used by the demat holders for voting on resolutions of any other company on which they are eligible to vote, provided that such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- (xii) Click on Electronic Voting Sequence Number (EVSN)- Gujarat Gas Limited. This will take you to the voting page.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES / NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK", if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote, click on "SUBMIT". 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID, Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for Android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting through your mobile.**
- (xx) **Note for Non-Individual Shareholders and Custodians:**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

(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 22nd September, 2016 and who have not casted their vote by remote e-voting, and being present in the Annual General Meeting, either personally or through proxy, only shall be entitled to vote at the Annual General Meeting.

- (R) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Meeting, and thereafter unblock the vote cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will make, within forty eight hours of conclusion of its Annual General Meeting i.e. on or before 1st October, 2016 (12:00 Noon) a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him, who shall declare the result forthwith.



- (S) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gujaratgas.com and on the website of CDSL immediately after the Result is declared and shall be simultaneously communicated to the BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Ahmedabad Stock Exchange (ASE) 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**

**Rajeshwari Sharma
Company Secretary**

Date: 26th August, 2016

Place: Ahmedabad

**ANNEXURE TO THE NOTICE****(I) EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013 AND DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS.****Item No 5. Appointment of Dr J.N. Singh, IAS as Director and Chairman, not liable to retire by rotation.**

Dr. J.N. Singh, IAS Chief Secretary to Government of Gujarat had been appointed as the Additional Director on the Board of the Company w.e.f. 25th April, 2016. Further in the Board Meeting held on 11th August, 2016 he was appointed as the Chairman of the Board of Directors of the Company. He and his relatives hold Nil shares of the Company. The Company has received a notice proposing candidature of Dr. JN Singh, IAS as Director of the Company. 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 Dr. J.N. Singh, IAS as the Director of the Company not liable to retire by rotation.

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

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

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

Name of Director	Dr. J.N. Singh, IAS
Date of Birth	02/05/1959
Date of appointment	25th April, 2016
Qualifications	M.A. (International Studies, JNU), MDM (AIM, Manila), Ph.D. from M S University
Nature of Expertise / Experience	He has wide experience of working in various Government Departments and Public Sector Undertakings. He has held various key positions like Principal Secretary, Science and Technology Department, Textile Commissioner, Mumbai, Member (Fin), NHAI, Delhi, Managing Director, Sardar Sarovar Narmada Nigam Ltd. He has served largely in Infrastructure and Finance sector having handled Industrial Infrastructure, power, Telecom, Highways and water. His Ph.D. in Political Economy examined the tripartite relationship of Power sector, ground water resources and agriculturists in the context of Gujarat. At present, he is Chief Secretary, Government of Gujarat. He is also appointed as Chairman & Managing Director of Gujarat State Petroleum Corporation Limited.
Names of listed entities in which the person also holds the directorship	Gujarat State Fertilizers & Chemicals Limited Gujarat Narmada Valley Fertilizers & Chemicals Limited Gujarat Alkalies & Chemicals Limited Gujarat State Petronet Limited Gujarat Gas Limited
No. of Share held	Nil
Names of listed entities in which the person also holds the membership of Committees of the board;	Gujarat State Petronet Limited Audit Committee- Member Gujarat Alkalies & Chemicals Limited Audit Committee- Member Stakeholder Relationship Committee- Chairman Gujarat State Fertilizers & Chemicals 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. 5 of the Notice.

Item No 6. Appointment of Shri Sujit Gulati, IAS as Director, not liable to retire by rotation.

Shri Sujit Gulati, IAS, Additional Chief Secretary, Energy & Petrochemicals Department had been appointed as the Additional Director on the Board of the Company w.e.f. 11 th August, 2016. He and his relatives hold Nil shares of the Company. The Company has received a notice proposing candidature of Shri Sujit Gulati, IAS, as Director of the Company. As per the provisions of section 161 of the Companies Act, 2013, and the Articles of Association of the Company, he holds the office of Director till the conclusion of this Annual General Meeting. A notice under section 160 of the Companies Act, 2013, along with the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Director of the Company.

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

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

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

Name of Director	Shri Sujit Gulati, IAS
Date of Birth	22/11/1959
Date of appointment	11th August, 2016
Qualifications	Shri Sujit Gulati, IAS, is a Mechanical Engineer.
Nature of Expertise / Experience	Shri Sujit Gulati, IAS, has served as joint Secretary and Financial Adviser, Ministry of Mines of Government of India. He has held key position in the various Departments/Ministries of Government of Gujarat. He has served as Director in various Companies including Digjam Ltd, National Textile Corporation Limited, Gujarat Mineral Development Corporation Limited, Coal India Ltd, Bharat Aluminium Company Limited, Hindustan Zinc Ltd and Gujarat Chemicals Port Terminal Company Limited. Shri Sujit Gulati, IAS, is presently Additional Chief Secretary, Energy and Petrochemicals Department, Government of Gujarat.
Names of listed entities in which the person also holds the directorship	Gujarat Gas Limited Gujarat State Petronet Limited Gujarat State Fertilizers & Chemicals Limited Gujarat Industries Power Company Ltd.
No. of Share held	Nil
Names of listed entities in which the person also holds the membership of Committees of the board;	Gujarat State Fertilizers & Chemicals Limited Stakeholder Relationship Committee - Member Gujarat State Petronet Limited Stakeholder Relationship Committee - Member

Your Directors recommend the appointment of Shri Sujit Gulati, IAS as the Director of the Company not liable to retire by rotation.

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 Dr. T. Natarajan, IAS as Director, liable to retire by rotation.

Dr. T. Natarajan, IAS, Jt. Managing Director, Gujarat State Petroleum Corporation Limited had been appointed as the Additional Director on the Board of the Company w.e.f. 11 th August, 2016. He and his relatives hold Nil shares of the Company. The Company has received a notice proposing candidature of Dr. T. Natarajan, IAS as Director of the Company. As per the provisions of section 161 of the Companies Act, 2013, and the Articles of Association of the Company, he holds the office of Director till the conclusion of this Annual General Meeting. A notice under section 160 of the Companies Act, 2013, along with the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Director of the Company.



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

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

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

Name of Director	Dr. T. Natarajan, IAS
Date of Birth	05/05/1971
Date of appointment	11 th August, 2016
Qualifications	Dr. T. Natarajan, IAS, holds a B.E. (Mining Engineering) and an MBA (Finance & Marketing). He also holds Doctorate in Management.
Nature of Expertise / Experience	Dr. T. Natarajan, IAS served as Joint Managing Director of Gujarat Narmada Valley Fertilizers & Chemicals Limited. He Worked in Industrial Finance Corporation for 2 years and has also held distinguished positions in the Government of Gujarat including Commissioner, Technical Education, Commissioner, Geology & Mining as well as Secretary, Economic Affairs, Finance Department. He has served as Director of Gujarat Mineral Development Corporation Limited, Gujarat Industrial Development Corporation Limited, Gujarat Urban Development Company Limited, Gujarat State Electricity Corporation Limited and Bhavnagar Energy Co. Ltd.
Names of listed entities in which the person also holds the directorship	Gujarat State Petronet Limited. Gujarat Gas Limited.
No. of Share held	Nil
Names of listed entities in which the person also holds the membership of Committees of the board;	Gujarat Gas Limited. Audit Committee-Member Gujarat State Petronet Limited. Audit Committee-Member Stakeholder Relationship Committee - Member

Your Directors recommend the appointment of Dr. T. Natarajan, IAS as the Director of the Company liable to retire by rotation.

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 Ratification of remuneration of Cost Auditors for FY 2016-17.

The Board of Directors at its Meeting held on 11 th August, 2016, on the recommendation of the Audit Committee, subject to the approval of Government of India, appointed M/s 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 2016-17 at the remuneration of Rs.2,00,000/- (Rupees Two Lacs) plus Service Tax as applicable.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the said remuneration payable for FY 2016-17 to M/s 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. 8 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. 8 of the Notice.

II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS:

Item No. 3 - Re-appointment of Shri Sanjeev Kumar, IAS, (DIN:03600655)

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

Shri Sanjeev Kumar, IAS, had been appointed as the Director in the 3rd Annual General Meeting of the Company held on 28th December, 2015. He and his relatives hold Nil shares of the Company.



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

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

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

Name of Director	Shri Sanjeev Kumar, IAS
Date of Birth	24/08/1970
Date of appointment	28th December, 2015
Qualifications	B. Tech. (Civil) Engineering Graduate from Indian Institute of Technology, Kharagpur. He is an IAS Officer having rich experience and wide exposure.
Nature of Expertise / Experience	Presently, he is Secretary to Government of Gujarat, Finance Department (Expenditure).
Names of listed entities in which the person also holds the directorship	Gujarat Industries Power Company Limited Gujarat Gas Limited.
No. of Share held	Nil
Names of listed entities in which the person also holds the membership of Committees of the board;	Gujarat Gas Limited Audit Committee- Member Stakeholder Relationship Committee- Member

Your Directors recommend the appointment of Shri Sanjeev Kumar, IAS as the Director of the Company liable to retire by rotation.

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. 3 of the Notice.

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

**Rajeshwari Sharma
Company Secretary**

Date: 26th August, 2016

Place: Ahmedabad

**BOARD'S REPORT**

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

Your Directors have pleasure in presenting the 4th Annual Report and the Audited Accounts for the Financial Year ended on 31st March 2016.

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 Highlights

Particulars	Standalone Financials		Consolidated Financials	
	12 Months ended 31/03/2016	12 Months ended 31/03/2015	12 Months ended 31/03/2016	12 Months ended 31/03/2015
	Rs. in Cr.	Rs. in Cr.	Rs. in Cr.	Rs. in Cr.
Total income	6,150.53	9,113.40	6,150.53	9,113.40
Gross profit before interest, depreciation and tax	743.96	1,210.40	743.96	1,210.40
Less: Interest	246.02	331.28	246.02	331.28
Depreciation	245.69	237.68	245.69	237.68
Profit before tax	252.25	641.44	252.25	641.44
Tax expenses	99.30	197.86	99.30	197.86
Net Profit	152.95	443.58	152.95	443.58
Minority Interest	-	-	-	-
Share of Profit from Associates	-	-	2.92	2.96
Profit attributable to Group	-	-	-	-
Add: Undistributed profit /(loss) of earlier years	204.38	(26.06)	223.48	(9.92)
Balance available for Appropriation	357.33	417.52	379.35	436.62
Less: Appropriations:				
Transfer to general reserve	-	-	-	-
Preference dividend	-	-	-	-
Proposed Equity dividend	34.42	68.84	34.42	68.84
Corporate dividend tax on proposed dividend	7.01	14.01	7.01	14.01
Interim Dividend	-	-	-	-
Corporate dividend tax on interim dividend	-	-	-	-
Depreciation Adjustment	-	5.29	-	5.29
Transfer to Stock Options Outstanding Account	-	-	-	-
Transfer to Debenture Redemption Reserve	-	125.00	-	125.00
Surplus / (Deficit) retained	315.90	204.38	337.92	223.48
Earning per Share (Rs.) Rs. 10 each	11.11	32.22	11.32	32.43

PERFORMANCE HIGHLIGHTS

Your Company continues to hold the leadership position as the largest CGD Company in the country catering to 10,99,122 residential customers, 12,077 commercial customers, dispensing CNG from **233 operational** CNG stations for automotive sector and providing clean energy solutions to 2886 industrial units across its operational area with a spread of around **17,120 kilometers** of pipeline network.

While GGL has been resilient in sustaining the industrial volumes successfully in the ever dynamic oil & gas industry, it has continued to focus its efforts for developing and growing PNG (Domestic) and CNG business. GGL connected around 70,769 household customers and commissioned 19 CNG stations during year. Sales volume has grown by 4% in the residential segment and 8% in transport (CNG) segment.



The stand-alone net profit after tax for the current year 2015-16 decreased to Rs. 152.95 from Rs. 443.58 crores in the previous year. The Company had healthy net cashflows from operations of Rs 655.42 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 and integrate SAP in the merged entity to unify systems, 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.

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 4th Annual General Meeting, the payment of Dividend of Rs. 2.50 per fully paid up equity share of Rs. 10/- each on 13,76,78,025 equity shares for the Financial Year 2015-16.

COMPOSITE SCHEME OF AMALGAMATION

The Board of Directors at its meeting dated 24th 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 21st 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 30th March 2015 (certified copy received by the Company on 18th April 2015). A copy of the authenticated/certified Order had been filed with the office of the Registrar of Companies Ahmedabad on 14th May 2015. Accordingly, the Effective Date for the Scheme is 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. 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 4th February 2013, erstwhile GGCL obtained the Observation from the NSE, BSE, ASE and VSE vide their letters dated 5th November 2014, 7th November 2014, 10th November 2014 and 11th November 2014, respectively. Further, the Scheme was approved by an overwhelming majority of its Shareholders and Creditors at their meetings held on 5th January 2015 & 6th 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 1st 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 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.

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 Honorable 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 trading on BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Ahmedabad Stock Exchange Limited (ASE) and Vadodara Stock Exchange (VSE) with effect from 15th September, 2015. The ISIN of Equity Shares is INE844O01022. Further it is brought to the notice of Shareholders that SEBI has vide its Order No. WTM/RKA/MRD/144/2015, dated November 09, 2015 has provided the exit to Vadodara Stock Exchange Limited and in view thereof, the Company is no longer listed on VSE.

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, a statement containing salient features of financial statements of Guj Info Petro Limited under first proviso to sub section (3) of section 129 in form AOC-1 is attached at Annexure-8.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard - 23 on Accounting for Investments in Associates, the Audited Consolidated Financial Statements are provided in the Annual Report.

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

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 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. Shri Atanu Chakraborty, IAS was appointed as Additional Director of the Company on 16/04/2015 and his appointment was regularized in the 3rd AGM of the Company. He ceased to be director of the Company with effect from 11/04/2016. Shri L Chuaungo, IAS was appointed as Additional Director of the Company on 21/04/2015 and his appointment was regularized in the 3rd AGM of the Company. He ceased to be director of the Company with effect from 27/06/2016. Shri G.R. Aloria, IAS, Chief Secretary, Government of Gujarat was appointed as an Additional Director and Chairman on the Board of Directors of the Company with effect from 13/08/2015. His appointment was approved by the Shareholders in the 3rd AGM of the Company and on account of his retirement from the office of Chief Secretary to Government of Gujarat he ceased to be director with effect from 31st July, 2016. Shri Mukesh Kumar, IAS was appointed as an Additional Director with effect from 21/04/2015 and his appointment was regularized in the 3rd AGM of the Company and he ceased to be director of the Company with effect from 8th August, 2016. Your Directors wish to place on record, their appreciation for the services rendered by them as the Directors of the Company.

Dr. JN Singh IAS has been appointed as Additional Director with effect from 25/04/2016. Upon his appointment as the Chief Secretary, Government of Gujarat, he was appointed w.e.f. 11th August, 2016, as the Chairman on the Board of Directors in place of Shri G. R. Aloria, IAS, who retired from the office of Chief Secretary to Government of Gujarat w.e.f. 31st July, 2016. It is proposed to regularize the appointment of Dr. JN Singh IAS in the ensuing 4th Annual General Meeting.

Shri Sanjeev Kumar, IAS, had been appointed as Additional Director with effect from 21/04/2015 and his appointment was regularized in the 3rd AGM of the Company. He will retire by rotation and it is proposed to reappoint him as the Director of the Company in the ensuing 4th 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 were approved by the shareholders at the 3rd Annual General Meeting as Independent Directors for a term of 2 consecutive years w.e.f. 21st April 2015.

Shri Sujit Gulati, IAS, Additional Chief Secretary, Energy & Petrochemicals Department has been appointed as Additional Director with effect from 11th August, 2016. Dr. T. Natarajan, IAS, Jt. Managing Director, GSPC has been appointed as Additional Director with effect from 11th August, 2016. It is proposed to regularize their appointments in the ensuing 4th Annual General Meeting.

A brief resume of the Directors to be appointed at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and details regarding the companies in which they hold directorship, membership / chairmanship of committees of the Board are given in the Explanatory Statement forming part of Notice of the 4th 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 24th 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. Shri PPG Sarma who was appointed as Chief Executive Officer of the Company with effect from 25th May, 2015, ceased to be the Chief Executive Officer of the Company with effect from 2nd March, 2016. Mr. Nitin Patil was appointed as the In-charge CEO with effect from 2nd March, 2016. Further he was re-designated as the CEO of the Company w.e.f. 11th August, 2016.

**DIRECTORS INDEPENDENCE**

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the performance evaluation of individual Directors for FY 2015-16 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, Seven (7) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

AUDITORS (STATUTORY & CAG AUDIT)

As your Company is a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (CAG). Accordingly, the CAG had appointed Manubhai & Shah, Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2015 - 16. The CAG has carried out supplementary audit of your Company pursuant to Provisions of Section 143 (6) of the Companies Act, 2013. The CAG has issued the NIL comment report on the accounts of the Company for FY 2015 - 16.

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 Manoj Hurkat & Associates, Practising Company Secretaries to conduct the Secretarial Audit of the Company for the Financial Year 2015-16. The Report of Secretarial Auditor on Company's Secretarial Audit for the Financial Year 2015-16 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 Dalwadi & Associates, Cost Accountants, have carried out the Cost Audit for the Financial Year 2015-16. The Cost Audit Report 2015-16 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 the cost auditor to audit the cost accounts of the Company for financial year 2016-17 on remuneration of Rs.2,00,000/- (Rupees Two Lacs) plus Service Tax as applicable.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in General Meeting for their ratification. Accordingly, the necessary resolution seeking Member's ratification for the remuneration payable to the Cost Auditors for FY 2016-17 is included in the Notice convening the 4th Annual General Meeting.

ANNUAL ACCOUNTS

The Audit Committee of Directors of the Company at its Meeting held on 17th May, 2016 approved the Financial Statements for the Financial Year ended on 31st March, 2016 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 Regulation 21 of the SEBI (Listing Obligations and Disclosure



Requirements) Regulations, 2015, 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 of audit team and follow up actions thereon are reported to the Audit Committee. The details about the identification of elements of Risk and Internal Control Systems are provided in detail in the Management Discussion & Analysis Report forming part of this Board's Report.

Internal Financial Controls

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

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has established a Whistle Blower Policy/Vigil Mechanism for Directors 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

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached at Annexure 9, which forms part of this report. The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules forms part of this report. However, as per first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company and others entitled thereto. The said information is available for inspection by members at the registered office of the Company during business hours on all working days upto the date of ensuing annual general meeting. Any member interested in obtaining a copy thereof, may also write to the Company Secretary at the registered office of the Company.

GUJARAT GAS LIMITED EMPLOYEE STOCK OPTION PLAN 2016 ("THE ESOP 2016")

The erstwhile Gujarat Gas Company Limited (e-GGCL) had established the Employees Stock Option Plan of 2008 (ESOP 2008) as per the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and pursuant to merger, as per the Scheme of Amalgamation, the said ESOP have been implemented in GGL in respect of the Eligible Employees of e-GGCL ("Eligible Employees"), who were entitled to ESOP established by e-GGCL and to whom, as on the Record Date under the Scheme of Amalgamation, options of e-GGCL had been granted but not exercised, irrespective of whether the same had vested or not.

Thus, the Addendum Gujarat Gas Limited Employee Stock Option Plan 2016 ("ESOP 2016") that is supplementary to the Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("ESOP 2008") has been formulated pursuant to the Scheme of Amalgamation, to issue revised grant of Options - I of GGL in lieu of Options granted by e-GGCL under ESOP 2008, to the Eligible Employees.

ESOP 2016 has commenced with effect from the Effective Date under the Scheme of Amalgamation and shall continue to be in force until the date on which all of the Options - I issued under ESOP 2016 have been exercised or shall have expired by reason of lapse of time or otherwise.

GRANT, VESTING AND EXERCISE OF OPTIONS - I

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



6. The Eligible Employees continue to be bound by all the terms and conditions of the ESOP 2008 in addition to this ESOP 2016.

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

During the year, 13000 Options-I were granted to four eligible employees of the Company in terms of ESOP 2016. Manubhai & Shah LLP, Chartered Accountants, the auditors of the Company have certified to the effect that the ESOP 2016 has been implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014. Further, it is confirmed that the ESOP 2016 is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014. The applicable disclosures as stipulated under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 with regard to Employees Stock Option Plan of the Company are available on the website of the Company at www.gujaratgas.com and weblink for the same is <http://www.gujaratgas.com/investors/investors-information/>

HEALTH, SAFETY AND ENVIRONMENT (HSE)

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

We are committed to ensure that the assets are safe and fit for purpose throughout their life cycle. The safe delivery of our projects and safe operations of our assets is a critical success factor for our business.

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

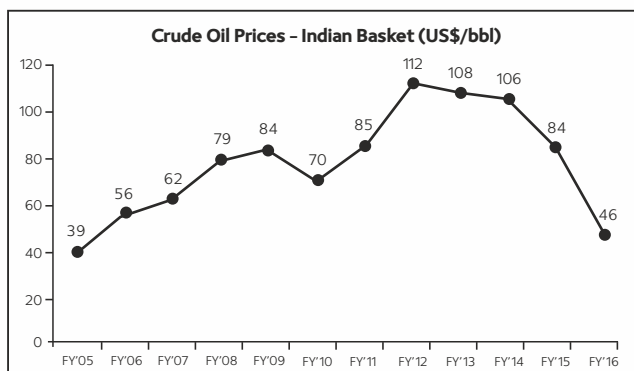
The Company was awarded the 'Golden Peacock Occupational Health and Safety Award 2016' for its exemplary performance and excellence in maintaining high standards of safety in Gas Sector. The prestigious award was received by the Company from the hands of Piyush Goyal, Hon'ble Union Minister of State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

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion & Analysis is as under:

1. Industry Structure and Developments

Natural gas occupies a vital position in the world's energy basket. It is one of the cleanest, safest, and most useful of all energy sources. Natural gas is traditionally consumed in the residential, commercial, transport and in the industrial sector. The share of natural gas in India's primary energy mix is still at a nascent stage compared to other developing/ developed economies of the world and is poised to grow with increasing Pipeline infrastructure and City Gas Development (CGD) networks.



The global economy saw some major turmoil in the last fiscal impacting the developed and developing nations with equal vigour.

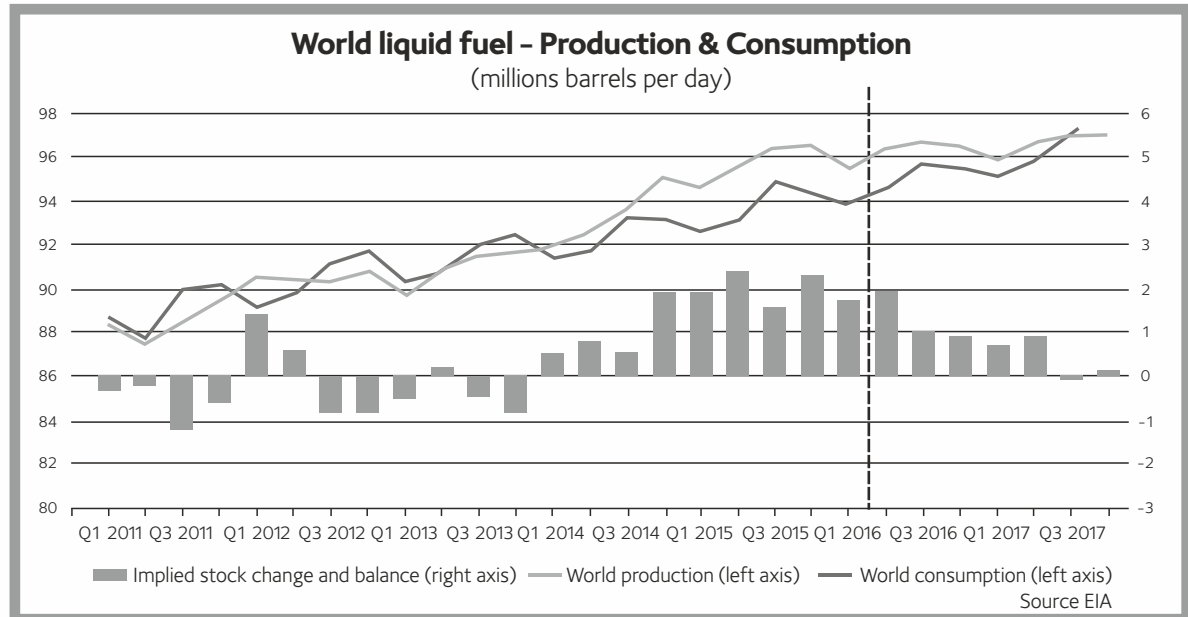
Due to the global slump, the international crude markets continued to see a supply glut which prevailed all through the fiscal fuelling further challenges for the natural gas markets.

The Indian energy basket mix also took a hit with regards to the natural gas's share though benefitting the overall governmental exchequer with reduced energy prices. Indian GDP remained the silver lining in the global economic arena with a commendable growth of around

7.6%. Your Company Gujarat Gas Limited (GGL or Company) has been able to stand the test of these turmoil's and was buoyant to sustain its market share in overall energy basket in the highly competitive energy market.



The equilibrium of more than five years in the global oil and gas scenario got disturbed in the last fiscal owing to the increased supplies which continued in the current fiscal as well coupled with dwindling global demand. This resulted in weakening of oil



prices and building up of inventories around the second half of 2014 and thereafter. Further the oil supplies also got a boost with the lift of sanctions by the USA and the European Union on Iran restoring Iran's access to world's markets. The industry experts and analysts strongly believe that the oversupply is expected to normalize by the beginning of 2017. However, the impact on CGD business is likely to be minimal attributed to the inherent diversified business portfolio with a self-sustaining appetite of growing sector (viz. CNG for transport, PNG for domestic and commercial customers).

To strengthen the country's energy security, oil diplomacy initiatives have been intensified through meaningful engagements with hydrocarbon rich countries by Government of India. One such initiative was the successful re-negotiation¹ of the LNG pricing formula by Petronet LNG Limited of India with RAS Gas of Qatar for their long term RLNG supplies significantly benefitting the industrial customers. Post implementation of the revised pricing formula, GGL also reduced its gas prices to the industrial customers ensuring its competitive edge in the energy market. Further the natural gas, being clean and green fuel has continued its support to the vital industrial volume against other highly polluting but competitive fuels.

Despite the dynamic global economic conditions, it is laudable that the Indian economy grew at around 7.6%¹ making it one of the world's fastest growing economies and the outlook continues to be promising. The initiatives by the Government such as Make in India, Green Corridor, Smart Cities, Start-up India, and Ease of Doing Business are expected to bring more impetus to the untapped CGD potential of the country. Further the encouraging initiatives by the Indian Railways (IR) towards the introduction of Natural Gas (in the form of CNG) as a substitute fuel for Diesel Electric Multiple Units ("DEMU") is also envisaged to bring focus on the ever increasing CNG demand. The Petroleum and Natural Gas Regulatory Board (PNGRB) which governs and regulates the downstream gas industry is aggressively taking actions for the growth of CGD sector by awarding licenses to lay, build, operate and expand CGD business in new geographies. The PNGRB has been actively pursuing its objective of growth in CGD sector by rolling out the CGD development plan across the length and breadth of the country. This gives ample opportunity for the Company to diversify its exiting gas business by entering in to new geographies

2. Opportunities and Threats

With the softening of the crude prices, GGL experienced a strong competition from alternate polluting fuels in its industrial sector. This coupled with the economic slowdown in various industrial segments saw the industrial sales getting impacted. The volume loss due to other polluting competing fuels is expected to be temporary as the stability in the imbalances of oil supplies and demand is imminent. GGL shall continue to focus placing environmentally clean natural gas to affordable markets for sustainable growth.

Post allocation of 100% domestic gas by Ministry of Petroleum and Natural Gas ("MoPNG") for CNG (transport) and PNG (domestic) consumer, the company is focusing to increase its penetration in these customer base. The allocated domestic gas prices have shown downward trends offering cost savings compared to the competing alternate fuels available in market. Your company is planning to aggressively roll out promotional campaigns to fructify the benefit so offered by the Honourable MoPNG through its intensive expansion plan in these market.



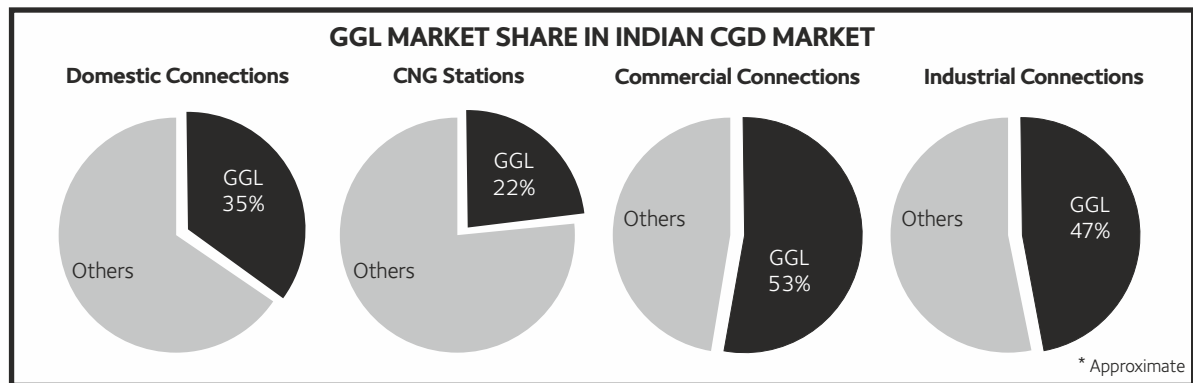
The PNGRB with vision of rapidly developing pipeline and CGD infrastructure in the country had invited bids for 34 new geographies in its CGD Bid Round – VI and have further offered 11 new GAs aligned with the smart cities in CGD Bid Round –VII. CGD infrastructure in India offers enormous growth opportunities of expansion being among the top-most priorities of Government of India. Your Company has actively participated in the CGD bidding process and has tendered its bids for 8 new GAs in the State of Gujarat. PNGRB is expected to conclude the bidding process for CGD Bid Round – VI and award these Geographical Areas to the winning entities in the Financial Year 2016- 17.

