



GUJARAT GAS

GGL/SEC/2019/719

27<sup>th</sup> August, 2019

To,

BSE Limited, Phiroze Jijibhoy Tower, Dalal Street, Mumbai	National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Company Code: BSE-GUJGAS	Company Code: NSE-GUJGASLTD

**Sub: Intimation of date of the 7<sup>th</sup> Annual General Meeting (AGM) and its related information by Gujarat Gas Limited.**

**Dear Sirs/Madam,**

Pursuant to Regulation 30 and Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we inform you the following:

**Date of convening of 7<sup>th</sup> AGM and Book Closure period and pay out date for payment of Dividend for the financial year 2018-19:**

It has been decided that the 7<sup>th</sup> AGM of Gujarat Gas Limited will be held on Friday, 20<sup>th</sup> September, 2019 at 12.00 Noon at Seminar Hall - 2 (SR2), Gate No. 1, Mahatma Mandir, Gandhinagar, Gujarat, India.

Pursuant to the provisions of the Companies Act, 2013, rules made thereunder and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is informed that the Company has fixed the following dates in connection with the ensuing 7<sup>th</sup> AGM and subject to approval of shareholders, for payment of Dividend for the financial year 2018-19:

Sr. No.	Particulars	Relevant date(s)
1	Period of Closure of Register of Members and Share Transfer Books for payment of Dividend for the Financial Year 2018-19.	Saturday, 14 <sup>th</sup> September, 2019 to Friday, 20 <sup>th</sup> September, 2019 (both days inclusive)
2	Cut-off date for determining the eligibility of shareholders to vote by electronic means or in the general meeting	Friday, 13 <sup>th</sup> September, 2019
3	Period of remote e-voting to enable shareholders as on the <i>Cut-off date</i> , i.e. 13 <sup>th</sup> September, 2019, to cast their votes electronically on the proposed resolutions.	Voting will commence form 9:00 A.M. (IST) on Tuesday, 17 <sup>th</sup> September, 2019 and voting will end on 5:00 P.M. (IST) on Thursday, 19 <sup>th</sup> September, 2019

**GUJARAT GAS LIMITED** (A GSPC Group Company – Government of Gujarat Undertaking) (Formerly known as GSPC Distribution Networks Limited)

**Corporate Office :** 2, Shanti Sadan Society, Near Parimal Garden, Ellis Bridge, Ahmedabad - 380 006, Gujarat, India.

**Tel.:** +91-79-26462980, 26460095 **Fax :** +91-79-26466249

**Registered Office :** Gujarat Gas CNG Station, Sector-5/C, Gandhinagar - 382 006, Gujarat, India. **Tel.:** +91-79-23264222, 23264333

**Website :** www.gujaratgas.com, www.gspcgroup.com **CIN :** L40200GJ2012SGC069118

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**GUJARAT GAS**

4	Pay Out date for payment of Dividend @ Rs. 1 per fully paid up equity share of Rs 2/- each, as recommended by the Board of Directors in its Meeting held on 6 <sup>th</sup> May 2019, if approved, by the Members, of the Company in the 7 <sup>th</sup> AGM for the financial year 2018-19.	on or after 1 <sup>st</sup> October, 2019 but before the statutory period to those members of the Company whose names appears- (a) as beneficial owners as at the close of business hours on Friday, 13 <sup>th</sup> September, 2019, 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 Friday, 13 <sup>th</sup> September, 2019, after giving effect to all valid share transfer in physical form received on or before Friday, 13 <sup>th</sup> September, 2019
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Kindly take the above on your records.

Thanking you,

**For, Gujarat Gas Limited**

*Rajeshwari Sharma*  
**Rajeshwari Sharma**  
CS & VP Legal  
*Roha*

**Enclosure: Notice of AGM & Annual Report**

**CC:**

**National Securities Depositories Limited**  
Trade World, A wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Lower Parel, Mumbai-400 013

**Central Depository Services (India) Limited**  
Marathon Futurex, A-Wing, 25<sup>th</sup> floor, NM Joshi Marg, Lower Parel, Mumbai 400013

**Karvy Fintech Private Limited**

Mr Praveen Chaturvedi, General Manager  
Karvy Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda Serilingampally Mandal, Hyderabad - 500032



**GUJARAT GAS**  
**GUJARAT GAS LIMITED**

Registered Office:

Gujarat Gas CNG Station, Sector 5/C, Gandhinagar – 382006,  
Gujarat

Tel: +91-79-26462980 Fax + 91-79-26466249,

website: [www.gujaratgas.com](http://www.gujaratgas.com),

E-mail Id: [rajeshwari.sharma@gujaratgas.com](mailto:rajeshwari.sharma@gujaratgas.com)

CIN: L40200GJ2012SGC069118

**NOTICE OF 7TH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 7<sup>th</sup> (Seventh) Annual General Meeting of the Members of Gujarat Gas Limited will be held on Friday, 20th September, 2019, at Seminar Hall - 2 (SR2), Gate No. 1, Mahatma Mandir, Gandhinagar, Gujarat, at 12:00 Noon, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2019, together with the Board's Report, the Report of Auditors thereon and Comment Certificate 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 FY2018-19.
3. To re-appoint Shri Milind Torawane, IAS (DIN: 03632394), 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 F.Y. 2019 -20, in terms of the provisions of Section 142 of Companies Act, 2013.

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Prof. Piyush Kumar Sinha, (DIN: 00484132) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director be and is hereby re-appointed as an Independent Director of the Company to hold office for the second term of 2 years w.e.f. 16/08/2019."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Prof. Vishal Gupta, (DIN: 06405808) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director be and is hereby re-appointed as an Independent Director of the Company to hold office for the second term of 2 years w.e.f. 16/08/2019."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**RESOLVED THAT** approval be and is hereby granted, in terms of Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, to the Board to borrow any sums of money, from time to time from any one or more of the Company's bankers and/or from any other persons, firms, bodies corporate or financial institutions whether by way of cash credit, overdraft, advance or deposits, loans, debt securities, debentures, bonds, commercial paper, invoice financing, bill discounting etc., as fund based limits, and/or non-fund based limits or otherwise whether unsecured or secured, in rupees or any foreign currency, so that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, however that the total amount upto which the moneys may be borrowed by the Board and outstanding at any time shall not exceed the sum of Rs. 15000 Crores (Rupees Fifteen Thousand Crores).

**RESOLVED FURTHER THAT** the authority of the Board to determine the terms and conditions of any borrowings as provided above, may be delegated by the Board to any of its Committee or to such other person(s) and subject to such restrictions or conditions, as the Board may deem fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matter and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto, in order to give effect to this resolution and for matters connected therewith or incidental thereto."

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 Kailash Sankhlecha & Associates, Cost Accountants, (firm registration No. 100221) as the Cost Auditors of the Company, whose appointment and remuneration has been recommended by the Audit Committee and approved by the Board of Directors, for conducting the audit of the cost records maintained by the Company for the Financial Year from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March

2020, at a remuneration of Rs. 1,50,000/- (Rupees One Lac Lakh Fifty Thousand only) plus GST and out of pocket expenses, is hereby ratified.

**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: 27<sup>th</sup> August, 2019**

**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 is 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 Saturday, 14<sup>th</sup> September, 2019 to Friday, 20<sup>th</sup> September, 2019 (both days inclusive) for the purpose of payment of dividend and for the Annual General Meeting. The dividend, if declared at the Annual General Meeting will be paid on or after 1<sup>st</sup> October, 2019, to those members of the Company whose names appears (a) as beneficial owners as at the close of business hours on 13<sup>th</sup> September, 2019, 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 13<sup>th</sup> September, 2019, after giving effect to all valid share transfers/ transmission in physical form received on or before 13<sup>th</sup> September, 2019.

- (D) Registrar and Share Transfer Agents

Your Company has appointed Karvy Fintech 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 transmission and all other requests and complaints to Karvy Fintech Private Limited at the following address:

Karvy Fintech Private Limited, Unit: GUJARAT GAS LIMITED, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032. Phone Number: 040-6716 1606 and 040-67161776, Fax Number: 040-67161791.

- (E) Dematerialisation of shares and liquidity

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.

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.

It is also informed to the Shareholders that Securities and Exchange Board of India had issued SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 vide Notification dated 8<sup>th</sup> June, 2018, whereby, it has amended Regulation 40 – Transfer or Transmission or Transposition of Securities and has mandated that transfer of securities would be carried out in dematerialized form only w.e.f 5<sup>th</sup> December, 2018 and except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

In order to implement the aforementioned Amendment in the Regulation and as advised by SEBI, the Company had sent letter to the holders of physical share certificates intimating them about the amendment and sensitising them about the impact of the regulation on the transfer of shares held by them in physical form w.e.f 5<sup>th</sup> December, 2018. The Company has also placed information on its website intimating the investors about the proposed change and has provided appropriate guidance on how to dematerialize their shares. SEBI further issued press release dated 3<sup>rd</sup> December, 2018, where in the deadline had been extended and the aforesaid requirement of transfer of securities only in demat form to come into force from 1<sup>st</sup> April, 2019. SEBI vide press release dated 27<sup>th</sup> March, 2019, issued clarification that except in case of transmission or transposition of securities, requests for effecting transfer of securities will not be processed unless the securities are held in dematerialized form with a depository. This measure has come into effect from 1<sup>st</sup> April, 2019.

Subsequently, SEBI had received representations from shareholders for extension of the date of compliance. In view of the same, the following had been clarified:

1. The above decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after 1<sup>st</sup> April, 2019.
2. Any investor who is desirous of transferring shares (which are held in physical form) after 1<sup>st</sup> April, 2019 can do so only after the shares are dematerialized.
3. The transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of 1<sup>st</sup> April, 2019.

It had been also clarified by the SEBI that the above Board decision is not applicable for demat of shares, transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases.

(F) Correspondence with the Company

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

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

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

- (G) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account / folio no. would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.
- (H) All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 10.30. a.m. and 1.00 p.m. on all days except Saturdays, Sundays and public holidays, from the date hereof, up to the date of the Annual General Meeting.
- (I) The erstwhile Gujarat Gas Company Limited and erstwhile Gujarat Gas Financial Services Limited had paid dividends to its shareholders and pursuant to the Companies Act, 2013, the amount of such dividends pertaining to CY 2011, 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 2012 to FY 2017-18, may approach the Company or its Registrar & Share Transfer Agent for obtaining payment thereof mentioning the relevant folio number or DPID/ Client ID, for issuance of duplicate / revalidated dividend warrant(s).

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred all the Shares in respect of which Dividend has not been paid or claimed by the Shareholders for seven consecutive years or more to the Demat account of the Investor Education and Protection Fund Authority (IEPF).

The Company has been sending reminders to those members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. The Company has uploaded full details (Name, Folio no/DP id/Client id) of such shareholders on its website [www.gujaratgas.com](http://www.gujaratgas.com). Members who have not encashed their dividend pertaining to the CY 2012 till FY 2017- 18 are advised to write to the Company or Karvy Fintech Pvt. Ltd. (Karvy), the Registrar and Share Transfer Agent, at Selenium Tower B, Plot 31- 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Tel: 040 67161500, Fax: 040 67161791, e-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com), [mohammed.shanoor@karvy.com](mailto:mohammed.shanoor@karvy.com) immediately for obtaining payment thereof mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).

The aforesaid Rules provides for the manner of transfer of the unpaid and unclaimed dividends to IEPF and the manner of transfer of shares in case any dividend has not been encashed by the shareholders on such shares during the last seven years to the designated demat account of the IEPF Authority. As per the requirement, the Company had sent information to all the shareholders who had not claimed/encashed dividends in the last seven years intimating, amongst other things, the requirements of the aforesaid rules with regard to transfer of shares and that in the event those shareholders do not claim any unclaimed/unpaid



dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF demat Account by the due date prescribed as per the aforesaid rules and as amended from time to time. The Company had also simultaneously published notice in the leading newspaper in English and regional language having wide circulation on 27<sup>th</sup> March, 2019 and uploaded on the “Investors Section” of the Website of the Company viz. [www.gujaratgas.com](http://www.gujaratgas.com) giving details of such shareholders and shares due to be transferred. In case valid claim was not received, the respective shares were credited to the demat account of the IEPF Authority. In view of the aforesaid your Company transferred total of 1703870 equity shares to IEPF.

- (J) The Board of Directors, in its meeting held on 6<sup>th</sup> May 2019, had recommended a Dividend of Rs. 1 per Share of the face value of Rs. 2/- each, on the paid-up Equity Share Capital of the Company, which if approved by the Members at the said Annual General Meeting, will be paid on or after 1<sup>st</sup> October, 2019 but before the statutory period.
- (K) Members desirous of obtaining any information on any item of business of this meeting are requested to forward the same at least 10 days before the date of the Annual General Meeting to Company Secretary at the Corporate Office of the Company at Gujarat Gas Limited, 2, Shantisadan Society, Near Parimal Garden, Ellis Bridge, Ahmedabad 380006, India, so that the same may be attended to, appropriately.
- (L) Members holding shares in physical form, may avail of the facility of nomination in terms of Section 72 of the Companies Act, 2013, by nominating in the Form-SH 13, as prescribed in the Companies (Share Capital & Debenture) Rules, 2014, any person to whom their shares in the Company shall vest on occurrence of events stated in the Form. Those holding shares in physical form may obtain Form-SH 13 from the Company or the RTA 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 Fintech Private Ltd. for consolidation. Shareholders are requested to update their addresses, bank account details, signatures, email id 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. 2018-2019 as circulated to the members of the Company is also available on the website of the Company [www.gujaratgas.com](http://www.gujaratgas.com).

The Ministry of Corporate Affairs (“MCA”) through its “Green Initiative in the Corporate Governance” has allowed paperless compliances by the Companies vide its Circulars No. 17/2011 dated 21/04/2011 and No. 18/2011 dated 29/04/2011 and has thereby permitted the circulation through email of the Annual Reports to the shareholder who have registered their email id as required under the Companies Act, 2013. MCA has already taken appreciable steps towards Go-Green Initiative to ensure the protection of environment. Your Company is committed towards Green Initiative and therefore, we hereby further solicit your valuable cooperation and support in our endeavour to contribute our bit to the environment. We

request the shareholders who have not registered their email id with the Company/RTA/DP till now to register their email id with the Company/RTA/DP, so that the Company is not required to send the physical copies of Annual Report to such shareholders. This will save consumption of lots of papers by the Company to print and dispatch hard copies of the Annual Reports to its shareholders.

(O) Pursuant to Section 139(5) read with Section 142 of the Companies Act, 2013, the Comptroller & Auditor General (C&AG) of India will appoint the Statutory Auditors of the Company for FY 2019-20 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 2019-20.

(P) Voting through Electronic Means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 including any modifications and amendments, if any, and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS2) issued by The Institute of Company Secretaries of India, the Company is providing facility to the Members to exercise their right to vote by electronic means in respect of the Resolution(s) contained in this Notice. The Company has engaged the services of Karvy Fintech Pvt. Ltd as the Authorised Agency or the Service Provider to provide remote e-voting facility (i.e. the facility of casting votes by a Member by using an electronic voting system from a place other than the venue of the General Meeting).

II. The Company shall also provide facility for voting through polling paper which shall be available at the Meeting and Members attending the Meeting, who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the Meeting.

III. The cut-off date for the purpose of voting (including remote e-voting) is 13<sup>th</sup> September, 2019. 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 13<sup>th</sup> September, 2019 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. 13<sup>th</sup> September, 2019.

IV. The Members who have casted their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

V. The Board of Directors have appointed CS Manoj Hurkat & Associates, Practising Company Secretary (Membership No FCS 4287) 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 Tuesday, 17 <sup>th</sup> September, 2019
End of remote e-voting	05.00 P.M. (IST) on Thursday, 19 <sup>th</sup> September, 2019

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

**A. In case a Member receiving an email of the AGM Notice from Karvy [for members whose email IDs are registered with the Company/ Depository Participant(s)]:**

- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii) Enter the login credentials. Event No. followed by Folio No. / DP ID-Client ID will be your User ID, Password will be mentioned in the email. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii) After entering these details appropriately, Click on “LOGIN”.
- iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the “EVENT” i.e. Gujarat Gas Limited.
- vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned therein. You may also choose the option ABSTAIN. If the shareholder does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x) You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the resolutions(s).
- xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [manojhurkat@hotmail.com](mailto:manojhurkat@hotmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_ EVENT NO.”
- xiii) In case a person has become the Member of the Company after the dispatch of AGM

Notice but on or before the cut-off date i.e. 13<sup>th</sup> September, 2019, may write to the Karvy on the email Id: [evoting@karvy.com](mailto:evoting@karvy.com) or to Mr. Mohammed Shanoor, Contact No. 040-67161776, toll free number 1800-425-4034, at [Unit: Gujarat Gas Limited], Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.

**B. In case of Members receiving physical copy of the AGM Notice by Post/Courier [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:**

- i). User ID and initial password as provided in the letter accompanying the annual report.
- ii). Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

**C.** The remote e-voting period commences on 09.00 A.M. (IST) on Tuesday, 17<sup>th</sup> September, 2019 and ends on 05.00 P.M. (IST) on Thursday, 19<sup>th</sup> September, 2019. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being 13<sup>th</sup> September, 2019, may cast their vote by electronic means in the manner and process set out hereinabove.

The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.

**D.** In case of any query pertaining to remote e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>. (Karvy's website).

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

After the items of the Notice have been discussed, the Chairman will order Poll in respect of the items. Poll will be conducted under the supervision of the Scrutinizer appointed for remote e-voting and Poll as stated above. A person, whose name is recorded in the Register of Members or in Register of beneficial owners maintained by the Depositories as on the cut-off date of 13<sup>th</sup> September, 2019, 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 22<sup>nd</sup> September, 2019 (12:00 Noon), a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him, who shall declare the result forthwith.

**(S)** The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gujaratgas.com](http://www.gujaratgas.com) and on the website of Karvy Fintech Pvt. Ltd immediately after the Result is declared and shall be simultaneously communicated to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where the Shares of the Company are listed.

- (T) The Resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of requisite number of votes in favour of the Resolutions.
- (U) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.30 A.M. to 6.30 P.M.) on all working days up to and including the date of Annual General Meeting of the Company.
- (V) This Notice is also being sent with Annual Report along with attendance slip, proxy form and route map of the venue of the Meeting.
- (W) MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.**

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

**Rajeshwari Sharma  
Company Secretary**

**Date: 27<sup>th</sup> August, 2019  
Place: Ahmedabad**

## ANNEXURE TO THE NOTICE

### **(I) EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013 AND PARA 1.2.5 OF SECRETARIAL STANDARD ON GENERAL MEETING (SS-2) NOTIFIED UNDER THE COMPANIES ACT, 2013:**

#### **Item No 7. To approve enhancement of the Borrowing Powers of the Board under Section 180 (1) (c) of the Companies Act, 2013.**

The shareholders are requested to note that as per Section 180(1)(c) of the Companies Act, 2013, the borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the Company and its free reserve require the approval from the shareholders of the Company. It is, therefore, proposed to seek the approval of the shareholders for enhancing the borrowing limits upto 15,000 Crore (Rupees Fifteen Thousand Crores) (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by way of a Special Resolution.

The Shareholders are informed that in its 5<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017, it had granted authority to the Board of Directors of the Company to borrow the money, the outstanding of which at any time shall not exceed the sum of Rs. 10000 Crores (Rupees Ten Thousand Crores).

It is further informed to the Shareholders that your Company is India's largest City Gas Distribution player with its presence spread across 23 Districts in the State of Gujarat, Union Territory of Dadra & Nagar Haveli and Thane Geographical Area (GA) (excluding already authorised areas) which includes Palghar District of Maharashtra. In 10<sup>th</sup> CGD bidding round announced by PNGRB, the Company has won 6 GAs comprising of 17 cities in the state of Punjab, Haryana, Madhya Pradesh and Rajasthan, making the Company, a pan India company. The Company also has large CNG business expansion plans.

Looking at the business expansion prospects, there is a requirement to have an enabling resolution on the borrowing limits to quickly cater to the future funding for infrastructure expansion. Under such circumstances, it is likely that the borrowings by the Company may exceed the borrowing limits of Rs. Ten Thousand crores, as approved by the shareholders in its 5<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017.

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

The Directors recommend the resolution set out at Item No. 7 of this Notice as a Special Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors / Key Managerial Personnel of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 7 of this Notice.

#### **Item No. 8 Ratification of remuneration of Cost Auditors for FY 2019-20.**

The Board of Directors at its Meeting held on 30<sup>th</sup> July, 2019, on the recommendation of the Audit Committee, subject to the approval of Government of India, appointed M/s Kailash Sankhlecha & Associates, Cost Accountants, (firm Registration No. 100221) as the Cost Auditors to conduct the Audit of the cost accounts / records maintained by the Company for the Financial Year 2019-20 at the remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus GST and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the said remuneration payable for FY 2019-20 to M/s Kailash Sankhlecha & Associates, Cost Accountants as Cost Auditor has to be ratified by the Members of the Company.

Therefore, the Directors recommend the Resolution at Item No. 8 of this 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 this Notice.

**II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 AND OTHER REGULATION (S), IF ANY, OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, PARA 1.2.5 OF SECRETARIAL STANDARD ON GENERAL MEETING (SS-2) AND UNDER THE COMPANIES ACT, 2013:**

**Item No 3. Re-appointment of Shri Milind Torawane, IAS as Director liable to retire by rotation.**

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

He had been appointed as the Director liable to retire by rotation in the 6<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September, 2018. He and his relatives hold nil shares of the Company.

Dr. J.N. Singh, IAS, the Promoter-Director is deemed to be interested, in the resolution set out at Item No. 3.