3. Sales and Market Performance

Your Company continues to hold the leadership position as the largest CGD Company in the country catering to 10,99,122 residential customers, 12,077 commercial customers, dispensing CNG from 233 operational CNG stations for automotive sector and providing clean energy solutions to 2,886 industrial units across its operational area with a spread of around 17,120 kilometers of pipeline network.

While GGL has been resilient in sustaining the industrial volumes successfully in the ever dynamic oil & gas industry, it has continued to focus its efforts for developing and growing PNG (Domestic) and CNG business. GGL connected around 70,769 household customers and commissioned 19 CNG stations during year. Sales volume has grown by 4% in the residential segment and 8% in transport (CNG) segment.

The Company, through its aggressive growth plans, is committed to bring new geographies in its portfolio and expand the horizons to the untapped CGD markets. Your Company has laid its first step towards development in the newly won Geographic Area of (GA) Thane. The pipeline network for Kutch (west) GA and Dadra and Nagar Haveli is expected to be commissioned soon.



4. Outlook

The CGD sector in the country is in an evolution stage as compared to the mature gas based economies of USA, UK, Korea and Japan amongst others. With the continuously growing awareness on the issues emanating from global warming, the impending development of rapid and robust gas distribution infrastructure in the country is imminent. The country's CGD sector is poised to see exponential growth in near future beginning with the initiatives like smart city development, CNG run trains, etc.

Your Company has aggressive plans to venture into new geographies and expand its spread and to positively grow its top-line and bottom-line. In this endeavour GGL shall continue its efforts in providing clean fuel solutions across all sectors and growing the volumes across its operational areas.

5. Risks and Concerns

In the ever dynamic and competitive energy market, the CGD sector is posed with some inherent business risks like availability of continuous and cheaper gas supplies, pipeline connectivity, competitive polluting fuels, policy initiatives supporting/ curbing polluting fuels, global economic downturn, crude market volatility, timely availability of permissions from various governmental bodies for laying the infrastructure, etc. Though some of these concerns are common to any infrastructure business, a few of them may be peculiar to this sector and therefore deserves a mention. While some of these risks are beyond the mitigation capability of any company; industry and even the policy makers, however as a prudent and responsible company all possible measures are being taken to safe guard the interest of the company from being impacted due the above listed risks and concerns.

**INTERNAL CONTROL SYSTEM AND ADEQUACY**

The Company has a proper and adequate system of Internal Controls commensurate with its size of operations and nature of business. The Company's Internal Control Systems are further supplemented by extensive programs of audits, i.e. Internal Audit, Proprietary Audit by the Comptroller & Auditor General of India (CAG) and Statutory Audit by Statutory Auditors appointed by the CAG. The Internal Control System is designed to ensure that all 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 stand-alone net profit after tax for the current year 2015-16 decreased to Rs 152.95 crores from Rs. 443.58 crores in the previous year. The Company had healthy net cashflows from operations of Rs 655.42 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 and integrate SAP to enhance reliability and enable scalability. Appropriate provisions have been made in the accounts wherever necessary for contingencies, bad debts and diminution in value of investments. No amount has been transferred to the General Reserve during the year.

HUMAN RELATIONS AND PARTICULARS OF EMPLOYEES

Your Company employed 1076 employees as on 31st March 2016. Your Company has a focus on building capabilities and developing competencies of its employees. The Company believes that training and development is of vital importance to create a climate where people maximize their technical skills and inner potential which can help the Company in capitalizing the emerging business opportunities through their involvement. During the year, employees were sent for various training programs and seminars to enhance 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, 2016, 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 and started trading on the stock exchanges w.e.f. 15th September 2015 and the particulars on Corporate Governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is incorporated as a part of this Board's Report at Annexure - 1.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT - 9 is enclosed herewith as Annexure - 6.

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

The details about conservation of energy, technology absorption, foreign exchange earnings and outgo is attached at Annexure - 7

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 31 st March, 2016, the applicable accounting standards have been followed and no material departures have been made from the same;
- b. that accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 st March, 2016 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
Dr. J. N. Singh, IAS
Chairman

Date: 11 August, 2016

Place: Gandhinagar

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

(Gujarat Gas Limited was listed with effect from 15th September, 2015 and provisions of corporate governance were applicable to the Company w.e.f. 15th September, 2015 (Composition of the Board of Directors is as per stipulation from the date of applicability of provisions of corporate governance i.e. 15th September, 2015)

The Directors present the Company's Report on Corporate Governance as on 31st March, 2016.

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 Nine Directors, all of whom are Non-Executive Directors (NED) and five of these are Independent Directors including one Woman Independent Director, which is in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of composition of the Board as on 11 August, 2016, category as well as their Directorships on Board and Memberships in committees of companies, are given below:

Name of Director	Position/Category	*No. of Directorship including Gujarat Gas Ltd.	No. of Membership/ Chairmanship in Board Committees in which Chairman / Member**	
			+Membership	Chairmanship
Dr. J. N. Singh, IAS	Promoter and Non-Executive Director	12	7	1
Mr. Sujit Gulati, IAS		10	3	0
Mr. Sanjeev Kumar, IAS		9	2	0
Dr. T. Natarajan, IAS		6	4	0
Mr. Jal Patel	Non-Executive and Independent Director	7	2	5
Prof. Pradip Khandwalla		3	1	0
Mr. K.D.Chatterjee		1	1	0
Mr. Ajit Kapadia		9	2	2
Ms. Manjula Shroff		11	2	0

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

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

+ Membership does not include chairmanship.



The details of attendance of the Directors at the Board Meetings for the Period from 1st April, 2015 up till 11th August, 2016 and at the last Annual General Meeting is given below:

Names of the Directors	Number of Board Meetings held while holding office	Number of board meetings attended	Attendance at the last AGM
Mr. PPG Sarma (resigned w.e.f 21st April 2015)	1	1	No
Mr. Ravindra Agarwal (resigned w.e.f 21st April 2015)	1	1	No
Mr. N. Bose Babu (resigned w.e.f 21st April 2015)	1	0	No
Mr. G.R.Aloria, IAS (Appointed w.e.f. 13th August 2015 and resigned w.e.f 30 July, 2016)	5	5	Yes
Mr. Atanu Chakraborty, IAS (appointed w.e.f. 16th April 2015 and resigned w.e.f 11th April 2016)	7	7	No
Mr. Lalnunmawia Chuaungo, IAS (appointed w.e.f. 21st April, 2015 and resigned w.e.f 27th June, 2016)	7	6	No
Mr. Mukesh Kumar, IAS (appointed w.e.f 21st April 2015 and resigned w.e.f 8th August, 2016)	7	4	No
Dr. J. N. Singh, IAS (appointed w.e.f. 25th April, 2016)	2	2	N.A.
Mr. Sujit Gulati, IAS (appointed w.e.f. 11th August, 2016)	1	1	N.A.
Mr. Sanjeev Kumar, IAS (appointed w.e.f. 21st April 2015)	7	5	Yes
Dr. T. Natarajan, IAS (appointed w.e.f. 11th August, 2016)	1	1	N.A.
Mr. Jal Patel (appointed w.e.f. 21st April 2015)	7	6	Yes
Mr. K. D. Chatterjee (appointed w.e.f 21st April 2015)	7	7	No
Mr. Ajit Kapadia (appointed w.e.f. 21st April 2015)	7	5	Yes
Prof. Pradip Khandwalla (appointed w.e.f. 21st April 2015)	7	7	No
Ms. Manjula Shroff (appointed w.e.f. 21st April 2015)	7	7	No

Note:

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

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

The Board Meetings were held as follows:-

Sr No.	Date of Board Meeting
1	16th April, 2015
2	11th May, 2015
3	25th May, 2015
4	13th August, 2015
5	5th November, 2015
6	8th February, 2016
7	30th March, 2016
8	17th May, 2016
9	11th August, 2016

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

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

3. Audit Committee

The composition of the Audit Committee on 11 th August, 2016 is as follows:-

1.	Mr. Jal Patel	Chairman
2.	Dr. T. Natarajan, IAS	Member
3.	Mr. Sanjeev Kumar, IAS	Member
4.	Prof. Pardip Khandwalla	Member
5.	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 the period from 1st April, 2015 up to 11th August, 2016 and attendance is as under:

Sr.No.	Date of Meeting	Number of Members	Attendance
1	13th August, 2015	5	5
2	5th November, 2015	5	5
3	8th February, 2016	5	3
4	30th March, 2016	5	4
5	17th May, 2016	4	4
6	11 th August, 2016	5	3

4. Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee (NRC) as on 11 th August, 2016 is as follows:-

1.	Mr. Ajit Kapadia	Chairman
2.	Mr. Sujit Gulati, IAS	Member
3.	Mr. Jal Patel	Member
4.	Prof Pradip Khandwalla	Member
5.	Mr. K. D. Chatterjee	Member
6.	Mrs. Manjula Shroff	Member

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

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



The scope of this Committee is as under:

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

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

Details of meetings of NRC are as below:

Sr.No.	Date of Meeting	Number of Members	Attendance
1	13th August, 2015	5	5
2	5th November, 2015	5	4
3	17th May, 2016	4	3

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 Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Director's Report.

5. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the performance evaluation of individual Directors for FY 2015-16 was carried out as per the terms and conditions of their appointment based on the various parameters.

6. Sitting fees

Sitting fees of Rs. 7500 per meeting are paid to the Directors for attending meetings of the Board of Directors and its Committees.

During the Financial Year 2015-2016 sitting fees of Rs. 11,72,500 had been paid to directors for meeting of Board or its Committees.

7. Stakeholders Relationship Committee

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

The Company has been listed w.e.f. 15th September, 2015 and the Company had received 566 letters of various types of requests, inquiries and complaints during the period from 15th September, 2015 up to 31st March, 2016. All the complaints were resolved to the satisfaction of the shareholders.

The composition of this Committee as on 11th August, 2016, is as under:

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

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

The meeting of this Committee was held on 5th November, 2015 and was attended by 4 members out of the total 5 members. The meeting was further held on 8th February, 2016 and was attended by 3 members out of total 5 members. The meeting was further held on 17th May, 2016 and was attended by 3 members out of total 5 members. The quorum of the Committee is three members.

8. General Body Meetings:

The Company since its incorporation has held three AGMs as below:

Location and time of last three AGMs.

Annual General Meeting



Date	Time	Venue
28th December, 2015	12.00 P.M.	Seminar Hall-2 (SR-2), gate No-1, Mahatma Mandir, Gandhinagar Gujarat
30th December, 2014	11.30 A.M.	3rd Floor, GSPC Bhavan, Sector-11, Gandhinagar - 382011 Gujarat
26th July, 2013	11.30 A.M.	3rd Floor, GSPC Bhavan, Sector-11, Gandhinagar - 382011 Gujarat

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

Annual General Meeting held on 28th December, 2015

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

Annual General Meeting held on 30th December 2014

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

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

9. Postal Ballot Resolutions

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

10. Disclosures

There are certain transactions with Related Parties which have been disclosed at the relevant place in the Notes to the Financial Statements. No such Related Party Transactions may have potential conflict with the interests of the Company at large. There is no non compliance on any capital market related matter 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.

11. Means of Communication

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

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

12. Code Of Conduct

Code of Conduct for Directors and Senior Management:

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



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

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information 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.

13. Whistle Blower Policy/ Vigil Mechanism

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

<http://www.gujaratgas.com/resources/downloads/whistle-blower-policy.pdf>

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

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

15. Appointment of Independent Directors

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

16. General Shareholder Information

A. Schedule & Venue of the 4th Annual General Meeting of the Company:

Date & Day	29th September, 2016, Thursday
Time	12.00 Noon.
Venue	Town Hall, Nr. Gh-4 Circle, Sector - 17, Gandhinagar - 382 017, Gujarat, India

B. Financial Year:

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

C. Book Closure Date:

23rd September, 2016, to 29th September, 2016 (both days inclusive).

D. Dividend Payment:

Dividend if approved by the Shareholders, will be paid on or before 19th October, 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

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

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



Listing fees have been paid for the financial year 2015-16 and 2016-17 as per the requirements with the respective Stock Exchanges.

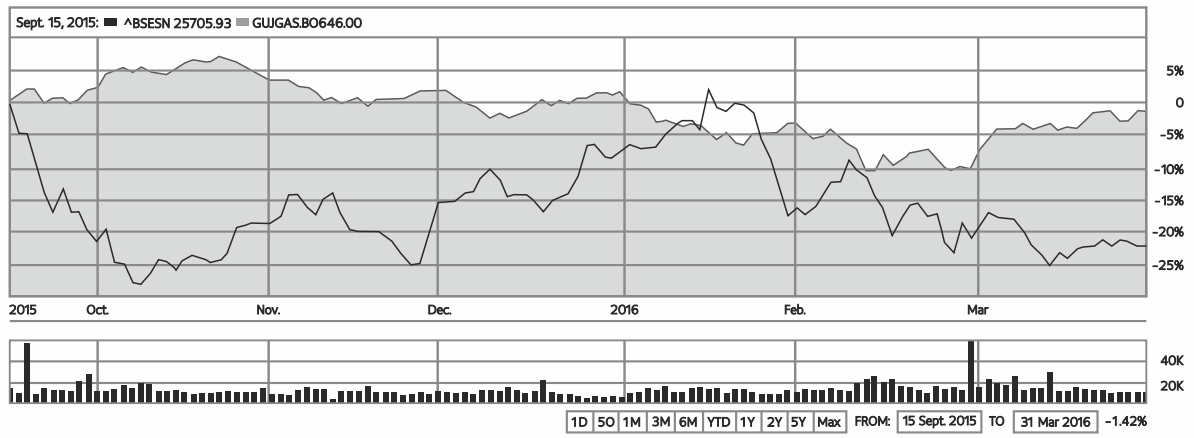
The Company has also entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN no. for Company's securities is INE844001022.

F. Market Price Data

The Company was listed with effect from 15th September 2015 and the Market price data on the BSE and NSE for the period from 15th September, 2015 to 31st March, 2016 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
November, 2015	576.25	475	582	473.95
December, 2015	644.50	534	644.40	533.10
January, 2016	676.25	526.50	677	526
February, 2016	577	480	576	478
March, 2016	568.20	477	569	481.15

S&P BSE Sensex



G. Distribution of Shareholding

The Distribution of Shareholding as on 31/03/2016 is given below:

Distribution Schedule - Consolidated as on 31/03/2016					
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	21788	80.508438	2178639	21786390	1.582416%
5001 - 10000	4258	15.733658	3989455	39894550	2.897670%
10001 - 20000	571	2.109892	921400	9214000	0.669243%
20001 - 30000	144	0.532092	389276	3892760	0.282744%
30001 - 40000	58	0.214315	213721	2137210	0.155232%
40001 - 50000	49	0.181059	234803	2348030	0.170545%
50001 - 100000	65	0.240180	480827	4808270	0.349240%
100001 & Above	130	0.480361	129269904	1292699040	93.892910%
TOTAL	27063	100.00 %	137678025	1376780250	100.00%

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

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

17. Details of Registrar & Share Transfer Agent

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

18. Dematerialisation of Shares and Share Transfer System

94.74% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards to transfer of shares held in physical form the transfer documents can be lodged with Karvy Computershare Pvt Ltd. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. Mr. Nitin Patil, CEO of the Company is authorized to approve the followings:

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

19. Summary of Shareholding as on 31/03/2016

Summary of Shareholding as on 31/03/2016			
Category	No. of Holders	Total Shares	% To Equity
PHYSICAL	2034	7248701	5.264966%
N S D L	17395	119173644	86.559670%
C D S L	7634	11255680	8.175364%
Total	27063	137678025	100.00 %

**20. Address of Correspondence**

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

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

The financial Statements for the financial year 2015-16 are with unmodified audit opinion.

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

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

23. Compliance

GGL has complied with the mandatory requirements of the Corporate Governance Code. The Company was listed w.e.f. 15th September, 2015 and hence the Certificate regarding compliance with the Corporate Governance Code for the period from 15th September 2015 up to 31st March, 2016 is annexed to this Board's Report.

For and on behalf of the Board of Directors

Dr. J. N. Singh, IAS

Chairman

Date: 11th August, 2016

Place: Gandhinagar



Annexure-2 ANNUAL REPORT ON CSR ACTIVITIES

1. Outline of the CSR Policy

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

2. The Composition of the CSR Committee

The Committee on CSR consists of the following members:

S. No.	CSR Committee Member	Designation/Category
1	Mr. Sujit Gulati, IAS	Chairman
2	Prof. Pradip Khandwalla	Member
3	Ms. Manjula Shroff	Member

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

Average Net Profit (2012-13 to 2014-15): Rs. 254.13 Crores

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

Rs. 5.08 Crores

5. Details of CSR spent during the financial year

- Total amount spent for the financial year : Rs. 1.01 crores
- Amount unspent, if any: Rs. 4.07 crores
- Manner in which the amount spent during the financial year is detailed below:

(1) Sr No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Amount outlay (budget) project or programs wise(Rs.)	(5) Amount spent on the projects or programs (Rs.)		(6) Cumulative expenditure up to the reporting period (Rs.)	(7) Amount spent: Directly or through implementing agency
				Direct expenditure on projects or programs	Overheads		
1	Contribution in Mukhyamantrishri Swachhta Nidhi for cleanliness drive	Community Development	-	25,000/-	-	25,000/-	Directly
2	Contribution to Gujarat Environment Festival 2015	Environment	-	50,000/-	-	50,000/-	Through Implementing Agency
3	Contribution to support Akshaya Patra Foundation in setting up centralised kitchen for feeding 50,000 nos. beneficiaries in Bhavnagar	Health and to prevent school drop out	-	1,00,00,000/-	-	1,00,00,000/-	Directly
	TOTAL			1,00,75,000/-		1,00,75,000/-	



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.

The Company has joined as an industry partner under the Public Private Partnership (PPP) initiative in setting up of the Indian Institute of Information Technology (IIIT), Surat. The approved contribution of Rs. 6.4 crore in this behalf will be expended at appropriate time.

The Company is committed as an industry partner for setting up the Indian Institute of Information Technology (IIIT) at Surat under the scheme launched by Ministry of Human Resource Development, Government of India, New Delhi, for setting up of 20 new Indian Institute of Information Technology (IIIT) through Public Private Partnership. Further, as per the stipulation in this behalf, it has furnished 50% of the money to be contributed by it in the form of an irrevocable bank guarantee which is Rs. 3.2 Crs of the total contribution of Rs. 6.4 Crs.

7. CSR Committee Responsibility Statement

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

Nitin Patil
CEO

Sujit Gulati, IAS
Chairman, CSR Committee



ANNEXURE – 3

GGL: NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION:

In compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has constituted the Nomination and Remuneration Committee of the Company.

The role of the Nomination and Remuneration Committee inter alia includes the following:

- a. Formulation of criteria for determining qualifications, positive attributes and independence of a director.
- b. Formulation of criteria for evaluation of performance of Independent Directors and the Board.
- c. 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.
- d. To devise a policy on Board diversity
- e. Formulate and recommend to the Board a Policy relating to the remuneration for the directors, key managerial personnel and other employees
- f. To formulate, administer and monitor detailed terms and conditions of the Employees' Stock Option Scheme(s) of the Company.
- g. To carry out any other function as delegated by the Board from time to time and / or required by any statutory notification, amendment or modification, as may be applicable.

Accordingly the Nomination & Remuneration Policy of Gujarat Gas Limited has been formulated and adopted by the Board of Directors of the Company.

2. DEFINITIONS:

In this Policy unless the context otherwise requires:

- i. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- ii. "Board" means Board of Directors of the Company.
- iii. "Company" means Gujarat Gas Limited
- iv. "Director" means a person who has been appointed as Director on the Board of the Company.
- v. "Employees Stock Option" means the Option given to the Directors, Officers or Employees of a Company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the Shares of the Company at a future date at a pre-determined price.
- vi. "Evaluation Policy" means policy approved by the Board of Directors of the Company for evaluation of performance of Directors, Committees & Board.
- vii. "HR Policy" means the HR policy adopted by the Company from time to time.
- viii. "Independent Director" means an independent director as defined under section 2 (47) of the Act read with provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ix. "Key Managerial Personnel (KMP)" means
 - a) Chief Executive Officer or the Managerial Person
 - b) Company Secretary
 - c) Chief Financial Officer and
 - d) Such other officer as may be prescribed under the Act.
- x. "Managerial Person" means any person appointed as Managing Director or Whole Time Director or Manager of the Company in accordance with the provisions of the Companies Act, 2013.
- xi. "Nomination and Remuneration Committee" or the "NRC Committee" means a Committee of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xii. "Policy" means Nomination & Remuneration Policy of the Company.



xiii. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him/her and includes perquisites as defined under the Income Tax Act, 1961.

xiv. "Senior Management" means those personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors including all functional heads.

(Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act as may be amended from time to time shall have the meaning respectively assigned to them therein.)

3. APPLICABILITY:

This Policy is applicable to:

- a) Directors (Executive & Non-Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel
- d) Other Employees of the Company

4. GENERAL:

This Policy is divided in three parts:

Part – A: Objective of the Nomination & Remuneration Policy

Part – B: Criteria for Appointment and Removal of Director, KMP and Senior Management

Part – C: Policy for Remuneration of Director, KMP and Senior Management

Part-A

I) Constitution of Nomination & Remuneration Committee:

The NRC Committee shall consist of a minimum 3 non – executive directors, majority of them being independent. Minimum 3 members shall constitute a quorum for the NRC Committee meeting. Chairman of the NRC Committee shall be an Independent Director.

Chairman of the Nomination and Remuneration Committee Meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholder's queries.

II) Objectives of the Policy:

The key objectives for adopting the Policy are as follows:

- a. To lay down criteria, terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Key Managerial positions and Senior Management.
- b. To formulate the criteria for determining qualifications, positive attributes and independence of a director
- c. To ensure that 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;
- d. To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- e. To ensure that remuneration to Directors, Key Managerial Personnel 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.

Part-B

CRITERIA FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:

I) Appointment criteria and qualifications:

1. So long as the Government of Gujarat and/or their respective nominees are holding not less than 26 percent of shares in the equity share capital of the company either directly or indirectly, the Chairman of the Board of Directors shall be nominated/appointed by the Government of Gujarat and/or their respective nominees, from time to time. So long as Government of Gujarat and /or their respective nominees are holding not less than 26 per cent of shares in the equity share capital of the Company either directly or indirectly, the Government of Gujarat, shall be entitled to nominate and



appoint up to one-third of the Directors (including the Chairman of the Board of Directors) (who are herein, referred to as "Government Directors") on the Board of Directors of the Company, who shall be permanent Directors. Each such Director shall not be liable to retire by rotation or be removed by the Company. Each such Director shall hold office until he is either removed from the office or another is nominated and appointed in his place by the Govt. of Gujarat and/or their respective nominees, or until he vacates the office by resignation or otherwise. The remaining Directors shall be appointed as per the provisions of the Act and the Articles of Association of the Company.

The Shareholders of the Company holding not less than 25% of the paid up share capital of the Company shall have a right to appoint/ nominate at least 1 director on the Board of the Company.

2. Directors should fulfill the qualification and other criteria laid down in the Companies Act, 2013 and should not be disqualified to become a Director.
3. An Independent Director should meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 concerning independence of directors.
4. The Company shall not appoint or continue the employment of any person as Managerial Person 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 as may be required under the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws.

II) Term/Tenure:

1. Managerial Person:

- The Company shall appoint or re-appoint any person as its Managerial Person for a term as may be specified under Companies Act, 2013 from time to time.

2. 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.
- 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.

- At the time of appointment of any person as an Independent Director, it should be ensured that number of Boards on which such person serves as a Director/Whole-time Director is not exceeding the permissible limit under the Companies Act, 2013 and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the case may be from time to time.

III) Evaluation:

Evaluation of performance of every Director, KMP and Senior Management will be carried out at regular interval (preferably atleast once in a year) in accordance with the Evaluation Policy/HR Policy as may be applicable.

IV) Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or HR Policy, the Committee and/or Board subject to the provisions and compliance of the said Act, rules and regulations or HR Policy may consider removal of a Director, KMP or Senior Management and the Committee/Board as the case may be will record the reasons in writing.

V) Retirement:

The Director, KMP and Senior Management shall retire as per provisions of the Companies Act, 2013 and HR Policy as may be applicable. The Board will have the discretion to retain the Director, KMP, Senior Management after attaining the retirement age, at such position/remuneration as it may deem fit for the benefit of the Company.

Part-C

POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SR. MANAGEMENT PERSONNEL:

In the context of the objectives as mentioned above, the Policy is framed to devise a mechanism that allows competitive and fair remuneration & rewards for the achievement of key deliverables by Directors, KMP and Senior Management of the Company and in doing so, following shall act as a benchmark:

**I) Guiding Principles:**

- a) Remuneration should commensurate to the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- b) The level of Remuneration should be sufficient to attract, retain, motivate and promote talent so as to ensure long term sustainability of talented managerial persons and create competitive advantage of human capital of the company as compared to peer companies in the industry.
- c) Remuneration to Directors, Key Managerial Personnel and Senior Management should involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- d) It is clarified that presently, the sitting fees in respect of IAS directors (which are in services of Govt. of Gujarat) is being deposited with the government treasury at the end of each financial year based on his/her actual attendance as per directions of Govt.

II) Remuneration Mechanism:

- i. The Directors (executive & non executive) of the Company will be entitled to receive the remuneration / compensation / commission etc. if any, approved by the Board of Directors. The remuneration / compensation / commission etc. shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company, the Act and shall be subject to the prior / post approval of the shareholders of the Company and/or Central Government, wherever required.
- ii. The Non Executive Directors shall be entitled to receive sitting fees for attending Board/Committee meetings (either as a member or special invitee), of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act or such amount as may be prescribed by the Central Government from time to time and shall also be paid out of pocket expenses for attending such meeting.
- iii. The remuneration and other terms of the KMP (other than Managerial Person), Senior Management Personnel and other employees shall be governed by the HR Policy.
The components of the total remuneration vary for different grades and are governed by the various criteria like qualifications, experience, merit etc of the employee.
- iv. The Company may have Employees Stock Option Schemes or other schemes which are share based with an objective to attract, retain talent, reward loyalty/association of employees, reward for performance and create long-term shareholder value. Such Stock Option Schemes or any other similar scheme if any, should be in compliance with the guidelines, regulations, rules etc. issued by SEBI in that relation from time to time.
Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock options of the Company.
- v. Where any insurance is taken by the Company on behalf of its Key Managerial Personnel or 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.

5. DEVIATIONS FROM THE POLICY

This Policy shall be of guidance for the Board. Any departure/deviation from the policy when deemed necessary in the interests of the Company will be made and be reasoned and recorded.

6. AMENDMENT TO THE POLICY:

This Policy can be amended by the Board of Directors on its own or based on the recommendation made by the Nomination and Remuneration Committee as and when deemed fit from time to time.

7. DISCLOSURE OF THE POLICY:

The Nomination & Remuneration Policy of the Company or contents thereof will be disclosed in the Board's Report and at such other places in such manner as may be required under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time.



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 - 382001

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 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, 2016 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 (up to 14th May, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (with effect from 15th May, 2015);
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.
- II. The Equity Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited, National Stock Exchange of India Limited, the Ahmedabad Stock Exchange Limited, the Vadodara Stock Exchange Limited and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on 2nd September, 2015;

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

We have been informed that the Company being a Government Company, the appointment of Independent Directors 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 consummated the process of merger 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. 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 at least 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 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.
- d) The Company has appointed CFO and CEO at the Board meeting held on 25th May, 2015. As per Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company was required to make such appointments. There is no stipulation of time for making such appointments in the said provisions.

VI. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a) The Petroleum and Natural Gas Regulatory Board Act, 2006
- b) The Petroleum Act, 1934
- c) The Explosives Act, 1884
- d) The Inflammable Substances Act, 1952

We further report that:

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

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

We further report that during the audit period, the following event/actions 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. Appointment Date under Scheme of Amalgamation was 1st April, 2013.



- ii. 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.
- iii. The Hon'ble Gujarat High Court has vide its order dated 6th July, 2015 permitted the Company to re-open 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. Consequently, the Company obtained approval from the Registrar of Companies, Gujarat for extension of 3 months for holding Annual General meeting for the year 2014-15. At the Annual General meeting held on 28th December, 2015, the revised financial statements for the year 2013-14 were also approved by the members of the Company.
- iv. Pursuant to the Scheme of Amalgamation, the Committee of the Board of Directors have allotted 12,45,20,130 Equity shares of Rs. 10 each in their meeting held on 2nd June, 2015 to the erstwhile shareholders of the Transferor Companies as per the approved share exchange ratio contained in the Scheme.
- v. 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, 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: 17th May, 2016

For,
MANOJ HURKAT & ASSOCIATES
Practicing Company Secretaries
MANOJ R HURKAT
ACS No.4287
C P No.: 2574

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

**ANNEXURE A**

To
The Members
GUJARAT GAS LIMITED
(Earlier known as GSPC Distribution Networks Limited)
Block No. 15, 3rd Floor, Udyog Bhavan,
Sector - 11, Gandhinagar - 382001

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

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

Thanking You,

Place: Ahmedabad
Date: 17th May, 2016

For,
MANOJ HURKAT & ASSOCIATES
Practicing Company Secretaries
MANOJ R HURKAT
Partner
ACS No.4287
C P No.: 2574



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
Gujarat State Petroleum Corporation Limited - Holding Company	Purchase of Natural Gas	Regular	Rs.4556.73 Crs	NA	--N.A.--

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.”

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

Date: 11th August, 2016

Place: Gandhinagar



**ANNEXURE – 6
FORM No. MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON
31ST MARCH, 2016**

[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:	L40200GJ2012SGC069118	Registration Date	21st February 2012
Name of the Company	Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited)	Category of the Company	Public
		Sub Category of the Company	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	Yes		

Details of Registrar and Transfer Agent

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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 form through Pipelines, Trucks / Trains or such other suitable mode for transportation/distribution of Natural Gas, CNG, LNG, LPG & other Gaseous Form.	3520	100



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

[No. of Companies for which information is being filled] – 2

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

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) CATEGORY-WISE SHARE HOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt (s)	0	0	0	0	8995462	0	8995462	6.53	6.53
d) Bodies Corp.	0	750050000	750050000	83.33	74841246	0	74841246	54.36	-28.97
e) Banks / FI									
f) Any Other...									
Sub-total (A) (1)	0	750050000	750050000	83.33	83836708	0	83836708	60.89	-22.44
(2) Foreign	0	0	0	0	0	0	0	0	0
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other...									
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter	0	750050000	750050000	83.33	83836708	0	83836708	60.89	-22.44
(A) = (A)(1)+(A)(2)									



(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. Public Shareholding									
1. Institutions:									
a) Mutual Funds	0	0	0	0	4174620	1000	4175620	3.03	3.03
b) Banks / FI	0	0	0	0	149984	0	149984	.11	.11
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	2256199	2000	2258199	1.64	1.64
g) FIs									
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	00	
i) Others (specify)									
1. Foreign Portfolio Investors	0	0	0	0	17148543	0	17148543	12.46	12.46
2. Foreign Mutual Fund	0	0	0	0	0	8000	8000	.01	.01
3. Overseas Corporate Bodies	0	0	0	0	4000	0	4000	0	0
Sub-total (B)(1)	0	0	0	0	23733346	11000	23744346	17.25	17.25
2. Non Institutions:									
a) Bodies Corp.									
i) Indian	0	150000000	150000000	16.67	15815448	5443635	21259083	15.44	-1.23
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	6075324	1726560	7801884	5.66	5.66
ii) Individual shareholder holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	544717	63000	607717	0.45	0.45
c) Others(specify)									
NBFC registered with RBI	0	0	0	0	1500	0	1500	0	0
Trust	0	0	0	0	3600	0	3600	0	0
Non Resident Indians	0	0	0	0	169430	4500	173930	.13	.13
Clearing Member	0	0	0	0	144251	0	144251	.1	.1
Employee Benefit Trust	0	0	0	0	105000	0	105000	.08	.08
Fractional Shares	0	0	0	0	0	6	6	0	0
Sub-total (B)(2)	0	150000000	150000000	16.67	22859270	7237701	30096971	21.86	5.19
Total Public Shareholding(B) = (B)(1)+ (B)(2)	0	150000000	150000000	16.67	46592616	7248701	53841317	39.11	22.44
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	900050000	900050000	100	130429324	7248701	137678025	100	0

**(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 of Rs 10 each)	40,00,50,000	44.45%	0	0	0	0	-44.45%
2.	Gujarat State Petroleum Corporation Limited	0	0	0	3,91,06,328	28.40%	0	28.40%
3.	Gujarat State Petronet Limited	35,00,00,000	38.89%	0	3,54,68,471	25.76%	0	-13.13%
4.	Governor of Gujarat	0	0	0	89,95,462	6.53%	0	6.53%
5.	Gujarat State Energy Generation Limited	0	0	0	2,66,447	0.19%	0	0.19%
	Total	75,00,50,000	83.33%	0	8,38,36,708	60.89%	0	-22.47%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

	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	75,00,50,000	83.33%	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.)	Changes in Shareholding of Promoters were due to implementation of Scheme of Amalgamation & Arrangement between GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited, Gujarat Gas Trading Company Limited with Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited).			
At the End of the year	8,38,36,708	60.89%	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				
1	Gujarat State Fertilizers & Chemicals Limited	15,00,00,000	16.67%	N.A.	N.A.
2	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.
3	At the End of the year (or on the date of separation, if separated during the year)				
	*Gujarat State Fertilizers & Chemicals Limited	*93,82,895	*6.82%	N.A.	N.A.
	Aberdeen Global Indian Equity Limited	71,31,843	5.18%	N.A.	N.A.
	Gujarat Industrial Development Corporation	53,28,947	3.87%	N.A.	N.A.
	Gujarat Alkalies And Chemicals Limited	42,63,157	3.10%	N.A.	N.A.
	SBI Life Insurance Co. Ltd.	12,41,716	0.90%	N.A.	N.A.
	Aberdeen Asian Smaller Companies Investment Trust	12,23,272	0.89%	N.A.	N.A.
	Government Pension Fund Global	11,28,773	0.82%	N.A.	N.A.
	Aberdeen Global-Asian Smaller Companies Fund	10,07,232	0.73%	N.A.	N.A.
	The Oriental Insurance Company Limited	9,23,357	0.67%	N.A.	N.A.
	New India Investment Trust PLC	8,57,000	0.62%	N.A.	N.A.

* Change in the shareholding and percentage was due to implementation of the scheme of Amalgamation

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

Sr. No.	For Each of the Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 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	N.A.	N.A.	N.A.	N.A.

Shri PPG Sarma was Director up to 21st April, 2015 and was CEO from 25th May, 2015 up to 1st March, 2016

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

V. INDEBTEDNESS:

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

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1142.39	2083.33	-	3225.72
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.03	26.87	-	26.9
Total (i+ii+iii)	1142.42	2110.2	-	3252.62
Change in Indebtedness during the financial year				
• Addition	1277.77	22.72	-	1300.49
• Reduction	585.33	1610.2	-	2195.53
Net Change	692.44	-1587.48	-	-895.04
Indebtedness at the end of the financial year				
i) Principal Amount	1834.86	500.00	-	2334.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	22.72	-	22.72
Total (i+ii+iii)	1834.86	522.72	-	2357.58



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
		----	----	----	----	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.	N.A.
2.	Stock Option	N.A.	N.A.	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A.	N.A.
4.	Commission - as % of profit - Others, specify...	N.A.	N.A.	N.A.	N.A.	N.A.
5.	Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.
	Total (A)	N.A.	N.A.	N.A.	N.A.	N.A.
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.

B. REMUNERATION TO OTHER DIRECTORS:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri KD Chatterjee	Smt. Manjula Shroff	Shri Jal Patel	Prof Pradip Khandwalla	Shri Ajit Kapadia	
1.	Independent Directors						
	● Fee for attending board / committee meetings	1,95,000	1,15,000	1,70,000	2,15,000	1,42,500	8,37,500
	● Commission						
	● Others, Out of Pocket Exp	36,000	15,000	24,000	33,000	27,000	1,35,000
	Total (1)	2,31,000	1,30,000	1,94,000	2,48,000	1,69,500	9,72,500
2.	Other Non-Executive Directors	Shri G.R. Aloria, IAS	Shri Atanu Chakraborty, IAS	Shri L. Chuaungo, IAS	Shri Sanjeev Kumar, IAS	Shri Mukesh Kumar, IAS	
	● Fee for attending board / committee meetings	22,500	1,75,000	70,000	37,500	30,000	3,35,000
	● Commission						
	● Others, Out of PocketExp	12,000	39,000	30,000	12,000	15,000	10,8000
	Total (2)	34,500	2,14,000	1,00,000	49,500	45,000	4,43,000
	Total (B)=(1+2)	2,65,500	3,44,000	2,94,000	2,97,500	2,14,500	14,15,500
	Total Managerial Remuneration						14,15,500
	Overall Ceiling as per the Act	Apart from sitting fees and out of pocket expenses no other managerial remuneration is paid to directors.					



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

Sr. No.	Particulars of Remuneration	Name of KMP's			Total
		Mr. P. P. G. Sarma, CEO (w.e.f. 25/05/2015 – up to 01/03/2016)	Mr. Rohan Sampat, CS (up to 24/05/2015)	Mr. Rahul Devi, CFO (w.e.f. 25/05/2015 – up to 10/09/2015)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6964878	103452	1722890	8791220
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	253742	0	0	253742
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit				
	- Others, specify...				
5.	Others, please specify	-	-	-	-
	Total	7218620	103452	1722890	9044962

Sr. No.	Particulars of Remuneration	Name of KMP's			Total
		Mr. Nitin Patil, CEO (w.e.f. 02/03/2016)	Mrs. Rajeshwari Sharma, CS (w.e.f. 25/05/2015)	Mr. Nitesh Bhandari, CFO (w.e.f. 14/09/2015)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	659774	3204670	3285274	7149718
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	42147	138221	16361	196729
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit				
	- Others, specify...				
5.	Others, please specify	-	-	-	-
	Total	701921	3342891	3301635	7346447



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY : N.A.					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS :					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT :					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.



ANNEXURE-7

Information under Rule 8(3) of Companies (Accounts) Rules, 2015 and forming part of the Board's Report for the year ended 31st March, 2016

(A) Conservation of Energy-

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

(B) Technology Absorption, Adaptation and Innovation-

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

(C) Foreign Exchange Earnings and Outgo-

The Company has incurred expenditure in Foreign Exchange to the extent of Rs. 0.24 Crores during FY 2015-16 (Previous year 2014-15 Rs. 0.47 Crores) and the Foreign Exchange Earnings during FY 2015-16 were Rs. Nil (Previous year 2014-15 Rs. Nil)



**ANNEXURE-8
Form No - AOC-1**

Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "B": Associates

Rs in Crores

Name of Associates	Guj Info Petro Limited
1. Latest audited Balance Sheet Date	31/03/2016
2. Shares of Associate held by the company on the year end	25,000
Amount of Investment in Associate	0.025
Extend of Holding %	49.94%
3. Description of how there is significant influence	Through voting power
4. Reason why the associate is not consolidated	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	As per AS-23 equity method is followed
6. Profit / Loss for the year	
i. Considered in Consolidation	2.92
ii. Not Considered in Consolidation	-

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

G.R.Parmar
Partner
M. No. : 121462
Place : Ahmedabad
Date : 17 May 2016

For and on behalf of Board of Directors

G.R. Aloria, IAS
Chairman

Nitin Patil
In-charge Chief Executive Officer

Dr. J. N. Singh, IAS
Director

Nitesh Bhandari
Chief Financial Officer

Jal Patel
Director

Rajeshwari Sharma
Company Secretary

Place : Gandhinagar
Date : 17 May 2016

**ANNEXURE-9****Details under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Particulars	
The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Directors of the Company are paid fees as well as out of pocket expenses for meetings only.
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. PPG Sarma, CEO (w.e.f. 25/05/2015 – up to 01/03/2016) - 20% Mr. Nitin Patil, CEO (w.e.f. 02/03/2016) - 15% Mr. Rahul Devi, CFO (w.e.f. 25/05/2015 – up to 10/09/2015) - 29% Mr. Nitesh Bhandari, CFO (w.e.f. 14/09/2015) - 2% Smt. Rajeshwari Sharma, CS (w.e.f. 25/05/2015) - 8% Mr. Rohan Sampat, CS (up to 24/05/2015) - 28%
The percentage increase in the median remuneration of employees in the financial year	In the year 2015-16, there is an increase of 18% in the median remuneration of all the employees except KMPs as compared to FY: 2014-15
The number of permanent employees on the rolls of company	1076
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	N. A.
Affirmation that the remuneration is as per the remuneration policy of the company	Yes



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members

GUJARAT GAS LIMITED

(Earlier known as GSPC Distribution Networks Limited)
Block No. 15, 3rd Floor, Udyog Bhavan,
Sector - 11, Gandhinagar - 382001

We have examined all relevant records of GUJARAT GAS LIMITED (Earlier Know as GSPC Distribution Networks Limited) ("Company") for the purpose of certifying compliance of the conditions of Corporate Governance as prescribed under Regulation 17 to 27 and Clauses (b) to (l) of sub regulation (2) of Regulation 46 and Para C, D & E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified on 2nd September, 2015 ("the said Regulations") for the financial year ended 31st March, 2016. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

It should be noted that upon implementation of the 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 as approved by the Hon'ble High Court of Gujarat vide its order dated 30th March, 2015 (Effective date being 14th May, 2015 and Appointed date being 1st April, 2013) 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, 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 and the conditions of Corporate Governance as laid down under Clause 49 of the listing agreement/the said Regulations became applicable to the Company from that date onwards.

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

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has w.e.f. 15th September, 2015 complied with all the mandatory conditions of the said Regulations (or the relevant corresponding conditions of the Corporate Governance as laid down in Clause 49 of the listing agreement as was applicable before the said Regulations came into effect).

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

For MANOJ HURKAT & ASSOCIATES
Company Secretaries

Manoj R. Hurkat
Partner

Membership No.: FCS 4287

Certificate of Practice No.: CP - 2574

Date: 17th May, 2016

Place: Ahmedabad



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To,
The Shareholders,
Gujarat Gas Limited

Gujarat Gas Limited has in place a Code of Conduct ("the code") for its Board of Directors and Senior Management Personnel. I report that the code has been complied with by the Board of Directors and Senior Management of the Company for FY 2015-16.

For Gujarat Gas Limited

Nitin Patil
Chief Executive Officer

Place: Ahmedabad
Date: 11th August, 2016



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 31 MARCH 2016

The preparation of financial statements of **Gujarat Gas Limited** for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under the Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide Audit Report dated 17 May 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of **Gujarat Gas Limited** for the year ended 31 March 2016. 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 behalf of the
Comptroller and Auditor General of India**

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

**Place: Ahmedabad
Date: 5 August, 2016**



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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended on that date and a summary of the significant accounting policies and other explanatory information.

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. 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, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) 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.
 - (e) As the Company is a Government Company, in terms of notification no. G.S.R 463(E) dated 5th June 2015, issued by Ministry of Corporate Affairs, the sub-section (2) of section 164 of the Act is not applicable.
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
 - (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 Note 34 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 C**” a report on the directions and sub directions issued by Comptroller and Auditor General of India.

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

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

Place: Ahmedabad
Date: 17 May 2016



ANNEXURE - A 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.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in respect of one land situated at Hazira location having book value of ₹ 15.88 crore as at 31st March 2016.
- (ii) The inventory, has been physically verified by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii) [(a) to (c)] of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products (Natural Gas) where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable were in arrears as at March 31, 2016 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, 2016 which have not been deposited on account of a dispute, are as follows:



Sr. No.	Name of statute	Nature of dues	Amount (in Crs.)	Period to which the amount relates	Forum where the dispute is pending
1	Income Tax Act, 1961	Income Tax and Interest thereon	0.34	Assessment Year 1996-97	Commissioner of Income Tax (Appeal)
2	Income Tax Act, 1961	Income Tax and Interest thereon	0.79	Assessment Year 2001-02	Commissioner of Income Tax (Appeal)
3	Income Tax Act, 1961	Income Tax and Interest thereon	0.31	Assessment Year 2002-03	Commissioner of Income Tax (Appeal)
4	Income Tax Act, 1961	Income Tax and Interest thereon	0.02	Assessment Year 2006-07	Commissioner of Income Tax (Appeal)
5	Income Tax Act, 1961	Income Tax and Interest thereon	4.33	Assessment Year 2008-09	Commissioner of Income Tax (Appeal)
6	Income Tax Act, 1961	Income Tax and Interest thereon	2.96	Assessment Year 2009-10	Commissioner of Income Tax (Appeal)
7	Income Tax Act, 1961	Income Tax and Interest thereon	1.55	Assessment Year 2010-11	Income Tax Appellate Tribunal
8	Income Tax Act, 1961	Income Tax and Interest thereon	0.31	Assessment Year 2010-11	Commissioner of Income Tax (Appeal)
9	Income Tax Act, 1961	Income Tax and Interest thereon	60.87	Assessment Year 2011-12	Commissioner of Income Tax (Appeal)
10	Income Tax Act, 1961	Income Tax and Interest thereon	5.69	Assessment Year 2012-13	Commissioner of Income Tax (Appeal)
11	Income Tax Act, 1961	Income Tax and Interest thereon	5.79	Assessment Year 2013-14	Commissioner of Income Tax (Appeal)
12	Central Excise Act, 1944	Excise Exemption related to SSI Unit	0.43	Financial Year 2003-04	Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad
13	Central Excise Act, 1944	Cenvat Credit of Input Service Tax paid on Outward Freight transportation disallowed.	10.2	Financial Year 2010-11 to 2014-2015	Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad
14	Central Excise Act, 1944	Cenvat Credit of Input Service Tax paid on Franchisee Commission disallowed	2.28	Financial Year 2009-10 to 2014-15 (up to August 2014)	Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad
15	Central Excise Act, 1944	Cenvat Credit of Input Service Tax paid on Franchisee Commission disallowed	0.59	September 2014 to May 2015	Excise & Service Tax Commissionerate
16	Central Excise Act, 1944	Cenvat Credit of Capital Goods disallowed	0.12	Financial Year 2006-07 & 2007-08	Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad
17	Finance Act, 1994	Service Tax on the overseas remittance	0.08	Financial Year 2006-07 to 2009-10	Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad
18	Finance Act, 1994	Cenvat Credit of Input Service Tax paid on Gas Transportation charges disallowed	24.65	Financial Years 2005-06 to 2012-13	Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad
19	Finance Act, 1994	Service Tax on lease of Equipment	0.38	Financial Year 2006-07 to 2011-12	Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad
20	Finance Act, 1994	Cenvat Credit of Input Service Tax paid on Gas Transportation charges disallowed	1.09	Financial Year 2013-14	Excise & Service Tax Commissionerate



- (viii) The Company has not defaulted in repayment of loans or borrowing dues to financial institution or bank or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. During the year money raised from term loans have been applied for the purpose for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been, noticed or reported during the year, nor we have been informed of any such case by the Management.
- (xi) The Company has not paid or provided managerial remuneration during the year. Therefore, the provisions of Clause 3 (xi) of the said Order are not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and Company being a government company, transactions with other government companies are exempt for the compliance of Section 188 of the Act, in terms of notification no. G.S.R 463(E) dated 5th June 2015, issued by Ministry of Corporate Affairs. Details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place: Ahmedabad
Date: 17 May 2016



ANNEXURE - B TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) 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)

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

We have audited the internal financial controls over financial reporting of **GUJARAT GAS LIMITED (Formerly known as GSPC Distribution Networks Limited) ("the Company")**, as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Ahmedabad
Date: 17 May 2016



ANNEXURE – C 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 Comptroller and Auditor General of India	Response
1	Whether the Company has clear title / lease deeds for freehold and leasehold respectively? If not please state the area of freehold or leasehold land for which title / lease deeds are not available?	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in respect of one freehold land situated at Survey No. 185, Plot No. 364, Post-Hazira, Taluka Choryasi, District-Surat admeasuring 13,057 Sq. Mtrs, having book value of ₹ 15.88 crore as at 31st March 2016.
2	Whether there are any cases of waiver / write offs of debts/loans/interest etc., if yes, the reasons therefore and the amount involved.	As per information and explanations given to us and based on examination of the records of the Company, there are no cases of any waiver of loan / debt / interest during the year.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities?	As per information and explanations given to us and based on the examination of the records provided to us, we report that proper records are maintained for material lying with third parties and reconciliation of the inventory issued to third party is done on yearly basis. During the year company has not received any assets as gifts from Government or other authorities.
4	Whether the company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?	As per the information and explanations given to us and based on the examination of the policies in respect of recovery of dues from customers, the Company has a policy and procedure for effective monitoring of credit exposure and recovery of dues from its customers in respect of its sales activities. In our opinion and according to the information and explanation given to us, the recoveries against the dues have been properly recorded in the books of accounts.
5	Whether the company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage / excess noticed during physical verification.	In our opinion and according to the information and explanations given to us, the procedures 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.
6	The effectiveness of the system followed in recovery of dues in respect of sale activities may be examined and reported.	In our opinion and according to the information and explanations given to us, the Company has a policy and procedure for effective monitoring of credit exposure and recovery of dues from its customers in respect of its sales activities. There are no significant instances of its failure observed for the year under audit.

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

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

Place: Ahmedabad
Date: 17 May 2016



STANDALONE BALANCE SHEET AS AT 31ST MARCH 2016

(Rs. in Crores)

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	137.68	137.68
(b) Reserves and surplus	3	1,965.10	1,853.23
		2,102.78	1,990.91
Non-current liabilities			
(a) Long-term borrowings	4	1,707.56	1,490.78
(b) Deferred tax liabilities (Net)	5	410.28	352.77
(c) Other Long term liabilities	6	610.02	578.67
(d) Long-term provisions	7	25.03	21.90
		2,752.89	2,444.12
Current liabilities			
(a) Trade payables	8		
Dues of micro enterprises and small enterprises		1.99	0.10
Other than micro enterprises and small enterprises		249.62	424.46
(b) Other current liabilities	9		
Dues of micro enterprises and small enterprises		9.20	11.48
Other than micro enterprises and small enterprises		905.43	1,939.05
(c) Short-term provisions	10	53.07	85.48
		1,219.31	2,460.57
TOTAL		6,074.98	6,895.60
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets		4,472.86	4,320.87
(ii) Intangible assets		201.29	165.79
(iii) Capital work-in-progress		467.97	357.19
(iv) Intangible asset under development		0.20	0.20
Total Fixed Assets	11	5,142.32	4,844.05
(b) Non-current investments	12	162.03	162.03
(c) Long-term loans and advances	13	335.96	257.32
(d) Other non-current assets	14	-	-
		497.99	419.35
Current assets			
(a) Current investments	15	-	936.99
(b) Inventories	16	41.34	41.09
(c) Trade receivables	17	265.86	360.60
(d) Cash and bank balances	18	67.84	237.41
(e) Short-term loans and advances	19	24.13	15.07
(f) Other current assets	20	35.50	41.04
		434.67	1,632.20
TOTAL		6,074.98	6,895.60
Significant Accounting Policies	1		
Other Notes to Accounts	2-48		

As per our report attached.

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

For and on behalf of Board of Directors

G.R. Aloria, IAS
Chairman

Dr. J. N. Singh, IAS
Director

Jal Patel
Director

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

Nitin Patil
In-charge Chief Executive Officer

Nitesh Bhandari
Chief Financial Officer

Rajeshwari Sharma
Company Secretary
Place : Gandhinagar
Date : 17 May 2016

Place : Ahmedabad
Date : 17 May 2016

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 ST MARCH 2016**

(Rs. in Crores)

Particulars	Note No.	For the year ended 31st March 2016	For the year ended 31st March 2015
Revenue from operations (Gross)	21	6,245.76	9,137.43
Less: Excise Duty		139.90	131.17
Revenue from operations (Net)		6,105.86	9,006.26
Other income	22	44.67	107.14
Total Revenue		6,150.53	9,113.40
Expenses:			
Cost of materials consumed	23	4,909.73	7,449.15
Purchases of Stock-in-Trade	24	4.39	28.37
Changes in inventories of Natural Gas	25	0.31	0.48
Employee benefits expense	26	131.67	115.19
Finance costs	27	246.02	331.28
Depreciation and amortization expense	11	245.69	237.68
Other expenses	28	334.85	308.83
Total expenses		5,872.66	8,470.98
Profit before exceptional and extraordinary items and Tax		277.87	642.42
(a) Prior period items (Net)	29	-	0.16
(b) Exceptional items	30	25.62	0.82
Profit Before Tax (PBT)		252.25	641.44
Tax Expense:			
Current tax	31	52.36	165.12
Add/(Less): MAT Credit Entitlement/Reversal		(10.32)	(34.19)
Add: Short / (Excess) Provision of Tax made in earlier years		(0.25)	0.37
(a) Net current tax		41.79	131.30
(b) Deferred tax	5	57.51	66.56
Profit after Tax (PAT)		152.95	443.58
Earnings per equity share of Rs 10 each			
(a) Basic	32	11.11	32.22
(b) Diluted		11.11	32.22
Significant Accounting Policies	1		
Other Notes to Accounts	2-48		

As per our report attached.

Manubhai & Shah LLP
Chartered Accountants

ICAI Firm Reg. No. 106041W/W100136

G.R.ParmarPartner
M. No. : 121462Place : Ahmedabad
Date : 17 May 2016**For and on behalf of Board of Directors****G.R. Aloria, IAS**
Chairman**Nitin Patil**
In-charge Chief Executive Officer**Dr. J. N. Singh, IAS**
Director**Nitesh Bhandari**
Chief Financial Officer**Jal Patel**
Director**Rajeshwari Sharma**
Company Secretary
Place : Gandhinagar
Date : 17 May 2016



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Rs. in Crores)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	252.25	641.44
Adjustments for:		
Depreciation	245.69	237.68
Loss on sale/disposal of fixed assets	6.38	4.86
Provision for Assets written off	2.48	0.53
Loss on sale as scrap and diminution in Capital Inventory	0.16	2.17
Material Shortage/(Gain)	-	(0.54)
Prior period adjustment on account of depreciation	-	(0.01)
Provision for Wealth Tax	-	0.02
Bad Debts Written Off	-	0.23
Provision for Doubtful Debts (Trade Receivables)	0.53	2.49
Provision for Doubtful Advances	1.26	1.28
Interest Expense	246.02	333.18
Provision/liability no longer required	(1.53)	(2.13)
Profit on Sale of Investments	(0.29)	(1.69)
Dividend Income	(11.06)	(54.72)
Interest Income	(27.46)	(43.59)
Operating Profit before Working Capital Changes	714.43	1,121.20
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables	94.21	181.79
(Increase)/Decrease in Other - Non Current Assets	-	7.50
(Increase)/Decrease in Short Terms Loans and Advances	(8.71)	(0.34)
(Increase)/Decrease in Other Current Assets	6.85	(4.28)
(Increase)/Decrease in Inventories	(0.25)	(3.70)
(Increase)/Decrease in Long-term loan and advances	(26.48)	(12.92)
Changes in Trade and Other Receivables	65.62	168.05
Increase/(Decrease) in Trade Payables	(172.95)	(96.60)
Increase/(Decrease) in Other Long term liabilities	0.83	0.41
Increase/(Decrease) in Other current Liabilities	60.56	(4.71)
Increase/(Decrease) in Deposits from Customers	30.52	33.11
Increase/(Decrease) in Long/Short-term provisions	14.03	19.02
Changes in Trade and Other Payables	(67.01)	(48.77)
Cash Generated from Operations	713.04	1,240.48
Taxes Refund	-	13.05
Taxes Paid	(57.62)	(159.16)
Net Cash from Operating Activities	655.42	1,094.37
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital work in progress and capital advances.	(575.99)	(355.33)
Sale of Non-current investments	-	0.08
Sale of Current Investment	937.28	2,662.92
Purchase of Current Investment	-	(2,919.33)
Deposits with original maturity of more than three months	(42.06)	139.85
Interest Received	25.93	50.41
Sale of Fixed Assets	0.21	1.67
Dividend Income	11.06	54.72
Net Cash from Investing Activities	356.43	(365.01)

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

(Rs. in Crores)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term borrowings	1,277.77	133.33
Repayment of Long-term borrowings	(2,168.41)	(205.26)
Repayment of Short-term borrowings	-	(3.69)
Interest Paid	(250.43)	(487.42)
Dividend Paid (including tax thereon)	(82.63)	(0.20)
Net Cash from Financing Activities	(1,223.70)	(563.24)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(211.85)	166.12
Cash and Cash Equivalents at the beginning of the year	234.59	68.47
Cash and Cash Equivalents at the end of the year	22.74	234.59
Closing Cash and Cash Equivalents comprise:		
Cash in hand	0.95	1.01
Balances with Scheduled Banks	21.79	25.71
Balances in Fixed Deposits	-	207.87
Total	22.74	234.59

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.
- In Part A of the cash flow statement, figures in brackets indicate deductions made from the Net Profit for deriving the Net cash flow from operating activities. In Part B and Part C, figures in bracket indicate cash-outflow.

As per our report attached.