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

Name of Director	Shri Milind Torawane, IAS
Date of Birth	30/08/1972
Date of the first appointment on the Board	10th August, 2017
Qualifications	B.E. (Electronic & Tele Communication)
Nature of Expertise / Experience	He has held various important positions in Government of Gujarat (GoG) like Municipal Commissioner- Surat Municipal Corporation, Secretary- Housing & Nirmal Gujarat, Additional Chief Executive- Gujarat Urban Development Mission, Director- Diamond Research & Mercantile City Limited, etc.
Names of other Companies in which the person also holds the directorship	Gujarat Industries Power Company Limited GSPC LNG Limited Gujarat Energy Transmission Corporation Limited GSPC Pipavav Power Company Limited Bhavnagar Energy Company Limited Gujarat Urja Vikas Nigam Limited Gujarat Water Infrastructure Limited Gujarat State Police Housing Corporation Limited Gujarat Woman Economic Development Corporation Limited
No. of Share held	Nil
Memberships/	Audit Committee-Member

Chairmanships of committees of Board of Directors of Company	Stakeholder Relationship Committee-Member Risk Management Committee-Chairman Project Committee-Member
Names of other Companies in which the person also holds the membership of Committees of the board;	Nil
Names of Listed entities in which person also holds the directorship and the membership of Committees of the Board	Gujarat Gas Limited Gujarat Industries Power Company Limited
Number of Board Meetings attended during the year	3
Disclosure of relationship between directors inter-se	Related to Promoter-Director

Your Directors recommend the appointment of Shri Milind Torawane, IAS, as the Director of the Company.

None of the directors apart from aforementioned Director/ 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 this Notice.

**Item No 5. Re-Appointment of Prof. Piyush Kumar Sinha as an Independent Director for the second term of 2 years w.e.f. 16/08/2019**

Prof. Piyush Kumar Sinha had been appointed as an Independent Director of the Company by the shareholders of the Company in the 5<sup>th</sup> Annual General Meeting held on 28th September 2017 to hold office for the period of 2 years effective from 16/08/2017.

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

Pursuant to expiry of the first tenure, the Board vide its Resolution dated 30<sup>th</sup> July, 2019, had approved the re-appointment of Prof. Piyush Kumar Sinha, as an Independent Director of the Company. The Government has approved his said appointment as the Independent Director as he fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and also the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for his re-appointment as the Independent Director of the Company and is independent of the management. Prof. Piyush Kumar Sinha had given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and also the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

The copy of the letter for his appointment as the Independent Director setting out the terms and conditions



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

Name of Director	Piyush Kumar Sinha
Date of Birth	20/12/1960
Date of the first appointment on the Board	16/08/2017
Qualifications	Ph.D. , M. Com, BBA
Nature of Expertise / Experience	Professor Piyush Kumar Sinha is a faculty in the area of marketing and retailing. He has more than three decades of academic and industry experience. He has taught at leading management schools of India. Prior to joining IIMA, he was the Dean at MICA. He teaches Retailing and Marketing Management to the post graduate students. He also offers courses on Marketing Management and Consumer Behaviour to the Ph.D. students. He was the Chairperson of the Centre for Retailing at IIMA.
Names of other Companies in which the person also holds the directorship	Smart Grid Private Limited Karnavati Engineering Limited Jade Blue Lifestyle India Limited Infibeam Avenues Limited Countryroad International Private Limited Trenspott E – Solutions Private Limited Ujaas Energy Limited
No. of Share held	Nil
Memberships/ Chairmanships of committees of Board of Directors of Company	Nil
Names of other Companies in which the person also holds the membership of Committees of the board;	Nil
Names of Listed entities in which person also holds the directorship and the membership of Committees of the Board	Gujarat Gas Limited Infibeam Avenues Limited Ujaas Energy Limited
Number of Board Meetings attended during the year	5
Disclosure of relationship between directors inter-se	No relation between Directors

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends the resolution in relation to his re-appointment as an Independent Director for the period of 2 years effective from 16<sup>th</sup> August, 2019, as a special resolution for the approval by the shareholders of the

Company.

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

**Item No 6. Re-Appointment of Prof. Vishal Gupta as an Independent Director for the second term of 2 years w.e.f. 16/08/2019**

Prof. Vishal Gupta had been appointed as an Independent Director of the Company by the shareholders of the Company in the 5<sup>th</sup> Annual General Meeting held on 28th September 2017 to hold office for the period of 2 years effective from 16/08/2017.

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

Pursuant to expiry of the first tenure, the Board vide its Resolution dated 30<sup>th</sup> July, 2019, had approved the re-appointment of Prof. Vishal Gupta, as an Independent Director of the Company. The Government has approved his said appointment as the Independent Director as he fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and also the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for his re-appointment as the Independent Director of the Company and is independent of the management. Vishal Gupta had given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and also the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

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

Name of Director	Prof. Vishal Gupta
Date of Birth	31/08/1983
Date of the first appointment on the Board	16/08/2017
Qualifications	B.E. (Hons.) EEE, BITS-Pilani; Fellow, IIM Lucknow
Nature of Expertise / Experience	Prof. Vishal Gupta is an Associate Professor in the Organizational Behavior Area at the Indian Institute of Management Ahmedabad. He obtained his Doctorate in Human Resource Management from the Indian Institute of Management Lucknow in 2013. His current areas of teaching and research are leadership development, compensation and performance management, motivation, emotional intelligence, decision making organizational justice, creativity & innovation management and R&D Management.
Names of other Companies in which the	Nil

person also holds the directorship	
No. of Share held	Nil
Memberships/ Chairmanships of committees of Board of Directors of Company	Audit Committee-Member Nomination & Remuneration Committee-Member Project Committee-Member
Names of other Companies in which the person also holds the membership of Committees of the board;	Nil
Names of Listed entities in which person also holds the directorship and the membership of Committees of the Board	Gujarat Gas Limited
Number of Board Meetings attended during the year	5
Disclosure of relationship between directors inter-se	No relation between Directors

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends the resolution in relation to his re-appointment as an Independent Director for the period of 2 years effective from 16<sup>th</sup> August, 2019, as a special resolution for the approval by the shareholders of the Company.

Except Prof. Vishal Gupta, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item no. 6 of this notice.

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

**Rajeshwari Sharma  
Company Secretary**

**Date: 27<sup>th</sup> August, 2019  
Place: Ahmedabad**



GUJARAT GAS

**GUJARAT GAS LIMITED**

CIN: L40200GJ2012SGC069118

Registered Office: Gujarat Gas CNG Station,  
Sector 5/C, Gandhinagar-382006, Gujarat  
Tel: +91-79-26462980, Fax + 91-79-26466249,

Website: [www.gujaratgas.com](http://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 falling him/her;  
(2) Name: \_\_\_\_\_ Address \_\_\_\_\_  
E Mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or falling him/her;  
(3) Name: \_\_\_\_\_ Address \_\_\_\_\_  
E Mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, 20<sup>th</sup> September, 2019 at 12:00 Noon at Seminar Hall-2, (SR-2), Gate No.1, Mahatma Mandir, Gandhinagar, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

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, 2019, together with the Board's Report, the Report of Auditors thereon and Comment Certificate 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 FY 2018-19.
3	To re-appoint Shri Milind Torawane, IAS (DIN: 03632394), 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 F.Y. 2019 -20, in terms of the provisions of Section 142 of Companies Act, 2013.
	<b>Special Business</b>
5	Re-Appointment of Prof. Piyush Kumar Sinha as an Independent Director for the second term of 2 years w.e.f. 16/08/2019.
6	Re-Appointment of Prof. Vishal Gupta as an Independent Director for the second term of 2 years w.e.f. 16/08/2019.
7	To approve enhancement of the Borrowing Powers of the Board under Section 180 (1) (c) of the Companies Act, 2013.
8	Ratification of remuneration of Cost Auditors for FY 2019-20.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

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: Gujarat Gas CNG Station, Sector 5/C, Gandhinagar-382 006, Gujarat not less than 48 hours before the commencement of the Meeting.**



**GUJARAT GAS**

**GUJARAT GAS LIMITED**

(CIN: L40200GJ2012SGC069118)

Registered office: Gujarat Gas CNG Station,  
Sector 5/C, Gandhinagar-382006, Gujarat, India  
Tel: +91-79-26462980, Fax + 91-79-26466249,

Website: [www.gujaratgas.com](http://www.gujaratgas.com),

E-mail Id: rajeshwari.sharma@gujaratgas.com

**ATTENDANCE SLIP**

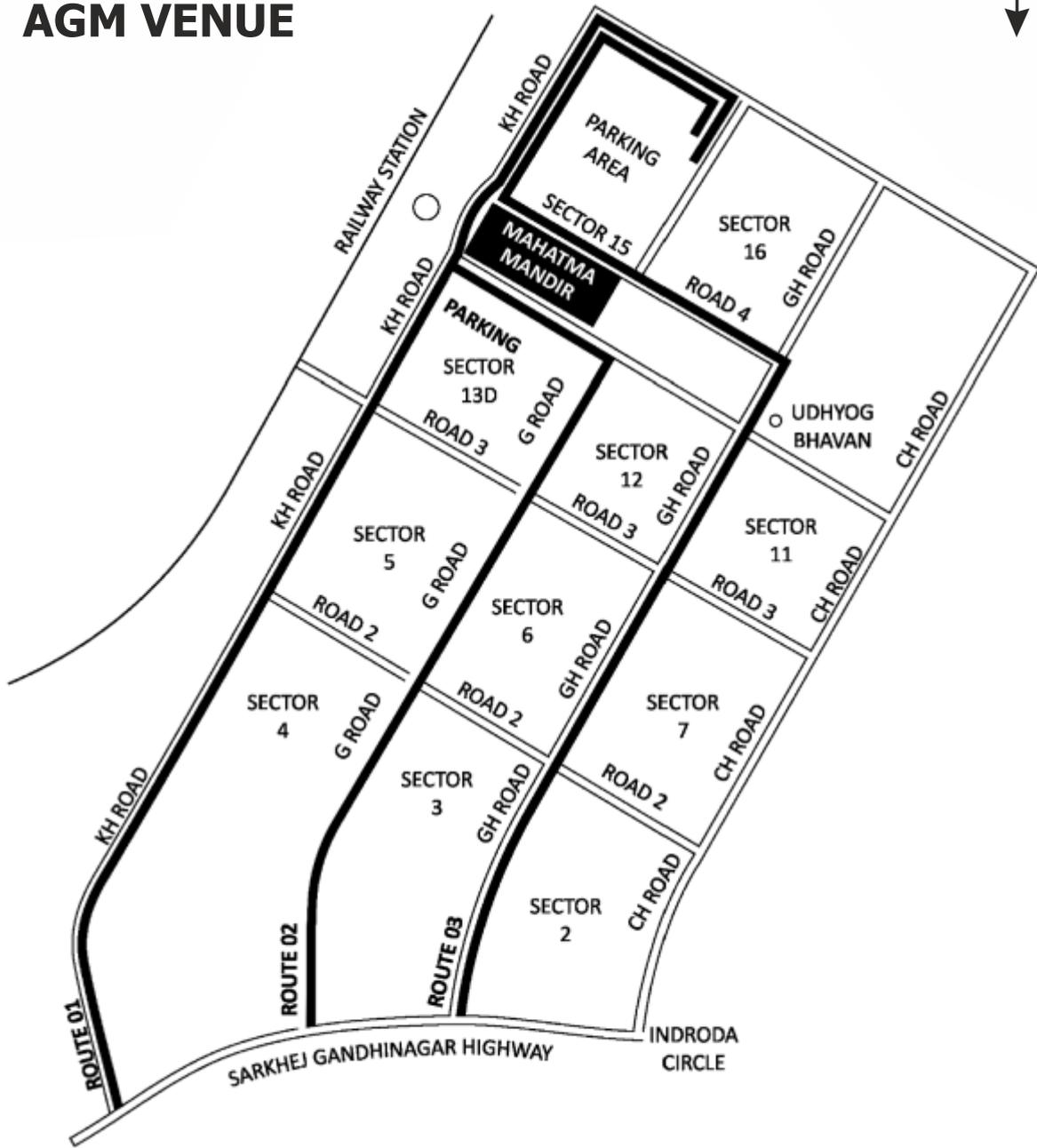
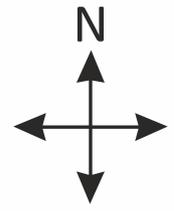
**To be handed over at the entrance of the Meeting Hall**

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 7 (Seventh) Annual General Meeting of the Company held on Friday, 20<sup>th</sup> September, 2019 at Seminar Hall-2, (SR-2), Gate No.1, Mahatma Mandir, Gandhinagar, Gujarat, India at 12.00 Noon.

-----  
Shareholder's / Proxy's Signature  
(To be signed at the time of handing over this slip)

# Route map to AGM VENUE





## GUJARAT GAS

**GUJARAT GAS LIMITED**  
CIN: L40200GJ2012SGC069118

### BOARD OF DIRECTORS

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

Shri Sujit Gulati, IAS (up to 17th July, 2018)

Shri Raj Gopal, IAS (up to 1st February, 2019)

Dr. T. Natarajan, IAS (up to 22nd August, 2019)

### CHIEF EXECUTIVE OFFICER

Mr. Nitin Patil

### CHIEF FINANCIAL OFFICER

Mr. Nitesh Bhandari

### COMPANY SECRETARY

Ms. Rajeshwari Sharma

### INTERNAL AUDITORS

Price Waterhouse Coopers Private Limited

### SECRETARIAL AUDITORS

Rutul Shukla & Associates

### REGISTRAR & SHARE TRANSFER AGENT

M/s. Karvy Fintech Pvt. Ltd., Hyderabad

### BANKERS & FINANCIAL INSTITUTION

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

### STATUTORY AUDITORS

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

### COST AUDITORS

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

### REGISTERED OFFICE

Gujarat Gas CNG Station,  
Sector 5/C, Gandhinagar – 382 006, Gujarat.

### CORPORATE OFFICE

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

## 7<sup>th</sup> ANNUAL REPORT 2018 - 19

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**BOARD'S REPORT**

**Dear Members,  
Gujarat Gas Limited**

Your Directors have pleasure in presenting the 7th Annual Report and the Audited Financial Statements for the Financial Year ended on 31st March 2019.

**Financial Highlights**

(₹ in Crores)

Particulars	Standalone Financials		Consolidated Financials	
	12 Months ended 31/03/2019	12 Months ended 31/03/2018	12 Months ended 31/03/2019	12 Months ended 31/03/2018
Revenue from Operations	7,962.48	6,339.35	7,962.48	6,339.35
Other income	111.28	35.68	111.56	35.86
Total income	8,073.76	6,375.03	8,074.04	6,375.21
<b>Profit before interest, depreciation and tax</b>	<b>1,078.05</b>	<b>930.74</b>	<b>1,078.33</b>	<b>930.92</b>
Less : Interest	196.19	196.08	196.19	196.08
Depreciation	288.01	271.82	288.01	271.82
<b>Profit before tax</b>	<b>593.85</b>	<b>462.84</b>	<b>594.13</b>	<b>463.02</b>
Share of Profit from equity accounted investee	-	-	1.49	1.25
Minority Interest	-	-	-	-
Profit/(Loss) Before Tax and share of profit of associate	593.85	462.84	595.62	464.27
Tax expenses	176.82	171.48	177.17	171.83
Net Profit after tax for the period	417.03	291.36	418.45	292.44
<b>Other Comprehensive Income ( after tax)(OCI)</b>				
Equity Instruments through OCI	(0.03)	(40.55)	(0.03)	(40.55)
Remeasurements of post-employment benefit obligation, net of tax	(2.03)	0.43	(2.03)	0.43
Share of Other comprehensive income of equity accounted investee			(0.03)	0.04
<b>Total Comprehensive Income</b>	<b>414.97</b>	<b>251.24</b>	<b>416.36</b>	<b>252.36</b>
<b>RETAINED EARNINGS :</b>				
Profit carried to retained earnings	417.03	291.36	418.45	292.44
Impact of Changes in accounting policy	(36.96)	-	(36.96)	-
Impact of Changes in accounting policy- share of equity accounted investee	-	-	(0.08)	-
Other Comprehensive Income carried to retained earnings	(2.03)	0.43	(2.06)	0.47
Refund of earlier year's Dividend distribution tax	25.96	-	25.96	-
Add: Undistributed profit /(loss) of earlier years	939.05	696.97	959.02	715.82
Balance available for Appropriation	1,343.05	988.76	1,364.33	1,008.73
<b>Less : Appropriations :</b>				
Transfer to general reserve	-	-	-	-
Preference dividend	-	-	-	-
Equity dividend	(55.07)	(41.30)	(55.07)	(41.30)
Corporate dividend tax on Equity dividend	(11.32)	(8.41)	(11.32)	(8.41)
<b>Surplus / (Deficit) retained</b>	<b>1,276.66</b>	<b>939.05</b>	<b>1,297.94</b>	<b>959.02</b>
Earnings per Share (Face value of Rs. 2 each) (Basic & Diluted)	6.06	4.23	6.08	4.25

**FINANCIAL PERFORMANCE HIGHLIGHTS**

During the financial year 2018-19, the revenue from operations grew by 25.60% to Rs. 7962.48 crores from Rs. 6339.35 crores in the previous year 2017-18.



## BOARD'S REPORT

During the financial year 2018-19, the operating profit before depreciation, interest and tax (PBDIT) increased by 15.83 % to Rs 1078.05 crores in comparison to Rs 930.74 crores in financial year 2017-18.

The Company registered a rise in profit before tax (PBT) by 28.31% to Rs 593.85 crores in financial year 2018-19 from Rs 462.84 crores in financial year 2017-18.

The Company registered a robust growth in profit after tax (PAT) by 43.13 % to Rs 417.03 crores in financial year 2018-19 from Rs 291.36 crores during financial year 2017-18.

The Company recorded earnings per share (EPS) of Rs 6.06 in financial year 2018-19 as compared to Rs 4.23 per share in financial year 2017-18.

Your Company has an expanse of around 1,69,500 square kilometres of licensed area under its umbrella and continues to hold the leadership position as the largest CGD Company in the country catering to more than 13.5 lakh residential consumers, over 12,300 commercial customers, dispensing CNG from 344 CNG stations for vehicular consumers and providing clean energy solutions to over 3,500 industrial units through its wide spread operations with around 23,200 kilometres of Natural Gas pipeline network.

While Gujarat Gas Limited (GGL) has been resilient in sustaining the industrial volumes successfully in the ever dynamic oil & gas industry, it has continued to focus its efforts for developing and growing PNG (Domestic) and CNG business. GGL connected around 1 Lakh household customers and added 63 new CNG stations during year. Sales volume have grown by 6% in the residential and 10% in transport (CNG).

### CHANGES IN AUTHORISED SHARE CAPITAL

During the year under review on account of sub division of equity shares the Authorised Share Capital of the Company had been changed from Rs 17,57,10,00,000 (Rupees One Thousand Seven Hundred Fifty Seven Crore Ten Lakh only) divided into 1,73,51,00,000 (One Hundred Seventy Three Crore Fifty One Lakh only) Equity shares of Rs.10/- each, 1,70,00,000 (One Crore Seventy Lakh only) 7.5% Redeemable Preference Shares of Rs. 10/- each and 50,00,000 (Fifty lakh only) Preference shares of Rs.10/- each to Rs 17,57,10,00,000 (Rupees One Thousand Seven Hundred Fifty Seven Crore Ten Lakh only) divided into 8,67,55,00,000 (Eight Hundred Sixty Seven Crore Fifty Five lakh only) Equity shares of Rs.2/- each, 1,70,00,000 (One Crore Seventy Lakh only) 7.5% Redeemable Preference Shares of Rs. 10/- each and 50,00,000 (Fifty lakh only) Preference shares of Rs.10/- each.

### SUBDIVISION OF EQUITY SHARES

The equity shares of the Company have been subdivided, post approval of the Shareholders vide postal ballot, which resulted into the sub-division of 1 equity share having face value of Rs 10/- each into 5 equity shares having face value of Rs 2/- each fully paid up (thereby keeping paid up share capital intact). Post requisite formalities with the respective Stock Exchanges and Depositories, the Record Date for the Sub-Division and ascertaining the eligibility of the shareholders of the Company entitled to receive 5 (five) equity shares of Rs 2/- each in lieu of 1 (one) equity share of Rs 10/- each was fixed on 16th January, 2019. Consequently, the Company has credited/issued certificates for 68,83,90,125 equity shares of Rs 2/- each in lieu of 13,76,78,025 equity shares of Rs 10/- each.

### DIVIDEND

Your Directors recommend for consideration of the shareholders at the 7th Annual General Meeting, the Dividend of Rs. 1/- per fully paid up equity share of Rs. 2/- each (50%) on 68,83,90,125 equity shares for the Financial Year 2018-19. The Dividend Distribution Policy is being disclosed in the Annual Report for FY 2018-19, as per requirement of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Your Company does not have any subsidiary and joint venture. Guj Info Petro Limited is the Associate of your Company and the 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-6.

### CONSOLIDATED FINANCIAL STATEMENTS

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

**BOARD'S 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 - 4 to this Report.

**Disclosures of transactions of the Company with person or entity belonging to the Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company**

(₹ in Crores)

Name of Related Party	Relationship	Nature of Transactions & Balances	2018 -19	2017-18	
Gujarat State Petronet Limited - GSPL	Holding Company	Gas Transmission Expense	321.06	242.29	
		Supervision Expenses	-	0.33	
		Recharge of Salary Expense (Net)	0.07	0.06	
		Right of Way Expense (ROW)	0.14	3.04	
		Reimbursement of Expenses	0.19	0.09	
		Dividend Paid	29.83	10.64	
		Rent Expense	1.56	1.26	
		CNG Sales	-	0.00	
		PNG Sales - Income	0.03	0.03	
		O&M Charges Recovered - Income	0.04	0.06	
		Rent - Income	0.03	0.08	
		Recharge of Capex (by GGL to GSPL)	1.97	-	
		Sale of Assets	-	1.53	
		<b>Balance at period end</b>			
		Amount Receivable/(Payable)	(14.60)	(10.35)	
		Deposits Asset / (Liability) - Net	4.47	1.99	
Bank Guarantee - by GGL to GSPL	31.36	23.89			
Letter of Credit - by GGL to GSPL	0.10	0.10			

**STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS**

Your Directors hereby confirm that during the year, the Company has been compliant with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**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 <https://www.gujaratgas.com/corporate-governance/policies/> The Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed herewith as Annexure - 2 to this Report.