Manubhai & Shah LLP
Chartered Accountants

ICAI Firm Reg. No. 106041W/W100136

G.R.ParmarPartner
M. No. : 121462Place : Ahmedabad
Date : 17 May 2016**For and on behalf of Board of Directors****G.R. Aloria, IAS**
Chairman**Nitin Patil**
In-charge Chief Executive Officer**Dr. J. N. Singh, IAS**
Director**Nitesh Bhandari**
Chief Financial Officer**Jal Patel**
Director**Rajeshwari Sharma**
Company Secretary
Place : Gandhinagar
Date : 17 May 2016



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note 1 – Significant Accounting Policies

1. General Information

- a) Gujarat Gas Limited (GGL or "Company") formerly known as GSPC Distribution Networks Limited (GDNL) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. GGL is a Government Company u/s 2(45) of Companies Act 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in Natural Gas Business in 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 was sanctioned by the Hon'ble Gujarat High Court at Ahmedabad vide its order dated 30th March 2015 between the following transferors companies -
 1. GSPC Gas Company Limited (GSPC Gas)
 2. Gujarat Gas Company Limited (GGCL)
 3. Gujarat Gas Financial Services Limited (GFSL)
 4. Gujarat Gas Trading Company Limited (GTCL)

(Collectively called Transferor Companies)

with Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited-GDNL) (the transferee) under the Scheme of Amalgamation and Arrangement with appointed date as 1st April, 2013. 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 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 to the Companies Act, 2013, read with the following notes:
- i. The Schedule specifies useful life of Pipelines as 30 years for those used in exploration, production and refining of oil and gas. The Company has considered the useful life of 30 years for the pipelines used in city gas distribution business.
 - ii. City gas stations, skids, pressure regulating stations, meters & regulators are estimated to have useful life of 18 years based on technical evaluation by external valuer.
 - iii. 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:
- | | |
|---|----------|
| I. Right of Way (ROW) Permissions | 30 Years |
| (Considered more than 10 years as inextricably linked and dependent on the useful life of pipeline networks as referred 5(a) above for which the Right of Way has been obtained). | |
| II. Software | 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 /facilities installed at the customers' premises on the land of the customers/CNG franchisee whose ownership is not with the company have been depreciated at the 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.

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

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

- 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" in the following manner:

A. Post-employment benefit plans

I. Defined Contribution Plan

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

II. Defined benefit plan

The company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is 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.

III. Long term employee benefits

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

**B. Other Long Term Service benefits****Long Service Award (LSA):**

On completion of specified period of service with the company, employees are rewarded with Cash Reward of different amount based on the duration of service completed. The Company's liability is actuarially determined at balance sheet date at the present value of the amount payable for the same. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

C. Short term employee benefits

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

D. Employee Stock Option Plan

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. 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.



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

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws

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 when it is probable that the future economic benefits associated with it will flow to enterprise in the form of adjustment of future income tax liability and is considered as an asset in the balance sheet when the asset can be measured reliably 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. 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 and Pre-paid Expenses**

In respect of the transactions pertaining to the one or more prior periods, the expenditure / (income) relating to prior period as a result of errors or omission in the preparation of financial statements, 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.

During the Current year, the Company has specified the limit of transaction upto INR 0.05 crore in each case for items pertaining to prior period & prepaid items and same is recognised to Statement of Profit and Loss as and when incurred. In the opinion of the management, the impact of the above changes, on the Statement of Profit & Loss and Balance Sheet though not quantifiable, will not be material.

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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****Note 2 SHARE CAPITAL****2.1 AUTHORISED, ISSUED, SUBSCRIBED, FULLY PAID UP SHARE CAPITAL****(Rs. in Crores)**

Share Capital	As at 31st March 2016		As at 31st March 2015	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Shares of Rs.10 each	1,73,51,00,000	1,735.10	1,73,51,00,000	1,735.10
7.5% Redeemable preference Shares of Rs.10 each	1,70,00,000	17.00	1,70,00,000	17.00
Preference shares of Rs. 10 each (Refer Note 2.1.1)	50,00,000	5.00	50,00,000	5.00
Issued, Subscribed and Paid up				
Equity Shares of Rs.10 each fully paid up (Refer Note 2.1.2)	13,76,78,025	137.68	13,76,78,025	137.68
Total	13,76,78,025	137.68	13,76,78,025	137.68

Note 2.1.1: 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.

Note 2.1.2: Out of the above, 12,45,20,130 Equity Shares of Rs. 10 each have been allotted as fully paid at face value to the shareholders of transferor companies without payments being received in cash pursuant to the Scheme of Amalgamation and arrangement for transfer of the assets and liabilities determined by the management as on appointed date.

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 2016		As at 31st March 2015	
	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	13,76,78,025	137.68	13,76,78,025	137.68
Add: Shares issued during the period	-	-	-	-
Less: Shares cancelled during the period	-	-	-	-
Shares outstanding at the end of the period	13,76,78,025	137.68	13,76,78,025	137.68

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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****2.4 SHAREHOLDING 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:

Share Holder (Nature of Relationship)	As at 31st March 2016		As at 31st March 2015	
	No. of Equity Shares of Rs. 10 each fully paid	Amount	No. of Equity Shares of Rs. 10 each fully paid	Amount
(i) Gujarat State Petroleum Corporation Limited (Holding Company)	3,91,06,328	39.11	3,91,06,328	39.11
(ii) Gujarat State Petronet Limited (Subsidiary of Holding co. & Entity having significant influence)	3,54,68,471	35.47	3,54,68,471	35.47
(iii) Gujarat State Energy Generation Limited (Associate of Holding company)	2,66,447	0.27	2,66,447	0.27

2.5 SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL SHARE CAPITAL

Name of Shareholder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gujarat State Petroleum Corporation Limited	3,91,06,328	28.40%	3,91,06,328	28.40%
Gujarat State Petronet Limited	3,54,68,471	25.76%	3,54,68,471	25.76%
Gujarat State Fertilizers and Chemicals Limited	93,82,895	6.82%	93,82,895	6.82%
Government of Gujarat	89,95,462	6.53%	89,95,462	6.53%
Aberdeen Global Indian Equity (Mauritius) Limited	71,31,843	5.18%	73,62,972	5.35%

2.6 ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH:

Particulars	Year (Aggregate No. of Shares)		
	2015-16	2014-15	2013-14
Equity Shares:			
(i) Equity Shares of Rs. 10 each fully paid pursuant to contract(s) - to the Scheme of Amalgamation and arrangement without payment being received in cash. (Refer note 2.1.2)	-	-	12,45,20,130



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016

Note 3 RESERVES AND SURPLUS

(Rs. in Crores)

Reserves and Surplus	As at 31st March 2016	As at 31st March 2015
Amalgamation and arrangement Reserve (Refer Note 3.1)		
Opening Balance	1,521.48	1,521.48
Add/Less : Adjustment during the year	-	-
Closing Balance	1,521.48	1,521.48
Stock Options Outstanding Account		
Opening Balance	0.32	2.83
Less : Options exercised during the year	(0.15)	0.31
Less : Adjustment on exercise of options during the year	0.30	2.06
Less : Lapse of options during the year	-	0.14
Closing Balance	0.17	0.32
Less : Deferred Stock Option Outstanding Account		
Opening Balance	0.01	0.14
Less : Expenses during the year	0.01	-
Less : Options exercised during the year	-	0.13
Closing Balance	-	0.01
Net balance in stock options outstanding Account	0.17	0.31
General Reserve		
Opening Balance	2.06	-
Add : Adjustment of Stock Options Outstanding Account/ advance to ESOP Trust	0.49	2.06
Closing Balance	2.55	2.06
Surplus in Statement of Profit and Loss		
Opening balance	204.38	(26.06)
Add: Profit for the year as per Statement of Profit and Loss	152.95	443.58
Closing Balance	357.33	417.52
Less : Appropriations:		
Depreciation Adjustment [Refer note 11 (1)]	-	5.29
Proposed Dividend	34.42	68.84
Corporate Tax on Dividend	7.01	14.01
Transfer to Debenture Redemption Reserve	-	125.00
Closing Balance	315.90	204.38
Debenture Redemption Reserve		
Opening Balance	125.00	-
Add : Transfer during the year	-	125.00
Closing Balance	125.00	125.00
Total	1,965.10	1,853.23

Note 3.1: The "Amalgamation and Arrangement Reserve" created pursuant to scheme of amalgamation and arrangement is treated as free reserve based on the judgment of Honorable Gujarat High Court dated 18th April 2015 read with relevant other court decisions.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****Note 4 LONG TERM BORROWINGS****(Rs. in Crores)**

Long Term Borrowings	As at 31st March 2016	As at 31st March 2015
Secured		
Term loans		
from banks (Refer Note 4.1)	1,703.37	774.12
from other parties (Refer Note 4.1)	4.19	216.66
The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.		
Total - [A]	1,707.56	990.78
Unsecured		
Redeemable, Unlisted, and Non-Convertible Debentures		
- NCD (Refer Note 4.2)	-	500.00
The company does not have any continuing defaults in repayment of NCD and interest as at the reporting date.		
Total - [B]	-	500.00
Total - [A + B]	1,707.56	1,490.78



(Rs. in Crores)

Secured Loans	Total Outstanding Amount as on 31.03.2016	Total Outstanding Amount as on 31.03.2015	Repayment Terms				Non-Current		Current *		
			Terms of repayment of term loans	Maturity of Loan	Total Number of Installments payable after 31.03.2016	Number of Installments payable within one year from 31.03.2016	Rate of interest as on 31.03.2016 In %	Amount of Installments not due within one year from 31.03.2016	Amount of Installments not due within one year from 31.03.2015	Amount of Installments due within one year from 31.03.2016	Amount of Installments due within one year from 31.03.2015
From Banks:											
Dena Bank TL - III	34.76	44.77	Quarterly Installment from December 2012	Sep-19	14	4	9.70%	24.76	34.77	10.00	10.00
The Kalupur Commercial Co-op. Bank	-	1.69	NA	NA	NA	NA	NA	-	-	-	1.69
The Kalupur Commercial Co-op. Bank TL - II	-	21.20	NA	NA	NA	NA	NA	-	16.20	-	5.00
Oriental Bank of Commerce TL - I	1.05	8.55	Monthly installment along with interest from December 2010	May-16	2	2	9.70%	-	1.05	1.05	7.50
Oriental Bank of Commerce TL - II	2.39	4.90	Monthly installment along with interest from started from April 2011	Mar-17	12	12	9.70%	-	2.40	2.39	2.50
Oriental Bank of Commerce TL - III	7.68	14.39	Monthly installment along with interest from June 2011	May-17	14	12	9.70%	0.96	7.68	6.71	6.71
Bank of Maharashtra	-	46.58	NA	NA	NA	NA	NA	-	39.38	-	7.20
Corporation Bank	-	77.88	NA	NA	NA	NA	NA	-	65.88	-	12.00
UCO Bank	-	58.33	NA	NA	NA	NA	NA	-	49.33	-	9.00
Bank of Baroda	-	47.46	NA	NA	NA	NA	NA	-	32.46	-	15.00
Dena Bank TL - IV	524.96	599.98	Quarterly Installment from June 2015	Mar-23	28	4	9.70%	449.96	524.98	75.00	75.00
State Bank of India TL I	427.69	-	Quarterly Installment from December 2017	Sep-27	40	NA	9.34%	427.69	-	-	-
State Bank of India TL II	799.99	-	Quarterly Installment from December 2017	Sep-27	40	NA	9.34%	799.99	-	-	-
Total (A)	1,798.53	925.72						1,703.37	774.12	95.16	151.61
From Financial Institutions											
HUDCO Limited	36.33	216.66	Quarterly Installment from August 2016	May-23	28	3	10.25%	4.19	216.66	2.14	-
Total (B)	36.33	216.66						4.19	216.66	32.14	-
Total (A+B)	1,834.86	1,142.39						1,707.56	990.78	127.30	151.61
Net Amount								1,707.56	990.78	-	-

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

Type of loan	Security given
Secured Loan	First pari - passu charge on Present & Future Fixed Assets (Movable & Immovable) of the Company and Second pari - passu charge on Present & Future Current Assets of the Company.



(Rs. in Crores)

Unsecured Loans	Total Outstanding Amount as on 31.03.2016	Total Outstanding Amount as on 31.03.2015	Repayment Terms				Non-Current		Current **	
			Terms of repayment of term loans	Maturity of Loan	Total Number of Installments payable after 31.03.2016	Number of Installments payable within one year from 31.03.2016	Rate of interest as on 31.03.2016 in %	Amount of Installments not due within one year from 31.03.2016	Amount of Installments not due within one year from 31.03.2015	Amount of Installments due within one year from 31.03.2016
Medium Term Loans from Financial Institutions										
Gujarat State Financial Services Ltd	-	16.67	NA	Aug-15	NA	NA	-	-	-	16.67
Gujarat State Financial Services Ltd	-	66.67	NA	Mar-16	NA	NA	-	-	-	66.67
Gujarat State Financial Services Ltd	-	100.00	NA	Feb-16	NA	NA	-	-	-	100.00
Gujarat State Financial Services Ltd	-	1,400.00	NA	Mar-16	NA	NA	-	-	-	1,400.00
Total (A)	-	1,583.33					-	-	-	1,583.33
Debentures										
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	-	500.00	500.00	-
Total (B)	500.00	500.00					500.00	500.00	500.00	-
Total (A+B)	500.00	2,083.33					500.00	500.00	500.00	1,583.33
** Less: Amount disclosed under the head "Other Current Liabilities" (Note No. 9)										
Net Amount							500.00	500.00	500.00	1,583.33

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

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured Loan Guarantee by Directors or others	NA The Company and GSPL has guaranteed to IDBI Trustee Co. Ltd. for NCD of Rs. 500 Crores.	Demand Promissory Note and Post-dated cheques for repayment of principal and interest has been given to GSFS. The Company and GSPL has guaranteed to IDBI Trustee Co. Ltd. for NCD of Rs. 500 Crores.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****Note 5 DEFERRED TAX LIABILITY (NET)****(Rs. in Crores)****Major components of deferred tax liability and assets are as follows:**

Component	As at 31st March 2016	As at 31st March 2015
Opening Balance		
(a) Deferred tax liability on		
Depreciation	365.41	306.83
(b) Deferred tax assets on		
Other provisional expenses disallowed under Income Tax Act, 1961	(12.64)	(9.28)
Carry-forward of loss & Unabsorbed Depreciation	-	(8.32)
Total	352.77	289.23
Closing Balance		
(a) Deferred tax liability on		
Depreciation	432.79	368.43
(b) Deferred tax assets on		
Other provisional expenses disallowed under Income Tax Act, 1961	(22.51)	(12.64)
Carry-forward of loss & Unabsorbed Depreciation	-	-
Total	410.28	355.79
Increase/(Decrease) during the year on account of depreciation adjustment*	-	(3.02)
Net Amount Recognised in the Balance sheet	410.28	352.77
Increase/(Decrease) during the year and recognised in Statement of Profit and Loss	57.51	66.56

*Adjustment of deferred tax for the carrying value of assets, whose remaining useful life is Nil as at 1 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 2016	As at 31st March 2015
Security Deposits from Customers	605.47	574.95
Deposit from collection centres and others (For details, Dues to Micro, Small and Medium Enterprises - Refer Note 39)	4.55	3.72
Total	610.02	578.67

Note: Security Deposits received from customers have been considered as long-term liabilities based on the commercial practice and the intention of the company to continue long-term relationship with its customers for the foreseeable future.

Note 7 LONG TERM PROVISIONS**(Rs. in Crores)**

Long Term Provisions	As at 31st March 2016	As at 31st March 2015
Provision for employee benefits(Refer Note 40)		
Leave Encashment (unfunded)	23.91	21.90
Long Service Benefits (unfunded)	1.12	-
Total	25.03	21.90



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016

Note 8 TRADE PAYABLES

(Rs. in Crores)

Trade Payables	As at 31st March 2016	As at 31st March 2015
Dues Of Micro Enterprises And Small Enterprises (Refer Note 39) - (A)	1.99	0.10
Other Than Micro Enterprises And Small Enterprises:		
Trade payables - Gas Purchase / Transmission	190.57	385.44
Trade payables - Others	59.05	39.02
Total - (B)	249.62	424.46
Total (A+B)	251.61	424.56

Note 9 OTHER CURRENT LIABILITIES

(Rs. in Crores)

Other Current Liabilities	As at 31st March 2016	As at 31st March 2015
Dues Of Micro Enterprises And Small Enterprises (Refer Note 39) - (A):		
Payables for Capital Goods and Services	9.20	11.48
Other Than Micro Enterprises And Small Enterprises:		
Current maturities of long-term debt		
Term Loans (Refer Note No. 4.1 and 4.2)		
From Banks (Secured)	95.16	151.61
From Other Parties (Secured)	32.14	-
From Other Parties (Unsecured)	-	1,583.33
Redeemable, Unlisted, and Non-Convertible Debentures - NCD (Unsecured) (Refer Note 4.2)	500.00	-
	627.30	1,734.94
Interest accrued but not due on borrowings	22.72	26.90
Payables for Capital Goods and Services	127.11	110.04
Deposits from Customers towards MGO	27.05	21.20
Advances from Customers towards Connection (Refer Note 9.1)	10.31	12.43
Other advances from Customers	15.70	7.16
Security Deposit from Suppliers	9.88	4.89
Unpaid Dividend (Refer Note 9.2)	3.04	2.82
Duties and Taxes	36.15	17.47
PF Payable	1.09	1.01
Due to Banks in Current Account (Book Overdraft)	0.01	-
Other Payable	25.07	0.19
Other Liabilities :		
BG Asia Pacific Holdings Limited	464.78	464.78
Less : Amount deposited in Escrow Account with Citi Bank (Refer Note 9.3)	(464.78)	(464.78)
Net Payable	-	-
Total - (B)	905.43	1,939.05
Total (A+B)	914.63	1,950.53

Note 9.1: Advances from customers includes amount of Rs 3.07 Crores (Previous Year Rs. 2.54 Crores) outstanding more than 365 days. These amounts are in the nature of security deposits for providing capital goods or services in the normal course of business.

Note 9.2: The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 after the expiry of seven years from the date of declaration of dividend. No amount is due at the end of the period for credit to Investors education and protection fund.

Note 9.3: The Company deposited Rs. 464.78 crores on 12th June, 2013 into the escrow account ("named BG Asia Pacific Holdings Pte. Limited GSPC Distribution Networks Limited Escrow Account") opened with Citibank N.A., acting as the escrow agent, pursuant to the escrow agreement executed between the BG Asia Pacific Holdings Pte. Limited (the Seller), Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) (the Purchaser) and Citibank N.A. The Payment of said amount into Escrow Account is to be utilized to meet future tax withholding liability (if any) based on outcome of the applications to the Authority for Advance Rulings or otherwise to be remitted to BG Asia Pacific Holdings Pte. Limited (the Seller) directly.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****Note 10 SHORT TERM PROVISIONS****(Rs. in Crores)**

Short Term Provisions	As at 31st March 2016	As at 31st March 2015
Provision for Wealth Tax (Net)	-	0.11
Provision for Proposed Dividend	34.42	68.84
Provision for Dividend Distribution Tax	7.01	14.01
	41.43	82.85
Provision for Employee Benefits		
Gratuity (Refer Note 40)	9.65	1.90
Superannuation	0.22	0.14
Leave Encashment (unfunded) (Refer Note 40)	1.46	0.48
Long Service benefits (unfunded) (Refer Note 40)	0.31	-
	11.64	2.52
Total	53.07	85.48



Note 11 FIXED ASSETS (Rs. in Crores)

Particulars	Gross Block			Depreciation and Amortization			Net Block		
	As at 1st April 2015	Addition during the year	Disposal/ Adjustment	As at 31st March 2016	As at 1st April 2015	For the year	Disposal/ Adjustment	As at 31st March 2016	As at 31st March 2015
TANGIBLE ASSETS:									
Lease hold Land	11.19	-	-	11.19	0.35	0.17	-	10.67	10.84
Freehold Land	378.96	5.05	-	384.01	-	-	-	384.01	378.96
Buildings	179.43	2.54	-	181.97	7.26	3.69	-	171.02	172.17
Plant and Machinery	4,175.39	378.60	16.15	4,537.84	449.01	214.33	6.20	3,880.70	3,726.38
Furniture and Fixture	13.47	1.91	0.04	15.34	3.72	2.43	0.03	9.22	9.75
Computer Equipment	25.17	0.78	0.03	25.92	16.63	3.66	0.02	5.65	8.54
Office Equipments	16.73	1.69	0.28	18.14	8.94	2.62	0.27	6.85	7.79
Vehicles	10.19	0.10	0.09	10.20	3.78	1.71	0.03	4.74	6.41
Books and Periodicals	0.10	-	-	0.10	0.07	0.03	-	-	0.03
Total Tangible Assets	4,810.63	390.67	16.59	5,184.71	489.76	228.64	6.55	4,472.86	4,320.87
INTANGIBLE ASSETS:									
ROW Permissions	130.53	47.55	-	178.08	6.90	5.19	-	165.99	123.63
ROU	10.38	0.04	-	10.42	-	-	-	10.42	10.38
Software and other Intangibles	59.85	4.97	0.04	64.78	28.07	11.86	0.03	24.88	31.78
Total Intangible Assets	200.76	52.56	0.04	253.28	34.97	17.05	0.03	201.29	165.79
Total Assets	5,011.39	443.23	16.63	5,437.99	524.73	245.69	6.58	4,674.15	4,486.66
Previous year									
Tangible Assets	4,589.45	230.05	8.87	4,810.63	261.53	230.79	2.56	4,320.87	4,327.91
Intangible Assets	165.53	35.69	0.46	200.76	20.01	15.20	0.23	165.79	145.53
Total Assets	4,754.98	265.74	9.33	5,011.39	281.54	245.99	2.79	4,486.66	4,473.44

Note 1 During previous year, the Company had revised the useful lives 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 1 April 2014. Accordingly, the carrying value of fixed assets as on that date, net of residual value, had been depreciated over the revised remaining useful lives. Depreciation adjustment amount of INR. 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 INR 3.02 Crores) had been charged to the opening balance of retained earnings of previous year.

Note 2 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.

Note 3 Borrowing Cost - Additions to the fixed assets during the current year includes borrowing costs capitalized Rs. 13.97 Crores (Previous Year Rs. 6.28 Crores) pertaining to borrowings for qualifying assets as per the requirements of Accounting Standard - 16 (AS-16) "Borrowing Costs"

Note 11.1 Capital work in progress (Rs. in Crores)

Capital work in progress	As at 31st March 2016	As at 31st March 2015
Capital Inventory	233.60	150.81
Capital Work-in-Progress	208.32	188.78
Interest during the construction period	26.05	17.60
Total	467.97	357.19

Note 11.2 Intangible assets under development (Rs. in Crores)

Intangible assets under development	As at 31st March 2016	As at 31st March 2015
Software under development	0.20	0.20
Total	0.20	0.20



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note 12 NON-CURRENT INVESTMENTS

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Nature	Partly Paid / Fully paid	Extent of Holding (%)		Balance as At (Rs. in Crores)	
			As at 31st March 2016	As at 31st March 2015			As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
	Investment in Equity Instruments									
1	Gujarat State Petroleum Corporation Limited	Others (Holding Co.)	2,00,00,000	2,00,00,000	Non Trade Unquoted	Equity Shares of Rs.1 each fully paid	0.90%	0.90%	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	49.94%	49.94%	0.03	0.03
3	The Kalpur Co Op Comm Bank Ltd	Others	200	200	Non Trade Unquoted	Equity Shares of Rs.25 each fully paid	0.001%	0.001%	Rs. 5000/-	Rs. 5000/-
	Total								162.03	162.03

Note 13 LONG TERM LOANS AND ADVANCES

(Rs. in Crores)

Long Term Loans and Advances	As at 31st March 2016	As at 31st March 2015
Advance Tax, TDS and MAT Credit		
Advance Tax and TDS (Net of provisions)	186.96	182.10
MAT Credit Entitlement	18.44	7.47
Capital Advances [Unsecured, considered good]	38.20	19.19
Security Deposits (Refer Note No. 13.1)		
To related parties [Unsecured, considered good]	1.71	1.05
To Others [Unsecured, considered good]	40.64	23.98
To Others [Unsecured, considered doubtful]	7.07	5.81
Less: Provision for doubtful deposits	(7.07)	(5.81)
	42.35	25.03
Loan to Employees [Unsecured, considered good]	2.10	1.93
Prepaid Expenses	31.04	5.13
Advance Against Expenses		
(Receivables in cash/kind in value to be received)		
For Advance against Expenses-other [Unsecured, considered good]	0.09	0.16
For Advance against Expenses-doubtful	0.03	0.03
	0.12	0.19
Less: Provision for doubtful	0.03	0.03
	0.09	0.16
Balances with Government authorities for Litigations	14.20	13.30
Advance to ESOP Trust	2.58	3.01
Total	335.96	257.32

Note 13.1: 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. 16.16 Crores- (Previous Year Rs. 7.37 Crores), 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 14 OTHER NON-CURRENT ASSETS

(Rs. in Crores)

Other non-current assets	As at 31st March 2016	As at 31st March 2015
Other Receivable [Unsecured, considered doubtful]	0.36	0.36
Less : Provision for Doubtful	(0.36)	(0.36)
Total	-	-



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note 15 CURRENT INVESTMENTS

(Rs. in Crores)

Current Investments	As at 31st March 2016	As at 31st March 2015
Investment in Mutual Funds (Refer Note 15.1 for Qty. details) (At Cost or fair market value whichever is lower, determined categorywise)	-	936.99
Total	-	936.99

Note 15.1 Details of investment in Mutual Funds

(Rs. in Crores)

Sr. No.	Scheme	As at 31st March 2016		As at 31st March 2015	
		No. of Units	Amount	No. of Units	Amount
1	Birla Sunlife Cash Plus Plan - Dividend	-	-	4,72,070	4.73
2	Birla Sun Life Floating Rate Fund -Short Term Plan- Direct-Dividend	-	-	14,41,531	14.42
3	Birla Sun Life Floating Rate-Long Term Direct - Dividend	-	-	80,144	0.80
4	Birla Sun Life Savings Fund-Direct - Dividend	-	-	1,33,46,621	133.86
5	DSP Black Rock Money Manager Fund -Direct - Dividend	-	-	5,82,731	58.52
6	HDFC Cash Management Fund - Savings Plan - Direct- Dividend	-	-	47,26,157	5.03
7	HDFC Floating Rate Inc. Fund-STP-Wholesale -Direct -Dividend	-	-	9,64,48,400	97.23
8	ICICI Prudential Flexible Income- Direct - Dividend	-	-	76,77,775	81.18
9	ICICI Prudential Liquid -Direct - Dividend	-	-	2,30,166	2.30
10	ICICI Prudential Money Market Fund - Direct -Dividend	-	-	5,19,823	5.21
11	IDFC Cash Fund -Direct - Dividend	-	-	57,727	5.77
12	IDFC Ultra Short Term Fund-Direct- Dividend	-	-	10,59,93,929	106.58
13	Kotak Treasury Advantage Fund- Direct- Dividend	-	-	6,44,22,140	64.94
14	Kotak Liquid Scheme Plan A - Direct- Dividend	-	-	1,01,743	12.44
15	Reliance Liquid Fund-Cash Plan-Direct- Dividend	-	-	3,09,722	34.51
16	Reliance Liquidity Fund Direct - Dividend	-	-	52,630	5.27
17	Reliance Money Manager Fund - Direct- Dividend	-	-	7,42,947	74.45
18	SBI Premier Liquid Fund - Direct - Dividend	-	-	5	0.00
19	BI Ultra Short Term Debt Fund-Direct - Dividend	-	-	3,17,245	31.80
20	Templeton India Treasury Management Account Super Institutional - Direct -Dividend	-	-	2,11,190	21.16
21	Templeton Ultra Short Bond Fund Super Institutional - Direct - Dividend	-	-	7,85,67,594	78.86
22	UTI Money Market Fund - Institutional Plan - Direct - Dividend	-	-	6,045	0.61
23	UTI Treasury Advantage Fund- Institutional Plan - Direct - Dividend	-	-	9,71,030	97.33
Total		-	-	37,72,79,365	936.99

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****Note 16 INVENTORIES****(Rs. in Crores)**

Inventories *	As at 31st March 2016	As at 31st March 2015
Stores and spares	37.65	37.01
Inventory of Gas	3.69	4.08
Total	41.34	41.09

* For Valuation- refer note no. 1.10

Note 17 TRADE RECEIVABLES**(Rs. in Crores)**

Trade Receivables	As at 31st March 2016	As at 31st March 2015
Outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	64.37	83.77
Unsecured, considered good (Refer Note 17.1)	179.09	249.02
Unsecured, considered good	53.33	63.68
Doubtful	0.04	-
Total (A)	296.83	396.47
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	1.31	1.12
Unsecured, considered good (Refer Note 17.1)	0.04	0.05
Unsecured, considered good	2.35	2.84
Doubtful	4.39	3.90
Total (B)	8.09	7.91
Total (A+B)	304.92	404.38
Less: Provision for doubtful debts	4.43	3.90
Less: Deposits From Customers towards MGO	34.63	39.88
Total	265.86	360.60

Note 17.1: Trade receivables are backed by Bank Guarantees.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****Note 18 CASH AND BANK BALANCES****(Rs. in Crores)**

Cash and Bank Balances	As at 31st March 2016	As at 31st March 2015
Cash and cash equivalents		
Balances with banks		
(a) In Current Accounts- including Sweep-in Facility Accounts	21.79	25.71
(b) Deposits with Original Maturity of less than three months	-	207.87
Cash on Hand	0.95	1.01
	22.74	234.59
Other Bank Balances		
I. Unpaid dividend accounts (Refer note 18.1)	3.04	2.82
II. Deposits with original maturity of more than three months but less than twelve months	2.06	-
III. Deposits with original maturity of more than three months but less than twelve months held as Margin Money under lien against Bank Guarantee	40.00	-
	45.10	2.82
Total	67.84	237.41

Note 18.1 : The balances in dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment. No amount is due at the end of the period for credit to Investor Protection and Education fund.