## BOARD'S REPORT

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### APPOINTMENT AND RESIGNATION OF DIRECTORS

Shri Sujit Gulati, IAS, Additional Chief Secretary, Energy & Petrochemicals Department ceased to be Director of the Company with effect from 17/07/2018 on account of relinquishing of charge of Additional Chief Secretary, Energy & Petrochemicals Department. Your Directors wish to place on record, appreciation for the services rendered by him as the Director of the Company

Shri Raj Gopal, IAS, Principal Secretary, Energy & Petrochemicals Department ceased to be the Director of the Company w.e.f. 1st February, 2019, on account of his retirement from services of Government of Gujarat as Principal Secretary, Energy & Petrochemicals Department (EPD). Your Directors wish to place on record, appreciation for the services rendered by him as the Director of the Company.

Dr. T. Natarajan, IAS, had been reappointed as the Director by the shareholders at the 5th Annual General Meeting held on 28th September, 2017. He or any other Director in his place will retire by rotation and it is proposed to reappoint the Director of the Company in the ensuing 7th Annual General Meeting.

Prof Piyush Kumar Sinha and Prof Vishal Gupta had been appointed as the Independent Directors of the Company for the tenure of 2 years by the Board of Directors vide Circular Resolution, with effect from 16th August, 2017. Their appointment was subsequently approved by the Shareholders in its 5th Annual General Meeting held on 28th September, 2017. The Board of Directors have approved their re-appointment for second term of 5 years subject to concurrence from Government of Gujarat required under section 149 (6) (a) of the Companies Act, 2013 and their re-appointment will be placed for consideration of shareholders only after such concurrence of Government of Gujarat.

A brief resume of the Directors to be appointed at the ensuing Annual General Meeting, nature of expertise in specific functional areas and details regarding the Companies in which the Directorship is held together with the Membership / Chairmanship of Committees of the Board will be given in the Explanatory Statement forming part of the Notice of the 7th Annual General Meeting.

#### 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. Further, they have also given the confirmations on independence as per provisions of Regulation 16(1)(b) and 25 (8) of the Listing Regulations.

#### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the performance evaluation of the Board and individual Directors for FY 2018-19 was carried out as per the terms and conditions of their appointment based on the various parameters.

#### MEETINGS OF THE BOARD OF DIRECTORS

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

During the period beginning from 1st April, 2018 up to 6th May, 2019, Eight (8) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### AUDITORS (STATUTORY & CAG AUDIT)

As your Company is a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, the C&AG had appointed M/s. S. R. Goyal & Co., Chartered Accountants as the Statutory Auditors of the Company for the Financial Year 2018-19.

The C&AG has carried out supplementary audit of your Company pursuant to provisions of Section 143(6) of the Companies Act, 2013. The Company has received comment certificate from the Comptroller & Auditor General of India (C&AG) on the accounts of the Company for the Financial Year ended on 31st March, 2019 and the Management response to comments of C&AG is enclosed as Annexure-7 and forms part of this Boards' Report.

#### SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Rutul Shukla & Associates, Practising Company Secretaries to conduct the Secretarial Audit of the Company for the Financial Year 2018-19. The Report of Secretarial Auditor on Company's Secretarial Audit for the Financial Year 2018-19 is enclosed herewith as Annexure - 3 to this Report. The



## BOARD'S REPORT

### 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.

The Board of Directors has on the recommendation of the Audit Committee appointed M/s Kailash Sankhlecha & Associates, Cost Accountants, as the cost auditor to audit the Cost Accounts of the Company for financial year 2019-20 on remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus GST and out of pocket expenses.

The Cost Audit Report for FY 2018-19 will be submitted to the Central Government in the prescribed format within stipulated time period.

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 2019-20 will be included in the Notice convening the 7th Annual General Meeting.

### ANNUAL ACCOUNTS

The Audit Committee at its Meeting held on 6th May, 2019, approved the Financial Statements for the Financial Year ended on 31st March, 2019 and recommended the same for approval of the Board which had been subsequently approved by the Board of Directors at its meeting held on 6th May, 2019.

### 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, Employees to report their genuine concerns, details of which have been given in the Corporate Governance Report forming part of this Boards' Report.

### HEALTH, SAFETY AND ENVIRONMENT (HSE)

Health, Safety and Environment (HSE) is a core value in GGL, a GSPC Group Company. GGL believes that outstanding business performance requires outstanding HSE performance. GGL recognizes that HSE is everyone's responsibility and every individual has a duty to intervene and prevent unsafe actions and to reinforce safe behaviors.

GGL has established its Quality, Occupational Health, Safety & Environment (QHSE) management system with reference to international standards ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007 and has been certified by a third party certification body after rigorous audit. The certificates demonstrate company's commitment to quality, health, safety and environment management and customer satisfaction which is the key to sustainable business performance. GGL ensures that all management decisions reflect its Quality, Health, Safety & Environment (QHSE) intentions and QHSE management systems reflect best industry practices and are properly resourced. GGL aims to be an industry leader in City Gas Distribution business through its QHSE performance.

GGL recognizes that the protection of the health and safety of all those involved in its operation and public at large and protection of the environment is an integral part of the company's performance and the prime responsibility of management at every level. GGL assets have been designed, constructed, commissioned, operated and maintained, such that the risks to personnel are reduced to as low as reasonably practicable (ALARP).



## BOARD'S REPORT

GGL conducts its business in a safe and responsible manner and ensures compliance with the legal and regulatory requirements by conducting various internal and external audits. The safe delivery of projects and safe operations of assets is a critical success factor for the company's business. GGL sets HSE targets and closely monitors it to achieve continual improvement in QHSE performance.

GGL recognizes that leadership commitment is fundamental for continual improvement in HSE performance. GGL management team members review HSE performance on regular basis. The team regularly carries out HSE tour at different worksites to engage and involve site staff in HSE processes, to reinforce best HSE practices and to understand and address their HSE related concerns. In FY 2018-19, compliance to 'HSE tour plan' was 91%.

GGL is committed to protect safety, health and well-being of people working for the organization. Lost Time Injury Frequency (LTIF) is the industry standard key indicator which is used to measure GGL's occupational safety performance. GGL has achieved Lost Time Injury Frequency of 0.287 for the FY 2018-19. Total man-hours of GGL in FY 2018-19 is 20.84 Million.

GGL, as a responsible organization, recognizes and understands the various global challenges with respect to environmental degradation and climate change. Building awareness among the employees and community about these challenges is an effective way of addressing these challenges. GGL raises the awareness through various activities like knowledge sharing programs, quiz, various other competitions, etc. throughout the entire organization as well as sapling plantation drives. GGL also educates and influences various third party utility companies, authorities and their contractors who undertake digging activities on or near the underground GGL gas pipeline network. This is done to stress on the safety risks and environmental impact of the release of Natural gas which can occur as a result of damaging GGL's natural gas pipelines during the digging operations. The third parties are urged to dial in to GGL to confirm the location prior to starting any digging/excavation activities so that damage to Natural gas pipeline network can be prevented.

GGL has a well-developed and certified Emergency Response and Disaster Management Plan for each Geographical Areas. GGL conducts mock-drills at defined intervals to check adequacy of preparedness against various anticipated emergency scenarios across all locations. In FY 2018-19, GGL carried out onsite 71 Level-1 Mock-drills & 21 Level-2 Mock-drills. GGL has also carried out/participated in 09 district level offsite Mock-drills.

GGL has defined Lifesavers rules for all the critical activities and monitors lifesaver compliance. In FY 2018-19, GGL has achieved close to 93% compliance to lifesavers rules.

To improve HSE performance, various HSE initiatives and programs are implemented as part of HSE improvement plan. In FY 2018-19, GGL has achieved more than 96% compliance to HSE improvement plan.

GGL always ensures that safety training programs are conducted periodically for employees and contractor staff which includes basic safety, practical fire-fighting, first aid, defensive driving and other technical competency trainings in various areas such as plumbing, CNG filling, Welding, Working at height etc. More than 600 Safety & Technical competency training programs have been conducted during FY 2018-19.

GGL organizes various safety awareness programs including awareness regarding Natural Gas related safety for its customers, general public, employees, contractors and other stakeholders. Around 685 safety awareness programs have been conducted during FY 2018-19.

GGL has also established a system for evaluating contractor performance on monthly basis. HSE performance has been made an integral part of this performance evaluation with pre-defined key indicators.

GGL has put in place HSE reward and recognition scheme to acknowledge significant HSE contribution of employees and contractor staff.

GGL cares about the health of all its employees and its family members. GGL has completed annual medical check-up for all of its employees in FY 2018-19. GGL has also arranged medical health check-up camps for contractor staff at various locations in South Gujarat collaboration with Government of Gujarat initiative.

GGL encourages participation and involvement of its employees and contractor staff in HSE related activities through monthly HSE committee meetings, Hazard and Near miss reporting, monthly quiz, risk assessment and numerous safety awareness programs.

GGL, being a prudent organization, celebrates various HSE related events like National Safety Week, Road Safety Week and World Environment Day. Under these umbrella, GGL organizes various initiatives such as display of custom banners, pledge ceremony, quiz / poster making / slogan competitions, Skit / drama / song programs and number of awareness sessions etc. with an aim to involve employees and contractors and enhance their awareness regarding importance of HSE and related best practices.

GGL operations are driven by the goal of zero injuries, with the aim to ensure that every individual working for and on behalf of the company returns home safely at the end of each working day.



### BOARD'S REPORT

#### MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion & Analysis is as under:

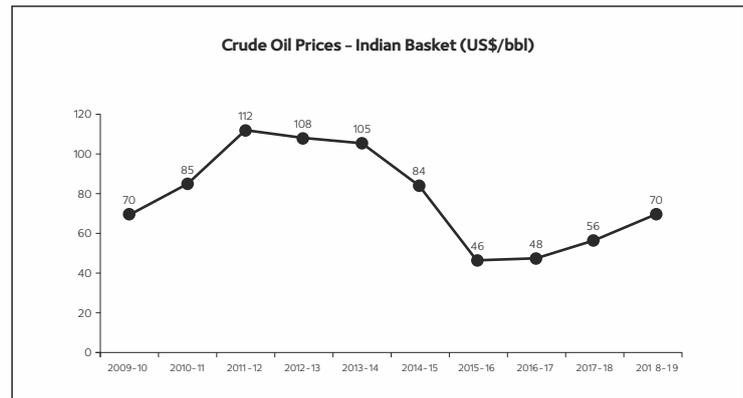
##### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Natural Gas is the cleanest and most efficient of the fossil fuels. It is the only fossil fuel whose share of the primary energy mix is expected to grow, as it has the potential to play an important role in the world's transition to a cleaner, more affordable and secure energy future due to its high energy content, which results in lower emissions of carbon and volatile organic compounds (VOCs) at combustion, relative to coal and oil. These characteristics of gas provide substantial environmental benefits such as improved air quality and reduced CO2 emissions.

World energy demand has been increasing steadily with Natural Gas accounting nearly half of increased consumption. Gas demand growth was especially strong in China and the United States, where cheap gas continues to replace coal for electricity generation. India's energy demand outpaced global demand growth in 2018 according to the International Energy Agency.

Crude Oil prices have always been at the forefront for all energy prices including Natural Gas. The crude oil prices has seen some hardening over the past 2 years mainly influenced by economical and geo-political factors

The oil prices in FY 2018 has seen major volatility with oil prices reaching nearly \$86 /bbl in October 2018 mainly on account of sanctions imposed by United States of America on Iran. However, prices fell sharply in November after the United States announced temporary waivers to the sanctions on Iran for eight countries, including China and India. The decline in prices also reflected continued rapid growth in oil production in the United States, as well as a substantial increase in supply by the Organization of the Petroleum Exporting Countries (OPEC) and the Russian Federation.

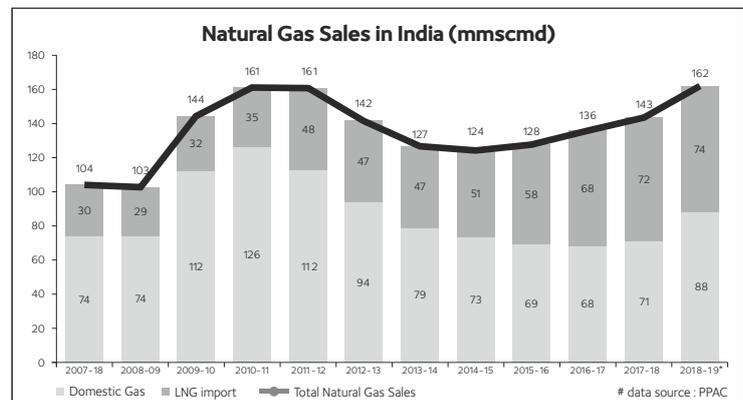


With the completion of temporary waiver, the crude oil prices are expected to rise in the short term till alternate supply is made available. India being one of the customers for Iranian oil supply; this shall have a negative impact and may lead to increase in India's crude oil basket.

Growth of India's share in the global energy market is expected to increase in the coming years. India has been mainly dependant of high polluting fuels viz. coal, Furnace Oil to meet its ever growing energy needs. Government of India; realising the importance of protecting the environment has announced; one of its important initiatives for a more sustainable future; an aggressive target to increase the share of Natural Gas in the overall energy consumption mix to 15 percent from the current levels of 6 percent.

Historically the Natural Gas usage in India has seen a slowdown with power sector shifting back to coal from Natural Gas due to lower availability of cheap domestic gas and increased dependency on costly R-LNG.

The City Gas Distribution ("CGD") business in India is expected to take centre stage as a priority sector, with several programs and initiatives being announced to bolster city gas demand. The expected growth in consumption under this category is around 10 percent between FY 2018 and FY 2030. The sector regulator Petroleum and Natural Gas Regulatory Board during the year launched 9th CGD Bidding Round on 12th April, 2018 for 86 Geographical Areas (GAs) covering 174 districts (156 complete and 18 part) in 22 states/ union territories, 24% of India's geographical area and 29% of its population. Further, PNGRB also launched the 10th CGD Bidding Round on 8th November, 2018 for 50 Geographical Areas (GAs) covering 124 districts (112 complete and 12 part) in 14 states, 18% of India's geographical area and 24% of its population.





## BOARD'S REPORT

### 2. OPPORTUNITIES AND THREATS

The Government is promoting the usages of clean and green fuel, i.e. Piped Natural Gas ("PNG") and Compressed Natural Gas ("CNG") by expanding the coverage of CGD network in the country. In order to promote the natural gas usage in the country, the Government has issued guidelines for making available domestic gas to the CGD entities for meeting the entire requirement of CNG for transport segments and PNG for Domestic.

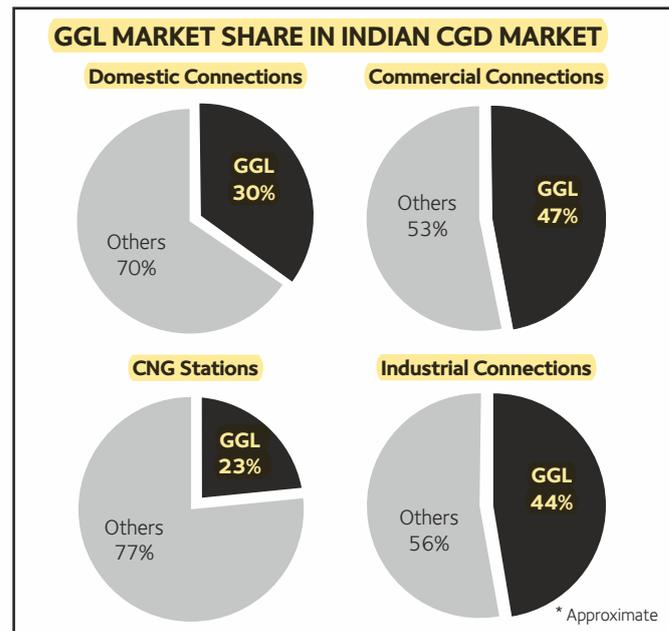
For expansion of CGD networks; PNGRB has come up with the 9th and 10th CGD Bid Round in which your company has won 7 new Geographical Areas and shall be now be able to expand its network in the state of Rajasthan, Punjab, Haryana and Madhya Pradesh.

Similar to any other business, the Company faces challenges in the form of stiff competition from other conventional fossil fuels due to the abundance, accessibility and availability. The fuel also faces threat in the form of disparity in the tax structure compared to alternate fuels as PNG and CNG are still out of GST ambit. Notwithstanding these your Company shall continue to focus placing environmentally clean Natural Gas to affordable markets for sustainable growth.

### 3. SALES AND MARKET PERFORMANCE

Your Company has total 25 CGD licenses spread across 41 districts and six states and one Union territory which accounts to c. 11% of total CGD licenses and c. 10% total Authorized areas issued by PNGRB in India and 1 transportation pipeline license. Your Company has an expanse of around 1,69,500 square kilometres of licensed area under its umbrella and continues to hold the leadership position of being the largest CGD Company in terms of market share with catering to more than 13.5 lakh residential consumers, over 12,300 commercial customers, dispensing CNG from 344 CNG stations for vehicular consumers and providing clean energy solutions to over 3,500 industrial units through its wide spread operations with around 23,200 kilometres of Natural Gas pipeline network.

Despite the dynamic business environment and intensely competitive energy market; Your Company has been resilient to connect around 300 new industrial units during the year. Your company has recorded a robust growth of around 3% in Industry volume compared to previous year. The volume in commercial segment has also grown by around 9% during the fiscal. Your Company has continued its focused efforts for developing and growing PNG (Domestic) and CNG business. GGL added more than 1,00,000 residential customers and erected / commissioned 63 new CNG stations during the year. Your Company has been able to sustain the volumes with growth of around 6% in the residential sector and around 10% in CNG (transport) sector. Your company is aggressively planning for penetration in PNG (domestic), PNG (commercial) and CNG (transport) sector which is comparatively less volatile.



### 4. OUTLOOK

The year 2018 was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. The growth in the first half of the year suffered despite global tailwinds. However, the weakness seen at the end of 2018 seems to have bottomed out as 2019 sets in. India's economic outlook is expected to remain promising and would strengthen further in FY19-20.

India's Natural Gas supply and demand outlook is changing. The Government of India (GoI) wants to make India a gas-based economy by boosting domestic production and buying cheap LNG. India has set a target to raise the share of gas in its primary energy mix to 15% by 2022. To improve the share of Natural Gas and promote a gas-based and clean fuel economy, the GoI has adopted a systematic approach to focus on all aspects of the gas sector viz upstream, midstream and downstream including CGD network development.





## BOARD'S REPORT

Your Company has been continuously growing and expanding its horizon by venturing into new geographic areas and is committed to reach every possible Natural Gas user across its licensed expanse of around 1,69,500 square kilometres through its ever growing pipeline network spread across 41 districts and six states and one UT. Your Company shall continue to focus on growing the penetration in the current operating areas by increasing the PNG connections and additional CNG stations while tapping the untapped potential by expeditious rollout of distribution network in the newly acquired geographic areas as well. With this focused endeavour GGL shall continue its efforts in providing clean fuel solutions across all operational area to augment an energetic top-line and bottom-line in coming years.

### 5. RISKS AND CONCERNS

The world runs on energy. Conventional fuels such as petrol and diesel have been in use for transportation for decades. But the current demand-supply gap in energy, depletion of oil-based fuels and environmental constraints have created a necessity for alternate energy resources which are cleaner and environment friendly. Natural gas is being considered as the fuel for today and is being looked as transportation as well as a domestic fuel. CGD is a growing business sector and it aims to provide uninterrupted supply of gas to domestic, commercial and industrial customers in the form of PNG and CNG. Natural Gas Distribution or CGD system is a pipeline system for transport of gas and their distribution among consumers. The distribution system includes gas distribution mains and service lines. The pressure is regulated in the system and is usually designed as closed ring or loop systems, in order to ensure uninterrupted gas supply. The sector has attracted many engineers, managers, and practitioners. The CGD sector has seen a tremendous growth over the past few decades but as the sector is still in the development stage, especially in India, many challenges are being faced by all the stakeholders of the CGD sector. Challenges and issues are now discussed in many forums and corrective actions are being taken. In CGD sector most of the issues are complex and the mechanism for combating the same are jointly worked out by the government and CGD entities.

CGD business like any other business is also exposed to inherent business risks due to internal and/or external factors. To name a few, the risks could vary from continuous availability of economic gas supplies, pipeline connectivity for expansion in unconnected areas, abundant availability of economical alternate fuels, global economic downturn, crude market volatility, delay in permissions from various statutory bodies for laying the infrastructure etc. While some of these risks may be beyond the mitigation capability of any company or industry, as a prudent and responsible Company all possible measures are being taken to safe guard the interest of the Company from being impacted due to the above listed risks and concerns. Your Company has adequate internal control procedure for assessing various business risks, which, the Company is likely to face in near to mid-term future and also prepares mitigation measures.

### INTERNAL CONTROL SYSTEM AND ADEQUACY

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

### FINANCIAL AND OPERATIONAL PERFORMANCE

The stand-alone net profit after tax (Total comprehensive income) for the current financial year 2018-19 increased to Rs 414.97 Crores from Rs 251.24 Crores in the previous year. The Company had healthy net cash inflows from operations of Rs 956.13 Crores during the financial year 2018-19.

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.

**BOARD'S REPORT**

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore, including:

**(₹ in Crores)**

Particulars	FY 2018-2019	FY 2017-2018	Remarks
Debtors Turnover	17.65	17.15	Revenue From Operation / Average Trade Receivable
Inventory turnover			Not relevant from company prospective
Interest Coverage Ratio	4.82	4.13	(EBITDA-current tax)/ Interest Cost
Current Ratio	1.22	0.90	Current assets / Current liabilities net of customer deposit
Debt Equity	1.01	1.26	Total Borrowing / Total Equity
Operating Profit Margin (%)	12.40%	14.14%	Operating income / Revenue from operations
Net Profit Margin (%)	5.24%	4.60%	PAT / Revenue from operations
Return on Net Worth	20%	16%	PAT / Average net worth

Current ratio of company has significantly change from 0.90 to 1.22 in FY 18-19 on account of increase in Bank and other balances.

**HUMAN RELATIONS AND PARTICULARS OF EMPLOYEES**

Your Company employed 1084 employees as on 31st March 2019. Your Company has a focus on building capabilities and developing competencies of its employees. The Company believes that training and development is of vital importance to create a climate where people maximize their technical skills and inner potential which can help the Company in capitalizing the emerging business opportunities through their involvement. During the year, employees were sent for various training programs and seminars to enhance their skills/knowledge. Your Company has in place an attractive policy of performance linked incentive to encourage and reward employee performance.