Note 19 SHORT TERM LOANS AND ADVANCES**(Rs. in Crores)**

Short-term loans and advances	As at 31st March 2016	As at 31st March 2015
Unsecured, considered good		
Advance Against Expenses (Receivables in cash/kind in value to be received)		
To Related parties	0.06	-
To Others	1.09	1.46
	1.15	1.46
Other Advances:		
Loan to Employees	2.04	1.45
Staff Advance	0.04	0.01
Pre Paid Expenses	14.61	5.58
CENVAT Credit Account	5.80	6.52
Balances in PLA Account	-	0.04
Balances with Stamp Duty Authorities	0.05	0.01
Advance to ESOP Trust	0.43	-
Other Deposits	0.01	-
Total	24.13	15.07

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****Note 20 OTHER CURRENT ASSETS****(Rs. in Crores)**

Other current assets	As at 31st March 2016	As at 31st March 2015
Interest Accrued But Not Due on Fixed Deposits	2.49	0.99
Interest Accrued But Not Due on Security Deposits	0.28	0.25
Unbilled Revenue	32.47	38.66
Claims Recoverable - Insurance	0.10	0.76
Others	0.16	0.38
Total	35.50	41.04

Note 21 REVENUE FROM OPERATIONS**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Sale of Products		
Natural Gas	6,190.48	9,066.71
Other operating revenue		
Gas transmission income	5.90	14.35
Contract Renewal Charges Income	7.97	7.62
Take or Pay Charges Income	10.21	12.35
Registrations, Connections, Service & Fitting income	29.51	34.88
Other Operating Income	1.69	1.52
	55.28	70.72
Revenue from Operations (Gross)	6,245.76	9,137.43
Less: Excise duty	139.90	131.17
Revenue from Operations (Net)	6,105.86	9,006.26

Note 22 OTHER INCOME**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest Income*	27.33	35.89
Dividend Income**	11.06	54.72
Interest on income tax refund	0.13	7.71
Profit on Sale of Current Investments (Net)	0.29	1.69
Provision/Liability No Longer Required	1.53	2.13
Other non-operating income	4.33	5.00
Total	44.67	107.14

* Includes interest income on deposits, staff advances and delayed payment from customers.

**Includes dividend income on mutual funds & trade/non trade investments.

Note 23 COST OF MATERIAL CONSUMED**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Natural Gas	4,686.21	7,166.64
Gas Transportation Charges	223.52	282.51
Total	4,909.73	7,449.15

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****Note 24 PURCHASE OF STOCK-IN-TRADE****(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Purchases of CNG	4.39	28.37
Total	4.39	28.37

Note 25 CHANGES IN INVENTORIES OF NATURAL GAS**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Inventory at the beginning of the year	4.08	4.56
Less: Inventory at the end of year	3.77	4.08
Changes in Inventories - (Increase)/Decrease	0.31	0.48

Note 26 EMPLOYEE BENEFIT EXPENSES**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Salaries and Incentives	106.47	86.71
Contributions to Provident fund	5.87	5.36
Leave Encashment	3.76	13.27
Gratuity (Including provision)	9.63	6.27
Other Long service benefits	1.43	-
Staff welfare expenses	4.51	3.58
Total	131.67	115.19

Note 27 FINANCE COSTS**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
I. Interest expense		
Interest on Term Loans	209.78	287.09
Interest on Non Convertible Debentures	51.51	51.50
Interest on Working capital Loan	0.62	0.65
Interest on Security Deposits	5.52	1.62
(a) Total Interest Expense	267.43	340.86
(b) Less: Interest Capitalised	22.41	10.40
Net Interest Expense [(a)-(b)]	245.02	330.46
II. Interest on income tax	-	0.16
III. Other borrowing costs	1.00	0.66
Total	246.02	331.28

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****Note 28 OTHER EXPENSES****(Rs. in Crores)**

Particulars	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Consumption of Stores and Spare Parts	8.27	8.17
Service and fitting expense	6.18	7.24
Power and Fuel	60.36	52.09
Rent		
Rent for Premises (Refer Note 28.1)	6.18	3.80
Rent for Pipelines	14.05	12.38
Repair and Maintenance		
Buildings	1.28	1.11
Plant & Machinery	96.44	89.10
Others	14.43	11.69
Billing and Collection expenses	4.69	4.33
LCV/HCV Hiring, Operating and Maintenance Charges	22.03	22.21
Franchisee and other Commission	24.65	21.27
Advertisement and Business Promotion	4.15	3.02
Legal, Professional and Technical Consultancy Exp.	11.27	11.37
Insurance	3.03	2.97
Rates and Taxes		
Rates, taxes and duties	1.57	1.64
Provision for Wealth Tax	-	0.02
Office and Administrative Expenses	4.34	3.98
Stationery and Printing Expenses	1.97	1.80
Telephone and Communication Expenses	3.80	3.88
Agency and Contract Staff Expenses	19.77	20.10
Conveyance and Travelling Expenses	1.29	1.67
Vehicle Hiring and Running Expenses	6.16	5.18
Audit Fees (Refer Note 28.2)	0.51	0.43
Donations	1.07	1.05
Bank Charges	2.18	3.08
Loss of Sale of Assets	0.88	4.86
Loss on Disposal of Assets	5.50	-
Assets written off	2.48	0.53
Loss on sale as scrap and diminution in Capital Inventory	0.16	2.17
Bad Debts Written Off	-	0.23
Provision for Doubtful Debt	0.53	2.49
Provision for Doubtful Advances/Deposits	1.26	1.28
Net loss on foreign currency transaction	0.02	0.02
Miscellaneous Expenses	4.35	3.67
Total	334.85	308.83

28.1 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 INR 6.18 Crores (Previous Year 3.80 Crores). The lease arrangement typically ranges from 11 months to 9 years.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****Note 28.2 PAYMENTS TO AUDITOR****(Rs. in Crores)**

Payments to auditor	For the year ended 31st March 2016	For the year ended 31st March 2015
For Statutory Audit- 2015-16	0.29	0.41
For Statutory Audit- 2014-15 (Merged Entity)	0.11	-
For Statutory Audit- 2013-14 (Revised Annual Accounts)	0.11	-
For Other Services	-	0.01
For reimbursement of expenses	-	0.01
Total	0.51	0.43

Note 29 PRIOR PERIOD ITEMS (NET)**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Depreciation	-	(0.01)
Other Expenses	-	0.17
Total	-	0.16

Note 30 EXCEPTIONAL ITEMS**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Expenses Pursuant to scheme of Amalgamation and Arrangement (Refer Note 30.1)	25.62	1.36
Material Shortage (Gain)/Loss	-	(0.54)
Total	25.62	0.82

Note 30.1 Exceptional item pertains to stamp duty charges and other expenses incurred pursuant to Scheme of Amalgamation and Arrangement.

Note 31 CURRENT TAX**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Current Tax	52.36	165.28
Less: Interest on Tax	-	0.16
Current Tax	52.36	165.12
Less: MAT Credit Entitlement	10.32	34.19
Add: Short / (Excess) Provision of Tax made in earlier years	(0.25)	0.37
Net Current Tax	41.79	131.30

Note 32 EARNINGS PER SHARE (EPS)

Particulars		For the year ended 31st March 2016	For the year ended 31st March 2015
Profit attributable to equity shareholders	Rs. in Cr.	152.95	443.58
Weighted average number of ordinary equity shares for Basic EPS	Nos.	13,76,78,025	13,76,78,025
Weighted average number of ordinary equity shares for Diluted EPS	Nos.	13,76,78,025	13,76,78,025
Nominal Value of equity share	Rs.	10.00	10.00
Basic EPS	Rs.	11.11	32.22
Diluted EPS	Rs.	11.11	32.22



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016

Note 33

A IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

(Rs. in Crores)

Particulars	For the year ended 31 st March 2016		For the year ended 31 st March 2015	
	% of Total Consumption	Amount	% of Total Consumption	Amount
Raw Materials				
Natural Gas				
- Imported	-	-	-	-
- Indigenous	99.58%	4,909.73	99.35%	7,449.15
Purchase of stock in Trade				
- Imported	0.00%	-	0.00%	-
- Indigenous	0.09%	4.39	0.38%	28.37
Stores and Spare Parts				
- Imported	0.07%	3.51	0.03%	2.21
- Indigenous	0.26%	12.58	0.24%	17.83
Total	100%	4,930.21	100%	7,497.56

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 2016	Sales For the year ended 31st March 2015	Closing Inventory as at 31st March 2016	Closing Inventory as at 31st March 2015
Manufactured Goods				
- Natural Gas*	6,046.18	8,907.60	3.77	4.08
Total	6,046.18	8,907.60	3.77	4.08

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

2 TRADED GOODS

(Rs. in Crores)

Particulars	Sales For the year ended 31st March 2016	Sales For the year ended 31st March 2015	Closing Inventory as at 31st March 2016	Closing Inventory as at 31st March 2015
Traded Goods				
- CNG	4.40	27.94	-	-
Total	4.40	27.94	-	-

3 QUANTITATIVE DETAILS

Particulars	Unit of Measurements	For the year ended 31st March 2016	For the year ended 31st March 2015
Purchase Goods			
Purchase of Natural Gas	MMBTU	9,05,25,558	9,04,83,856
Purchase of CNG	KGS	10,76,998	69,27,120
Manufactured Goods			
Sale of Natural Gas	SCM at various Calorific values	2,03,08,85,249	2,38,47,51,257
Traded Goods (CNG)			
Sale of CNG	KGS	10,76,998	69,27,120
Closing Inventory	SCM	17,19,473	16,19,956

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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****Note 34 CONTINGENT LIABILITIES****(Rs. in Crores)**

Contingent liabilities and commitments (to the extent not provided for)	As at 31 st March 2016	As at 31 st March 2015
Contingent Liabilities		
(a) Claims against the company not acknowledged as debt(Refer Note 34.1)	528.71	48.37
(b) Other Contingent Liabilities - Statutory claims (Refer Note 34.2)	167.49	151.99
(c) Other Contingent Liabilities - Stamp duty on amalgamation	-	25.00
Total (A)	696.20	225.36
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	539.12	440.60
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for	203.33	161.83
Total (B)	742.45	602.43
TOTAL (A+B)	1,438.65	827.80

34.1 (i) In addition to above, Claims of Rs 2.22 Crores (P. Y. Rs. 2.22 Crores) against the Company have been disputed by the Company. The Company is, however, indemnified by an insurance policy.

(ii) UPL Limited (UPL) a customer of erstwhile Gujarat Gas Company Limited(GGCL) filed a complaint before Petroleum and Natural Gas Regulatory Board (PNGRB) against erstwhile GGCL alleging charging of tariff illegally under the City Gas Network Distribution Agreement entered into between the Parties. The matter was decided against erstwhile GGCL by PNGRB. Erstwhile GGCL has preferred an appeal at Appellate Tribunal for Electricity (APTEL) against the PNGRB Order. Erstwhile GGCL has also sought an interim stay on the PNGRB order which was granted by APTEL. Company has submitted bank guarantee of Rs. 40 Crores to in favour of UPL. The APTEL has in its order stated that it is an interim order without considering the merits of the case.

(iii) One of the gas suppliers of the Company has submitted a claim of Rs. 481.85 Crores, for unauthorized use of gas in earlier years. The company has refuted this erroneous claim contending that no contractual provisions of the agreement executed with GGL allow such claim. The management is of the firm view that the company is not liable to pay any such claim. The company has already taken up the matter with concerned party/authorities to withdraw the claim.

(iv) Erstwhile Gujarat Gas Company Limited and Erstwhile GSPC Gas Company Limited (Now collectively known as Gujarat Gas Limited "GGL") had signed Gas supply agreement with Gujarat State Petroleum Corporation Limited (GSPCL) for purchase of Re-gasified liquefied natural gas (RLNG). As per the provision of said agreement, GGL has to pay interconnectivity charges to GSPCL for the supply and purchase of RLNG at Delivery point which is charged to GSPCL by their supplier i.e.PLL Off takers (GAIL India, BPCL, IOCL).

PNGRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal. The PLL Offtakers (GAIL) filed appeals against the said PNGRB orders before the Appellate Tribunal for Electricity (APTEL). On 23-February-2012 APTEL had issued an interim order for shifting the Delivery Point from GAIL-GSPL Delivery Point to GSPL-PLL Delivery Point. On 18-December-2013 APTEL issued its 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 20th November 2008 to 29th February 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 28th February 2014. The Court has stated that the ends of justice would be met if as a matter of interim arrangement, the appellant is directed to pay interconnectivity charges at the rate of Rs. 12.00 per MMBTU (exclusive of Taxes).

The Company has already provided and paid interconnectivity charges at the rate of Rs. 12.00 per MMBTU (exclusive of Taxes).

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****NOTE 34.2 OTHER CONTINGENT LIABILITIES - STATUTORY CLAIMS****(Rs. in Crores)**

Sr. No	Particulars	As at 31st March 2016	As at 31st March 2015
(1)	Disputed statutory claims in respect of appeals filed against / by company :		
	(a) Excise Duty	14.07	5.02
	(b) Income Tax	113.08	109.43
	(c) Service Tax	40.34	37.54
	TOTAL	167.49	151.99

The company is contesting the demands and the management including its advisors believe that its position is likely to be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

Note 35 VALUE OF IMPORTS CALCULATED ON CIF BASIS**(Rs. in Crores)**

Particulars	As at 31st March 2016	As at 31st March 2015
Components and Spare Parts	0.39	0.22
Capital goods	1.26	4.59

Note 36 EXPENDITURE IN FOREIGN CURRENCIES**(Rs. in Crores)**

Particulars	As at 31st March 2016	As at 31st March 2015
Repairs & Maintenance	0.24	0.40
Advertisement in Magazine	-	0.07

Note 37 EARNINGS IN FOREIGN CURRENCIES**(Rs. in Crores)**

Particulars	As at 31st March 2016	As at 31st March 2015
Earnings in Foreign currencies	-	-

Note 38 The amount of foreign currency expense payables that are not hedged by a derivative instrument as on March 31, 2016 are as under:**(Rs. in Crores)**

Particulars	As at 31st March 2016	As at 31st March 2015
Foreign currency expense payable [USD 12,400 (Previous year NIL)]	0.08	-

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****Note 39 Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006****(Rs. in Crores)**

Sr. No.	Particulars	As at 31 st March 2016	As at 31 st March 2015
1	The principal amount outstanding as at the end of accounting year.	11.19	11.58
2	Principal amount due and remaining unpaid as at the end of accounting year .	-	-
3	Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-
4	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
5	Interest accrued and remaining unpaid at the end of accounting year (Refer Note below)	0.01	0.02
6	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note: No interest has been paid by the Company to the enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006 according to the terms agreed with the enterprises.

NOTE 40 DISCLOSURE OF EMPLOYEE BENEFITS

The Company has implemented Accounting Standard - 15 (AS-15) (Revised 2005) on "Employee Benefits".

(a) Provident Fund - Defined Contribution Plan

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during 12 months ended is INR 5.87 Crores (Previous year INR 5.36 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 2016	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2015
A. Discount rate	7.80%	7.80%	7.74%-7.80%	7.74%-7.80%
Rate of return on plan assets	7.80%	N.A.	9.00% - 8.50%	N.A.
Salary Escalation (Refer note below)	10.00%	10.00%	7.74%-7.80%	7.74%-7.80%

* Not applicable in case of Gratuity plan for GSPC gas employees

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



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016

(Rs. in Crores)

Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	For the year ended 31st March 2016	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2015
B. Change in Defined Benefit Obligations				
Liability at the beginning of the year	22.17	22.38	15.24	9.92
Interest Cost	1.69	1.72	1.36	0.89
Current Service Cost	2.71	2.98	1.66	1.72
Past service cost	3.74	-	-	-
Prior year Charge	0.34	0.17	-	-
Benefits Paid	(0.93)	(0.68)	(0.98)	(0.79)
Actuarial (Gain) / Loss on obligations	2.77	(1.20)	4.89	10.64
Liability at the end of the year - Total	32.49	25.37	22.17	22.38
C. Change in Fair Value of plan Assets				
Opening fair Value of plan assets	20.27	-	16.16	-
Expected return on plan assets	1.88	-	1.50	-
Expenses deduct from fund	-	-	(0.05)	-
Actuarial Gain / (Loss)	(0.26)	-	0.19	-
Contributions by employer	1.88	-	3.44	-
Benefits Paid	(0.93)	-	(0.98)	-
Closing fair Value of plan assets	22.84	-	20.26	-
D. Expenses Recognised in the Profit and Loss Statement				
Current Service Cost	2.71	2.98	1.66	1.72
Interest Cost	1.69	1.72	1.36	0.89
Expenses deduct from fund	-	-	0.05	-
Expected return on plan assets	(1.88)	-	(1.50)	-
Past service cost	3.74	-	-	-
Prior year Charge	0.34	0.17	-	-
Actuarial (Gain) / Loss	3.03	(1.20)	4.70	10.64
Exps. charged to Statement of Profit & Loss	9.63	3.67	6.27	13.25
E. Balance Sheet Reconciliation				
Opening Net Liability	1.90	22.38	(0.92)	9.92
Expenses Charged to Profit and Loss Statement	9.63	3.67	6.26	13.25
Contributions by employer	(1.88)	-	(3.44)	-
Benefits Paid	-	(0.68)	-	(0.79)
Closing Liability	9.65	25.37	1.90	22.37
F. Current/Non-Current Liability :				
Current	3.47	1.46	1.08	0.48
Non-Current	6.17	23.91	0.83	21.90

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****(c) Amounts recognised in current year and previous four years****(Rs. in Crores)**

Particulars	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012
Gratuity					
Present value of Defined Benefit Obligation	32.49	22.17	15.24	-	-
Fair value of Plan Assets	22.84	20.26	16.17	-	-
(Surplus) / Deficit in the plan	9.65	1.91	(0.93)	-	-
Actuarial (Gain) / Loss on Plan Obligation	2.77	4.89	(0.98)	-	-
Actuarial Gain / (Loss) on Plan Assets	(0.26)	0.19	(0.31)	-	-
Earned Leave					
Present value of Defined Benefit Obligation	25.37	22.38	9.92	-	-
Actuarial (Gain) / Loss on Plan Obligation	(1.20)	10.64	(0.12)	-	-
Long Service Award					
Present value of Defined Benefit Obligation	1.43	-	-	-	-
Actuarial (Gain) / Loss on Plan Obligation	-	-	-	-	-

Note

- (i) During this year, the company has introduced/provided long service award benefits to its employees who completed 15/20/25 Years of employment with company. Accordingly company has provided Rs. 1.43 Crores (Previous year -Nil) on account of Long service award benefit. Current Liability as at 31st March 2016 is Rs. 0.31 Crores and Non- Current Liability is Rs. 1.12 Crores.
- (ii) During this year, the company has removed the ceiling of liability of Gratuity payment of Rs. 10 Lacs which was applicable to certain employees. The impact of the change of limit is Rs. 3.74 crores and same is charged to Statement of profit and loss during this financial year.
- (iii) The company has participated in Group Gratuity Scheme Plan with LIC, Reliance & HDFC life insurance co. Ltd through Gratuity Trust to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year. The total value of plan assets is as certified by the LIC, Reliance & HDFC life insurance co. Ltd.
- (iv) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.
- (v) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.

NOTE 41**Employee Stock Option Plan:**

The erstwhile GSPC Gas Company Limited ('e-GSPC'), erstwhile Gujarat Gas Company Limited ('e-GGCL'), erstwhile Gujarat Gas Financial Services Limited ('e-GFSL') and erstwhile Gujarat Gas Trading Company Limited ('e-GTCL') merged with and into GSPC Distribution Network Limited ('GDNL') under the Composite Scheme of Amalgamation and Arrangement (the "Scheme of Amalgamation"). The effective date of Scheme of Amalgamation was 14 May 2015. Upon the Scheme of Amalgamation becoming effective, the name of GDNL has been changed to Gujarat Gas Limited ('GGL') as per the provisions of the Companies Act.

Pursuant to the Scheme of Amalgamation, the Addendum Gujarat Gas Limited Employee Stock Option Plan 2016 ("ESOP 2016") being supplementary to the Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("ESOP 2008") has been formulated for the limited purpose of adopting the ESOP 2008 in the Company.

The e-GGCL had formulated the above ESOP 2008, whereby Stock Options had been granted by e-GGCL to its employees. The ESOP 2008 has been effective from 1 November 2008 for a tenure of 8 years. As on the effective date of the Scheme of Amalgamation, certain employees of e-GGCL to whom Options had been Granted and Vested under the ESOP 2008, have not Exercised the said Options and hence as per the Scheme of Amalgamation, they are the Eligible Employees for the purpose of the ESOP 2016 as follows:

- (1) Revised Grants have been made to them with effect from the effective date under the Scheme of Amalgamation of 13000 equivalent number of Options-I under the ESOP 2016, against the equivalent number of Options Granted and Vested in them pursuant to the ESOP 2008, which were not Exercised by them on the effective date under the Scheme of Amalgamation.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016**

- (2) The above Revised Grants of Options-I has been on the basis of the Share Exchange Ratio of 1 (one) equity share of Rs.10/- each of GGL, for every 1 (one) equity share of Rs.2/- each of e-GGCL, pursuant to the Scheme of Amalgamation.
- (3) The Options-I bear the Exercise Price as per the ESOP 2008. The Exercise Price payable for Options-I under ESOP 2016 is based on the Exercise Price payable by such Eligible Employees under the ESOP 2008 that has been adjusted after taking into account the effect of the Share Exchange Ratio of 1:1 as mentioned above.
- (4) Upon such Revised Grant of Options-I to the Eligible Employees the Options Granted under the ESOP 2008 stand cancelled and the Eligible Employees shall continue to be bound by all the terms and conditions of the ESOP 2008 in addition to this ESOP 2016.

The Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("ESOP 2008 Trust"), which has been formed and created vide execution of the Deed of Gujarat Gas Company Limited Employee Welfare Stock Option Trust dated 4 November 2008 has been renamed as Gujarat Gas Limited Employee Welfare Stock Op-tion Trust ("ESOP 2016 Trust"). The ESOP 2016 Trust is an irrevocable Trust that functions for the limited purpose of adopting the ESOP 2008 and ESOP 2016 and to hold the existing share inventory of the ESOP 2008 Trust for the benefit of Eligible Employees under ESOP 2016 and the balance to be appropriated in line with the SEBI Regulations.

The ESOP 2016 and the ESOP 2016 Trust are governed by the provisions of the Companies Act 1956 or the Companies Act 2013, as may be applicable and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or the SEBI (Share Based Employee Benefits) Regulation, 2014, as may be applicable.

The ESOP 2008 Trust had purchased out of the funds advanced by the Company, the shares equivalent to the number of options granted. IDBI Trusteeship Services Limited are the Trustees. The Trustees can sell the shares in the market as per the approved scheme and for the year ended on 31 st March 2016, there are no purchases from the market.

The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options were approved as per ESOP 2008. The graded vesting of options granted, over a period of 4 years from the date of grant is as follows:

% of Option Vested	Cumulative	Vesting Date
25%	25%	on expiry of two years from their Grant date ("First Vesting Date')
50%	75%	on expiry of three years from their Grant date ("Second Vesting Date')
25%	100%	on expiry of four years from their Grant date ("Third Vesting Date')

The options are to be exercised within a maximum period of 2 years from the date of vesting. Within the exercise period, the employee would have the option to either purchase the shares from the trust at the exercise price or to give a mandate of sale to the trust at the best available market price, in which event the difference between the net price realized on sale after taxes and charges and the Exercise Price will accrue as gains to the employee.

Details of movement under the Stock option plan for the year ended 31 March, 2016 is as follows:

Particulars	Year ended 31-03-2016		Year ended 31-03-2015	
	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	25,500	334	2,45,250	303
Add: Options granted during the year	-	-	-	-
Less: Options forfeited during the year	-	-	11,250	335
Less: Options expired during the year	-	-	-	-
Less: Options exercised during the year	12,500	337	2,08,500	298
Options outstanding at end of the year	13,000	332	25,500	334

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016**

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 2016 is 0.52 years. (Previous year 1.79 years)

In accordance with Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities Exchange Board of India, an amount of 0.01 Crores (Previous year Rs. Nil) has been recognised as an expense in Employee Benefits Expenses (Note 26) and corresponding liability has been disclosed as Stock Options Outstanding Account (Note 3). The balance of Rs. 0.17 Crores (Previous year Rs. 0.32 Crores) in Stock Options Outstanding Account (Note 3) represents the amortised cost of stock options outstanding. As on 31 March 2016, the amount recoverable from ESOP trust is Rs. 3.01 Crores (Previous year Rs.3.01 Crores).

The Company has adjusted gain of Rs. 0.49 Crores (Previous year Rs. 2.06 Crores) to General Reserve as the difference between the cost incurred by the ESOP Trust for the purchase of shares and the exercise price of those options which have been exercised by the employees, in accordance with Guidance Note on accounting for Employee Share-based Payment, issued by the ICAI.

Note 42 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										
2	Subsidiary of Holding Company	Gujarat State Petronet Limited GSPC Pipavav Power Company Limited GSPC (JPDA) Limited GSPC Offshore Ltd GSPC Energy Ltd. GSPC Marginal Fields Limited GSPL India Gasnet Limited GSPL India Transco Limited										
3	Associate of GGL	Guj Info Petro Limited										
4	Associate of Holding Company	Gujarat State Energy Generation Limited Sabarmati Gas Limited GSPC LNG Limited										
5	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' Group Gratuity Scheme										
6	Key Managerial Personnel	<table border="0"> <thead> <tr> <th>Name of Related Parties</th> <th>Relationship</th> </tr> </thead> <tbody> <tr> <td>Mr.Atanu Chakraborty, IAS</td> <td>Director (w.e.f 16.04.2015)</td> </tr> <tr> <td>Mr.Manoj Kumar Das, IAS</td> <td>Director (upto 21.04.2015)</td> </tr> <tr> <td>Mr.PPG Sarma</td> <td>Chief Executive Officer (upto 01.03.2016)</td> </tr> <tr> <td>Mr.Nitin Patil</td> <td>In-Charge Chief Executive Officer (w.e.f. 02.03.2016)</td> </tr> </tbody> </table>	Name of Related Parties	Relationship	Mr.Atanu Chakraborty, IAS	Director (w.e.f 16.04.2015)	Mr.Manoj Kumar Das, IAS	Director (upto 21.04.2015)	Mr.PPG Sarma	Chief Executive Officer (upto 01.03.2016)	Mr.Nitin Patil	In-Charge Chief Executive Officer (w.e.f. 02.03.2016)
Name of Related Parties	Relationship											
Mr.Atanu Chakraborty, IAS	Director (w.e.f 16.04.2015)											
Mr.Manoj Kumar Das, IAS	Director (upto 21.04.2015)											
Mr.PPG Sarma	Chief Executive Officer (upto 01.03.2016)											
Mr.Nitin Patil	In-Charge Chief Executive Officer (w.e.f. 02.03.2016)											
7	Relatives of Key Managerial Personnel	Ms. P Subbalakshmi is related to Mr. PPG Sarma (upto 01.03.2016)										

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****(B) Related Party Transactions :****(Rs. in Crores)**

Sr. No.	Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
1	Gujarat State Petroleum Corporation Limited - GSPC		
	Transactions during the period		
	Purchase of Natural Gas	4,556.73	7,342.58
	Salary & Allowances - Exps.	0.14	0.11
	Rent Exps.	0.16	0.15
	Administration Exps.	1.00	0.02
	Dividend Paid	19.55	-
	Recharge of Royalty Exps. (net of VAT)	-	0.20
	Assets Purchased	-	0.03
	Interest Exps.	-	0.44
	Reimbursement of Exps.	0.03	-
	Recharge of Salary - Income	0.19	0.15
	Recharge of Expenses - Income	0.00	0.01
	CNG Sales - Income	0.12	0.13
	PNG Gas Sales - Income	0.03	0.04
	Balance as period end		
	Amount Receivable/(Payable) at Period End	(132.82)	(310.54)
	Investment at Period end	162.00	162.00
	Deposits Asset / (Liability) - Net	(0.01)	0.01
2	Gujarat State Petronet Limited		
	Transactions during the period		
	Gas Transmission Expenses	211.79	254.23
	Supervision Exps.	0.09	0.12
	ROW Exps.	3.99	4.30
	Reimbursement of Exps.	0.09	0.10
	Dividend Paid	17.73	-
	Rent Expense	1.06	0.50
	Interest Exps.	0.02	0.04
	Purchase of Assets	19.58	-
	Connectivity Exps	-	1.48
	CNG Sales	0.08	0.11
	PNG Gas Sales	0.04	0.03
	O&M Charges Recovered	0.12	0.11
	Reimbursement of expenses - Income	0.10	0.01
	Supervision Charges - Income	-	0.13
	Sale of Capital Goods	-	1.29
	Rent Income	-	0.04
	Balance at the period end		
	Amount Receivable/(Payable) at Period End	(8.76)	(10.46)
	Deposits Asset / (Liability) - Net	1.78	0.97
	Advance Lease Rent (Paid)	0.22	0.19
3	Sabarmati Gas Limited		
	Transactions during the period		
	Gas Transportation Exps.	0.65	0.63
	CNG Gas Purchase	5.05	32.63
	PNG Gas Sales	3.64	23.40
	Gas Transportation Charges - Income	0.04	0.04
	Sale of Capital Goods	-	0.53
	Balance at the period end		
	Amount Receivable/(Payable) at the period end	(0.03)	(0.44)
	Deposits Asset / (Liability) - Net	(0.04)	0.04

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016****(B) Related Party Transactions :****(Rs. in Crores)**

Sr. No.	Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
4	Guj Info Petro Limited		
	Transactions during the period		
	Web Development Charges (Rs.2000)	0.00	-
	Dividend Received (Rs. 12500)	0.00	-
	Reimbursement of Exps - Income	-	0.01
	Balance at the period end		
	Investment at Period end	0.03	0.03
5	Gujarat State Energy Generation Ltd.		
	Transactions during the period		
	Administration Expenses	0.01	-
	Dividend Paid	0.13	-
	PNG Gas Sales	0.00	0.01
	CNG Gas Sales	-	0.01
	Balance at the period end		
	Amount Receivable/(Payable) at the period end	(0.00)	(0.03)
	Deposits Asset / (Liability) - Net	(0.11)	(0.08)
6	GSPC LNG Limited		
	Transactions during the period		
	Recharge of Salary - Income	0.30	-
	Balance at the period end		
	Amount Receivable/(Payable) at year end	0.05	-
7	GSPL India Gasnet Limited		
	Transactions during the period		
	Asset Purchased	0.04	-
	Recharge of Salary & Allowances - Income	0.09	-
8	GSPL India Transco Limited		
	Transactions during the period		
	Asset Purchased	0.11	-
	Recharge of Salary & Allowances - Income	0.09	-
9	Gujarat Gas Company Limited Employee Stock Option Welfare Trust		
	Transactions during the period		
	Amount Received from Trust	0.45	6.24
	Amount paid to Trust	0.11	0.93
	[Excluding adjustment of Rs.0.34 Crs (previous year Rs.0.31 Crs) for transfer to General Reserve]		
	Balance at the period end		
	Amount Receivable/(Payable) at the period end	3.01	3.01
10	Gujarat Gas Company Limited Employees Gratuity Trust Fund		
	Transactions during the period		
	Contribution Paid	1.88	-
11	GSPC Gas Company Limited Employees' Group Gratuity Scheme		
	Transactions during the period		
	Contribution Paid	-	3.44
12	Key Managerial Personnel		
	Transactions during the period		
	Remuneration Paid (Mr. PPG Sarma)	1.05	0.78
	Remuneration Paid (Mr. Nitin Patil)	0.07	-
13	Relative of Key Managerial Personnel		
	Transactions during the period		
	Rent Paid (Ms. P Subbalakshmi)	0.03	0.04

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016****Note 43 Corporate Social Responsibility**

During the year, the Company spent Rs 1.01 crores on corporate social responsibility out of which Rs. 1.00 Crores is included in Donation in Note 28.