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

**CORPORATE GOVERNANCE**

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

**ANNUAL RETURN**

The Annual Return of the Company in the Form MGT-7 is available on the website of the Company at <https://www.gujaratgas.com/GGL/annual-return.pdf>.

**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 - 5.

**Foreign Exchange Earnings and Outgo -**

The Company has incurred expenditure in Foreign Exchange to the extent of Rs. 1.48 Crores during FY 2018-19 (Previous year FY 2017-18 Rs. 0.60 Crores) and the Foreign Exchange Earnings during FY 2018-19 were Rs. NIL (Previous year FY 2017-18 Rs. NIL)

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

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



## BOARD'S REPORT

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. that in the preparation of the annual accounts, financial statements for the year ended 31st March, 2019, the applicable accounting standards have been followed and no material departures have been made from the same;
- b. that accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 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, Suppliers, Lenders and Customers for their valuable support, trust and confidence reposed in the Company.

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

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

**Date: 29<sup>th</sup> May, 2019**

**Place: Gandhinagar**



## ANNEXURE – 1

### A REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance as on 6<sup>th</sup> May, 2019.

#### 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 eight (8) Directors, all of whom are Non-Executive Directors (NEDs). Five (5) 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 6th May, 2019, category as well as their Directorships on Board and Memberships in committees of companies, are given below:

Sr. No.	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
1	Dr. J. N. Singh, IAS	Promoter and Non - Executive Director	9	0	2
2	Dr. T. Natarajan, IAS		10	4	0
3	Mr. Milind Torawane, IAS		10	2	0
4	Mr. Jal Patel	Non - Executive and Independent Director	5	2	4
5	Mr. K.D.Chatterjee		2	2	1
6	Dr. Manjula Shroff		11	2	0
7	Prof. Piyush Kumar Sinha		7	0	0
8	Prof. Vishal Gupta		1	1	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.

**Names of Listed Entities where Directorship is held along with category of Directorship**

Sr No.	Name of Director	Name of Listed Entities	Category of Directorship
1	Dr. J. N. Singh, IAS	Gujarat Alkalies and Chemicals Limited	Chairman
		Gujarat Narmada Valley Fertilizers & Chemicals Limited	Chairman
		Gujarat State Petronet Limited	Managing Director
		Gujarat Gas Limited	Chairman
2	Dr. T. Natarajan, IAS	Gujarat State Fertilizers & Chemicals Limited	Chairman
		Gujarat State Petronet Limited	Joint Managing Director
		Gujarat Gas Limited	Director
3	Mr. Milind Torawane, IAS	Petronet LNG Limited	Nominee Director
		Gujarat Gas Limited	Director
		Gujarat Industries Power Company Limited	Nominee Director
4	Mr. Jal Patel	INEOS Styrolution India Limited	Director
		Elecon Engineering Company Limited	Casual Vacancy Director
		Munjil Auto Industries Limited	Director
		Gujarat Gas Limited	Independent Director
5	Mr. K.D.Chatterjee	Gujarat Gas Limited	Independent Director
6	Dr. Manjula Shroff	EIMCO Elecon (India ) Limited	Director
		Gujarat Gas Limited	Independent Director
7	Prof. Piyush Kumar Sinha	Ujaas Energy Limited	Director
		Gujarat Gas Limited	Independent Director
		Infibeam Avenues Limited	Director
8	Prof. Vishal Gupta	Gujarat Gas Limited	Independent Director

The details of attendance of the Directors at the Board Meetings for the Period from 1st April, 2018 up till 6th May, 2019 and at the last Annual General Meeting is given below:

Sr. No.	Names of the Directors	Number of Board Meetings held while holding office	Number of board meetings attended while holding office	Attendance at the last AGM
1	Dr. J. N. Singh, IAS (appointed w.e.f. 25th April, 2016)	8	8	Yes
2	Dr. T. Natarajan, IAS (appointed w.e.f. 11th August, 2016)	8	8	Yes
3	Mr. Jal Patel (re-appointed w.e.f. 21/04/2017)	8	7	Yes
4	Mr. K. D. Chatterjee (re-appointed w.e.f. 21/04/2017)	8	8	No
5	Dr. Manjula Shroff (re-appointed w.e.f. 21/04/2017)	8	6	No
6	Mr. Milind Torawane, IAS (appointed w.e.f. 10th August, 2017)	8	3	No
7	Prof. Piyush Kumar Sinha (appointed w.e.f. 16th August, 2017)	8	6	Yes
8	Prof. Vishal Gupta (appointed w.e.f. 16th August, 2017)	8	6	No
9	Mr Raj Gopal, IAS (upto 1st February, 2019)	2	2	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/corporate-governance/familiarisation-programme/>



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

The Board Meetings were held as follows :

Sr No.	Date of Board Meeting
1	19 <sup>th</sup> April, 2018
2	11 <sup>th</sup> May, 2018
3	30 <sup>th</sup> July, 2018
4	3 <sup>rd</sup> November, 2018
5	18 <sup>th</sup> December, 2018
6	8 <sup>th</sup> February, 2019
7	15 <sup>th</sup> March, 2019
8	6 <sup>th</sup> May, 2019

#### **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 6th May, 2019 is as follows :

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

Mrs. Rajeshwari Sharma, Company Secretary acts as the Secretary of the Audit Committee. All the members of the Committee are Non-executive Directors. Mr. Jal Patel, Dr Manjula Shroff, Mr. K. D. Chatterjee and Prof. Vishal Gupta 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 (3) 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;

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;



- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the Company with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on 01/04/2019.

The Audit Committee mandatorily reviews the following information:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses; and



- (5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) Statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32 (1) (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Details of meetings of Audit Committee during the period from 1st April, 2018 up to 6th May, 2019 and attendance is as under:

Sr.No.	Date of Meeting	Number of Members	Attendance
1	17th April, 2018	5	4
2	11th May, 2018	5	4
3	30th July, 2018	5	4
4	3rd November, 2018	5	4
5	8th February, 2019	6	4
6	15th March, 2019	6	6
7	6th May, 2019	6	4

#### 4. Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee (NRC) as on 6th May, 2019 is as follows:

1.	Mr. K. D. Chatterjee	Chairman
2	Dr. T. Natarajan, IAS	Member
3	Mr. Jal Patel	Member
4	Dr. Manjula Shroff	Member
5	Prof. Vishal Gupta	Member

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

All the members of the Committee are Non-executive Directors. Mr. K. D. Chatterjee, Dr. Manjula Shroff, Prof. Vishal Gupta and Mr. Jal Patel are Independent Directors. All the members of the Committee are qualified professionals. The quorum of the Committee is three (3) members.

The scope of this Committee is as under:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying 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 of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) recommend to the board, all remuneration, in whatever form, payable to senior management.

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

Details of meetings of NRC are as below:

Sr.No.	Date of Meeting	Number of Members	Attendance
1	11th May, 2018	5	5
2	30th July, 2018	4	4
3	3rd November, 2018	4	3
4	6th May, 2019	5	4





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

#### 5. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the performance evaluation of individual Directors for FY 2018-19 was carried out as per the terms and conditions of their appointment based on the various parameters.

#### 6. Sitting fees

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

During the Financial Year 2018-2019 sitting fees of Rs. 11,02,500 had been paid to directors for meeting of Board or its Committees, sitting fees of Promoter-Directors had been deposited in Government treasury.

#### 7. Stakeholders Relationship Committee and BR Committee

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

The Company had received 134 letters of various types of requests, inquiries and complaints during the FY 2018-19. All the complaints were resolved to the satisfaction of the shareholders.

The composition of this Committee as on 6th May, 2019, is as under :

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

Details of meetings of Stakeholders' Relationship Committee are as below:

Sr.No.	Date of Meeting	Number of Members	Attendance
1	11th May, 2018	4	3
2	30th July, 2018	4	3
3	3rd November, 2018	4	3
4	8th February, 2019	4	3
5	15th March, 2019	4	3
6	6th May, 2019	4	2

Ms. Rajeshwari Sharma, Company Secretary acts as the Compliance Officer. The quorum of the Committee is two (2) members.

Business Responsibility Report (BRR) and BR Committee

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

- 1 Dr. Manjula Shroff, Member
- 2 Mr. K. D. Chatterjee, Member
- 3 Mr. Jal Patel, Member

Any two (2) Directors shall form the Quorum of the Committee.

The Company Secretary acts as the Secretary of the Committee.

**8. General Body Meetings:**

Location and time of last three AGMs.

**Annual General Meeting**

Date	Time	Venue
27th September, 2018	3:30 P.M.	Seminar Hall-2 (SR-2), Gate No-1, Mahatma Mandir, Gandhinagar Gujarat
28th September, 2017	12.00 P.M.	Seminar Hall-2 (SR-2), Gate No-1, Mahatma Mandir, Gandhinagar Gujarat
29th September, 2016	12.00 P.M.	Town Hall, Nr Gh-4 Circle, Sector- 17, Gandhinagar- 382017, Gujarat

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

**Annual General Meeting held on 27<sup>th</sup> September, 2018**

No Special Resolution was passed at the Annual General Meeting held on 27th September, 2018.

**Annual General Meeting held on 28<sup>th</sup> September, 2017**

- (1) Appointment of Mr. Jal Patel as an Independent Director for the second term of 5 years w.e.f. 21/04/2017.
- (2) Re-appointment of Mr. K. D. Chatterjee as an Independent Director for the second term of 5 years w.e.f. 21/04/2017.
- (3) Re-appointment of Ms. Manjula Shroff as an Independent Women Director for the second term of 5 years w.e.f. 21/04/2017.
- (4) Appointment of Prof. Piyush Kumar Sinha as an Independent Director for the first term of 2 years w.e.f. 16/08/2017.
- (5) Appointment of Prof. Vishal Gupta as an Independent Director for the first term of 2 years w.e.f. 16/08/2017.
- (6) To approve enhancement of the Borrowing Powers of the Board under Section 180(1)(c) of the Companies Act, 2013.

**Annual General Meeting held on 29<sup>th</sup> September, 2016**

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

**9. Postal Ballot Resolutions**

The Shareholders approved the Ordinary/Special Resolutions contained in the notice of the postal ballot including voting by electronic means (e-voting) dated 3 November 2018 by way of Postal Ballot as below:

- i) Ordinary Resolution for Sub-Division of Equity Shares from the face value of Rs. 10/- per share to Rs. 2/- per share.
- ii) Special Resolution for Amendment of Authorised Share Capital Clause V of the Memorandum of Association of the Company.
- iii) Special Resolution for Amendment of Authorised Share Capital Article 4 of Association of the Company.
- iv) Special Resolution for Enabling the Sub-Division of Shares by insertion of Article 4A after Article 4 in the Articles of Association of the Company.
- v) Special Resolution for Approval for continuation of current term of Mr Jal Patel, Independent Director
- vi) Special Resolution for Approval for continuation of current term of Mr K. D. Chatterjee, Independent Director

**10. Disclosures**

There are certain transactions with Related Parties which have been disclosed at the relevant place in the Notes to the Financial Statements. No such Related Party Transactions may have potential conflict with the interests of the Company at large. There is no non-compliance on any capital market related matter for FY 2018-19 on Stock Exchanges. Further, no penalty has been imposed either by SEBI or Stock Exchanges or any Statutory Authority on any capital market related matter during the last three years.

**11. Means of Communication**

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

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

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

The Board of Directors of the Company has adopted a Code of Conduct and made it applicable to the Board Members and Senior Management of the Company, who have complied with the same during FY 2018-19. The Code of Conduct has also been posted on the website of the Company.

**Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and immediate relatives of Designated Persons.**

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Company Secretary acts as the Compliance Officer. This Code of Conduct is applicable to the Designated Person(s), Employees and the Immediate Relative(s) of such Designated Persons and Employees of the Company who can have access to Unpublished Price Sensitive Information relating to the Company. It is also informed to the shareholders that the Code of Conduct has been updated/amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and other amendments, if any.

**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 <https://www.gujaratgas.com/corporate-governance/policies/>

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

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

**15. Appointment of Independent Directors**

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

A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the following:

With effect from the financial year ending March 31, 2019, the list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board; and

List of core skills/ expertise/ competencies identified by the Board of Directors	Actually available with the Board
Skills and expertise relating to energy, petrochemicals, oil and gas industry	Skills and expertise relating to energy, petrochemicals, oil and gas industry
Strategic thinking, advisory skills and Governance	Strategic thinking, advisory skills and Governance
Policy development	Policy development
Embrace the shared vision of the Company honesty and integrity leader and team objective	Embrace the shared vision of the Company honesty and

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

The financial Statements for the financial year 2018-19 are with unmodified audit opinion.

**17. 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.

**18. Compliance**

Certificate regarding compliance with the Corporate Governance Code for the FY 2018-19 is annexed to this report.

Certificate from a Company Secretary in practice on Non Disqualification of Directors from appointment as Directors of the Company:

The Company has obtained a certificate from M/s Manoj Hurkat & Associates, Company Secretary in Practice that none of the Directors of Company are disqualified from being appointed/ continuing as Director of the Company.

**19. General Shareholder Information****A. Schedule & Venue of the 7th Annual General Meeting of the Company :**

<b>Day &amp; Date</b>	<b>Friday, 20th September, 2019</b>
<b>Time</b>	<b>12:00 Noon</b>
<b>Venue</b>	<b>Seminar Hall-2 (SR-2), Gate No.-1, Mahatma Mandir, Gandhinagar.</b>

**B. Financial Year:**

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

**C. Book Closure Date:**

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 14th September, 2019 to Friday, 20th September, 2019 (both days inclusive) for the purpose of payment of dividend and for the Annual General Meeting.

**D. Dividend Payment:**

Dividend if approved by the shareholders at the 7th Annual General Meeting will be paid on or after 1st October, 2019.

**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:

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

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

<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001
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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 INE844001030. Further it is brought to the notice of Shareholders that SEBI vide its Order No. WTM/RKA/MRD/144/2015, dated 9th November, 2015, had provided the exit to Vadodara Stock Exchange Limited and in view thereof, the Company is no longer listed on VSE. It is also brought to the notice of the Shareholders that the Company had received a letter dated 11/01/2017, from Ahmedabad Stock Exchange Limited, wherein it has been informed that Ahmedabad Stock Exchange Limited (ASEL) is undergoing its exit policy and because of that all the Companies listed with ASEL are shifted to NSE, BSE, or dissemination Board, NSE. So the Company is requested to do all the Compliance with relevant exchanges where the Company is further listed or with Dissemination Board, NSE and not with ASEL. As your Company is already listed with NSE and BSE, no additional compliance is required.



In view of the aforesaid, it is also informed to the Shareholders that Ahmedabad Stock Exchange Limited has not charged listing fees for FY 2017-18 and FY 2018-19 and is not providing the trading platform to the shareholders of the Company and there is not valid contract/agreement with the Company, in view of which your Company is no longer listed with Ahmedabad Stock Exchange Limited.

Listing fees have been paid for the financial year 2018-19 and 2019-20 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 INE844001030.

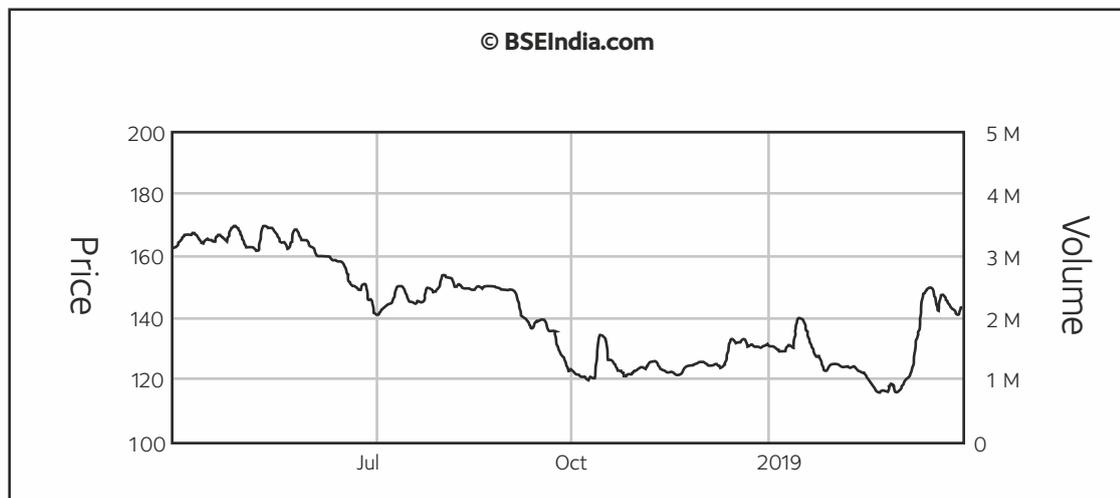
#### F. Market Price Data

The Market price data on the BSE and NSE for the FY 2018-19 is given below:

Equity Share Price on BSE			Equity Share Price on NSE	
Month	High Price	Low Price	High Price	Low Price
April-2018	913.65	833.4	900	828.3
May-2018	893	830.05	914.75	831.6
June-2018	870	715	875	711.7
July-2018	828	715	826.35	715.05
August-2018	797.5	757	802.95	741
September-2018	774.5	608.05	784.9	625
October-2018	717	598.85	724.95	595
November-2018	654	606.35	659.55	593.6
December-2018	696.55	620	699	618.05
January-2019	676.4	122.25	675	122.75
February-2019	134.75	116	133	115
March-2019	157	120	156.95	120

Note: Change in price of equity shares for the month of January, 2019 onwards is on account of subdivision of 1 equity share of Rs 10/- each to 5 equity shares of Rs 2/- each.

#### S&P BSE Sensex (Price-Volume data from April 2018 to March 2019)



**G. Distribution of shareholding**

The Distribution of Shareholding as on 31/03/2019 is given below:

<b>Distribution Schedule - Consolidated As on 31-03-2019</b>					
<b>Category (Amount)</b>	<b>No. of Cases</b>	<b>% of Cases</b>	<b>Total Shares</b>	<b>Amount</b>	<b>% of Amount</b>
1-5000	29,642	85.918841	11,076,952	22,153,904	1.609110
5001 - 10000	3,752	10.875362	17,183,001	34,366,002	2.496114
10001 - 20000	627	1.817391	4,868,049	9,736,098	0.707164
20001 - 30000	147	0.426087	1,944,352	3,888,704	0.282449
30001 - 40000	69	0.200000	1,242,576	2,485,152	0.180505
40001 - 50000	46	0.133333	1,070,144	2,140,288	0.155456
50001 - 100000	68	0.197101	2,512,091	5,024,182	0.364923
100001 & Above	149	0.431884	648,492,960	1,296,985,920	94.204280
<b>Total</b>	<b>34,500</b>	<b>100.00</b>	<b>688,390,125</b>	<b>1,376,780,250</b>	<b>100.00</b>

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

<b>Sr No.</b>	<b>Name of the Geographical Area</b>
1.	Surat- Bharuch- Ankleshwar
2.	Nadiad
3.	Navsari
4.	Rajkot
5.	Surendranagar
6.	Jamnagar
7.	Bhavnagar
8.	Hazira
9.	Kutch (West)
10.	Valsad
11.	Union Territory of Dadra & Nagar Haveli
12.	Palghar District and Thane Rural
13.	Amreli District
14.	Dahej- Vagra Taluka
15.	Ahmedabad District (excluding area already authorized)
16.	Dahod District
17.	Anand District (excluding area already authorized)
18.	Panchmahal District
19.	Narmada (Rajpipla) District
20.	Sirsa, Fatehabad and Mansa (Punjab) Districts
21.	Ujjain (Except area already authorized) District, Dewas (Except area already authorized) District and Indore (Except area already authorized) District
22.	Jhabua, Banswara, Ratlam and Dungarpur Districts
23.	Ferozepur, Faridkot and Sri Muktsar Sahib Districts
24.	Hoshiarpur and Gurdaspur Districts
25.	Jalore and Sirohi Districts

**J. Fees paid to the Statutory Auditors:**

During the financial year 2018-2019, M/s. S R Goyal & Co, the Statutory Auditors of the Company were paid fees for audit and providing other services as per below details:

Name of the Company	Fees paid		Total
	For Statutory Audit	For providing other services	
Gujarat Gas Limited	Rs. 14,50,000/-	Rs. 7,60,000/-	Rs. 22,10,000/-

**K. 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 free of sexual harassment) work environment for every individual working in the Company. The Company has in place a Policy on Prevention of Sexual Harassment at workplace as a part of its Human Resource Policy. It aims at prevention of harassment of employees and lays down the guidelines for reporting and prevention of sexual harassment. During the year ended 31st March, 2019, no complaint has been received pertaining to sexual harassment. The Company has constituted internal complaint committee and has also complied with all applicable provisions of the said Act.

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

Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032. Phone Number: 040-67161751, Fax Number: 040 67161791

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

About 95% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards to transfer of shares held in physical form, the transfer documents can be lodged with Karvy Fintech Private 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.

It is also informed to the Shareholders that Securities and Exchange Board of India had issued SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, vide Notification dated 8th June, 2018, where in it has amended Regulation 40 - Transfer or Transmission or Transposition of Securities and has mandated that transfer of securities would be carried out in dematerialized form only w.e.f December 5, 2018 and except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

In order to implement the aforementioned Amendment in the Regulation and as advised by SEBI, the Company had sent letter under Registered/Speed post to the holders of physical certificates appraising them about the amendment and sensitise them about the impact of the regulation on the transfer of shares held by them in physical form w.e.f December 5, 2018.

The Company has also placed information on its website intimating the investors about the proposed change and has provided appropriate guidance on how to dematerialize their shares.

Subsequently, on 3rd December, 2018, SEBI extended the time limit and clarified that the aforesaid requirement of transfer of securities only in demat form will come into force from 1st April, 2019.

Further on 27th March, 2019, SEBI also clarified that decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after 1st April, 2019. Any investor, who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only after the shares are dematerialized. The transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of 1st April, 2019.

The above decision of SEBI is not applicable for demat of shares, transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases.

**22. Summary of Shareholding as on 31/03/2019**

Category	No. of Holders	Total Shares	% to Equity
Physical	1,088	31,733,810	4.609858
NSDL	22,703	600,786,900	87.274189
CDSL	10,709	55,869,415	8.115952
Total	34,500	688,390,125	100.00

**23. 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.

**24. Details of Credit Rating for Bank loan facilities**

Rating Agency	Instrument Type	Rating Type	Amount (Rs. in Crore)	Rating (Current)	Rating (Previous)
India Ratings and Research Pvt Ltd	Bank Loans*	Long-term/ Short-term	3200	IND AA/Positive/ IND A1+ (29-Mar-2019)	IND AA/Stable/ IND A1+ (21-Dec-2017)
India Ratings and Research Pvt Ltd	Commercial paper**	Short-term	35	IND A1+ (29-Mar-2019)	IND A1+ (21-Dec-2017)
CARE Ratings Limited	Bank Loans	Long-term/ Short-term	2000	CARE AA; Positive/ CARE A1+ (08-Oct-2018)	CARE AA; Stable/ CARE A1+ (04-Oct-17)
CRISIL Limited	Bank Loans	Long-term	2350	CRISIL AA/Stable (23-Feb-2018)	CRISIL AA/Stable (30-Nov-2016)

\* Interchangeable with working capital limits

\*\*to be carved out of existing working capital limits

**25. Non-Mandatory requirements of regulation 27 (1) & Part E of Schedule II of the Listing Regulations:**

- The Company has a Non-Executive Chairman.
- The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.
- Comments of the Comptroller and Auditor General of India (C&AG) along with management reply are attached in the Annual Report.
- The internal auditors report to the Audit Committee.
- The Chairman of the Board is Non- Executive Director and his post is separate from MD/CEO of the Company.

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

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

**Date: 29<sup>th</sup> May, 2019**

**Place: Gandhinagar**





## ANNEXURE – 2 ANNUAL REPORT ON CSR ACTIVITIES

### 1. Outline of the CSR Policy

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

### 2. The Composition of the CSR Committee

The Committee on CSR consists of the following members :

Corporate Social Responsibility Committee		
1	Ms. Manjula Shroff	Member
2	Mr. K. D. Chatterjee	Member
3	Mr. Jal Patel	Member
Any two Directors shall form the Quorum of the Committee.		

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

Average Net Profit (2015-16 to 2017-18): Rs. 323.55 Crores

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

Rs. 6.47 Crores



**ANNEXURE - 2**  
**ANNUAL REPORT ON CSR ACTIVITIES**

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

- a. Total amount spent for the financial year: Rs. 4.36 Crores
- b. Amount unspent, if any: Rs. 2.11 Crores
- c. Manner in which the amount spent during the financial year is detailed below :

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Amount outlay (budget) project or programs wise (Rs.)	Amount spent on the projects or programs (Rs.)		Cumulative expenditure up to the reporting period (Rs.)	Amount spent: Directly or through implementing agency
				Direct expenditure on projects or programs	Overheads		
1	Contribution in providing gas to Crematoriums across operating locations	Community Development	-	1,69,93,197.00	-	1,69,93,197.00	Directly
2	Contribution to support Sri Laxmi Kravia Techlabs Pvt. Ltd. - Mobile Health Screening VanN	Preventive Health Care	-	1,58,93,600.00	-	1,58,93,600.00	Directly
3	Contribution to support Akshaya Patra Foundation for setting up centralised kitchen in Kutch for Mid-Day Meal Programme	Health & to prevent school drop out	-	1,00,00,000.00	-	1,00,00,000.00	Directly
4	Odisha Parba - Odia Samaj's Cultural programme	Protection of Culture	-	5,00,000.00	-	5,00,000.00	Directly
5	Surat Muncipal Corporation - Sujlam Suflam Jan Swachhata Abhiyan	Community development	-	20,000.00	-	20,000.00	Directly
6	Contribution to an NGO - Visamo Kids Foundation	Promoting Education	-	1,00,000.00	-	1,00,000.00	Directly
7	Donation of 90 Desktops - Sarv Shiksha Abhiyan	Promoting Education	-	89,815.87	-	89,815.87	Directly
<b>TOTAL</b>				<b>4,35,96,612.87</b>		<b>4,35,96,612.87</b>	

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

The Company had plans to undertake several other CSR initiatives in addition to those which had been undertaken during FY 2018-19 and in view thereof, the Company could not spend the entire corpus available under CSR expenditure during FY 2018-19.

**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

**K. D. Chatterjee**  
Chairman, 7<sup>th</sup> CSR Committee



**ANNEXURE - 3**  
**SECRETARIAL AUDIT REPORT**

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

To  
The Members

**GUJARAT GAS LIMITED**  
**(Formerly known as GSPC Distribution Networks Limited)**

Gujarat Gas CNG Station,  
Sector 5/C, Gandhinagar - 382006 (Gujarat)

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, 2019 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, 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - 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, 2018;

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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



We further report that:

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

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

We further report that during the audit period, the following event/action has taken place, which have major bearing on the affairs of the Company:

During the year under review, in order to improve the liquidity of the Company's equity shares and to make equity shares more affordable for the small retail investors to invest in the Company's shares, the Board of Directors at its meeting held on 3rd November, 2018, recommended that the Authorised Share Capital of the Company of Rs. 17,57,10,00,000 (Rupees One Thousand Seven Hundred Fifty Seven Crore Ten Lakh Only) divided into 1,73,51,00,000 Equity shares of Rs. 10/- each, 1,70,00,000 (One Crore seventy Lakh only) 7.5% Redeemable Preference Shares of Rs.10/- each and 50,00,000 (Fifty Lakh Only) Preference Shares of Rs. 10/- each be sub divided into 8,67,55,00,000 Equity shares of Rs. 2/- each, 1,70,00,000 (One Crore seventy Lakh only) 7.5% Redeemable Preference Shares of Rs.10/- each and 50,00,000 (Fifty Lakh Only) Preference Shares of Rs. 10/- each, which was approved by the members on 17th December, 2018 through postal ballot.

Barring this, during the audit period, no other events/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.

**For,**  
**RUTUL SHUKLA & ASSOCIATES**  
Practicing Company Secretaries

**Place: Ahmedabad**  
**Date: 6<sup>th</sup> May, 2019**

**CS RUTUL SHUKLA**  
Proprietor

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**

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

Gujarat Gas CNG Station,  
Sector 5/C, Gandhinagar - 382006 (Gujarat)

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

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

Thanking You,

**For,**  
**RUTUL SHUKLA & ASSOCIATES**  
Practicing Company Secretaries

**Place: Ahmedabad**  
**Date: 6<sup>th</sup> May, 2019**

**CS RUTUL SHUKLA**  
Proprietor



**ANNEXURE – 4  
FORM No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)  
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

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

**2. Details of material contracts or arrangement or transactions at arm's length basis for the FY 2018-19:**

Name of the Related Party & Nature of Relationship	Nature of Contracts/ Arrangements/ transactions	Duration of Contracts/ Arrangements/ Transactions	Salient terms of Contracts/ Arrangements/ Transactions including value, if any	Date of Approval by the Board, if any	Amount paid as advances, if any
<b>Gujarat State Petroleum Corporation Limited</b> - Ultimate Holding Company	Purchase of Natural Gas	Regular	Rs. 5651.33 Crores #	NA	--NA--

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

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

**Place: Gandhinagar**  
**Date: 29<sup>th</sup> May, 2019**

**ANNEXURE - 5****(A) Conservation of Energy-**

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

**(B) Technology Absorption-**

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

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

The Company has incurred expenditure in Foreign Exchange to the extent of Rs. 1.48 Crores during FY 2018-19 (Previous year FY 2017-18 Rs. 0.60 Crores) and the Foreign Exchange Earnings during FY 2018-19 were Rs. NIL (Previous year FY 2017-18 Rs. NIL)



**ANNEXURE-6  
AOC-1  
GUJARAT GAS LIMITED**

**Notes to Standalone financial statements for the year ended 31st March 2019  
Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate  
Companies and Joint Ventures  
Part "B": Associates**

(Rs in Crores)

Name of Associates	Guj Info Petro Limited
<b>1. Latest audited Balance Sheet Date</b>	31/03/2019
<b>2. Shares of Associate held by the company on the year end</b>	25,000
Amount of Investment in Associate	0.03
<b>Extend of Holding %</b>	49.94%
<b>3. Description of how there is significant influence</b>	Through voting power
<b>4. Reason why the associate is not consolidated</b>	NA
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	As per Ind-AS-28 equity method is followed
<b>6. Profit / Loss for the year</b>	-
i. Considered in Consolidation	1.46
ii. Not Considered in Consolidation	-

**For S R Goyal & Co.**  
**Chartered Accountants**  
ICAI Firm Reg. No. 001537C

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

**Anurag Goyal**  
Partner  
M. No. : 412538

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

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

**K. D. Chatterjee**  
Director

**Nitin Patil**  
Chief Executive Officer

**Nitesh Bhandari**  
Chief Financial Officer

**Rajeshwari Sharma**  
Company Secretary

Place : Gandhinagar  
Date : 6th May, 2019

Place : Gandhinagar  
Date : 6th May, 2019



**ANNEXURE-7****REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA****COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF GUJARAT GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2019**

The preparation of standalone financial statements of **Gujarat Gas Limited** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 06 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the standalone financial statements of Gujarat Gas Limited for the year ended 31 March 2019 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**A. Comments on Cash Flow Statement****1. Statement of Cash Flow****Net Cash Flow from Investing Activities - { ₹ 604.19 crore }****Interest received - ₹ 95.83 crore**

The above includes interest income of ₹ 19.70 crore comprising of late payment charges of ₹ 8.24 crore and interest on late payment charges of ₹ 11.46 crore collected from domestic, industrial and commercial customers. The same has been adjusted as non-cash item from Net profit before tax for determining Cash flow from Operating Activities and has been classified under the head of Cash flow from investing Activities.

As late payment charges and interest on late payment charges of ₹ 19.70 crore pertain to the operational Activities of the Company, the same should have been classified under the head of Cash flow from operating Activities instead of Cash flow from Investing Activities.

This has resulted in understatement of Cash flow from Operating Activities and overstatement of Cash flow from investing Activities by ₹ 19.70 crore.

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

**(H. K. Dharmadarshi)**

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

**Place: Ahmedabad  
Date : 9th July, 2019**

**ANNEXURE-7****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 CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2019**

The preparation of consolidated financial statements of **Gujarat Gas Limited** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 06 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Gujarat Gas Limited for the year ended 31 March 2019 under Section 143 (6) (a) of the Act. We conducted a supplementary audit of the financial statements of Gujarat Gas Limited and Guj Info Petro Limited for the year ended on that date. Further, section 139(5) and 143 (6)(b) of the Act are not applicable to Gujarat Gas Limited Employees Welfare Stock Option Trust being private entities, neither for appointment of their Statutory Auditors nor for conduct of supplementary audit. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**A. Comments on Consolidated Cash Flow Statement****1. Statement of Cash Flow****Net Cash Flow from Investing Activities - (₹ 603.91 crore)****Interest received ₹ 96.11 crore**

The above included interest income of ₹ 19.70 crore comprising of late payment charges of ₹ 8.24 crore and interest on late payment charges of ₹ 11.46 crore collected from domestic, industrial and commercial customers. The same has been adjusted as non-cash item from Net profit before tax for determining Cash flow from Operating Activities and has been classified under the head of Cash flow from Investing Activities.

As late payment charges and interest on late payment charges of ₹ 19.70 crore pertain to the operational Activities of the Company, the same should have been classified under Cash flow from Operating Activities instead of Cash flow from Investing Activities.

This has resulted in understatement of Cash flow from Operating Activities and overstatement of Cash flow from Investing Activities by ₹ 19.70 crore.

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

**(H. K. Dharmadarshi)  
Pr. Accountant General (E&RSA), Gujarat**

**Place: Ahmedabad  
Date : 9th July, 2019**



## ANNEXURE-7

**Management reply to the comments of the Comptroller and Auditor General of India under section 143(6)(b) of the companies act, 2013 on the standalone financial statements of Gujarat Gas Limited for the year ended 31st March 2019**

Sr. No.	Comments of Comptroller and Auditor General of India	Management reply to the Comments of the Comptroller and Auditor General of India
<b>A.</b>	<b>Comments on Cash Flow Statement</b>	
<b>1</b>	<p><b>Statement of Cash Flow</b></p> <p><b>Net Cash Flow from Investing Activities - (₹604.19 Crores)</b></p> <p><b>Interest Received - ₹ 95.83 Crores</b></p> <p>The above includes interest income of ₹ 19.70 Crores comprising of late payment charges of ₹ 8.24 crores and interest on late payment charges ₹ 11.46 crores collected from domestic, industrial and commercial customers. The same has been adjusted as non-cash item from Net profit before tax for determining Cash flow from Operating Activities and has been classified under the head of Cash flow from Investing Activities</p> <p>As late payment charges and interest on late payment charges of ₹ 19.70 Crores pertain to the operational activities of the Company, the same should have been classified under the head of Cash flow from Operating Activities instead of Cash flow from Investing Activities.</p> <p>This has resulted in understatement of Cash flow from Operating Activities and overstatement of Cash flow from Investing Activities by ₹ 19.70 Crores.</p>	<p>The C&amp;AG comment is pertaining to the classification of late payment charges and interest on late payment charges in the statement of Cash Flow, it does not have any monetary impact on the profitability or financial position of the Company.</p> <p>Interest income on late payment charges ₹ 19.70 crores is earned as a result of delayed payment made by the customers and same do not constitute as Income from Operations. Accordingly it is treated as Other Income in the statement of P&amp;L.</p> <p>Para 31 and 33 of the IND AS 7 Cash Flow Statement states that interest and dividends received by entities other than financial institution, should be classified as cash flows from investing activities.</p> <p>The company is following the same practice consistently since long time. Further, the same treatment have been given by few other reputed companies as well.</p> <p>The Company would seek an expert opinion on the issue to decide appropriate treatment for coming years.</p>



## ANNEXURE-7

**Management reply to the comments of the Comptroller and Auditor General of India under section 143(6)(b) of the companies act, 2013 on the consolidated financial statements of Gujarat Gas Limited for the year ended 31st March 2019**

Sr. No.	Comments of Comptroller and Auditor	Management reply to the Comments of the Comptroller and Auditor General of India
<b>A.</b>	<b>Comments on Cash Flow Statement</b>	
<b>1</b>	<p><b>Statement of Cash Flow</b></p> <p><b>Net Cash Flow from Investing Activities - (₹603.91 Crores)</b></p> <p><b>Interest Received - ₹ 96.11 Crores</b></p> <p>The above includes interest income of ₹ 19.70 Crores comprising of late payment charges of ₹ 8.24 crores and interest on late payment charges ₹ 11.46 crores collected from domestic, industrial and commercial customers.</p> <p>The same has been adjusted as non-cash item from Net profit before tax for determining Cash flow from Operating Activities and has been classified under the head of Cash flow from Investing Activities</p> <p>As late payment charges and interest on late payment charges of ₹ 19.70 Crores pertain to the operational activities of the Company, the same should have been classified under the head of Cash flow from Operating Activities instead of Cash flow from Investing Activities.</p> <p>This has resulted in understatement of Cash flow from Operating Activities and overstatement of Cash flow from Investing Activities by ₹ 19.70 Crores.</p>	<p>The C&amp;AG comment is pertaining to the classification of late payment charges and interest on late payment charges in the statement of Cash Flow, it does not have any monetary impact on the profitability or financial position of the Company.</p> <p>Interest income on late payment charges ₹ 19.70 crores is earned as a result of delayed payment made by the customers and same do not constitute as Income from Operations. Accordingly it is treated as Other Income in the statement of P&amp;L.</p> <p>Para 31 and 33 of the IND AS 7 Cash Flow Statement states that interest and dividends received by entities other than financial institution, should be classified as cash flows from investing activities.</p> <p>The company is following the same practice consistently since long time. Further, the same treatment have been given by few other reputed companies as well.</p> <p>The Company would seek an expert opinion on the issue to decide appropriate treatment for coming years.</p>



## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members  
**GUJARAT GAS LIMITED**  
**(Formerly known as GSPC Distribution Networks Limited)**  
Gujarat Gas CNG Station,  
Sector 5/C, Gandhinagar - 382006 (Gujarat)

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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the financial year ended 31st March, 2019. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the Corporate Governance, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and Paragraphs C, D and E of Schedule V of the Listing Regulations, during the year ended 31st March, 2019.

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: 6<sup>th</sup> May, 2019**  
**Place: Ahmedabad**



**CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of**  
**The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
**The Members**  
**GUJARAT GAS LIMITED**  
**(CIN: L40200GJ2012SGC069118)**  
**(Formerly known as GSPC Distribution Networks Limited)**  
**Gujarat Gas CNG Station,**  
**Sector 5/C, Gandhinagar -382006 (Gujarat)**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GUJARAT GAS LIMITED ("Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the financial year ended 31 st March, 2019.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company, our responsibility is to express an opinion on these based on our verification.

In our opinion and to the best of our information and according to the verifications as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that for the financial year ended on 31 st March, 2019, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or such other statutory Authority.

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

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

**Date: 6<sup>th</sup> May, 2019**  
**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 2018-19.

**For Gujarat Gas Limited**

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

**Place: Ahmedabad**  
**Date: 6<sup>th</sup> May, 2019**



## BUSINESS RESPONSIBILITY REPORT Financial Year 2018-19

### Section A: General Information about the Company

- 1. Corporate Identity Number (CIN) of the Company:**  
L40200GJ2012SGC069118
- 2. Name of the Company:**  
Gujarat Gas Limited
- 3. Registered Address:**  
Gujarat Gas CNG Station, Sector 5/C, Gandhinagar – 382006, Gujarat.
- 4. Website:**  
www.gujaratgas.com
- 5. E-mail id:**  
contactbrr@gujaratgas.com
- 6. Financial Year Reported:**  
Financial Year 2018-19
- 7. Sector(s) that the Company is engaged in (industrial activity code-wise)**  
The NIC Code is 3520. The Company is engaged in City Gas Distribution including sale, purchase, supply, distribution, transport, trading in Natural Gas, CNG, LNG, LPG & other Gaseous form through Pipelines, Trucks/Trains or such other suitable mode for transportation/distribution of Natural Gas, CNG, LNG, LPG & other Gaseous Form.
- 8. List three key products/services that the Company manufactures/provides (as in balance sheet)**  
Natural Gas
- 9. Total number of locations where business activity is undertaken by the Company:**  
The Company operates in 21 districts of the State of Gujarat, 2 districts of the state of Maharashtra and is also operating in the Union Territory of Dadra & Nagar Haveli. Recently Company received license to operate in 7 districts in the State of Punjab, 2 districts in the State of Haryana, 4 districts in the State of Rajasthan and 5 districts in the State of Madhya Pradesh.
- 10. Markets served by the Company – local/state/national/international:**  
The Company operates its business in the States of Gujarat, Maharashtra and also in the UT of Dadra & Nagar Haveli. Recently Company received license to start its business in the States of Punjab, Haryana, Rajasthan and Madhya Pradesh.

### Section B: Financial Details of the Company

- 1. Paid Up Capital (INR)** ₹ 137.68 Crores
- 2. Total Turnover (INR)** ₹ 7,962.48 Crores
- 3. Total Profit after Taxes (INR)** ₹ 417.03 Crores
- 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)** ₹ 4.36 Crores  
(1.05 % of PAT)
- 5. List of activities in which the expenditure in 4 above has been incurred.**
  1. Contribution in providing gas to Crematoriums across operating locations - Rs 1.70 Crores
  2. Contribution to support Sri Laxmi Kravia Techlabs Pvt. Ltd. - Mobile Health screening VAN - Rs 1.59 Crores
  3. Contribution to support Akshaya Patra Foundation in setting up centralized kitchen in Kutchh-Mid Day Meal - Rs 1.00 Crores
  4. Others activities Rs 0.07 Crores

### Section C: Other Details

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





**Section D: BR Information**

**1. Details of Director/Directors responsible for BR:**

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

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

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

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

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

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



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

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles	GGL has successfully completed certification audit of its Integrated Management System (IMS) by an eminent certification body M/S DNV GL with reference to the requirements of International Standards ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007. The entire process of auditing in one way endorsed GGL's commitment for establishment of IMS and confirm its successful implementation by all functions and it's Geographic Areas across its operating areas.								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done in the next 6 months									
5	It is planned to be done in the next year									
6	Any other reason (please specify)									

**3. Governance related to BR**

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

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

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

The BR report is being published along with our Annual Report for FY 2018-19. Hyperlink [www.gujaratgas.com/corporate-governance/policies/](http://www.gujaratgas.com/corporate-governance/policies/)

**Section E: Principle Wise Performance**

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

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

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

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

The Company had received 134 letters of various types of request, inquiries and complaints from its equity shareholders during FY 2018-19, which had been resolved and settled to the satisfaction of the shareholders.

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

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

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

GGL is engaged in "Natural Gas" distribution to Domestic, Commercial, Industrial and Transport customers. Natural Gas being inherently a cleaner fuel is an environmental friendly fuel.

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

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

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

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

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

Natural gas reduces around 50% greenhouse gas (GHG) emissions compared to coal used in various industrial applications including ceramic and tiles industry. It can also be transported through pipelines to various places replacing the carbon footprint generated by transporting liquid fuel/coal through roads. In FY 18-19, GGL engaged with Agricultural Produce Market Committee (APMC) Surat which is producing Bio-Methane from Agricultural waste, Cow dung, etc. to promote sustainable sourcing.

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

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?****If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

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

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

GGL is solely involved in services of distribution of Natural Gas through network of pipelines designated as PNG and also in compressed form for use in transport sector designated as CNG. These services generally do not have significant waste generation.

However, GGL has established, implemented and maintained a system of proper Waste Management:

- to avoid, reduce or control (separately or in combination) the creation or discharge of any type of waste in order to reduce adverse environmental impacts
- to reuse, refurbishing, recycle and dispose the waste
- to handle the waste from generation to disposal stage effectively in order to comply with legal & statutory requirements
- to protect the environment

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

**Principle 3: Businesses should promote the wellbeing of all employees****1. Please indicate the total number of employees-**

Total number of employees as on 31st March, 2019 is 1084.