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. 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			
- Proposed Final Dividend	2.50	34.42	-
	(5.00)	(68.84)	02-01-2016
- Interim Dividend	-	-	-
	(-)	(-)	-

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	-	-	-	-
	(0.00)	(0)	(0)	-

Previous year figures are in brackets

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 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 had 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. 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.

Further, PNGRB has invited bidding for authorization of Anand GA and Panchmahal GA which now covers area of Halol and Khambhat also. Company has filed bid for said GA in the month of January 2016. The PNGRB is in process of review of said bid.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2016**

Erstwhile GSPC Gas has incurred capital expenditure amounting to Rs. 9.63 Crores during FY 2015-16 (Previous year Rs. 5.44 crores) in said GA. Total Capital expenditure till Balance sheet date is Rs. 150.54 Crores (Previous year Rs. 141.14 Crores) in said GA. Total revenue of Rs. 127.02 Crores (Previous year Rs. 163.50 Crores) is generated from said GA.

Note 48 Previous year figures

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

The Accompanying Notes are an integral part of the financial Statements.

As per our report attached.

Manubhai & Shah LLP**Chartered Accountants**

ICAI Firm Reg. No. 106041W/W100136

G.R.Parmar

Partner

M. No. : 121462

Place : Ahmedabad

Date : 17 May 2016

For and on behalf of Board of Directors**G.R. Aloria, IAS**

Chairman

Dr. J. N. Singh, IAS

Director

Jal Patel

Director

Nitin Patil

In-charge Chief Executive Officer

Nitesh Bhandari

Chief Financial Officer

Rajeshwari Sharma

Company Secretary

Place : Gandhinagar

Date : 17 May 2016



REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of consolidated financial statements of **Gujarat Gas Limited** for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under the Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide Audit Report dated 17 May 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of Gujarat Gas Limited for the year ended 31 March 2016. We have conducted a supplementary audit of the financial statements of **Gujarat Gas Limited** but did not conduct supplementary audit of the financial Statements of **Guj Info Petro Limited** for the year ended on that date. 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 behalf of the
Comptroller and Auditor General of India**

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

**Place: Ahmedabad
Date: 5 August, 2016**



INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **GUJARAT GAS LIMITED (Formerly known as GSPC Distribution Networks Limited)** ("the Holding Company") and its Associate Company, **Guj Info Petro Limited (GIPL)** (collectively referred to as "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Holding Company and its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters Paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We refer to Note No. 34(1)(vi) to the Consolidated Financial Statement which states that as per the news reports, certain ex-employees and ex-internal auditor of GIPL, the Associate Company, are alleged to have financial interest in the outsourcing manpower agency deployed by GIPL in relation to a state-wide check post scam. No provision has been made by the Associate Company as the liability, if any, is un-ascertainable at this point of time.

Our opinion is not modified in respect of this matter.

**Other Matters**

We did not audit the financial statement of associate company, from which the share of profit of the Holding Company included in the statement of Profit and Loss is Rs. 2.92 Crores being share of profit for the financial year 2015-16 and Rs. 22.02 Crores being share of accumulated profit upto 31 March 2016. The financial statement of the associate company has been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate company and our report in terms of sub-section (3) of section 143 of the Act, insofar as it relates to the aforesaid associate company, is based solely on the report of other auditor.

Our opinion on the Consolidated Financial Statement, and our report on Other Legal and Regulatory Requirement below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. As the Holding Company is a Government Company, in terms of notification no. G.S.R 463(E) dated 5th June 2015, issued by Ministry of Corporate Affairs, the sub-section (2) of section 164 of the Act is not applicable. Based on the report of the Statutory Auditor of the associate company, none of the directors of the associate company, is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and
 - g. with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group – Refer Note 34 to the Consolidated Financial Statements;
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and associate company incorporated in India.

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

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

Place: Ahmedabad
Date: 17 May 2016

**ANNEXURE – A****TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) ("the Holding Company") and its Associate Company, Guj Info Petro Limited (GIPL) which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**Opinion**

In our opinion, the Holding Company and its associate company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(l) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its associate company, which is a Company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

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

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

Place: Ahmedabad
Date: 17 May 2016



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(Rs. in Crores)

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	137.68	137.68
(b) Reserves and surplus	3	1,987.12	1,872.33
		2,124.80	2,010.01
Non-current liabilities			
(a) Long-term borrowings	4	1,707.56	1,490.78
(b) Deferred tax liabilities (Net)	5	410.28	352.77
(c) Other Long term liabilities	6	610.02	578.67
(d) Long-term provisions	7	25.03	21.90
		2,752.89	2,444.12
Current liabilities			
(a) Trade payables	8		
Dues of micro enterprises and small enterprises		1.99	0.10
Other than micro enterprises and small enterprises		249.62	424.46
(b) Other current liabilities	9		
Dues of micro enterprises and small enterprises		9.20	11.48
Other than micro enterprises and small enterprises		905.43	1,939.05
(c) Short-term provisions	10	53.07	85.48
		1,219.31	2,460.57
TOTAL		6,097.00	6,914.70
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets		4,472.86	4,320.87
(ii) Intangible assets		201.29	165.79
(iii) Capital work-in-progress		467.97	357.19
(iv) Intangible asset under development		0.20	0.20
Total Fixed Assets	11	5,142.32	4,844.05
(b) Non-current investments	12	184.05	181.13
(c) Long-term loans and advances	13	335.96	257.32
(d) Other non-current assets	14	-	-
		520.01	438.45
Current assets			
(a) Current investments	15	-	936.99
(b) Inventories	16	41.34	41.09
(c) Trade receivables	17	265.86	360.60
(d) Cash and bank balances	18	67.84	237.41
(e) Short-term loans and advances	19	24.13	15.07
(f) Other current assets	20	35.50	41.04
		434.67	1,632.20
TOTAL		6,097.00	6,914.70
Significant Accounting Policies	1		
Other Notes to Accounts	2-48		

As per our report attached.

Manubhai & Shah LLP**Chartered Accountants**

ICAI Firm Reg. No. 106041W/W100136

G.R.Parmar

Partner

M. No. : 121462

Place : Ahmedabad

Date : 17 May 2016

For and on behalf of Board of Directors**G.R. Aloria, IAS**

Chairman

Nitin Patil

In-charge Chief Executive Officer

Dr. J. N. Singh, IAS

Director

Nitesh Bhandari

Chief Financial Officer

Jal Patel

Director

Rajeshwari Sharma

Company Secretary

Place : Gandhinagar

Date : 17 May 2016

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016**

(Rs. in Crores)

Particulars	Note No.	For the year ended 31st March 2016	For the year ended 31st March 2015
Revenue from operations (Gross)	21	6,245.76	9,137.43
Less: Excise Duty		139.90	131.17
Revenue from operations (Net)		6,105.86	9,006.26
Other income	22	44.67	107.14
Total Revenue		6,150.53	9,113.40
Expenses:			
Cost of materials consumed	23	4,909.73	7,449.15
Purchases of Stock-in-Trade	24	4.39	28.37
Changes in inventories of Natural Gas	25	0.31	0.48
Employee benefits expense	26	131.67	115.19
Finance costs	27	246.02	331.28
Depreciation and amortization expense	11	245.69	237.68
Other expenses	28	334.85	308.83
Total expenses		5,872.66	8,470.98
Profit before exceptional and extraordinary items and Tax		277.87	642.42
(a) Prior period items (Net)	29	-	0.16
(b) Exceptional items	30	25.62	0.82
Profit before Tax (PBT)		252.25	641.44
Tax Expense:			
Current tax	31	52.36	165.12
Add/(Less): MAT Credit Entitlement/Reversal		(10.32)	(34.19)
Add: Short / (Excess) Provision of Tax made in earlier years		(0.25)	0.37
(a) Net current tax		41.79	131.30
(b) Deferred tax	5	57.51	66.56
Profit after Tax (PAT)		152.95	443.58
Add: Share of Profit in Associate for the Year		2.92	2.96
Profit for the Year carried to Balance Sheet		155.87	446.54
Earnings per equity share of Rs 10 each			
(a) Basic	32	11.32	32.43
(b) Diluted		11.32	32.43
Significant Accounting Policies	1		
Other Notes to Accounts	2-48		

As per our report attached.

Manubhai & Shah LLP**Chartered Accountants**

ICAI Firm Reg. No. 106041W/W100136

For and on behalf of Board of Directors**G.R. Aloria, IAS**

Chairman

Dr. J. N. Singh, IAS

Director

Jal Patel

Director

G.R.Parmar

Partner

M. No. : 121462

Nitin Patil

In-charge Chief Executive Officer

Nitesh Bhandari

Chief Financial Officer

Rajeshwari Sharma

Company Secretary

Place : Gandhinagar

Date : 17 May 2016

Place : Ahmedabad

Date : 17 May 2016



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Rs. in Crores)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	252.25	641.44
Adjustments for:		
Depreciation	245.69	237.68
Loss on sale/disposal of fixed assets	6.38	4.86
Provision for Assets written off	2.48	0.53
Loss on sale as scrap and diminution in Capital Inventory	0.16	2.17
Material Shortage/(Gain)	-	(0.54)
Prior period adjustment on account of depreciation	-	(0.01)
Provision for Wealth Tax	-	0.02
Bad Debts Written Off	-	0.23
Provision for Doubtful Debts (Trade Receivables)	0.53	2.49
Provision for Doubtful Advances	1.26	1.28
Interest Expense	246.02	333.18
Provision/liability no longer required	(1.53)	(2.13)
Profit on Sale of Investments	(0.29)	(1.69)
Dividend Income	(11.06)	(54.72)
Interest Income	(27.46)	(43.59)
Operating Profit before Working Capital Changes	714.43	1,121.20
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables	94.21	181.79
(Increase)/Decrease in Other - Non Current Assets	-	7.50
(Increase)/Decrease in Short Terms Loans and Advances	(8.71)	(0.34)
(Increase)/Decrease in Other Current Assets	6.85	(4.28)
(Increase)/Decrease in Inventories	(0.25)	(3.70)
(Increase)/Decrease in Long-term loan and advances	(26.48)	(12.92)
Changes in Trade and Other Receivables	65.62	168.05
Increase/(Decrease) in Trade Payables	(172.95)	(96.60)
Increase/(Decrease) in Other Long term liabilities	0.83	0.41
Increase/(Decrease) in Other current Liabilities	60.56	(4.71)
Increase/(Decrease) in Deposits from Customers	30.52	33.11
Increase/(Decrease) in Long/Short-term provisions	14.03	19.02
Changes in Trade and Other Payables	(67.01)	(48.77)
Cash Generated from Operations	713.04	1,240.48
Taxes Refund	-	13.05
Taxes Paid	(57.62)	(159.16)
Net Cash from Operating Activities	655.42	1,094.37
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital work in progress and capital advances.	(575.99)	(355.33)
Sale of Non-current investments	(0.00)	0.08
Sale of Current Investment	937.28	2,662.92
Purchase of Current Investment	0.00	(2,919.33)
Deposits with original maturity of more than three months	(42.06)	139.85
Interest Received	25.93	50.41
Sale of Fixed Assets	0.21	1.67
Dividend Income	11.06	54.72
Net Cash from Investing Activities	356.43	(365.01)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

(Rs. in Crores)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term borrowings	1,277.77	133.33
Repayment of Long-term borrowings	(2,168.41)	(205.26)
Repayment of Short-term borrowings	-	(3.69)
Interest Paid	(250.43)	(487.42)
Dividend Paid (including tax thereon)	(82.63)	(0.20)
Net Cash from Financing Activities	(1,223.70)	(563.24)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(211.85)	166.12
Cash and Cash Equivalents at the beginning of the year	234.59	68.47
Cash and Cash Equivalents at the end of the year	22.74	234.59
Closing Cash and Cash Equivalents comprise:		
Cash in hand	0.95	1.01
Balances with Scheduled Banks	21.79	25.71
Balances in Fixed Deposits	-	207.87
Total	22.74	234.59

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.
- In Part A of the cash flow statement, figures in brackets indicate deductions made from the Net Profit for deriving the Net cash flow from operating activities. In Part B and Part C, figures in bracket indicate cash-outflow.

As per our report attached.

Manubhai & Shah LLP**Chartered Accountants**

ICAI Firm Reg. No. 106041W/W100136

G.R.Parmar

Partner

M. No. : 121462

Place : Ahmedabad

Date : 17 May 2016

For and on behalf of Board of Directors**G.R. Aloria, IAS**

Chairman

Nitin Patil

In-charge Chief Executive Officer

Dr. J. N. Singh, IAS

Director

Nitesh Bhandari

Chief Financial Officer

Jal Patel

Director

Rajeshwari Sharma

Company Secretary

Place : Gandhinagar

Date : 17 May 2016

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016****Note 1 – Significant Accounting Policies****1. General Information**

- a) Gujarat Gas Limited (GGL or "Company") formerly known as GSPC Distribution Networks Limited (GDNL) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. GGL is a Government Company u/s 2(45) of Companies Act 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in Natural Gas Business in 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 was sanctioned by the Hon'ble Gujarat High Court at Ahmedabad vide its order dated 30th March 2015 between the following transferors companies -
1. GSPC Gas Company Limited (GSPC Gas)
 2. Gujarat Gas Company Limited (GGCL)
 3. Gujarat Gas Financial Services Limited (GFSL)
 4. Gujarat Gas Trading Company Limited (GTCL)

(Collectively called Transferor Companies)

with Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited-GDNL) (the transferee) under the Scheme of Amalgamation and Arrangement with appointed date as 1st April, 2013. 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 Consolidated Financial Statements

The consolidated financial statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The consolidated 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.

The consolidated Financial Statements of the company represents consolidation of its Financial Statements with Guj Info Petro Limited (GIPL), an Associate Company (collectively referred to as 'the Group').

The consolidated financial statements have been prepared in accordance with the principles and procedures laid down in the Accounting Standard 23 'Accounting for investment in associates in Consolidated Financial Statements'.

Name of the Undertaking	Relationship	Country of Incorporation	Proportionate beneficial ownership interest/voting power
Guj Info Petro Limited (GIPL)	Associate	India	49.94%

Investment in Associate has been accounted for using Equity Method in accordance with Accounting Standard 23 'Accounting for Investment in associates in Consolidated Financial Statements. Any excess / short of the amount of Investment in an associate over the cost of acquisition at the date of Investment is considered as Capital Reserve and has been included in carrying amount of Investment and disclosed separately. The carrying amount of Investment is adjusted thereafter for the post acquisition changes in the Share of net Asset of associate.



The Material accounting policies of Associate are same vis-a-vis the Company for all similar transactions except depreciation, and for the same necessary adjustments have been made on the post-acquisition Profit of the Associate Company.

The consolidated financial statements of associates are prepared up to the same reporting date as that of the company i.e. 31st March 2016.

3. Use of Estimates

The preparation of consolidated 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 consolidated 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 consolidated 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 to the Companies Act, 2013, read with the following notes:
 - i. The Schedule specifies useful life of Pipelines as 30 years for those used in exploration, production and refining of oil and gas. The Company has considered the useful life of 30 years for the pipelines used in city gas distribution business.
 - ii. City gas stations, skids, pressure regulating stations, meters & regulators are estimated to have useful life of 18 years based on technical evaluation by external valuer.
 - iii. 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 :



- I. Right of Way (ROW) Permissions 30 Years
(Considered more than 10 years as inextricably linked and dependent on the useful life of pipeline networks as referred 5(a) above for which the Right of Way has been obtained).
- II. Software 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 /facilities installed at the customers' premises on the land of the customers/ CNG franchisee whose ownership is not with the company have been depreciated at the 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.

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

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

- 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" in the following manner:

A. Post-employment benefit plans

I. Defined Contribution Plan

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

**II. Defined benefit plan**

The company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is 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.

III. Long term employee benefits

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

B. Other Long Term Service benefits**Long Service Award (LSA):**

On completion of specified period of service with the company, employees are rewarded with Cash Reward of different amount based on the duration of service completed. The Company's liability is actuarially determined at balance sheet date at the present value of the amount payable for the same. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

C. Short term employee benefits

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

D. Employee Stock Option Plan

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. 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 incomes 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.

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

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

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 when it is probable that the future economic benefits associated with it will flow to enterprise in the form of adjustment of future income tax liability and is considered as an asset in the balance sheet when the asset can be measured reliably 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 consolidated 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 group 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 consolidated 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 and Pre-paid Expenses.

In respect of the transactions pertaining to the one or more prior periods, the expenditure / (income) relating to prior period as a result of errors or omission in the preparation of consolidated 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.

During the Current year, the Company has specified the limit of transaction up to INR 0.05 Crores in each case for items pertaining to prior period & prepaid items and same is recognised to Statement of Profit and Loss as and when incurred. In the opinion of the management, the impact of the above changes, on the Statement of Profit & Loss and Balance Sheet though not quantifiable, will not be material.

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 consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH 2016****Note 2 SHARE CAPITAL****2.1 AUTHORISED, ISSUED, SUBSCRIBED, FULLY PAID UP SHARE CAPITAL****(Rs. in Crores)**

Share Capital	As at 31 st March 2016		As at 31 st March 2015	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Shares of Rs.10 each	1,73,51,00,000	1,735.10	1,73,51,00,000	1,735.10
7.5% Redeemable preference Shares of Rs.10 each	1,70,00,000	17.00	1,70,00,000	17.00
Preference shares of Rs. 10 each (Refer Note 2.1.1)	50,00,000	5.00	50,00,000	5.00
Issued, Subscribed and Paid up				
Equity Shares of Rs.10 each fully paid up (Refer Note 2.1.2)	13,76,78,025	137.68	13,76,78,025	137.68
Total	13,76,78,025	137.68	13,76,78,025	137.68

Note 2.1.1: 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.

Note 2.1.2: Out of the above, 12,45,20,130 Equity Shares of Rs. 10 each have been allotted as fully paid at face value to the shareholders of transferor companies without payments being received in cash pursuant to the Scheme of Amalgamation and arrangement for transfer of the assets and liabilities determined by the management as on appointed date.

2.2 RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD**(Rs. in Crores)**

Particulars	As at 31 st March 2016		As at 31 st March 2015	
	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	13,76,78,025	137.68	13,76,78,025	137.68
Add: Shares issued during the period	-	-	-	-
Less: Shares cancelled during the period	-	-	-	-
Shares outstanding at the end of the period	13,76,78,025	137.68	13,76,78,025	137.68

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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****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 :

Share Holder (Nature of Relationship)	As at 31st March 2016		As at 31st March 2015	
	No. of Equity Shares of Rs. 10 each fully paid	Amount	No. of Equity Shares of Rs. 10 each fully paid	Amount
(i) Gujarat State Petroleum Corporation Limited (Holding Company)	3,91,06,328	39.11	3,91,06,328	39.11
(ii) Gujarat State Petronet Limited (Subsidiary of Holding co. & Entity having significant influence)	3,54,68,471	35.47	3,54,68,471	35.47
(iii) Gujarat State Energy Generation Limited (Associate of Holding company)	2,66,447	0.27	2,66,447	0.27

2.5 SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL SHARE CAPITAL

Name of Shareholder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs. 10 each fully paid				
Gujarat State Petroleum Corporation Limited	3,91,06,328	28.40%	3,91,06,328	28.40%
Gujarat State Petronet Limited	3,54,68,471	25.76%	3,54,68,471	25.76%
Gujarat State Fertilizers and Chemicals Limited	93,82,895	6.82%	93,82,895	6.82%
Government of Gujarat	89,95,462	6.53%	89,95,462	6.53%
Aberdeen Global Indian Equity (Mauritius) Limited	71,31,843	5.18%	73,62,972	5.35%

2.6 ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH:

Particulars	Year (Aggregate No. of Shares)		
	2015-16	2014-15	2013-14
Equity Shares:			
(i) Equity Shares of Rs. 10 each fully paid pursuant to contract(s) - to the Scheme of Amalgamation and arrangement without payment being received in cash. (Refer note 2.1.2)	-	-	12,45,20,130

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****Note 3 RESERVES AND SURPLUS****(Rs. in Crores)**

Reserves and Surplus	As at 31st March 2016	As at 31st March 2015
Amalgamation and Arrangement Reserve (Refer Note 3.1)		
Opening Balance	1,521.48	1,521.48
Add/Less : Adjustment during the year	-	-
Closing Balance	1,521.48	1,521.48
Stock Options Outstanding Account		
Opening Balance	0.32	2.83
Less : Options exercised during the year	(0.15)	0.31
Less : Adjustment on exercise of options during the year	0.30	2.06
Less : Lapse of options during the year	-	0.14
Closing Balance	0.17	0.32
Less : Deferred Stock Option Outstanding Account		
Opening Balance	0.01	0.14
Less : Expenses during the year	0.01	-
Less : Options exercised during the year	-	0.13
Less : Lapse of options during the year	-	-
Closing Balance	-	0.01
Net balance in stock options outstanding Account	0.17	0.31
General Reserve		
Opening Balance	2.06	-
Add : Adjustment of Stock Options Outstanding Account/ advance to ESOP Trust	0.49	2.06
Closing Balance	2.55	2.06
Surplus in Statement of Profit and Loss		
Opening balance	223.48	(26.06)
Add: Profit/(Loss) for the year as per Statement of Profit and Loss	155.87	446.54
Share of Profit from Associate	-	16.14
Closing Balance	379.35	436.62
Less : Appropriations:		
Depreciation Adjustment (Refer note 11 (1))	-	5.29
Proposed Dividend	34.42	68.84
Corporate Tax on Dividend	7.01	14.01
Transfer to Debenture Redemption Reserve	-	125.00
Closing Balance	337.92	223.48
Debenture Redemption Reserve		
Opening Balance	125.00	-
Add : Transfer during the year	-	125.00
Closing Balance	125.00	125.00
Total	1,987.12	1,872.33

Note 3.1 The "Amalgamation and Arrangement Reserve" created pursuant to scheme of amalgamation and arrangement is treated as free reserve based on the judgment of Honorable Gujarat High Court dated 18th April 2015 read with relevant other court decisions.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****Note 4 LONG TERM BORROWINGS****(Rs. in Crores)**

Long Term Borrowings	As at 31st March 2016	As at 31st March 2015
Secured		
Term loans		
from banks (Refer Note 4.1)	1,703.37	774.12
from other parties (Refer Note 4.1)	4.19	216.66
The company does not have any continuing defaults in repayment of loans and interest as at the reporting date		
Total - [A]	1,707.56	990.78
Unsecured		
Redeemable, Unlisted, and Non-Convertible		
Debentures - NCD (Refer Note 4.2)	-	500.00
The company does not have any continuing defaults in repayment of NCD and interest as at the reporting date		
Total - [B]	-	500.00
Total - [A + B]	1,707.56	1,490.78



4.1 Secured Loans (Rs. in Crores)

Secured Loans	Total Outstanding Amount as on 31.03.2016	Total Outstanding Amount as on 31.03.2015	Repayment Terms			Rate of interest as on 31.03.2016 in %	Non-Current		Current *	
			Terms of repayment of term loans	Maturity of Loan	Total Number of Installments payable after 31.03.2016		Number of Installments payable within one year from 31.03.2016	Amount of Installments not due within one year from 31.03.2016	Amount of Installments not due within one year from 31.03.2015	Amount of Installments due within one year from 31.03.2016
From Banks:										
Dena Bank TL - III	34.76	44.77	Quarterly installment from December 2012	Sep-19	14	4	24.76	34.77	10.00	10.00
The Kalupur Commercial Co-op. Bank	-	1.69	NA	NA	NA	NA	-	-	-	1.69
The Kalupur Commercial Co-op. Bank TL - II	-	21.20	NA	NA	NA	NA	-	16.20	-	5.00
Oriental Bank of Commerce TL - I	1.05	8.55	Monthly installment along with interest from December 2010	May-16	2	2	-	1.05	1.05	7.50
Oriental Bank of Commerce TL - II	2.39	4.90	Monthly installment along with interest from started from April 2011	Mar-17	12	12	-	2.40	2.39	2.50
Oriental Bank of Commerce TL - III	7.68	14.39	Monthly installment along with interest from June 2011	May-17	14	12	0.96	7.68	6.71	6.71
Bank of Maharashtra Corporation Bank	-	46.58	NA	NA	NA	NA	-	39.38	-	7.20
UCO Bank	-	77.88	NA	NA	NA	NA	-	65.88	-	12.00
Bank of Baroda	-	58.33	NA	NA	NA	NA	-	49.33	-	9.00
Dena Bank TL - IV	524.96	599.98	Quarterly installment from June 2015	Mar-23	28	4	449.96	32.46	75.00	15.00
State Bank of India TL I	427.69	-	Quarterly installment from December 2017	Sep-27	40	NA	427.69	524.98	-	75.00
State Bank of India TL II	799.99	-	Quarterly installment from December 2017	Sep-27	40	NA	799.99	-	-	-
Total (A)	1,798.53	925.72					1,703.37	774.12	95.16	151.61
From Financial Institutions										
HUDCO Limited	36.33	216.66	Quarterly installment from August 2016	May-23	28	3	4.19	216.66	32.14	-
Total (B)	36.33	216.66					4.19	216.66	32.14	-
Total (A+B)	1,834.86	1,142.39					1,707.56	990.78	127.30	151.61
*Less : Amount disclosed under the head "Other Current Liabilities" (Note No. 9)										
Net Amount							1,707.56	990.78	-	-

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

Type of loan	Security given
Secured Loan	First pari - passu charge on Present & Future Fixed Assets (Movable & Immovable) of the Company and Second pari - passu charge on Present & Future Current Assets of the Company.



GUJARAT GAS LIMITED

(Rs. in Crores)

4.2 UNSECURED LOANS

Unsecured Loans	Total Outstanding Amount as on 31.03.2016	Total Outstanding Amount as on 31.03.2015	Repayment Terms				Non-Current		Current **	
			Terms of repayment of term loans	Maturity of Loan	Total Installments payable after 31.03.2016	Number of Installments payable within one year from 31.03.2016	Rate of interest as on 31.03.2016 in %	Amount of Installments not due within one year from 31.03.2016	Amount of Installments due within one year from 31.03.2016	Amount of Installments due within one year from 31.03.2015
Medium Term Loans from Financial Institutions										
Gujarat State Financial Services Ltd	-	16.67	NA	Aug-15	NA	NA	NA	-	-	16.67
Gujarat State Financial Services Ltd	-	66.67	NA	Mar-16	NA	NA	NA	-	-	66.67
Gujarat State Financial Services Ltd	-	100.00	NA	Feb-16	NA	NA	NA	-	-	100.00
Gujarat State Financial Services Ltd	-	1,400.00	NA	Mar-16	NA	NA	NA	-	-	1,400.00
Total (A)	-	1,583.33						-	-	1,583.33
Debentures										
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	NA	500.00	500.00	-
Total (B)	500.00	500.00						500.00	500.00	-
Total (A+B)	500.00	2,083.33						500.00	500.00	1,583.33
** Less: Amount disclosed under the head "Other Current Liabilities" (Note No. 9)										
Net Amount								500.00	500.00	-

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

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured Loan	NA	
Guarantee by Directors or others	The Company and GSPL has guaranteed to IDBI Trustee Co. Ltd. for NCD of Rs. 500 Crores	Demand Promissory Note and Post dated cheques for repayment of principal and interest has been given to GSFS. The Company and GSPL has guaranteed to IDBI Trustee Co. Ltd. for NCD of Rs. 500 Crores.

**Note 5 DEFERRED TAX LIABILITY (NET)****(Rs. in Crores)**

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

Component	As at 31st March 2016	As at 31st March 2015
Opening Balance		
(a) Deferred tax liability on		
Depreciation	365.41	306.83
(b) Deferred tax assets on		
Other provisional expenses disallowed under Income Tax Act, 1961	(12.64)	(9.28)
Carry-forward of loss & Unabsorbed Depreciation	-	(8.32)
Total	352.77	289.23
Closing Balance		
(a) Deferred tax liability on		
Depreciation	432.79	368.43
(b) Deferred tax assets on		
Other provisional expenses disallowed under Income Tax Act, 1961	(22.51)	(12.64)
Carry-forward of loss & Unabsorbed Depreciation	-	-
Total	410.28	355.79
Increase/(Decrease) during the year on account of depreciation adjustment*	-	(3.02)
Net Amount Recognised in the Balance sheet	410.28	352.77
Increase/(Decrease) during the year and recognised in Statement of Profit and Loss	57.51	66.56

*Adjustment of deferred tax for the carrying value of assets, whose remaining useful life is Nil as at 1 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 2016	As at 31st March 2015
Security Deposits from Customers	605.47	574.95
Deposit from collection centres and others (For details, Dues to Micro, Small and Medium Enterprises - Refer Note 39)	4.55	3.72
Total	610.02	578.67

Note: Security Deposits received from customers have been considered as long-term liabilities based on the commercial practice and the intention of the company to continue long-term relationship with its customers for the foreseeable future.

Note 7 LONG TERM PROVISIONS**(Rs. in Crores)**

Long Term Provisions	As at 31st March 2016	As at 31st March 2015
Provision for employee benefits(Refer Note 40)		
Leave Encashment (unfunded)	23.91	21.90
Long Service Benefits (unfunded)	1.12	-
Total	25.03	21.90



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Note 8 TRADE PAYABLES

(Rs. in Crores)

Trade Payables	As at 31st March 2016	As at 31st March 2015
Dues Of Micro Enterprises And Small Enterprises: (Refer Note 39) - (A)	1.99	0.10
Other Than Micro Enterprises And Small Enterprises:		
Trade payables - Gas Purchase / Transmission	190.57	385.44
Trade payables - Others	59.05	39.02
Total - (B)	249.62	424.46
Total (A+B)	251.61	424.56

Note 9 OTHER CURRENT LIABILITIES

(Rs. in Crores)

Other Current Liabilities	As at 31st March 2016	As at 31st March 2015
Dues Of Micro Enterprises And Small Enterprises (Refer Note 39) - :Payables for Capital Goods and Services - (A)	9.20	11.48
Other Than Micro Enterprises And Small Enterprises:		
Current maturities of long-term debt		
Term Loans(Refer Note No. 4.1 and 4.2)		
From Banks (Secured)	95.16	151.61
From Other Parties (Secured)	32.14	-
From Other Parties (Unsecured)	-	1,583.33
Redeemable, Unlisted, and Non-Convertible Debentures - NCD (Unsecured) (Refer Note 4.2)	500.00	-
	627.30	1,734.94
Interest accrued but not due on borrowings	22.72	26.90
Payables for Capital Goods and Services	127.11	110.04
Deposits from Customers towards MGO	27.05	21.20
Advances from Customers towards Connection(Refer Note 9.1)	10.31	12.43
Other advances from Customers	15.70	7.16
Security Deposit from Suppliers	9.88	4.89
Unpaid Dividend (Refer Note 9.2)	3.04	2.82
Duties and Taxes	36.15	17.47
PF Payable	1.09	1.01
Due to Banks in Current Account (Book Overdraft)	0.01	-
Other Payable	25.07	0.19
Other Liabilities :		
BG Asia Pacific Holdings Limited	464.78	464.78
Less : Amount deposited in Escrow Account with Citi Bank (Refer Note 9.3)	(464.78)	(464.78)
Net Payable	-	-
Total - (B)	905.43	1,939.05
Total (A+B)	914.63	1,950.53

Note 9.1: Advances from customers includes amount of Rs 3.07 Crores (Previous Year Rs. 2.54 Crores) outstanding more than 365 days. These amounts are in the nature of security deposits for providing capital goods or services in the normal course of business.

Note 9.2: 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. No amount is due at the end of the period for credit to Investors education and protection fund.

Note 9.3: The Company deposited Rs. 464.78 crores on 12th June, 2013 into the escrow account ("named BG Asia Pacific Holdings Pte. Limited GSPC Distribution Networks Limited Escrow Account") opened with Citibank N.A., acting as the escrow agent, pursuant to the escrow agreement executed between the BG Asia Pacific Holdings Pte. Limited (the Seller), Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) (the Purchaser) and Citibank N.A. The Payment of said amount into Escrow Account is to be utilized to meet future tax withholding liability (if any) based on outcome of the applications to the Authority for Advance Rulings or otherwise to be remitted to BG Asia Pacific Holdings Pte. Limited (the Seller) directly.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****Note 10 SHORT TERM PROVISIONS****(Rs. in Crores)**

Short Term Provisions	As at 31st March 2016	As at 31st March 2015
Provision for Proposed Dividend	34.42	68.84
Provision for Dividend Distribution Tax	7.01	14.01
	41.43	82.85
Provision for Wealth Tax(Net)	-	0.11
Provision for Employee Benefits		
Gratuity (Refer Note 40)	9.65	1.90
Superannuation	0.22	0.14
Leave Encashment (unfunded) (Refer Note 40)	1.46	0.48
Long Service benefits (unfunded) (Refer Note 40)	0.31	-
	11.64	2.52
Total	53.07	85.48



GUJARAT GAS LIMITED

Note 11 FIXED ASSETS

(Rs. in Crores)

Particulars	Gross Block			Depreciation and Amortization			Net Block	
	As at 1st April 2015	Addition during the year	Disposal/ Adjustment	As at 31st March 2016	For the year	Disposal/ Adjustment	As at 31st March 2016	As at 31st March 2015
TANGIBLE ASSETS:								
Lease hold Land	11.19	-	-	11.19	0.17	-	10.67	10.84
Freehold Land	378.96	5.05	-	384.01	-	-	384.01	378.96
Buildings	179.43	2.54	-	181.97	3.69	-	171.02	172.17
Plant and Machinery	4,175.39	378.60	16.15	4,537.84	214.33	6.20	3,880.70	3,726.38
Furniture and Fixture	13.47	1.91	0.04	15.34	2.43	0.03	9.22	9.75
Computer Equipments	25.17	0.78	0.03	25.92	3.66	0.02	5.65	8.54
Office Equipments	16.73	1.69	0.28	18.14	2.62	0.27	6.85	7.79
Vehicles	10.19	0.10	0.09	10.20	1.71	0.03	4.74	6.41
Books and Periodicals	0.10	-	-	0.10	0.03	-	-	0.03
Total Tangible Assets	4,810.63	390.67	16.59	5,184.71	228.64	6.55	4,472.86	4,320.87
INTANGIBLE ASSETS:								
ROW Permissions	130.53	47.55	-	178.08	5.19	-	165.99	123.63
ROU	10.38	0.04	-	10.42	-	-	10.42	10.38
Software and other Intangibles	59.85	4.97	0.04	64.78	11.86	0.03	24.88	31.78
Total Intangible Assets	200.76	52.56	0.04	253.28	17.05	0.03	201.29	165.79
Total Assets	5,011.39	443.23	16.63	5,437.99	245.69	6.58	4,674.15	4,486.66
Previous year								
Tangible Assets	4,589.45	230.05	8.87	4,810.63	230.79	2.56	4,320.87	4,327.91
Intangible Assets	165.53	35.69	0.46	200.76	15.20	0.23	165.79	145.53
Total Assets	4,754.98	265.74	9.33	5,011.39	245.99	2.79	4,486.66	4,473.44

Note 1 - During previous year, the Company had revised the useful lives 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 1 April 2014. Accordingly, the carrying value of fixed assets as on that date, net of residual value, had been depreciated over the revised remaining useful lives. Depreciation adjustment amount of INR. 8.31 Crores represents the carrying value of assets, whose remaining useful life is Nil as at April 1, 2014 pursuant to change in useful life of assets as per Companies Act, 2013. Rs. 5.29 Crores (WDV - net of deferred tax of INR 3.02 Crores) had been charged to the opening balance of retained earnings of previous year.

Note 2 - 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.

Note 3 - Borrowing Cost - Additions to the fixed assets during the current year includes borrowing costs capitalized Rs. 13.97 Crores (Previous Year Rs. 6.28 Crores) pertaining to borrowings for qualifying assets as per the requirements of Accounting Standard - 16 (AS-16) "Borrowing Costs".

Note 11.1 Capital work in progress

	(Rs. in Crores)	
Capital work in progress	As at 31st March 2016	As at 31st March 2015
Capital Inventory	233.60	150.81
Capital Work-in-Progress	208.32	188.78
Interest during the construction period	26.05	17.60
Total	467.97	357.19

Note 11.2 Intangible assets under development

	(Rs. in Crores)	
Intangible assets under development	As at 31st March 2016	As at 31st March 2015
Software under Development	0.20	0.20
Total	0.20	0.20



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Note 12 NON-CURRENT INVESTMENTS

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Nature	Partly Paid / Fully paid	Extent of Holding (%)		Balance as At (Rs. in Crores)	
			As at 31st March 2016	As at 31st March 2015			As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
	Investment in Equity Instruments									
1	Guj Info Petro Limited Add: Share of Profit Less: Dividend Received Rs.12,500 PY. Rs. NIL	Associate Company	25,000	25,000	Non Trade Unquoted	Equity Shares of Rs.10 each fully paid	49.94%	49.94%	0.03 22.02 -	0.03 19.10 -
									22.05	19.13
2	Gujarat State Petroleum Corporation Limited	Others (Holding Co.)	2,00,00,000	2,00,00,000	Non Trade Unquoted	Equity Shares of Rs.1 each fully paid	0.90%	0.90%	162.00	162.00
3	The Kalupur Co Op. Comm Bank Ltd.	Others	200	200	Non Trade Unquoted	Equity Shares of Rs.25 each fully paid	0.001%	0.001%	Rs. 5000/-	Rs. 5000/-
	Total								184.05	181.13

Note 13 LONG TERM LOANS AND ADVANCES

(Rs. in Crores)

Long Term Loans and Advances	As at 31st March 2016	As at 31st March 2015
Advance Tax, TDS and MAT Credit		
Advance Tax and TDS (Net of provisions)	186.96	182.10
MAT Credit Entitlement	18.44	7.47
Capital Advances [Unsecured, considered good]	38.20	19.19
Security Deposits (Refer Note No. 13.1)		
To related parties [Unsecured, considered good]	1.71	1.05
To Others [Unsecured, considered good]	40.64	23.98
To Others [Unsecured, considered doubtful]	7.07	5.81
Less: Provision for doubtful deposits	(7.07)	(5.81)
	42.35	25.03
Loan to Employees [Unsecured, considered good]	2.10	1.93
Prepaid Expenses	31.04	5.13
Advance Against Expenses (Receivables in cash/kind in value to be received)		
For Advance against Expenses-other [Unsecured, considered good]	0.09	0.16
For Advance against Expenses-doubtful	0.03	0.03
	0.12	0.19
Less: Provision for doubtful	0.03	0.03
	0.09	0.16
Balances with Government authorities for Litigations	14.20	13.30
Advance to ESOP Trust	2.58	3.01
Total	335.96	257.32

Note 13.1: 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. 16.16 Crores- (Previous Year Rs. 7.37 Crores), 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 14 OTHER NON-CURRENT ASSETS

(Rs. in Crores)

Other Nont - Current Assets	As at 31st March 2016	As at 31st March 2015
Other Receivable [Unsecured, considered doubtful]	0.36	0.36
Less : Provision for Doubtful	(0.36)	(0.36)
Total	-	-



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Note 15 CURRENT INVESTMENTS

(Rs. in Crores)

Current Investments	As at 31st March 2016	As at 31st March 2015
Investment in Mutual Funds (Refer Note 15.1 for Qty. details) (At Cost or fair market value whichever is lower, determined categorywise)	-	936.99
Total	-	936.99

Note 15.1 Details of investment in Mutual Funds

(Rs. in Crores)

Sr. No.	Scheme	As at 31st March 2016		As at 31st March 2015	
		No. of Units	Amount	No. of Units	Amount
1	Birla Sunlife Cash Plus Plan - Dividend	-	-	4,72,070	4.73
2	Birla Sun Life Floating Rate Fund -Short Term Plan- Direct-Dividend	-	-	14,41,531	14.42
3	Birla Sun Life Floating Rate-Long Term -Direct - Dividend	-	-	80,144	0.80
4	Birla Sun Life Savings Fund-Direct - Dividend	-	-	1,33,46,621	133.86
5	DSP Black Rock Money Manager Fund -Direct - Dividend	-	-	5,82,731	58.52
6	HDFC Cash Management Fund - Savings Plan - Direct- Dividend	-	-	47,26,157	5.03
7	HDFC Floating Rate Inc. Fund-STP-Wholesale -Direct -Dividend	-	-	9,64,48,400	97.23
8	ICICI Prudential Flexible Income- Direct - Dividend	-	-	76,77,775	81.18
9	ICICI Prudential Liquid -Direct - Dividend	-	-	2,30,166	2.30
10	ICICI Prudential Money Market Fund - Direct -Dividend	-	-	5,19,823	5.21
11	IDFC Cash Fund -Direct - Dividend	-	-	57,727	5.77
12	IDFC Ultra Short Term Fund-Direct- Dividend	-	-	10,59,93,929	106.58
13	Kotak Treasury Advantage Fund- Direct- Dividend	-	-	6,44,22,140	64.94
14	Kotak Liquid Scheme Plan A - Direct- Dividend	-	-	1,01,743	12.44
15	Reliance Liquid Fund-Cash Plan-Direct- Dividend	-	-	3,09,722	34.51
16	Reliance Liquidity Fund Direct - Dividend	-	-	52,630	5.27
17	Reliance Money Manager Fund - Direct- Dividend	-	-	7,42,947	74.45
18	SBI Premier Liquid Fund - Direct - Dividend	-	-	5	0.00
19	SBI Ultra Short Term Debt Fund-Direct - Dividend	-	-	3,17,245	31.80
20	Templeton India Treasury Management Account Super Institutional - Direct -Dividend	-	-	2,11,190	21.16
21	Templeton Ultra Short Bond Fund Super Institutional - Direct - Dividend	-	-	7,85,67,594	78.86
22	UTI Money Market Fund - Institutional Plan - Direct - Dividend	-	-	6,045	0.61
23	UTI Treasury Advantage Fund- Institutional Plan - Direct - Dividend	-	-	9,71,030	97.33
Total		-	-	37,72,79,365	936.99

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****Note 16 INVENTORIES****(Rs. in Crores)**

Inventories *	As at 31st March 2016	As at 31st March 2015
Stores and spares	37.65	37.01
Inventory of Gas	3.69	4.08
Total	41.34	41.09

* For Valuation- refer note no. 1.10

Note 17 TRADE RECEIVABLES**(Rs. in Crores)**

Trade Receivables	As at 31st March 2016	As at 31st March 2015
Outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	64.37	83.77
Unsecured, considered good (Refer Note 17.1)	179.09	249.02
Unsecured, considered good	53.33	63.68
Doubtful	0.04	-
Total (A)	296.83	396.47
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	1.31	1.12
Unsecured, considered good (Refer Note 17.1)	0.04	0.05
Unsecured, considered good	2.35	2.84
Doubtful	4.39	3.90
Total (B)	8.09	7.91
Total (A+B)	304.92	404.38
Less: Provision for doubtful debts	4.43	3.90
Less: Deposits From Customers towards MGO	34.63	39.88
Total	265.86	360.60

Note 17.1: Trade receivables are backed by Bank Guarantees.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****Note 18 CASH AND BANK BALANCES****(Rs. in Crores)**

Cash and Bank Balances	As at 31st March 2016	As at 31st March 2015
Cash and cash equivalents		
Balances with banks		
(a) In Current Accounts- including Sweep-in Facility Accounts	21.79	25.71
(b) Deposits with Original Maturity of less than three months	-	207.87
Cash on Hand	0.95	1.01
	22.74	234.59
Other Bank Balances		
i. Unpaid dividend accounts (Refer note 18.1)	3.04	2.82
ii. Deposits with original maturity of more than three months but less than twelve months	2.06	-
iii. Deposits with original maturity of more than three months but less than twelve months held as Margin		
Money under lien against Bank Guarantee	40.00	-
	45.10	2.82
Total	67.84	237.41

Note 18.1 : The balances in dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment. No amount is due at the end of the period for credit to Investor Protection and Education fund.

Note 19 SHORT TERM LOANS AND ADVANCES**(Rs. in Crores)**

Short-term loans and advances	As at 31st March 2016	As at 31st March 2015
Unsecured, considered good		
Advance Against Expenses (Receivables in cash/kind in value to be received)		
To Related parties	0.06	-
To Others	1.09	1.46
	1.15	1.46
Other Advances:		
Loan to Employees	2.04	1.45
Staff Advance	0.04	0.01
Pre Paid Expenses	14.61	5.58
CENVAT Credit Account	5.80	6.52
Balances in PLA Account	-	0.04
Balances with Stamp Duty Authorities	0.05	0.01
Advance to ESOP Trust	0.43	-
Other Deposits	0.01	-
Total	24.13	15.07

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****Note 20 OTHER CURRENT ASSETS****(Rs. in Crores)**

Other current assets	As at 31st March 2016	As at 31st March 2015
Interest Accrued But Not Due on Fixed Deposits	2.49	0.99
Interest Accrued But Not Due on Security Deposits	0.28	0.25
Unbilled Revenue	32.47	38.66
Claims Recoverable - Insurance	0.10	0.76
Others	0.16	0.38
Total	35.50	41.04

Note 21 REVENUE FROM OPERATIONS**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Sale of Products		
Natural Gas	6,190.48	9,066.71
Other operating revenue		
Gas transmission income	5.90	14.35
Contract Renewal Charges Income	7.97	7.62
Take or Pay Charges Income	10.21	12.35
Registrations, Connections, Service & Fitting income	29.51	34.88
Other Operating Income	1.69	1.52
	55.28	70.72
Revenue from Operations (Gross)	6,245.76	9,137.43
Less: Excise duty	139.90	131.17
Revenue from Operations (Net)	6,105.86	9,006.26

Note 22 OTHER INCOME**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest Income*	27.33	35.89
Dividend Income**	11.06	54.72
Interest on income tax refund	0.13	7.71
Profit on Sale of Current Investments (Net)	0.29	1.69
Provision/Liability No Longer Required	1.53	2.13
Other non-operating income	4.33	5.00
Total	44.67	107.14

* Includes interest income on deposits, staff advances and delayed payment from customers.

** Includes dividend income on mutual funds & trade/non trade investments.

Note 23 COST OF MATERIAL CONSUMED**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Natural Gas	4,686.21	7,166.64
Gas Transportation Charges	223.52	282.51
Total	4,909.73	7,449.15

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****Note 24 PURCHASE OF STOCK-IN-TRADE****(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Purchases of CNG	4.39	28.37
Total	4.39	28.37

Note 25 CHANGES IN INVENTORIES OF NATURAL GAS**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Inventory at the beginning of the year	4.08	4.56
Less: Inventory at the end of year	3.77	4.08
Changes in Inventories - (Increase)/Decrease	0.31	0.48

Note 26 EMPLOYEE BENEFIT EXPENSES**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Salaries and Incentives	106.47	86.71
Contributions to Provident fund	5.87	5.36
Leave Encashment	3.76	13.27
Gratuity (Including provision)	9.63	6.27
Other Long service benefits	1.43	-
Staff welfare expenses	4.51	3.58
Total	131.67	115.19

Note 27 FINANCE COSTS**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
I. Interest expense		
Interest on Term Loans	209.78	287.09
Interest on Non Convertible Debentures	51.51	51.50
Interest on Working capital Loan	0.62	0.65
Interest on Security Deposits	5.52	1.62
(a) Total Interest Expense	267.43	340.86
(b) Less: Interest Capitalised	22.41	10.40
Net Interest Expense [(a)-(b)]	245.02	330.46
II. Interest on income tax	-	0.16
III. Other borrowing costs	1.00	0.66
Total	246.02	331.28

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****Note 28 OTHER EXPENSES****(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Consumption of Stores and Spare Parts	8.27	8.17
Service and fitting expense	6.18	7.24
Power and Fuel	60.36	52.09
Rent		
Rent for Premises (Refer Note 28.1)	6.18	3.80
Rent for Pipelines	14.05	12.38
Repair and Maintenance		
Buildings	1.28	1.11
Plant & Machinery	96.44	89.10
Others	14.43	11.69
Billing and Collection expenses	4.69	4.33
LCV/HCV Hiring, Operating and Maintenance Charges	22.03	22.21
Franchisee and other Commission	24.65	21.27
Advertisement and Business Promotion	4.15	3.02
Legal, Professional and Technical Consultancy Exp.	11.27	11.37
Insurance	3.03	2.97
Rates and Taxes		
Rates, taxes and duties	1.57	1.64
Provision for Wealth Tax	-	0.02
Office and Administrative Expenses	4.34	3.98
Stationery and Printing Expenses	1.97	1.80
Telephone and Communication Expenses	3.80	3.88
Agency and Contract Staff Expenses	19.77	20.10
Conveyance and Travelling Expenses	1.29	1.67
Vehicle Hiring and Running Expenses	6.16	5.18
Audit Fees (Refer Note 28.2)	0.51	0.43
Donations	1.07	1.05
Bank Charges	2.18	3.08
Loss of Sale of Assets	0.88	4.86
Loss on Disposal of Assets	5.50	-
Assets written off	2.48	0.53
Loss on sale as scrap and diminution in Capital Inventory	0.16	2.17
Bad Debts Written Off	-	0.23
Provision for Doubtful Debt	0.53	2.49
Provision for Doubtful Advances/Deposits	1.26	1.28
Net loss on foreign currency transaction	0.02	0.02
Miscellaneous Expenses	4.35	3.67
Total	334.85	308.83

28.1 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 INR 6.18 Crores (Previous Year 3.80 Crores). The lease arrangement typically ranges from 11 months to 9 years.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****Note 28.2 PAYMENTS TO AUDITOR****(Rs. in Crores)**

Payments to auditor	For the year ended 31st March 2016	For the year ended 31st March 2015
For Statutory Audit- 2015-16	0.29	0.41
For Statutory Audit- 2014-15 (Merged Entity)	0.11	-
For Statutory Audit- 2013-14 (Revised Annual Accounts)	0.11	-
For Other Services	-	0.01
For reimbursement of expenses	-	0.01
Total	0.51	0.43

Note 29 PRIOR PERIOD ITEMS (NET)**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Depreciation	-	(0.01)
Other Expenses	-	0.17
Total	-	0.16

Note 30 EXCEPTIONAL ITEMS**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Expenses Pursuant to scheme of Amalgamation and Arrangement (Refer Note 30.1)	25.62	1.36
Material Shortage (Gain)/Loss	-	(0.54)
Total	25.62	0.82

Note 30.1: Exceptional item pertains to stamp duty charges and other expenses incurred pursuant to Scheme of Amalgamation and Arrangement.

Note 31 CURRENT TAX**(Rs. in Crores)**

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Current Tax	52.36	165.28
Less: Interest on Tax	-	0.16
Current Tax	52.36	165.12
Less: MAT Credit Entitlement	10.32	34.19
Add: Short / (Excess) Provision of Tax made in earlier years	(0.25)	0.37
Net Current Tax	41.79	131.30

Note 32 EARNINGS PER SHARE (EPS)

Particulars		For the year ended 31st March 2016	For the year ended 31st March 2015
Profit attributable to equity shareholders	Rs. in Cr.	155.87	446.54
Weighted average number of ordinary equity shares for Basic EPS	Nos.	13,76,78,025	13,76,78,025
Weighted average number of ordinary equity shares for Diluted EPS	Nos.	13,76,78,025	13,76,78,025
Nominal Value of equity share	Rs.	10.00	10.00
Basic EPS	Rs.	11.32	32.43
Diluted EPS	Rs.	11.32	32.43



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH 2016

Note 33

A IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

(Rs. in Crores)

Particulars	For the year ended 31 st March 2016		For the year ended 31 st March 2015	
	% of Total Consumption	Amount	% of Total Consumption	Amount
Raw Materials				
Natural Gas				
- Imported	-	-	-	-
- Indigenous	99.58%	4,909.73	99.35%	7,449.15
Purchase of stock in Trade				
- Imported	0.00%	-	0.00%	-
- Indigenous	0.09%	4.39	0.38%	28.37
Stores and Spare Parts				
- Imported	0.07%	3.51	0.03%	2.21
- Indigenous	0.26%	12.58	0.24%	17.83
Total	100%	4,930.21	100%	7,497.56

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 2016	Sales For the year ended 31st March 2015	Closing Inventory as at 31st March 2016	Closing Inventory as at 31st March 2015
Manufactured Goods				
- Natural Gas*	6,046.18	8,907.60	3.77	4.08
Total	6,046.18	8,907.60	3.77	4.08

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

2 TRADED GOODS

(Rs. in Crores)

Particulars	Sales For the year ended 31st March 2016	Sales For the year ended 31st March 2015	Closing Inventory as at 31st March 2016	Closing Inventory as at 31st March 2015
Traded Goods				
- CNG	4.40	27.94	-	-
Total	4.40	27.94	-	-

3 QUANTITATIVE DETAILS

Particulars	Unit of Measurements	For the year ended 31st March 2016	For the year ended 31st March 2015
Purchase Goods			
Purchase of Natural Gas	MMBTU	9,05,25,558	9,04,83,856
Purchase of CNG	KGS	10,76,998	69,27,120
Manufactured Goods			
Sale of Natural Gas	SCM at various Calorific values	2,03,08,85,249	2,38,47,51,257
Traded Goods (CNG)			
Sale of CNG	KGS	10,76,998	69,27,120
Closing Inventory	SCM	17,19,473	16,19,956

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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****Note 34 CONTINGENT LIABILITIES****(Rs. in Crores)**

Contingent liabilities and commitments (to the extent not provided for)	As at 31st March 2016	As at 31st March 2015
Contingent Liabilities		
(a) Claims against the company not acknowledged as debt(Refer Note 34.1)	531.18	50.84
(b) Other Contingent Liabilities - Statutory claims (Refer Note 34.2)	168.17	152.38
(c) Other Contingent Liabilities - Stamp duty on amalgamation	-	25.00
Total (A)	699.35	228.23
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	539.12	440.60
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for	203.33	161.83
Total (B)	742.45	602.43
TOTAL (A+B)	1,441.79	830.66

34.1 (i) In addition to above, Claims of Rs 2.22 Crores (P. Y. Rs. 2.22 Crores) against the Company have been disputed by the Company. The Company is, however, indemnified by an insurance policy.

(ii) UPL Limited (UPL) a customer of erstwhile Gujarat Gas Company Limited(GGCL) filed a complaint before Petroleum and Natural Gas Regulatory Board (PNGRB) against erstwhile GGCL alleging charging of tariff illegally under the City Gas Network Distribution Agreement entered into between the Parties. The matter was decided against erstwhile GGCL by PNGRB. Erstwhile GGCL has preferred an appeal at Appellate Tribunal for Electricity (APTEL) against the PNGRB Order. Erstwhile GGCL has also sought an interim stay on the PNGRB order which was granted by APTEL. Company has submitted bank guarantee of Rs. 40 Crores to in favour of UPL. The APTEL has in its order stated that it is an interim order without considering the merits of the case.

(iii) One of the gas suppliers of the Company has submitted a claim of Rs. 481.85 Crores, for unauthorized use of gas in earlier years. The company has refuted this erroneous claim contending that no contractual provisions of the agreement executed with GGL allow such claim. The management is of the firm view that the company is not liable to pay any such claim. The company has already taken up the matter with concerned party/authorities to withdraw the claim.

(iv) Erstwhile Gujarat Gas Company Limited and Erstwhile GSPC Gas Company Limited (Now collectively known as Gujarat Gas Limited "GGL") had signed Gas supply agreement with Gujarat State Petroleum Corporation Limited (GSPCL) for purchase of Re-gasified liquefied natural gas (RLNG). As per the provision of said agreement, GGL has to pay interconnectivity charges to GSPCL for the supply and purchase of RLNG at Delivery point which is charged to GSPCL by their supplier i.e. PLL Off takers (GAIL India, BPCL, IOCL).

PGNRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal.

The PLL Offtakers (GAIL) filed appeals against the said PNGRB orders before the Appellate Tribunal for Electricity (APTEL). On 23-February-2012 APTEL had issued an interim order for shifting the Delivery Point from GAIL-GSPL Delivery Point to GSPL-PLL Delivery Point. On 18-December-2013 APTEL issued its 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 20th November 2008 to 29th February 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 28th February 2014. The Court has stated that the ends of justice would be met if as a matter of interim arrangement, the appellant is directed to pay interconnectivity charges at the rate of Rs. 12.00 per MMBTU (exclusive of Taxes). The Company has already provided and paid interconnectivity charges at the rate of Rs. 12.00 per MMBTU (exclusive of Taxes).