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

No temporary or contractual employees were hired by GGL.

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

Total number of permanent women employees as on 31st March, 2019 is 66.

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

Total number of permanent employees with disability as on 31st March, 2019 is 6.

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

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

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

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



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

GGL has a policy on prevention of sexual harassment under which a Committee is formed that is dedicated to cases against sexual harassment in the Company. Due to stringent mechanisms in place for prevention and addressing issues related to sexual harassment, there have been "NO" complaints received on the same during FY 2018-19.

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

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

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

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

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

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

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

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

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

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

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

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

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

**a) For Women in rural areas**

GGL has supported the government initiative for providing natural gas supply in rural areas as burning of wood and coal affects the health of women and causes health issues such as lung cancer, asthma and others. Under this initiative, GGL has gone the extra mile for implementation of PNG in rural areas of Gujarat state and has covered more than 1,000 villages successfully.

**b) For Youth in rural areas**

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

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

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

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



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

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

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

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

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

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

**Celebration of Environmental Day**

Every year GGL celebrates this day by conducting various activities like sapling plantation drives as well as awareness programs throughout the entire organization on "Environment protection by preventing or mitigating adverse environmental impacts"

**Dial Before Dig Campaign**

In this campaign, GGL educates and influences stakeholders who undertake digging activities. This is done to stress on safety and environmental risks of natural gas release in the atmosphere which can occur as a result of damage to GGL's natural gas pipeline network during the digging operations. The third parties are urged to dial in to GGL to confirm the location prior to starting any digging/excavation activities so that damage to Natural gas pipeline network can be prevented.

**Promoting Clean fuel**

GGL is influencing the automobile users in its operational areas through various campaigns to use Compressed Natural Gas as a clean automotive fuel. It helps for the reduction of environmental impact caused by vehicular emission due to use of other polluting fuels.

**Other Initiatives and compliances**

- GGL ensures that all its vehicles have timely PUC re-certifications. Awareness regarding regular and proper maintenance is also given due importance through awareness activities.
- GGL ensures that all relevant equipment with are maintained as per defined frequency and monitored for emission levels to be within prescribed limits of Pollution Control Board authorization.

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

GGL has developed its environmental management system in line with ISO 14001:2015 standard and got the same certified by third party certification body. GGL has identified Environmental aspects related to each of the business activities / processes and assessed Environmental Impacts related to these aspects.

GGL has established Environmental Aspect-Impact register comprising of environmental risks arising from its operations and impacts covered in this register are mentioned below:

- a) Air pollution
- b) Water pollution
- c) Noise pollution
- d) Land contamination
- e) Health effects
- f) Others

This environmental aspect impact register is being reviewed at regular intervals.



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

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

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

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

- a) With a motive to contribute to energy conservation and make a move towards Digital India initiative, GGL has initiated concept of Paperless office and is continuously working in this direction by introducing online platform for formats under various policies and approvals
- b) Utilization of energy efficient lighting

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

Yes. Environment monitoring activities are carried out at all relevant installations by SPCB approved agencies and compliance to permissible limits given by SPCB are closely monitored and ensured. All the emissions and waste generated by GGL are within the permissible limits of CPCB/SPCB. The compliance reports of the same are regularly submitted to SPCB.

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

There are no pending show cause or legal notices as on 31st March 2019, the end of the financial year 2018-19.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GGL has incurred a total expenditure of INR 4.36 Crores for its CSR activities. Details of these activities is mentioned below:

1. Contribution in providing gas to Crematoriums across operating locations - Rs 1.70 Crores



2. Contribution to support Sri Laxmi Kravia Techlabs Pvt. Ltd. – Mobile Health screening VAN – Rs 1.59 Crores
3. Contribution to support Akshaya Patra Foundation in setting up centralized kitchen in Kutchh–Mid Day Meal –Rs1.00 Crores
4. Others activities –Rs 0.07 Crores

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

The initiatives by GGL are based upon identification of the needs and so the Company provides free gas to the crematoriums. The Company is providing gas to Crematoriums across its operating locations in Gujarat. Thus, the Company is supporting the community through this initiative.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

The pending complaints in all customer segments for disposal is 5,476 of overall 1,22,478 i.e. 4.47% as on 31st March 2018 as per the requirement of the SLA under the Quality of Services obligations of the Petroleum and Natural Gas Regulatory Board.

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

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

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

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

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

NIL.

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

GGL has appointed a third party agency to conduct customer satisfaction survey in its operating areas. The survey for the same has been completed and the findings shall be shared with GGL in Apr–May 2019.

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

**Shri Nitin Patil**

CEO

**Dr. T. Natarajan, IAS**

Director, GGL



## DIVIDEND DISTRIBUTION POLICY

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

### INTRODUCTION:

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

### KEY PARAMETERS:

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

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

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

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

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





# Standalone Financial Statements



## REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF GUJARAT GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of standalone financial statements of **Gujarat Gas Limited** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 06 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the standalone financial statements of Gujarat Gas Limited for the year ended 31 March 2019 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

#### **A. Comments on Cash Flow Statement**

##### **1. Statement of Cash Flow**

##### **Net Cash Flow from Investing Activities - { ₹ 604.19 crore }**

##### **Interest received - ₹ 95.83 crore**

The above includes interest income of ₹ 19.70 crore comprising of late payment charges of ₹ 8.24 crore and interest on late payment charges of ₹ 11.46 crore collected from domestic, industrial and commercial customers. The same has been adjusted as non-cash item from Net profit before tax for determining Cash flow from Operating Activities and has been classified under the head of Cash flow from investing Activities.

As late payment charges and interest on late payment charges of ₹ 19.70 crore pertain to the operational Activities of the Company, the same should have been classified under the head of Cash flow from operating Activities instead of Cash flow from Investing Activities.

This has resulted in understatement of Cash flow from Operating Activities and overstatement of Cash flow from investing Activities by ₹ 19.70 crore.

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

**(H. K. Dharmadarshi)**

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

**Place: Ahmedabad  
Date : 9th July, 2019**



## INDEPENDENT AUDITOR'S REPORT

To  
**The Members of  
Gujarat Gas Limited  
(Formerly Known as GSPC Distribution Networks Limited)  
Gandhinagar**

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of **Gujarat Gas Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs (financial position) of the Company as at March 31, 2019 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



## INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Accuracy of Recognition, measurement, presentation and disclosure of revenues and other related balance in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</b></p> <p>Refer note 49 of the Standalone Ind AS Financial Statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. We evaluated the accounting policy and internal controls followed by the Company while accounting of connection charges from customers, which is deferred over the period when the performance obligation is satisfied, as per the new accounting standard. Further, we test checked some of the contracts and carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls. We also performed analytical procedures for reasonableness of revenues disclosed as per the new accounting standard.</p>
2.	<p><b>Evaluation of material claims against the company not acknowledge as debt.</b></p> <p>There are various claims disputed by the Company including matters under dispute with one of the suppliers in respect of use of domestic allocated gas other than specified purpose which involves significant judgment to determine the possible outcome and Future Cash outflow of these disputes.</p> <p>Refer note 42.2 (iii) of the Standalone Ind AS Financial Statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>Obtained details of all the claims disputed by the company as on 31st March 2019 from the management. We have discussed the management's underlying assumptions in estimating that the claims are erroneous and the possible outcome of the disputes. We have also evaluated these underlying assumptions to determine the Legal Liability / Obligation of the company as defined in applicable Indian Accounting Standards (Ind AS 37) and also evaluated whether any change was required to management's position on these uncertainties vis a vis past year with reference to new claims disputed by the company.</p>

**Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

**Responsibilities of Management and those charged with Governance for the Standalone Ind AS Financial Statements**

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



## INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## INDEPENDENT AUDITOR'S REPORT

### 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 in terms of Section 143(11) of the Act, we give in "**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, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS 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 the Ministry of Corporate Affairs, the sub-section (2) of section 164 of the Act is not applicable to the company.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) As the company is a Government Company, in terms of notification no. G.S.R. 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs, the sub-section (16) of section 197 of the Act is not applicable to the company.
  - h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 42 to the standalone Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 3) In terms of section 143(5) of the Act, we give our report in "**Annexure C**" by taking into consideration the information, explanations and written representations received from the management on the matters specified in the directions and sub directions issued under the aforesaid section by the Comptroller and Auditor General of India.

Place: Gandhinagar  
Date: 6<sup>th</sup> May 2019

**For, S. R. Goyal & Co.**  
**Chartered Accountants**  
**FRN No. 001537C**

**Anurag Goyal**  
**(Partner)**  
**M. No.: 412538**

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

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report, of even date, to the Members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) on Standalone Ind AS Financial Statements for the year ended 31st March 2019)**

- i. In respect of the Company's fixed assets:
- The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - 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.
  - 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 the following freehold land as on 31st March 2019.

Sr. No.	Asset description	Book value (Amount in ₹)
1	Survey No. 306-A-/1 paiki 3, Post-Hazira, Taluka Choryasi, District-Surat. 13,057 Sq. Mtrs	₹ 15.88 Crores
2	Survey No. 150 Mora village District-Surat. 13,557 Sq. Mtrs	₹ 1.00

- 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.
- 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.
- 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.
- 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.
- 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.
- According to the information and explanations given to us, in respect of statutory dues:
  - 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, goods and services tax (GST), sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.

**INDEPENDENT AUDITOR'S REPORT**

b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of provident fund, goods and services tax (GST), sales tax, wealth tax, duty of customs, value added tax, cess and other material statutory dues, as applicable which have not been deposited on account of any dispute.

The particulars of dues of service tax, duty of excise and income tax as at 31st March 2019 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 & Interest thereon	0.51	Assessment Year 2016-17	Commissioner of Income Tax (Appeals)
2	Income Tax Act, 1961	Income Tax & Interest thereon	0.15	Assessment Year 2013-14	Commissioner of Income Tax (Appeals)
3	Income Tax Act, 1961	Income Tax & Interest thereon	0.003	Assessment Year 2012-13	Assessing Officer
4	Income Tax Act, 1961	Income Tax & Interest thereon	0.03	Assessment Year 2012-13	Income Tax Appellate Tribunal
5	Income Tax Act, 1961	Income Tax & Interest thereon	0.05	Assessment Year 2011-12	Assessing Officer
6	Income Tax Act, 1961	Income Tax & Interest thereon	0.01	Assessment Year 2010-11	Income Tax Appellate Tribunal
7	Income Tax Act, 1961	Income Tax & Interest thereon	0.04	Assessment Year 2008-09	High Court of Gujarat
8	Income Tax Act, 1961	Income Tax & Interest thereon	0.03	Assessment Year 2007-08	High Court of Gujarat
9	Central Excise Act, 1944	Service Tax and Duty of Excise	11.86	April-2010 to March-2015	The Customs, Excise and Service Tax Appellate Tribunal
10	Central Excise Act, 1944	Service Tax and Duty of Excise	1.03	April-2015 to Nov-2015	The Customs, Excise and Service Tax Appellate Tribunal
11	Central Excise Act, 1944	Service Tax and Duty of Excise	2.84	2009-10 to 2014-15 (up to Aug-2014)	The Customs, Excise and Service Tax Appellate Tribunal
12	Central Excise Act, 1944	Service Tax and Duty of Excise	0.71	Sept-2014 to 14th May-2015	The Customs, Excise and Service Tax Appellate Tribunal
13	Central Excise Act, 1944	Service Tax and Duty of Excise	1.29	May'10 (2010-11) to Feb-2016 (up to 02.02.2016)	Excise & Service Tax Commissioner
14	Central Excise Act, 1944	Service Tax and Duty of Excise	0.18	2006-07 & 2007-08	The Customs, Excise and Service Tax Appellate Tribunal
15	Finance Act, 1994	Service Tax and Duty of Excise	0.10	2006-07 to 2009-10	The Customs, Excise and Service Tax Appellate Tribunal
16	Finance Act, 1994	Service Tax and Duty of Excise	37.66	2005-06 to 2012-13	The Customs, Excise and Service Tax Appellate Tribunal
17	Finance Act, 1994	Service Tax and Duty of Excise	2.38	2013-14	The Customs, Excise and Service Tax Appellate Tribunal
18	Finance Act, 1994	Service Tax and Duty of Excise	0.59	2006-07 to 2011-12	The Customs, Excise and Service Tax Appellate Tribunal



**INDEPENDENT AUDITOR'S REPORT**

- viii. The Company has not defaulted in repayment of loans or borrowing dues to financial institution or bank or dues to debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. During the year money raised from term loans were applied for the purpose for which they were raised.
- 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. As the company is a Government Company, in terms of notification no. G.S.R. 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs, section 197 of the Act is not applicable to the company. 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 of the Act and Company being a government company, transactions with other government companies are exempt for the compliance of Section 188 of the Act, in terms of notification no. G.S.R 463(E) dated 5th June 2015, issued by Ministry of Corporate Affairs. Details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**Place: Gandhinagar**  
**Date: 6<sup>th</sup> May 2019**

**For, S. R. Goyal & Co.**  
**Chartered Accountants**  
**FRN No. 001537C**

**Anurag Goyal**  
**(Partner)**  
**M. No.: 412538**



## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE - B

#### TO INDEPENDENT AUDITOR'S REPORT

#### REPORT ON THE INTERNAL FINANCIAL CONTROLS

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report, of even date, to the members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) on Standalone Ind AS Financial Statements for the year ended 31st March 2019)**

**Report on the Internal Financial Controls Over Financial Reporting 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** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 internal financial controls over financial reporting of the Company 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 the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 internal financial controls system over financial reporting of the Company.

#### **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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



## INDEPENDENT AUDITOR'S REPORT

### 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

Place: Gandhinagar  
Date: 6<sup>th</sup> May 2019

For, S. R. Goyal & Co.  
Chartered Accountants  
FRN No. 001537C

Anurag Goyal  
(Partner)  
M. No.: 412538

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

**(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report, of even date, to the Members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) on Standalone Ind AS Financial Statements for the year ended 31st March 2019)**

**Report on the Directions/Sub-Directions Issued by Comptroller and Auditor General of India**

Based on the audit procedures performed and taking into consideration the information, explanations and written representations given to us by the management in the normal course of audit, we report to the best of our knowledge and belief that:

<b>Sr. No.</b>	<b>Directions / Sub-Directions Issued by Comptroller and Auditor General of India</b>	<b>Response</b>
(1)	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transaction outside IT system on the integrity of accounts along with the financial implication, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT System i.e. SAP. All the financial transactions including customer related transactions are integrated in SAP system. We have not come across any accounting transaction outside the SAP system.
(2)	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As per information and explanations given to us and based on examination of the records of the Company, there are no cases of restructuring of any existing loan or any waiver of loan / debt / interest during the year.
(3)	Whether funds received / receivable for specific scheme from Central / State agencies were properly accounted for / utilised as per its term and conditions? List the cases of deviation.	Funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its term and conditions.
(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 effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/ excess noticed during physical verification.	In our opinion and according to the information and explanations given to us, the procedures and systems, in relation to physical verification of inventories, valuation of stock, treatment of non-moving items and accounting the effect of shortage / excess noticed during physical verification, are reasonable and adequate in relation to the size of the Company and the nature of its business.
(6)	The effectiveness of the system followed in recovery of dues in respect of sale activities may be examined and reported.	In our opinion and according to the information and explanations given to us, the Company has a policy and procedure for effective monitoring of credit exposure and recovery of dues from its customers in respect of its sales activities. There are no significant instances of its failure observed for the year under audit.

**For, S. R. Goyal & Co.**  
**Chartered Accountants**  
**FRN No. 001537C**

**Anurag Goyal**  
**(Partner)**  
**M. No.: 412538**

**Place: Gandhinagar**  
**Date: 6<sup>th</sup> May 2019**



**STANDALONE BALANCE SHEET AS AT 31st MARCH 2019**

(₹ in Crores)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
<b>I. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, plant and equipment	<b>3.1</b>	4,964.63	4,793.14
(b) Capital work in progress	<b>3.2</b>	488.49	478.33
(c) Investment property	<b>4</b>	1.30	1.30
(d) Intangible assets	<b>5.1</b>	324.06	299.57
(e) Intangible assets under development	<b>5.2</b>	0.37	-
(f) Investment in associates	<b>6</b>	0.03	0.03
(g) Financial assets			
(i) Investments	<b>7</b>	16.02	16.06
(ii) Loans	<b>8</b>	67.79	70.14
(iii) Other financial assets	<b>9</b>	1.66	0.02
(h) Other non-current assets	<b>10</b>	230.56	278.11
<b>Total Non-Current Assets</b>		<b>6,094.91</b>	<b>5,936.70</b>
<b>2 Current Assets</b>			
(a) Inventories	<b>11</b>	69.41	56.78
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	<b>12</b>	510.31	391.71
(iii) Cash and cash equivalents	<b>13</b>	94.36	93.12
(iv) Bank balances other than (iii) above	<b>14</b>	214.80	43.18
(v) Loans	<b>15</b>	1.19	1.50
(vi) Other financial assets	<b>16</b>	79.12	47.03
(c) Other current assets	<b>17</b>	63.37	63.29
<b>Total Current Assets</b>		<b>1,032.56</b>	<b>696.61</b>
<b>TOTAL ASSETS</b>		<b>7,127.47</b>	<b>6,633.31</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	<b>18</b>	137.68	137.68
(b) Other Equity	<b>19</b>	2,046.31	1,708.73
<b>Total Equity</b>		<b>2,183.99</b>	<b>1,846.41</b>
<b>2 Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	<b>20</b>	2,089.15	2,212.99
(b) Provisions	<b>21</b>	39.68	33.40
(c) Deferred tax liabilities (Net)	<b>22</b>	1,081.60	1,045.50
(d) Other non-current liabilities	<b>23</b>	59.54	-
<b>Total Non-Current Liabilities</b>		<b>3,269.97</b>	<b>3,291.89</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	<b>24</b>	-	1.28
(ii) Trade payables	<b>25</b>		
Total outstanding dues of micro enterprises and small enterprises		9.56	1.43
Total outstanding dues of creditors other than micro enterprises and small enterprises		342.77	291.98
(iii) Other financial liabilities	<b>26</b>	1,270.37	1,154.53
(b) Other current liabilities	<b>27</b>	42.51	38.23
(c) Provisions	<b>28</b>	8.30	4.90
(d) Current Tax Liabilities (Net)	<b>29</b>	-	2.66
<b>Total Current Liabilities</b>		<b>1,673.51</b>	<b>1,495.01</b>
<b>Total Liabilities</b>		<b>4,943.48</b>	<b>4,786.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,127.47</b>	<b>6,633.31</b>

See accompanying notes to the financial statements

As per our report attached  
**For S R Goyal & Co.**  
**Chartered Accountants**  
 ICAI Firm Reg. No. 001537C

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

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

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

**K.D. Chatterjee**  
 Director

**Anurag Goyal**  
 Partner  
 M. No. : 412538

**Nitin Patil**  
 Chief Executive Officer

**Nitesh Bhandari**  
 Chief Financial Officer

**Rajeshwari Sharma**  
 Company Secretary  
 Place : Gandhinagar  
 Date : 6th May, 2019

Place : Gandhinagar  
 Date : 6th May, 2019

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH 2019**

(₹ in Crores)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Revenue</b>			
I. Revenue from Operations	30	7,962.48	6,339.35
II. Other income	31	111.28	35.68
<b>III. Total Income (I+II)</b>		<b>8,073.76</b>	<b>6,375.03</b>
<b>IV. Expenses</b>			
Cost of materials consumed	32	6,084.00	4,678.61
Changes in inventories of natural gas	33	(1.05)	(0.62)
Employee Benefits Expenses	34	159.98	139.01
Finance Costs	35	196.19	196.08
Depreciation and Amortization Expenses	36	288.01	271.82
Excise Duty		208.07	165.02
Other Expenses	37	526.84	462.27
<b>Total Expenses (IV)</b>		<b>7,462.04</b>	<b>5,912.19</b>
V. Profit/(Loss) Before Exceptional Items and Tax(III-IV)		611.72	462.84
VI. Exceptional Items	38	17.87	-
<b>VII. Profit/(Loss) Before Tax (V-VI)</b>		<b>593.85</b>	<b>462.84</b>
<b>VIII. Tax expense:</b>	39		
Current Tax		132.43	121.21
Deferred Tax		44.39	50.27
<b>Total Tax Expense (VIII)</b>		<b>176.82</b>	<b>171.48</b>
<b>IX. Profit/(Loss) for the period(VII-VIII)</b>		<b>417.03</b>	<b>291.36</b>
<b>X. Other comprehensive income</b>	40		
A. (i) Items that will not be reclassified to profit or loss		(3.16)	(51.53)
(ii) Income tax related to items that will not be reclassified to profit or loss		1.10	11.41
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax related to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income (X)</b>		<b>(2.06)</b>	<b>(40.12)</b>
<b>XI. Total comprehensive income for the period(IX+X)</b>		<b>414.97</b>	<b>251.24</b>
Earnings per equity share of Face Value of ₹ 2 each	41		
Basic		6.06	4.23
Diluted		6.06	4.23

As per our report attached  
**For S R Goyal & Co.**  
**Chartered Accountants**  
ICAI Firm Reg. No. 001537C