(v) The associate company GIPL was regularly paying Adjusted Gross Revenue (AGR) @ 6% based on the order of TDSAT dated 30th August 2007 and subsequent TRAI's guidelines considering only ISP income. The quarterly returns are filed from time to time and provisional assessment has also been completed by DoT up to the year 2008-09.No further provisional assessment done by DOT.

Subsequently, Supreme Court vide its order dated 11th October 2011 set aside the TDSAT order and remitted the matter to the Tribunal to pass fresh order in accordance with law. DOT has issued a letter no.820-01/2006-LR (Vol-II) Pt. dated

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

29/6/2012 increasing AGR at 7% from 1/7/2012 and 8% for the year 2013-14 onwards and clarified that Revenue for the purpose of license fee shall provisionally include all types of revenue from internet services allowing only those deductions available for pass through charges and taxes/levies as in the case of access services without any set-off for expenses. Revenues from Internet services will also be included in the definition of applicable AGR provisionally for ISP-IT category till Government takes a final decision after obtaining TRAI recommendations in this regard. If TDSAT decides the inclusion of Non-ISP income for AGR, the estimated contingent liabilities would be to the extent of Rs. 4.95 Crores (without interest) till 31st March, 2016. The company's share in said liability of associate will be Rs. 2.47 Crores.

- (vi) As per news reports, certain ex-employees and ex internal auditor of the associate company GIPL has been arrested by Anti Corruption Bureau [ACB] in relation to a state-wide check post scam, as the persons are alleged to have financial interest in the outsource agency deployed by GIPL. The investigating agency is probing the matter and the GIPL has been providing all support and information as requested from time to time. It may be noted that there are no allegations against GIPL. GIPL is not a party to any such investigation/litigation and potential liability, if any, on this account cannot be ascertained at this juncture. However, as a measure of good corporate governance, the company has disclosed the aforesaid details.

Note 34.2 OTHER CONTINGENT LIABILITIES - STATUTORY CLAIMS (Rs. in Crores)

Sr. No.	Particulars	As at 31st March 2016	As at 31st March 2015
1	Disputed statutory claims in respect of Appeals filed against / by company :		
	(a) Excise Duty	14.07	5.02
	(b) Income Tax [Incl. share of Associate Rs. 0.67 Cr (Prv. year Rs 0.39 Cr)]	113.76	109.82
	(c) Service Tax	40.34	37.54
	TOTAL	168.17	152.38

The company is contesting the demands and the management including its advisors believe that its position is likely to be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

Note 35 VALUE OF IMPORTS CALCULATED ON CIF BASIS (Rs. in Crores)

Particulars	As at 31st March 2016	As at 31st March 2015
Components and Spare Parts	0.39	0.22
Capital goods	1.26	4.59

Note 36 EXPENDITURE IN FOREIGN CURRENCIES (Rs. in Crores)

Particulars	As at 31st March 2016	As at 31st March 2015
Repairs & Maintenance	0.24	0.40
Advertisement in Magazine	-	0.07

Note 37 EARNINGS IN FOREIGN CURRENCIES (Rs. in Crores)

Particulars	As at 31st March 2016	As at 31st March 2015
Earnings in Foreign currencies	-	-

Note 38 The amount of foreign currency expense payables that are not hedged by a derivative instrument as on March 31, 2016 are as under: (Rs. in Crores)

Particulars	As at 31st March 2016	As at 31st March 2015
Foreign currency expense payable [USD 12,400 (Previous year NIL)]	0.08	-



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Note 39 Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006

(Rs. in Crores)

Sr. No.	Particulars	As at 31st March 2016	As at 31st March 2015
1	The principal amount outstanding as at the end of accounting year.	11.19	11.58
2	Principal amount due and remaining unpaid as at the end of accounting year .	-	0.01
3	Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-
4	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
5	Interest accrued and remaining unpaid at the end of accounting year (Refer Note below)	0.01	0.02
6	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note: No interest has been paid by the Company to the enterprises covered under Micro, Small and Medium Enterprise Development Act, 2006 according to the terms agreed with the enterprises

NOTE 40 DISCLOSURE OF EMPLOYEE BENEFITS

The Company has implemented Accounting Standard - 15 (AS-15) (Revised 2005) on "Employee Benefits".

(a) Provident Fund - Defined Contribution Plan

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during 12 months ended is INR 5.87 Crores (Previous year INR 5.36 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 2016	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2015
A. Discount rate	7.80%	7.80%	7.74%-7.80%	7.74%-7.80%
Rate of return on plan assets	7.80%	N.A.	9.00% - 8.50%	N.A.
Salary Escalation (Refer note below)	10.00%	10.00%	7.00% - 12.00%	7.00%

* Not applicable in case of Gratuity plan for GSPC gas employees

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Rs. in Crores)

Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	For the year ended 31st March 2016	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2015
B. Change in Defined Benefit Obligations				
Liability at the beginning of the year	22.17	22.38	15.24	9.92
Interest Cost	1.69	1.72	1.36	0.89
Current Service Cost	2.71	2.98	1.66	1.72
Past service cost	3.74	-	-	-
Prior year Charge	0.34	0.17	-	-
Benefits Paid	(0.93)	(0.68)	(0.98)	(0.79)
Actuarial (Gain) / Loss on obligations	2.77	(1.20)	4.89	10.64
Liability at the end of the year - Total	32.49	25.37	22.17	22.38
C. Change in Fair Value of plan Assets				
Opening fair Value of plan assets	20.27	-	16.16	-
Expected return on plan assets	1.88	-	1.50	-
Expenses deduct from fund	-	-	(0.05)	-
Actuarial Gain / (Loss)	(0.26)	-	0.19	-
Contributions by employer	1.88	-	3.44	-
Benefits Paid	(0.93)	-	(0.98)	-
Closing fair Value of plan assets	22.84	-	20.26	-
D. Expenses Recognised in the Profit and Loss Statement				
Current Service Cost	2.71	2.98	1.66	1.72
Interest Cost	1.69	1.72	1.36	0.89
Expenses deduct from fund	-	-	0.05	-
Expected return on plan assets	(1.88)	-	(1.50)	-
Past service cost	3.74	-	-	-
Prior year Charge	0.34	0.17	-	-
Actuarial (Gain) / Loss	3.03	(1.20)	4.70	10.64
Exps. charged to Statement of Profit & Loss	9.63	3.67	6.27	13.25
E. Balance Sheet Reconciliation				
Opening Net Liability	1.90	22.38	(0.92)	9.92
Expenses Charged to Profit and Loss Statement	9.63	3.67	6.26	13.25
Contributions by employer	(1.88)	-	(3.44)	-
Benefits Paid	-	(0.68)	-	(0.79)
Closing Liability	9.65	25.37	1.90	22.37
F. Current/Non-Current Liability :				
Current	3.47	1.46	1.08	0.48
Non-Current	6.17	23.91	0.83	21.90

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH 2016****(c) Amounts recognised in current year and previous four years****(Rs. in Crores)**

Particulars	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012
Gratuity					
Present value of Defined Benefit Obligation	32.49	22.17	15.24	-	-
Fair value of Plan Assets	22.84	20.26	16.17	-	-
(Surplus) / Deficit in the plan	9.65	1.91	(0.93)	-	-
Actuarial (Gain) / Loss on Plan Obligation	2.77	4.89	(0.98)	-	-
Actuarial Gain / (Loss) on Plan Assets	(0.26)	0.19	(0.31)	-	-
Earned Leave					
Present value of Defined Benefit Obligation	25.37	22.38	9.92	-	-
Actuarial (Gain) / Loss on Plan Obligation	(1.20)	10.64	(0.12)	-	-
Long Service Award					
Present value of Defined Benefit Obligation	1.43	-	-	-	-
Actuarial (Gain) / Loss on Plan Obligation	-	-	-	-	-

Note

- (i) During this year, the company has introduced/provided long service award benefits to its employees who completed 15/20/25 Years of employment with company. Accordingly company has provided Rs. 1.43 Crores (Previous year -Nil) on account of Long service award benefit. Current Liability as at 31st March 2016 is Rs. 0.31 Crores and Non- Current Liability is Rs. 1.12 Crores.
- (ii) During this year, the company has removed the ceiling of liability of Gratuity payment of Rs. 10 Lacs which was applicable to certain employees. The impact of the change of limit is Rs. 3.74 crores and same is charged to Statement of profit and loss during this financial year.
- (iii) The company has participated in Group Gratuity Scheme Plan with LIC, Reliance & HDFC life insurance co. Ltd through Gratuity Trust to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year. The total value of plan assets is as certified by the LIC, Reliance & HDFC life insurance co. Ltd.
- (iv) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.
- (v) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.

NOTE 41**Employee Stock Option Plan:**

The erstwhile GSPC Gas Company Limited ('e-GSPC'), erstwhile Gujarat Gas Company Limited ('e-GGCL'), erstwhile Gujarat Gas Financial Services Limited ('e-GFSL') and erstwhile Gujarat Gas Trading Company Limited ('e-GTCL') merged with and into GSPC Distribution Network Limited ('GDNL') under the Composite Scheme of Amalgamation and Arrangement (the "Scheme of Amalgamation"). The effective date of Scheme of Amalgamation was 14 May 2015. Upon the Scheme of Amalgamation becoming effective, the name of GDNL has been changed to Gujarat Gas Limited ('GGL') as per the provisions of the Companies Act.

Pursuant to the Scheme of Amalgamation, the Addendum Gujarat Gas Limited Employee Stock Option Plan 2016 ("ESOP 2016") being supplementary to the Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("ESOP 2008") has been formulated for the limited purpose of adopting the ESOP 2008 in the Company.

The e-GGCL had formulated the above ESOP 2008, whereby Stock Options had been granted by e-GGCL to its employees. The ESOP 2008 has been effective from 1 November 2008 for a tenure of 8 years. As on the effective date of the Scheme of Amalgamation, certain employees of e-GGCL to whom Options had been Granted and Vested under the ESOP 2008, have not Exercised the said Options and hence as per the Scheme of Amalgamation, they are the Eligible Employees for the purpose of the ESOP 2016 as follows:

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

- (1) Revised Grants have been made to them with effect from the effective date under the Scheme of Amalgamation of 13000 equivalent number of Options-I under the ESOP 2016, against the equivalent number of Options Granted and Vested in them pursuant to the ESOP 2008, which were not Exercised by them on the effective date under the Scheme of Amalgamation.
- (2) The above Revised Grants of Options-I has been on the basis of the Share Exchange Ratio of 1 (one) equity share of Rs.10/- each of GGL, for every 1 (one) equity share of Rs.2/- each of e-GGCL, pursuant to the Scheme of Amalgamation.
- (3) The Options-I bear the Exercise Price as per the ESOP 2008. The Exercise Price payable for Options-I under ESOP 2016 is based on the Exercise Price payable by such Eligible Employees under the ESOP 2008 that has been adjusted after taking into account the effect of the Share Exchange Ratio of 1:1 as mentioned above.
- (4) Upon such Revised Grant of Options-I to the Eligible Employees the Options Granted under the ESOP 2008 stand cancelled and the Eligible Employees shall continue to be bound by all the terms and conditions of the ESOP 2008 in addition to this ESOP 2016.

The Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("ESOP 2008 Trust"), which has been formed and created vide execution of the Deed of Gujarat Gas Company Limited Employee Welfare Stock Option Trust dated 4 November 2008 has been renamed as Gujarat Gas Limited Employee Welfare Stock Op-tion Trust ("ESOP 2016 Trust"). The ESOP 2016 Trust is an irrevocable Trust that functions for the limited purpose of adopting the ESOP 2008 and ESOP 2016 and to hold the existing share inventory of the ESOP 2008 Trust for the benefit of Eligible Employees under ESOP 2016 and the balance to be appropriated in line with the SEBI Regulations.

The ESOP 2016 and the ESOP 2016 Trust are governed by the provisions of the Companies Act 1956 or the Companies Act 2013, as may be applicable and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or the SEBI (Share Based Employee Benefits) Regulation, 2014, as may be applicable.

The ESOP 2008 Trust had purchased out of the funds advanced by the Company, the shares equivalent to the number of options granted. IDBI Trusteeship Services Limited are the Trustees. The Trustees can sell the shares in the market as per the approved scheme and for the year ended on 31 st March 2016, there are no purchases from the market.

The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options were approved as per ESOP 2008. The graded vesting of options granted, over a period of 4 years from the date of grant is as follows:

% of Option Vested	Cumulative	Vesting Date
25%	25%	on expiry of two years from their Grant date ("First Vesting Date')
50%	75%	on expiry of three years from their Grant date ("Second Vesting Date')
25%	100%	on expiry of four years from their Grant date ("Third Vesting Date')

The options are to be exercised within a maximum period of 2 years from the date of vesting. Within the exercise period, the employee would have the option to either purchase the shares from the trust at the exercise price or to give a mandate of sale to the trust at the best available market price, in which event the difference between the net price realized on sale after taxes and charges and the Exercise Price will accrue as gains to the employee.

Details of movement under the Stock option plan for the year ended 31 March, 2016 is as follows:

Particulars	Year ended 31-03-2016		Year ended 31-03-2015	
	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	25,500	334	2,45,250	303
Add: Options granted during the year	-	-	-	-
Less: Options forfeited during the year	-	-	11,250	335
Less: Options expired during the year	-	-	-	-
Less: Options exercised during the year	12,500	337	2,08,500	298
Options outstanding at end of the year	13,000	332	25,500	334

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

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 2016 is 0.52 years. (Previous year 1.79 years)

In accordance with Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities Exchange Board of India, an amount of 0.01 Crores (Previous year Rs. Nil) has been recognised as an expense in Employee Benefits Expenses (Note 26) and corresponding liability has been disclosed as Stock Options Outstanding Account (Note 3). The balance of Rs. 0.17 Crores (Previous year Rs. 0.32 Crores) in Stock Options Outstanding Account (Note 3) represents the amortised cost of stock options outstanding. As on 31 March 2016, the amount recoverable from ESOP trust is Rs. 3.01 Crores (Previous year Rs.3.01 Crores).

The Company has adjusted gain of Rs. 0.49 Crores (Previous year Rs. 2.06 Crores) to General Reserve as the difference between the cost incurred by the ESOP Trust for the purchase of shares and the exercise price of those options which have been exercised by the employees, in accordance with Guidance Note on accounting for Employee Share-based Payment, issued by the ICAI.

Note 42 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										
2	Subsidiary of Holding Company	Gujarat State Petronet Limited GSPC Pipavav Power Company Limited GSPC (JPDA) Limited GSPC Offshore Ltd GSPC Energy Ltd. GSPC Marginal Fields Limited GSPL India Gasnet Limited GSPL India Transco Limited										
3	Associate of GGL	Guj Info Petro Limited										
4	Associate of Holding Company	Gujarat State Energy Generation Limited Sabarmati Gas Limited GSPC LNG Limited										
5	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' Group Gratuity Scheme										
6	Key Managerial Personnel	<table border="1"> <thead> <tr> <th>Name of Related Parties</th> <th>Relationship</th> </tr> </thead> <tbody> <tr> <td>Mr. Atanu Chakraborty, IAS</td> <td>Director (w.e.f 16.04.2015)</td> </tr> <tr> <td>Mr. Manoj Kumar Das, IAS</td> <td>Director (upto 21.04.2015)</td> </tr> <tr> <td>Mr. PPG Sarma</td> <td>Chief Executive Officer (upto 01.03.2016)</td> </tr> <tr> <td>Mr. Nitin Patil</td> <td>In-Charge Chief Executive Officer (w.e.f. 02.03.2016)</td> </tr> </tbody> </table>	Name of Related Parties	Relationship	Mr. Atanu Chakraborty, IAS	Director (w.e.f 16.04.2015)	Mr. Manoj Kumar Das, IAS	Director (upto 21.04.2015)	Mr. PPG Sarma	Chief Executive Officer (upto 01.03.2016)	Mr. Nitin Patil	In-Charge Chief Executive Officer (w.e.f. 02.03.2016)
Name of Related Parties	Relationship											
Mr. Atanu Chakraborty, IAS	Director (w.e.f 16.04.2015)											
Mr. Manoj Kumar Das, IAS	Director (upto 21.04.2015)											
Mr. PPG Sarma	Chief Executive Officer (upto 01.03.2016)											
Mr. Nitin Patil	In-Charge Chief Executive Officer (w.e.f. 02.03.2016)											
7	Relatives of Key Managerial Personnel	Ms. P Subbalakshmi is related to Mr. PPG Sarma (upto 01.03.2016)										

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****(B) Related Party Transactions :****(Rs. in Crores)**

	Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
1	Gujarat State Petroleum Corporation Limited - GSPC		
	Transactions during the period		
	Purchase of Natural Gas	4,556.73	7,342.58
	Salary & Allowances - Exps.	0.14	0.11
	Rent Exps.	0.16	0.15
	Administration Exps.	1.00	0.02
	Dividend Paid	19.55	-
	Recharge of Royalty Exps. (net of VAT)	-	0.20
	Assets Purchased	-	0.03
	Interest Exps.	-	0.44
	Reimbursement of Exps.	0.03	-
	Recharge of Salary - Income	0.19	0.15
	Recharge of Expenses - Income	0.00	0.01
	CNG Sales - Income	0.12	0.13
	PNG Gas Sales - Income	0.03	0.04
	Balance at period end		
	Amount Receivable/(Payable) at Period End	(132.82)	(310.54)
	Investment at Period end	162.00	162.00
	Deposits Asset / (Liability) - Net	(0.01)	0.01
2	Gujarat State Petronet Limited		
	Transactions during the period		
	Gas Transmission Expenses	211.79	254.23
	Supervision Exps.	0.09	0.12
	ROW Exps.	3.99	4.30
	Reimbursement of Exps.	0.09	0.10
	Dividend Paid	17.73	-
	Rent Expense	1.06	0.50
	Interest Exps.	0.02	0.04
	Purchase of Assets	19.58	-
	Connectivity Exps	-	1.48
	CNG Sales	0.08	0.11
	PNG Gas Sales	0.04	0.03
	O&M Charges Recovered	0.12	0.11
	Reimbursement of expenses - Income	0.10	0.01
	Supervision Charges - Income	-	0.13
	Sale of Capital Goods	-	1.29
	Rent Income	-	0.04
	Balance at period end		
	Amount Receivable/(Payable) at Period End	(8.76)	(10.46)
	Deposits Asset / (Liability) - Net	1.78	0.97
	Advance Lease Rent (Paid)	0.22	0.19
3	Sabarmati Gas Limited		
	Transactions during the period		
	Gas Transportation Exps.	0.65	0.63
	CNG Gas Purchase	5.05	32.63
	PNG Gas Sales	3.64	23.40
	Gas Transportation Charges - Income	0.04	0.04
	Sale of Capital Goods	-	0.53
	Balance at the period end		
	Amount Receivable/(Payable) at the period end	(0.03)	(0.44)
	Deposits Asset / (Liability) - Net	(0.04)	0.04



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(B) Related Party Transactions :

(Rs. in Crores)

	Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
4	Guj Info Petro Limited		
	Transactions during the period		
	Web Development Charges (Rs.2000)	0.00	-
	Dividend Received (Rs. 12500)	0.00	-
	Reimbursement of Exps - Income	-	0.01
	Balance at period end		
	Investment at Period end	0.03	0.03
5	Gujarat State Energy Generation Ltd.		
	Transactions during the period		
	Administration Expenses	0.01	-
	Dividend Paid	0.13	-
	PNG Gas Sales	0.00	0.01
	CNG Gas Sales	-	0.01
	Balance at period end		
	Amount Receivable/(Payable) at the period end	(0.00)	(0.03)
	Deposits Asset / (Liability) - Net	(0.11)	(0.08)
6	GSPC LNG Limited		
	Transactions during the period		
	Recharge of Salary - Income	0.30	-
	Balance at period end		
	Amount Receivable/(Payable) at year end	0.05	-
7	GSPL India Gasnet Limited		
	Transactions during the period		
	Asset Purchased	0.04	-
	Recharge of Salary & Allowances - Income	0.09	-
8	GSPL India Transco Limited		
	Transactions during the period		
	Asset Purchased	0.11	-
	Recharge of Salary & Allowances - Income	0.09	-
9	Gujarat Gas Company Limited Employee Stock Option Welfare Trust		
	Transactions during the period		
	Amount Received from Trust	0.45	6.24
	Amount paid to Trust	0.11	0.93
	[Excluding adjustment of Rs.0.34 Crs (previous year Rs.0.31 Crs) for transfer to General Reserve]		
	Balance at period end		
	Amount Receivable/(Payable) at the period end	3.01	3.01
10	Gujarat Gas Company Limited Employees Gratuity Trust Fund		
	Transactions during the period		
	Contribution Paid	1.88	-
11	GSPC Gas Company Limited Employees' Group Gratuity Scheme		
	Transactions during the period		
	Contribution Paid	-	3.44
12	Key Managerial Personnel		
	Transactions during the period		
	Remuneration Paid (Mr. PPG Sarma)	1.05	0.78
	Remuneration Paid (Mr. Nitin Patil)	0.07	-
13	Relative of Key Managerial Personnel		
	Transactions during the period		
	Rent Paid (Ms. P Subbalakshmi)	0.03	0.04

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****Note 43 Corporate Social Responsibility**

During the year, the Company spent Rs 1.01 Crores on corporate social responsibility out of which Rs. 1.00 Crores is included in Donation in Note 28.

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. 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			
- Proposed Final Dividend	2.50	34.42	-
	(5.00)	(68.84)	02-01-2016
- Interim Dividend	-	-	-
	(-)	(-)	-

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	-	-	-	-
	(-)	(-)	(-)	-

Previous year figures are in brackets

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 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 had 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. 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.

Further, PNGRB has invited bidding for authorization of Anand GA and Panchmahal GA which now covers area of Halol and Khambhat also. Company has filed bid for said GA in the month of January 2016. The PNGRB is in process of review of said bid.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Erstwhile GSPC Gas has incurred capital expenditure amounting to Rs. 9.63 Crores during FY 2015-16 (Previous year Rs. 5.44 Crores) in said GA. Total Capital expenditure till Balance sheet date is Rs. 150.54 Crores (Previous year Rs. 141.14 Crores) in said GA. Total revenue of Rs. 127.02 Crores (Previous year Rs. 163.50 Crores) is generated from said GA.

Note 48 Previous year figures

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

The Accompanying Notes are an integral part of the financial Statements.

As per our report attached.

Manubhai & Shah LLP**For and on behalf of Board of Directors****Chartered Accountants**

ICAI Firm Reg. No. 106041W/W100136

G.R. Aloria, IAS

Chairman

Dr. J. N. Singh, IAS

Director

Jal Patel

Director

G.R.Parmar

Partner

M. No. : 121462

Nitin Patil

In-charge Chief Executive Officer

Nitesh Bhandari

Chief Financial Officer

Rajeshwari Sharma

Company Secretary

Place : Ahmedabad

Date : 17 May 2016

Place : Gandhinagar

Date : 17 May 2016



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: L40200GJ2012SGC069118

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending member (In Block Letters)	Folio No/ DP ID / Client ID
Name of Proxy (In Block Letters) (To be filled in if the proxy attends instead of the Member)	No. of shares held

I/We hereby record my/our presence at the Fourth Annual General Meeting of the Company held on Thursday, 29th September, 2016, at Town Hall, Nr. Gh-4 Circle, Sector - 17, Gandhinagar - 382 017, Gujarat, India 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: L40200GJ2012SGC069118

(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 Member(s):

Registered Address:

E-mail ID:

Folio No/Client ID/ DP ID:

I/We, being the Member(s) holding _____ shares of the above named Company, hereby appoint;

- (1) Name:_____ Address _____
E Mail ID:_____ Signature:_____ or failing him/her;
- (2) Name:_____ Address _____
E Mail ID:_____ Signature:_____ or failing him/her;
- (3) Name:_____ Address _____
E Mail ID:_____ Signature:_____

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 4th Annual General Meeting of the Company, to be held on Thursday, 29th September, 2016 at 12.00 Noon at Town Hall, Nr. Gh-4 Circle, Sector - 17, Gandhinagar - 382 017, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Item/ Resolution No.	Ordinary Business
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2016 together with the Board's Report, the Report of Auditor's thereon and the Nil Comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.
2	To declare Dividend on Equity Shares for the year 2015 - 16.
3	To re-appoint a Director in place of Shri Sanjeev Kumar, IAS, (DIN: 03600655), who retires by rotation and being eligible, offers himself for reappointment
4	To authorise the Board of Directors of the Company to fix the remuneration of Statutory Auditors of the Company for the F.Y. 2016-2017 in terms of the provisions of Section 142 of Companies Act, 2013.
	Special Business
5	Appointment of Dr J.N. Singh, IAS as Director not liable to retire by rotation
6	Appointment of Shri Sujit Gulati, IAS as Director not liable to retire by rotation
7	Appointment of Dr. T. Natarajan, IAS, as Director liable to retire by rotation
8	Ratification of remuneration of Cost Auditors for FY 2016-17.

Signed this _____ day of _____ 2016

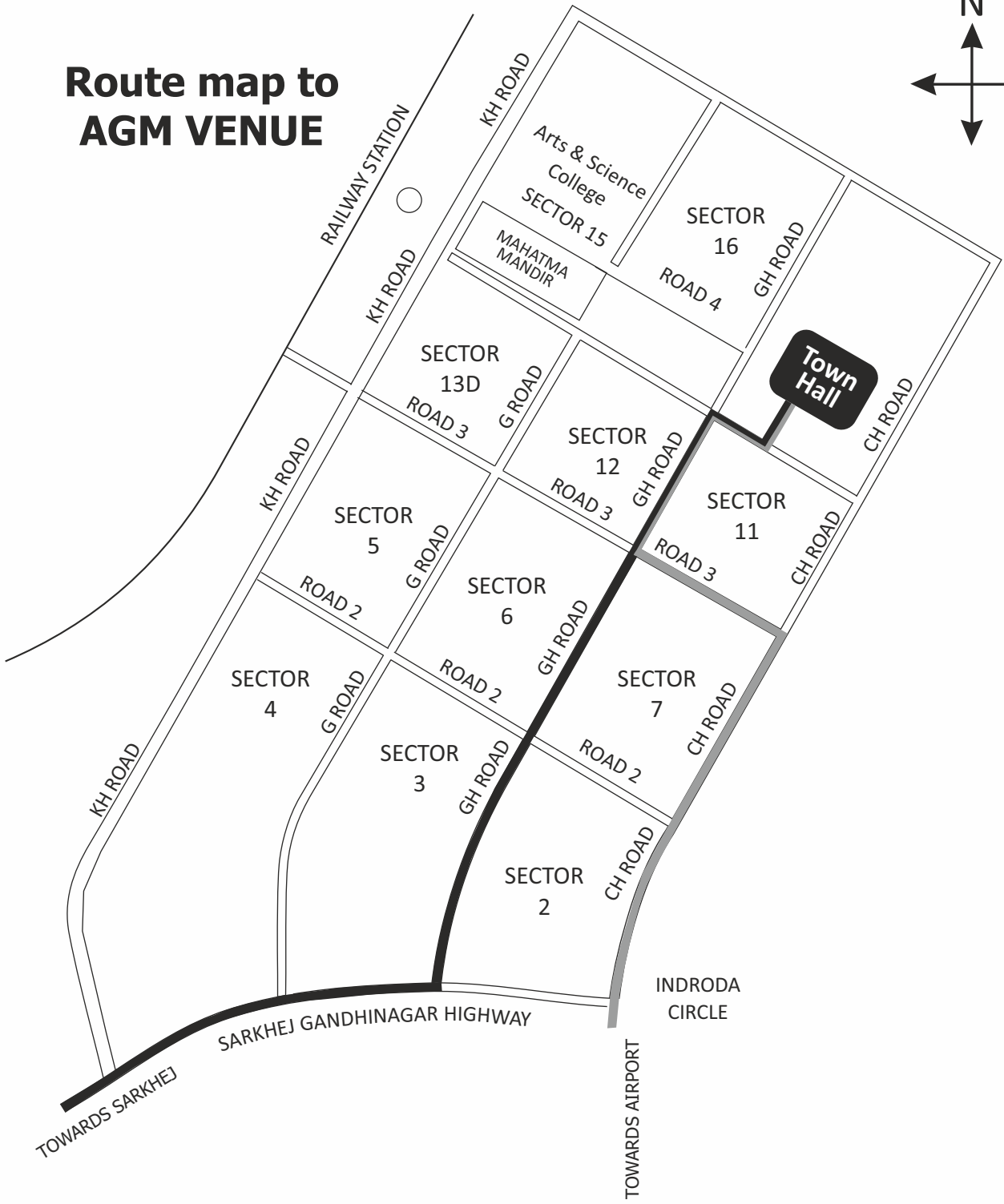
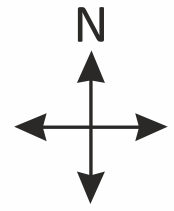
Signature of Shareholder(s) _____ Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at: Block No. 15, 3rd Floor, Udyog Bhavan, Sector - 11, Gandhinagar - 382011 not less than 48 hours before the commencement of the Meeting.

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Route map to AGM VENUE



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GUJARAT GAS

India's Largest CGD Company



GUJARAT GAS

Gujarat Gas Limited

(Formerly known as GSPC Distribution Networks Limited)
(A GSPC Group Company - Government of Gujarat Undertaking)

CIN: L40200GJ2012SGC069118

Corporate Office:

2, Shantisadan Society, Nr. Parimal Garden,
Ellisbridge, Ahmedabad - 380 006.

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