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

**Anurag Goyal**  
Partner  
M. No. : 412538

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

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

**K.D. Chatterjee**  
Director

**Nitin Patil**  
Chief Executive Officer

**Nitesh Bhandari**  
Chief Financial Officer

**Rajeshwari Sharma**  
Company Secretary

Place : Gandhinagar  
Date : 6th May, 2019

Place : Gandhinagar  
Date : 6th May, 2019



**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019**

(₹ in Crores)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	593.85	462.84
<b>Adjustments for:</b>		
Depreciation	288.01	271.82
Loss on sale/disposal of Property, plant and equipment	0.42	7.81
(Profit)/Loss on sale as scrap and diminution in Capital Inventory	4.58	(0.53)
Material Shortage/(Gain)/Loss on sale of inventory	0.16	1.46
Provision for Doubtful Trade Receivables / Advances / Deposits etc.	3.28	0.57
Finance Costs	196.19	196.08
Provision/liability no longer required written back	(2.91)	(0.55)
Interest Income	(98.61)	(27.77)
<b>Operating Profit before Working Capital Changes</b>	<b>984.97</b>	<b>911.73</b>
<b>Adjustments for changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	(119.69)	(44.25)
(Increase)/Decrease in Other - Non Current Assets	(28.14)	(4.12)
(Increase)/Decrease in Other financial assets-Non-current	(1.64)	0.01
(Increase)/Decrease in Short Terms Loans and Advances	0.31	(0.07)
(Increase)/Decrease in Other Current Assets	(0.08)	(37.81)
(Increase)/Decrease in Other financial assets-Current	(32.09)	(0.50)
(Increase)/Decrease in Inventories	(12.63)	(15.13)
(Increase)/Decrease in Long-term loan and advances	1.21	(2.78)
<b>Changes in Trade and Other Receivables</b>	<b>(192.75)</b>	<b>(104.65)</b>
Increase/(Decrease) in Trade Payables	61.83	(20.20)
Increase/(Decrease) in Other current Liabilities	88.49	124.05
Increase/(Decrease) in Other Non Financial current Liabilities	4.28	(21.27)
Increase/(Decrease) in Other Non current Liabilities	2.72	-
Increase/(Decrease) in Short-term provisions	0.28	(3.58)
Increase/(Decrease) in Long-term provisions	6.28	2.61
<b>Changes in Trade and Other Payables</b>	<b>163.88</b>	<b>81.61</b>
<b>Cash Generated from Operations</b>	<b>956.10</b>	<b>888.69</b>
Income tax refund	153.65	9.83
Income tax paid	(153.62)	(113.81)
<b>Net Cash from Operating Activities</b>	<b>956.13</b>	<b>784.71</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Property, plant and equipments/Intangible assets including capital work in progress and capital advances.	(537.59)	(455.48)
Deposits with original maturity of more than three months	(169.60)	0.23
Interest received	95.83	25.18
Proceeds from sale of Property, plant and equipments	7.17	0.32
<b>Net Cash used in Investing Activities</b>	<b>(604.19)</b>	<b>(429.75)</b>

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019**

(₹ in Crores)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term borrowings	-	50.00
Repayment of Long-term borrowings	(113.91)	(74.83)
Interest Paid	(194.69)	(198.55)
Dividend Paid (including tax thereon)	(66.78)	(49.94)
Refund of Dividend Distribution tax	25.96	-
<b>Net Cash from Financing Activities</b>	<b>(349.42)</b>	<b>(273.32)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2.52</b>	<b>81.64</b>
Cash and Cash Equivalents at the beginning of the year	91.84	10.20
Cash and Cash Equivalents at the end of the year	94.36	91.84
<b>Closing Cash and Cash Equivalents comprise:</b>		
Cash in hand	2.64	1.35
Balances with Scheduled Banks	19.22	15.26
Balances in Fixed Deposits	72.50	76.51
Balances in Bank Overdraft / Cash Credit	-	(1.28)
<b>Total</b>	<b>94.36</b>	<b>91.84</b>

**Notes to Cash Flow Statement:**

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

As per our report attached

**For S R Goyal & Co.****Chartered Accountants**

ICAI Firm Reg. No. 001537C

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

Chairman

**Dr. T. Natarajan, IAS**

Director

**K.D. Chatterjee**

Director

**Anurag Goyal**

Partner

M. No. : 412538

**Nitin Patil**

Chief Executive Officer

**Nitesh Bhandari**

Chief Financial Officer

**Rajeshwari Sharma**

Company Secretary

Place : Gandhinagar

Date : 6th May, 2019

Place : Gandhinagar

Date : 6th May, 2019





**STANDALONE STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED 31ST MARCH 2019**

(a) Equity Share Capital (₹ in Crores)

	As at 31st March 2019	As at 31st March 2018
Equity share capital		
Balance at the beginning of the reporting period	137.68	137.68
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	137.68	137.68

(b) Other equity (₹ in Crores)

Other equity	Attributable to the equity holders of the Company					Items of Other Comprehensive Income	Total Other Equity
	Amalgamation Arrangement & Reserve	Employees Stock Options Outstanding	Debt Redemption Reserve (DRR)	General Reserve	Retained Earnings		
<b>Balance at April 1, 2017 (A)</b>	879.59	-	-	2.72	696.97	(72.08)	1,507.20
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period</b>	<b>879.59</b>	-	-	<b>2.72</b>	<b>696.97</b>	<b>(72.08)</b>	<b>1,507.20</b>
Profit for the year	-	-	-	-	291.36	-	291.36
Other comprehensive income for the year	-	-	-	-	-	(40.55)	(40.55)
Items of OCI recognised directly in retained earnings	-	-	-	-	-	-	-
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	0.43	-	0.43
<b>Total comprehensive income for the year (B)</b>	-	-	-	-	<b>291.79</b>	<b>(40.55)</b>	<b>251.24</b>
Dividend	-	-	-	-	(41.30)	-	(41.30)
Dividend Distribution Tax (DDT)	-	-	-	-	(8.41)	-	(8.41)
<b>Total (C)</b>	-	-	-	-	<b>(49.71)</b>	-	<b>(49.71)</b>
<b>Balance at March 31, 2018 (A+B+C)</b>	<b>879.59</b>	-	-	<b>2.72</b>	<b>939.05</b>	<b>(112.63)</b>	<b>1,708.73</b>
Changes in accounting policy / prior period errors ( Refer note 49 )	-	-	-	-	(36.96)	-	(36.96)
<b>Restated balance at the beginning of the reporting period (D)</b>	<b>879.59</b>	-	-	<b>2.72</b>	<b>902.09</b>	<b>(112.63)</b>	<b>1,671.77</b>
Profit for the year	-	-	-	-	417.03	-	417.03
Other comprehensive income for the year	-	-	-	-	-	(0.03)	(0.03)
Items of OCI recognised directly in retained earnings	-	-	-	-	-	-	-
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	(2.03)	-	(2.03)
Refund of earlier year's Dividend distribution tax	-	-	-	-	25.96	-	25.96
<b>Total comprehensive income for the year (E)</b>	-	-	-	-	<b>440.96</b>	<b>(0.03)</b>	<b>440.93</b>
Dividend	-	-	-	-	(55.07)	-	(55.07)
Dividend Distribution Tax (DDT)	-	-	-	-	(11.32)	-	(11.32)
<b>Total (F)</b>	-	-	-	-	<b>(66.39)</b>	-	<b>(66.39)</b>
<b>Balance at March 31, 2019 (D+E+F)</b>	<b>879.59</b>	-	-	<b>2.72</b>	<b>1,276.66</b>	<b>(112.66)</b>	<b>2,046.31</b>

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

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

**Note (iii):** Nature and purpose of each reserve is disclosed under note no. 19 - 'Other equity'

As per our report attached

For S R Goyal & Co.

Chartered Accountants

ICAI Firm Reg. No 001537C

Anurag Goyal

Partner

M. No. : 412538

Place : Gandhinagar

Date : 6th May, 2019

For and on behalf of Board of Directors

Dr. J. N. Singh, IAS

Chairman

Dr. T. Natarajan, IAS

Director

K.D. Chatterjee

Director

Nitin Patil

Chief Executive Officer

Nitesh Bhandari

Chief Financial Officer

Rajeshwari Sharma

Company Secretary

Place : Gandhinagar

Date : 6th May, 2019

**Notes to Standalone Financial statements for the year ended 31st March, 2019****Note 1 – Corporate Information****1. Corporate Information**

- a) Gujarat Gas Limited (GGL or "Company") (CIN : L40200GJ2012SGC069118) 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 registered office is located at Gujarat Gas CNG Station, Sector 5/C, Gandhinagar - 382006.

The Company is engaged in Natural Gas Business in India. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers.

The 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 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.

**b) Authorization of financial statements**

The Standalone Financial Statements were approved and authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 6th May, 2019.

**c) Functional and Presentation Currency**

The financial statements are presented in Indian rupee ₹ (INR), which is the functional and presentation currency of the Company.

**Note 2 Significant Accounting Policies**

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

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

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

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Refer note – 49

**(ii) Historical cost convention**

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

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

**Use of estimates and judgements**

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

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

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

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

Note 3.1 & 5.1 - Useful lives of property, plant and equipment and intangible assets

Note 16 - Recognition and measurement of unbilled gas sales revenue

Note 25 & 26 - Recognition and measurement of other provisions

Note 39 - Current/deferred tax expense

Note 42 - Contingent liabilities and assets

Note 44 - Expected credit loss for receivables

Note 44 - Fair valuation of unlisted securities

Note 47 - Measurement of defined benefit obligations

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

Property plant and equipment are stated at their cost of acquisition / construction less depreciation and impairment, if any. The cost comprises of the purchase price and any attributable cost for bringing the asset to its working condition for its intended use; like freight, duties, taxes and other incidental expenses, net of CENVAT or Goods and service tax (GST) credit.

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

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

Component accounting of assets: If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The Company has identified, reviewed, tested and determined the componentisation of the significant assets.

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

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

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

**Capital work in Progress:**

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

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



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

**(b) Investment Properties**

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

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

**(c) Intangible Assets**

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

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

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

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

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

- i. The Schedule specifies useful life of Pipelines as 30 years for those used in exploration, production and refining of oil and gas. The Company has considered the useful life of 30 years for the pipelines used in city gas distribution business.
- ii. City gas stations, skids, pressure regulating stations, meters and regulators are estimated to have useful life of 18 years based on technical assessment made by technical expert and management.
- iii. Cost of mobile phones, are expensed off in the year of purchase.
- iv. Temporary building structures are estimated to have useful life of 1 year.

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

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

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

Component accounting of assets: If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment and accordingly depreciated at the useful lives specified as above.

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

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

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

- I. Right of Way (ROW) Permissions 30 Years  
(Considered more than 10 years as inextricably linked and dependent on the useful life of pipeline networks as referred above for which the Right of Way has been obtained).



II. Software 6 Years.

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

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

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

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

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

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

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

**(f) Revenue Recognition**

**i) Revenue from operation**

Revenue is measured at fair value of the consideration received or receivable for goods and services sold, net of trade discounts/quantity discounts and rebates, in the normal course of the Company's activities. Income is recognized in the income statement when the control of the goods or services has been transferred. The amount recognised as revenue is stated inclusive of excise duty and exclusive of sales tax /value added tax (VAT) and Goods and service tax (GST).

Revenue from sale of Natural Gas is recognized at the point in time when control is transferred to the customer, generally on delivery of the gas on metered/assessed measurements facility. Sales are billed bi-monthly for domestic customers, monthly/fortnightly for commercial and non-commercial customers and fortnightly for industrial customers.

Revenue from sale of Compressed Natural Gas (CNG) is recognized at the point in time when control is transferred to the customer, generally on delivery of the gas to consumers from retail outlets and is billed weekly / fortnightly cycle in case of OMC customers.

Revenue recognised towards supply of natural gas already occurred for the period from the end of the last billing date to the Balance Sheet date has been reflected under "Contract Asset(which we refer as unbilled revenue)" based on the previous average consumption.

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

Commitments (take or pay charges) income from customers for gas sales and gas transmission is recognized on accrual basis in the period to which it relates to.

In case of industrial customers, non-refundable charges for initial or additional gas connection collected from the customers is deferred over the period of contract with respective customers and in case of domestic & commercial customers is deferred over the useful life of the asset.

**ii) Other income**

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

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

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

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



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

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

**(g) Borrowing**

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

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

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

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

**(h) Borrowing Cost**

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

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

**(i) Investment in associate**

The Company accounts for the investment in associate at cost.

**(j) Financial Instruments**

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

**Financial Asset**

**Initial Recognition**

A financial asset or a financial liability is recognised in the balance sheet only when, the Company becomes party to the contractual provisions of the instrument.

**Initial Measurement**

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

**Subsequent Measurement**

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

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

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

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



A financial assets is measured at amortised cost if both of the following conditions are met:

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

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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

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

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company is elected to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

#### **Equity Investments:**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company is transferred the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

#### **De-recognition**

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

1. The contractual rights to the cash flows from the financial asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - i) The Company has transferred substantially all the risks and rewards of the asset, or
  - ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

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

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,



- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency).

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

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

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

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

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

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

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

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

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

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

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

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

#### **Financial Liabilities**

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

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

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

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

##### **Subsequent Measurement**

- Financial liabilities measured at amortised cost
- Financial liabilities subsequently measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.





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

#### **Financial Guarantee Contracts**

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

#### **Loan and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### **Derecognition**

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

#### **(k) Offsetting Financial Instruments**

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

#### **(l) Fair Value Measurement**

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is



significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (Refer note 44)

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

**(m) Inventories**

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

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

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

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

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

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

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

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

**(o) Foreign Currency Transactions**

**(i) Functional and Presentation Currency**

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

**(ii) Transactions and balances**

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

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

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

**(p) Employee Benefits**

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

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

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

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

**II. Defined Benefit Plan**

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

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

**III. Long Term Employee Benefits**

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

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

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

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

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

**C. Short Term Employee Benefits**

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

**D. Employee Stock Option Plan**

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

**(q) Leases**

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

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

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

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

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

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

**Operating Lease**

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

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

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

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

**Operating Lease**

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

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

**Ind AS 116- Leases:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.



The company has started assessment of significant impacts on transition to Ind AS 116. Based on nature of company's business and preliminary assessment of terms of contracts, the company does not expect any significant impacts on transition. However impact would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options to be considered.

**(r) Taxation**

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

**Income Taxes**

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

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

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

**Deferred Taxes**

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

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

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

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

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**(s) Earnings Per Share**

## Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

## Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(t) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision for contractual obligation is disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Provisions are not recognised for future operating losses. Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period and are not discounted to present value. The estimates of outcome and financial effect are determined by the judgment of the management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for and if material, are disclosed by way of notes to financial statements.

A *contingent asset* is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is disclosed by way of notes to financial statements, where an inflow of economic benefits is probable.

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

**(u) Segment Reporting**

The Company primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The Managing Director/ Chief Executive Officer of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed.

**(v) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Company considers all highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(w) Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**(x) Dividends**

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**(y) Insurance Claims**

The company accounts for insurance claims when there is certainty that the claims are realizable and acknowledged by insurance company and amount recognized in books of accounts is as under:

- In case of loss of asset /goods by transferring, either the carrying cost of the relevant asset / goods or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance".
- In case insurance claim is, less than carrying cost the difference is charged to Profit and Loss statement. As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

**(z) Events occurring after the Reporting Date**

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

**(aa) Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**(ab) Prior Period Adjustments and Pre-Paid Expenses.**

Income / expenditure in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively. Prepaid expenses up to threshold limit in each case, are charged to revenue as and when incurred.

**(ac) Rounding Off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores as per the requirements of Schedule III, unless otherwise stated.



**Notes to Standalone financial statements for the year ended 31st March 2019**  
**NOTE 3.1 PROPERTY, PLANT AND EQUIPMENT (PPE)**  
**Property, Plant and Equipment (PPE) as at 31st March 2019**

Particulars	Gross Block			Depreciation and Amortization			Net Block		
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2018
Lease hold Land	38.49	0.02	-	38.51	1.89	0.46	-	36.16	36.60
Freehold Land	384.03	0.04	-	384.07	-	-	-	384.07	384.03
Buildings	181.23	2.62	-	183.85	17.65	3.75	-	162.45	163.58
Plant and Equipments	5,292.37	426.70	8.79	5,710.28	1,109.50	256.44	3.14	4,347.48	4,182.87
Furniture and Fixture	17.54	0.51	0.01	18.04	8.37	1.63	-	8.04	9.17
Computer Equipment	33.29	13.58	0.30	46.57	24.43	3.50	0.28	18.92	8.86
Office Equipments	18.36	1.90	0.12	20.14	13.58	1.73	0.11	4.94	4.78
Vehicles	9.99	0.43	1.35	9.07	6.74	0.96	1.20	2.57	3.25
Books and Periodicals	0.10	-	-	0.10	0.10	-	-	-	-
<b>Total PPE</b>	<b>5,575.96</b>	<b>425.98</b>	<b>26.54</b>	<b>5,975.40</b>	<b>944.26</b>	<b>253.01</b>	<b>15.01</b>	<b>4,793.14</b>	<b>4,631.69</b>

**Property, Plant and Equipment (PPE) as at 31st March 2018**

Particulars	Gross Block			Depreciation and Amortization			Net Block		
	As at 1st April 2017	Addition during the year	Disposal/ Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Disposal/ Adjustment	As at 31st March 2018	As at 31st March 2017
Lease hold Land	36.85	1.64	-	38.49	1.44	0.45	-	36.60	35.41
Freehold Land	384.03	-	-	384.03	-	-	-	384.03	384.03
Buildings	177.69	3.54	-	181.23	13.92	3.73	-	163.58	163.77
Plant and Equipments	4,894.78	416.54	18.95	5,292.37	876.96	241.04	8.50	4,182.87	4,017.82
Furniture and Fixture	18.92	0.83	2.21	17.54	8.21	1.74	1.58	9.17	10.71
Computer Equipment	32.61	2.21	1.53	33.29	23.16	2.69	1.42	8.86	9.45
Office Equipments	19.23	1.22	2.09	18.36	13.49	2.04	1.95	4.78	5.74
Vehicles	11.75	-	1.76	9.99	6.98	1.32	1.56	3.25	4.77
Books and Periodicals	0.10	-	-	0.10	0.10	-	-	-	-
<b>Total PPE</b>	<b>5,575.96</b>	<b>425.98</b>	<b>26.54</b>	<b>5,975.40</b>	<b>944.26</b>	<b>253.01</b>	<b>15.01</b>	<b>4,793.14</b>	<b>4,631.69</b>

**Note 3.1.1 - Impairment of Assets:** There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

**Note 3.1.2 - Borrowing Cost:** Additions to the PPE includes borrowing costs ₹ 8.83 Crores (Previous Year ₹ 10.57 Crores) pertaining to borrowings for qualifying assets as per the requirements of Ind AS - 23 "Borrowing Costs".

**Note 3.1.3 - Security Pledge of Assets:** Refer to Note 2.0 on borrowings for details in terms of pledge of assets as security.

**Note 3.1.4** - Refer to note 4.2 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**Note 3.1.5** - There is no restriction on the title of property, plant and equipments.



**Notes to Standalone financial statements for the year ended 31st March 2019****NOTE 3.2 CAPITAL WORK IN PROGRESS****(₹ in Crores)**

Capital work in progress	As at 31st March 2019	As at 31st March 2018
Capital Inventory	220.91	201.69
Capital Work-in-Progress (project under construction)	263.72	263.95
Interest during the construction period	3.86	12.69
<b>Total</b>	<b>488.49</b>	<b>478.33</b>

**Note:-** Security Pledge of Assets : Refer to Note 20 on borrowings for details of security pledge of assets.

**NOTE 4 - INVESTMENT PROPERTY****(₹ in Crores)**

Investment property	As at 31st March 2019	As at 31st March 2018
<b>Freehold land</b>		
Balance at the beginning of the period	1.30	1.30
Add:- Acquisition during the year	-	-
Less:- Deletion during the year	-	-
<b>Balance at the end of the period</b>	<b>1.30</b>	<b>1.30</b>

**(i) Amount recognised in profit and loss for investment properties****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Rental Income	0.26	0.14
<b>Profit from investment properties</b>	<b>0.26</b>	<b>0.14</b>

The Company had recognized the rental - facilitation fees on Investment property for the financial year 2016-17 and 2017-18 on the basis of provisional working of rental - facilitation fees submitted by tenants. As the company is defending the issue of valuation of land for rental - facilitation fees with tenants and not recognize the rental - facilitation fees on fair value of land because no such decision is arrived at by both the parties (company & tenants) till end of the financial year.

On similar line, company has recognized rental - facilitation fees on Investment property for the financial year 2018-19 on the basis of previous year working as no further working of rental - facilitation fees has been submitted by tenants for the financial year 2018-19.

**(ii) Contractual Obligations**

The Company has no contractual obligations to purchase, construct or develop investment property or for its repair, maintenance or enhancements.

**(iii) Leasing Arrangements**

The investment property is leased to tenants under long term operating leases with rentals payable annually as per the formula given in the agreement executed by both the parties. The lease period is 10 years (extendable as mutually agreed). Either party can terminate the agreement by giving 6 months notice (Non cancellable period). The future minimum lease payments receivables for 6 months can not be determined as the amount of rent is dependent on various other factors.

**(iv) Fair Value****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Investment Properties	2.40	2.40

**Estimation of Fair Value**

The Company obtains independent valuations for its investment properties once in every three to five years interval. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

1. Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties have been determined by based on independent valuer's valuation certificate. The main inputs used are the rental growth rates, jantry value guideline and sales comparison approach based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

**(v) Security Pledge:** Refer to Note 20 on borrowings for details in terms of pledge of assets as security.

(vi) There is no restriction on the title and realisability of investment property or remittance of income and proceeds of disposals.



### Notes to Standalone financial statements for the year ended 31 st March 2019

#### NOTE 5.1 INTANGIBLE ASSETS

##### Intangible assets as at 31 st March 2019

Particulars	Gross Block			Amortization			Net Block		
	As at 1 st April 2018	Addition during the year	Disposal/ Adjustment	As at 31 st March 2019	As at 1 st April 2018	For the year	Disposal/ Adjustment	As at 31 st March 2019	As at 31 st March 2018
ROW Permissions	283.16	36.21	1.58	317.79	27.94	10.07	0.16	37.85	255.22
ROU	12.69	0.51	-	13.20	-	-	-	-	12.69
Software and other Intangibles	90.97	8.74	-	99.71	59.32	9.47	-	68.79	31.66
<b>Total Intangible Assets</b>	<b>386.82</b>	<b>45.46</b>	<b>1.58</b>	<b>430.70</b>	<b>87.26</b>	<b>19.54</b>	<b>0.16</b>	<b>106.64</b>	<b>299.57</b>

##### Intangible assets as at 31 st March 2018

Particulars	Gross Block			Amortization			Net Block		
	As at 1 st April 2017	Addition during the year	Disposal/ Adjustment	As at 31 st March 2018	As at 1 st April 2017	For the year	Disposal/ Adjustment	As at 31 st March 2018	As at 31 st March 2017
ROW Permissions	249.43	33.78	0.05	283.16	18.97	8.98	0.01	27.94	230.46
ROU	12.33	0.36	-	12.69	-	-	-	-	12.33
Software and other Intangibles	78.45	14.29	1.77	90.97	51.25	9.83	1.77	59.32	27.20
<b>Total Intangible Assets</b>	<b>340.21</b>	<b>48.43</b>	<b>1.82</b>	<b>386.82</b>	<b>70.22</b>	<b>18.81</b>	<b>1.78</b>	<b>87.26</b>	<b>269.99</b>

**Note 5.1.1. Right of Way (ROW) Permissions:** The useful lives of Right of Way (ROW) Permissions as estimated by the management for the amortization is 30 years. The useful lives of ROW Permission are inextricably linked with the pipeline networks being laid, which corresponds with the useful life of 30 years of Plant and Machinery - Pipelines network for which the Right of Way (ROW) Permission has been obtained. The Useful life of 30 years of the Right of Way (ROW) Permissions is dependent on the useful life of Plant and Machinery - Pipelines i.e. Pipeline network of the company.

**Note 5.1.2 Right of Use (ROU):** The company acquires the 'Right of Use' (hereinafter referred to as 'ROU') for the purpose of laying and maintenance of the underground pipeline and vests in the company and the company has the right to use the same in the manner for which it has been acquired. The acquisition of ROU is governed by the legal process as per the Act, the company has paid the compensation / consideration of the ROU -land determined by the competent authority under the Act and any person authorised by the company, have unrestricted right of entry and lay pipeline or do any other act necessary for the purpose of laying of pipeline. The company has disclosed the cost incurred for acquisition of ROU as 'Right of Use' in the Intangible Asset schedule. Since the ROU does not have a defined life, it is perpetual in nature. Accordingly based on requirements of Ind AS 38 - Intangible Assets, the same is tested for impairment and not amortised.

**Note 5.1.3- Impairment of Assets:** There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

**Note 5.1.4 - Borrowing Cost:** Additions to the intangible assets includes borrowing costs ₹ Nil (Previous Year ₹ 0.03 Crores) pertaining to borrowings for qualifying assets as per the requirements of Ind AS - 23 "Borrowing Costs".

**Note 5.1.5 - Security Pledge of Assets:** Refer to Note 20 on borrowings for details in terms of pledge of assets as security.

**Note 5.1.6 -** Refer to note 4.2 for disclosure of contractual commitments for the acquisition of intangible assets.

**Note 5.1.7 -** There is no restriction on the title of intangible assets.

#### NOTE 5.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crores)

Intangible assets under development	As at 31 st March 2019	As at 31 st March 2018
Software under development	0.37	-
<b>Total</b>	<b>0.37</b>	<b>-</b>



**Notes to Standalone financial statements for the year ended 31st March 2019**

**Note 6 INVESTMENT IN ASSOCIATE**

(₹ in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Investments in equity shares carried at cost (fully paid)</b>		
<b>Unquoted Equity Shares</b>		
25000 (31st March, 2018: 25,000) Fully Paid up Equity Shares of ₹ 10 each of Guj Info Petro Limited	0.03	0.03
Extent of Holding	49.94%	49.94%
Place of business/ country of incorporation	India	India
Description of method used to account for the investments (Cost or fair value)	At Cost	At Cost
<b>Total</b>	<b>0.03</b>	<b>0.03</b>
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	0.03	0.03

**Note 7 NON- CURRENT FINANCIAL ASSETS : INVESTMENTS**

(₹ in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Investments in equity shares accounted through OCI (fully paid)</b>		
<b>Unquoted Equity Shares</b>		
2,00,00,000 (Previous year: 2,00,00,000) Fully Paid Up Equity Shares of ₹ 1 each of Gujarat State Petroleum Corporation Limited	16.02	16.06
200 (Previous year: 200) Fully Paid Up Equity Shares of ₹ 25 each of Kalupur Co Op Comm Bank Limited	₹ 5000/-	₹ 5000/-
<b>Total</b>	<b>16.02</b>	<b>16.06</b>
Particulars	Extent of Holding	
	31st March 2019	31st March 2018
Gujarat State Petroleum Corporation Limited (Ultimate Holding Co.)	0.78%	0.78%
The Kalupur Comm. Co. Op. Bank Ltd. (Others)	0.001%	0.001%
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	16.02	16.06

\*Refer Note no. 44 for financial Instruments, fair value and measurements

**Note 8 NON- CURRENT FINANCIAL ASSETS : LOANS**

(₹ in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Security Deposits (Refer Note 8.1)</b>		
To Related Parties [Unsecured, considered good]	4.57	2.09
To Others [Unsecured, considered good]	62.75	67.22
To Others [Credit impaired]	12.06	10.16
Less: Allowance for bad and doubtful	(12.06)	(10.16)
	67.32	69.31
Loan to Employees [Unsecured, considered good]	0.47	0.83
<b>Total</b>	<b>67.79</b>	<b>70.14</b>

\*Refer Note no. 44 for financial Instruments, fair value and measurements

**Notes to Standalone financial statements for the year ended 31st March 2019**

**Note no. 8.1:** The Company has given refundable security deposits in form of fixed deposits to various project authorities to be held in their name and custody. It will be refunded after satisfactory completion of work. The company has therefore shown these fixed bank deposits amounting ₹ 40.54 Crores (Previous Year ₹ 42.70 Crores) and interest accrued on such fixed bank deposits ₹ 7.40 Crores (Previous Year ₹ 6.61 Crores), till they are in custody with project authorities as "Security Deposits" under the Note- "Loans (including Security Deposits)" in the balance sheet.

**Note 9 NON- CURRENT FINANCIAL ASSETS : OTHERS** (₹ in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018
Receivable from employee [Unsecured, considered good]	1.66	0.02
Other Receivable [Considered Doubtful]	0.36	0.36
Less: Allowance for bad and doubtful	(0.36)	(0.36)
<b>Total</b>	<b>1.66</b>	<b>0.02</b>

\*Refer Note 44 for financial Instruments, fair value and measurements

**Note 10 OTHER NON - CURRENT ASSETS** (₹ in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Capital advances</b>		
Capital advances [Unsecured, considered good]	72.18	25.42
Capital advances [Credit Impaired]	0.93	0.64
	73.11	26.06
Less: Allowance for bad and doubtful	(0.93)	(0.64)
Total	72.18	25.42
<b>Advance against expenses</b>		
Other advances - [Unsecured, considered good]	-	-
Other advances - [Credit Impaired]	-	0.03
	-	0.03
Less: Allowance for bad and doubtful	-	(0.03)
Total	-	-
Advance payment of income tax [Net of provisions] (Refer Note 29)	48.57	171.02
Prepaid Expenses	59.86	51.19
Balances with Government authorities for Litigations	18.11	24.62
Balances with Government authorities - VAT credit refundable	24.23	5.73
Deferred employee benefit cost	7.58	0.10
Other non-current assets	0.03	0.03
<b>Total</b>	<b>230.56</b>	<b>278.11</b>

**Note 11 INVENTORIES\*** (₹ in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018
Natural Gas	5.49	4.44
Stores and spares	36.50	35.90
Deferred delivery-Natural Gas (Goods in transit)	27.42	16.44
<b>Total</b>	<b>69.41</b>	<b>56.78</b>

\* For Valuation- Refer note 2(m)

\*\*Refer Note 20 on borrowings for details in terms of pledge of assets as security.

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 12 CURRENT FINANCIAL ASSETS : TRADE RECEIVABLES****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Trade Receivables considered good - Secured	117.55	92.68
Trade Receivables considered good - Unsecured (Backed by Bank guarantee)	317.93	259.11
Trade Receivables considered good - Unsecured (Others)	74.83	39.92
Trade Receivables - credit impaired	6.52	5.43
<b>Total</b>	<b>516.83</b>	<b>397.14</b>
Less: Allowance for bad and doubtful	6.52	5.43
<b>Total</b>	<b>510.31</b>	<b>391.71</b>

\*Refer Note 44 for financial Instruments, fair value and measurements

\*\*Refer Note 20 on borrowings for details in terms of pledge of assets as security.

**Note 13 CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>(a) Balance with banks</b>		
Balance in account [with Sweep -In deposit facility]	19.22	15.26
<b>(b) Balance with financial Institutions</b>		
Deposits with maturity of less than three months	72.50	76.51
<b>(c) Cash on hand</b>	2.64	1.35
<b>Total</b>	<b>94.36</b>	<b>93.12</b>

\*Refer Note 44 for financial Instruments, fair value and measurements

**Note 14 CURRENT FINANCIAL ASSETS : OTHER BANK BALANCES****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Earmarked balances in unclaimed dividend accounts (Refer Note 14.1)	2.33	2.73
Margin Money deposits under lien against Bank Guarantee	40.00	40.00
Deposits with maturity having more than 3 months but less than 12 months	172.47	0.45
<b>Total</b>	<b>214.80</b>	<b>43.18</b>

\*Refer Note 44 for financial Instruments, fair value and measurements

**Note 14.1 :** 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 15 CURRENT FINANCIAL ASSETS : LOANS (INCLUDING SECURITY DEPOSITS)****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Loans to employees	1.19	1.50

**Note 16 CURRENT FINANCIAL ASSETS : OTHERS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Unbilled Revenue	47.94	42.89
Insurance claim receivable	0.10	-
Staff Advance	-	0.04
Receivable from employee	0.52	-
<b>Other receivables [Unsecured, considered good]:-</b>		
From Related parties	1.76	1.59
From Others	28.80	2.51
<b>Total</b>	<b>79.12</b>	<b>47.03</b>



**Notes to Standalone financial statements for the year ended 31st March 2019**

**Note 17 CURRENT ASSETS : OTHERS**

(₹ in Crores)

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Advances for expenses [Unsecured, considered good]</b>				
To Related parties		0.06		0.01
To Others		5.29		0.84
		5.35		0.85
Prepaid Expenses		20.01		19.86
Indirect Tax credit receivable		5.89		19.67
Balances with Government authorities - VAT credit refundable		29.71		22.80
Deferred employee benefit cost		2.41		0.11
<b>Total</b>		<b>63.37</b>		<b>63.29</b>

**Note 18 SHARE CAPITAL**

**Note 18.1 AUTHORISED, ISSUED, SUBSCRIBED, FULLY PAID UP SHARE CAPITAL**

(₹ in Crores)

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
Equity Shares of ₹ 2 each (Previous year ₹ 10 each)	8,67,55,00,000	1,735.10	1,73,51,00,000	1,735.10
7.5% Redeemable preference Shares of ₹10 each	1,70,00,000	17.00	1,70,00,000	17.00
Preference shares of ₹ 10 each (Refer Note No. 18.1.1)	50,00,000	5.00	50,00,000	5.00
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 2 each (Previous year ₹ 10 each) fully paid up (Refer Note No. 18.1.1)	68,83,90,125	137.68	13,76,78,025	137.68
<b>Total</b>	<b>68,83,90,125</b>	<b>137.68</b>	<b>13,76,78,025</b>	<b>137.68</b>

**Note 18.1.1:** The Shareholders of the company had approved by way of resolution passed through postal ballot process for sub-division of each equity share of the company having face value of ₹ 10/- each into 5 equity shares having face value of ₹ 2/- each fully paid up (thereby keeping paid up share capital intact). Post requisite formalities done with the respective stock exchanges and depositories, the record date for the sub-division and ascertaining the eligibility of the members of the Company entitled to receive 05 (five) equity shares of ₹ 2/- each in lieu of 01 (one) equity share of ₹ 10/- each was fixed on 16th January 2019. Accordingly, the total number of equity shares of the Company in the authorised share capital increased to 8,67,55,00,000 shares of ₹ 2 each (previous year 1,73,51,00,000 shares of ₹ 10 each). Consequently, the Company has credited / issued certificates for 68,83,90,125 equity shares of ₹ 2/- each (paid up share capital) in lieu of 13,76,78,025 equity shares of ₹ 10/- each.

**Note 18.2 RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD**

(₹ in Crores)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Equity Shares of ₹ 2 each fully paid		Equity Shares of ₹ 10 each fully paid	
	No. of shares	Amount	No. of shares	Amount
Shares face value of ₹ 10 each 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				
Add: Shares face value of ₹ 2 each issued during the period pursuant to the sub division of equity share (Refer Note No. 18.1.1)	68,83,90,125	-	-	-
Less: Shares face value of ₹ 10 each cancelled during the period (Refer Note No. 18.1.1)	13,76,78,025	-	-	-
Shares outstanding at the end of the period	<b>68,83,90,125</b>	<b>137.68</b>	<b>13,76,78,025</b>	<b>137.68</b>

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 18.3 TERMS/ RIGHTS ATTACHED TO EQUITY SHARES**

The company has only one class of equity shares having a face value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive residual assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Note 18.4 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:

(₹ in Crores)

Share Holder (Nature of Relationship)	As at 31st March 2019		As at 31st March 2018	
	No. of Equity Shares of ₹ 2 each fully paid	Amount	No. of Equity Shares of ₹ 10 each fully paid	Amount
(i) Gujarat State Petroleum Corporation Limited (current year :-Ultimate holding company and previous year :-Ultimate Holding Company)	-	-	-	-
(ii)Gujarat State Petronet Limited (current year :- Holding Company and previous year :- Holding Company)	37,28,73,995	74.57	7,45,74,799	74.57
(iii) Gujarat State Energy Generation Limited ) (current year :- Associate of Ultimate Holding Company and previous year :- Associate of Ultimate Holding Company)	13,32,235	0.27	2,66,447	0.27

**Note 18.5 SHAREHOLDERS HOLDING MORE THAN 5 % OF TOTAL SHARE CAPITAL**

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Equity Shares of ₹ 2 each fully paid		Equity Shares of ₹ 10 each fully paid	
Gujarat State Petroleum Corporation Limited	-	-	-	-
Gujarat State Petronet Limited	37,28,73,995	54.17%	7,45,74,799	54.17%
Gujarat State Fertilizers and Chemicals Limited	4,69,14,475	6.82%	93,82,895	6.82%
Government of Gujarat	4,49,77,310	6.53%	89,95,462	6.53%

**Note 18.6 DETAILS OF BOUGHT BACK OF SHARES, BONUS SHARES AND SHARES ISSUE WITHOUT PAYMENT BEING RECEIVED IN CASH:**

The company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares, for the period of five years immediately preceding March 31, 2019.

**Note 18.7 PROPOSED DIVIDEND:**

The Board of Directors, in its meeting on 6th May, 2019, have proposed a final dividend of ₹ 1 per equity share (Face value of ₹ 2/- each) for the financial year ended on 31st March,2019. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in a cash outflow of approximately ₹ 82.99 crore including corporate dividend tax of ₹ 14.15 crores.

The Board of Directors, in its meeting on 11th May 2018, had proposed a final dividend of ₹ 4.00 per equity share (Face value of ₹ 10/- each) for the financial year ended on 31st March,2018. The proposal was approved by shareholders at the Annual General Meeting and this resulted in a cash outflow of ₹ 66.39 crore including corporate dividend tax of ₹ 11.32 crores.

**Notes to Standalone financial statements for the year ended 31st March 2019****Note-19 OTHER EQUITY****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>(A) Reserves &amp; Surplus</b>		
<b>General Reserve</b>		
Opening Balance	2.72	2.72
Add/Less : Adjustment during the year	-	-
<b>Closing Balance</b>	<b>2.72</b>	<b>2.72</b>
<b>Amalgamation and arrangement Reserve</b>		
Opening Balance	879.59	879.59
Add/Less : Adjustment during the year	-	-
<b>Closing Balance</b>	<b>879.59</b>	<b>879.59</b>
<b>Retained Earnings</b>		
Opening balance	939.05	696.97
Changes in accounting policy (Refer note 49)	(36.96)	-
Restated balance at the beginning	902.09	696.97
Add: Profit during the year	417.03	291.36
Remeasurement of post employment benefit obligation, net of tax	(2.03)	0.43
Refund of earlier year's Dividend distribution tax	25.96	-
Total	1,343.05	988.76
<b>Less : Appropriations</b>		
Dividend	(55.07)	(41.30)
Corporate Tax on Dividend	(11.32)	(8.41)
<b>Closing Balance</b>	<b>1,276.66</b>	<b>939.05</b>
<b>Total (A)</b>	<b>2,158.97</b>	<b>1,821.36</b>
<b>(B) Equity instrument through OCI</b>		
Opening Balance	(112.63)	(72.08)
Change in fair value of equity instrument	(0.04)	(52.19)
Income tax relating to above item	0.01	11.64
<b>Closing Balance (B)</b>	<b>(112.66)</b>	<b>(112.63)</b>
<b>Total other equity (A+B)</b>	<b>2,046.31</b>	<b>1,708.73</b>

**Nature and purpose of reserves :****General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

**Amalgamation and Arrangement Reserve**

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

**Debenture redemption reserve**

The Company had issued Non convertible debentures and as per the provisions of the Companies Act, 2013, had created debenture redemption reserve out of the profits of the company available for payment of dividend. The Non convertible debentures had been redeemed in April 2016 hence balance of debenture redemption reserve transferred to retained earnings.

**Employees Stock Options Outstanding**

The Employee stock options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

**Equity instrument through OCI**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instrument through OCI reserve within equity.



**Notes to Standalone financial statements for the year ended 31st March 2019****Note 20 NON-CURRENT FINANCIAL LIABILITIES : BORROWINGS** (₹ in Crores)

	As at 31st March 2019		As at 31st March 2018	
	Non-Current	Current*	Non-Current	Current*
Secured borrowings				
Term Loan from Banks (Refer Note 20.1)	2,089.15	123.96	2,212.99	113.95
<b>Total secured borrowings</b>	<b>2,089.15</b>	<b>123.96</b>	<b>2,212.99</b>	<b>113.95</b>

\* Amount disclosed under the head "Current financial liabilities: Others" (Note 26)

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

**20.1 Secured Loans**

Particulars	Terms of repayment	Interest Rate	Maturity	As at 31st March 2019		As at 31st March 2018	
				Non-Current	Current	Non-Current	Current
<b>From banks</b>							
HDFC Bank	Quarterly Instalment from March 2018	8.75%	Dec-27	488.09	27.63	515.59	27.62
State Bank of India TL I	Quarterly Instalment from December 2017	8.59%	Sep-27	374.19	21.39	395.59	21.39
State Bank of India TL II	Quarterly Instalment from December 2017	8.59%	Sep-27	1,136.87	64.92	1,201.81	64.91
Kotak Mahindra Bank Limited	Quarterly Instalment from June 2019	8.60%	Mar-29	90.00	10.02	100.00	0.02
<b>Total</b>				<b>2,089.15</b>	<b>123.96</b>	<b>2,212.99</b>	<b>113.95</b>

\* Refer Note 44 for financial Instruments, fair value and measurements  
The details of security given for all loans are as under :

Type of Loan	As at 31st March 2019	As at 31st March 2018

1. First pari - passu charge on the fixed assets (Movable & Immovable) i.e. Property, plant, equipment (PPE), Investment property of the Company except RoU/RoW rights, both present and future.
2. Second pari - passu charge on all Current Assets (financial and non financial assets) of the Company, both present and future. The working capital lenders will have first charge pari passu on the current assets."

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 21 NON-CURRENT PROVISIONS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Provision for employee benefits (Refer note 47)</b>		
Provision for Long service benefits	0.73	0.70
Provision for leave encashment	38.85	32.32
Provision for Superannuation	0.10	0.38
<b>Total</b>	<b>39.68</b>	<b>33.40</b>

**Note 22 DEFERRED TAX LIABILITIES****(a) Deferred tax balances and movement for FY 2018-19****(₹ in Crores)**

Particulars	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2019
<b>Deferred tax Liabilities</b>					
Property, plant and equipment	1,084.86	43.41	-	-	1,128.27
Investments	3.11	-	(0.01)	-	3.10
Loans and borrowings	0.25	(0.02)	-	-	0.23
<b>Total</b>	<b>1,088.22</b>	<b>43.39</b>	<b>(0.01)</b>	<b>-</b>	<b>1,131.60</b>
<b>Deferred tax asset</b>					
Employee benefits	11.90	(6.96)	1.09	8.04	14.07
Tax credit	20.70	-	-	(20.70)	-
Provisions	6.44	0.98	-	-	7.42
Other items	3.68	4.98	-	19.85	28.51
<b>Total</b>	<b>42.72</b>	<b>(1.00)</b>	<b>1.09</b>	<b>7.19</b>	<b>50.00</b>
<b>Net deferred tax Liabilities</b>	<b>1,045.50</b>	<b>44.39</b>	<b>(1.10)</b>	<b>(7.19)</b>	<b>1,081.60</b>

**(b) Deferred tax balances and movement for FY 2017-18****(₹ in Crores)**

Particulars	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2018
<b>Deferred tax Liabilities</b>					
Property, plant and equipment	1,035.37	49.48	-	-	1,084.86
Investments	14.74	-	(11.64)	-	3.11
Loans and borrowings	0.30	(0.05)	-	-	0.25
<b>Total</b>	<b>1,050.42</b>	<b>49.43</b>	<b>(11.64)</b>	<b>-</b>	<b>1,088.22</b>
<b>Deferred tax asset</b>					
Employee benefits	10.93	1.20	(0.23)	-	11.90
Tax credit	42.44	-	-	(21.74)	20.70
Provisions	6.59	(0.15)	-	-	6.44
Other items	5.57	(1.89)	-	-	3.68
<b>Total</b>	<b>65.53</b>	<b>(0.84)</b>	<b>(0.23)</b>	<b>(21.74)</b>	<b>42.72</b>
<b>Net deferred tax Liabilities</b>	<b>984.89</b>	<b>50.27</b>	<b>(11.41)</b>	<b>21.74</b>	<b>1,045.50</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

**(c) Tax losses carried forward**

	31st March 2019	Expiry date	31st March 2018	Expiry date
Expire	Nil	NA	Nil	NA
Never Expire	Nil	NA	Nil	NA

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 23 OTHER NON-CURRENT LIABILITIES****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Deferred Revenue ( Refer Note 49 )	59.54	-
<b>Total</b>	<b>59.54</b>	<b>-</b>

**Note 24 CURRENT FINANCIAL LIABILITIES : BORROWINGS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Unsecured (Repayable on demand)</b>		
<b>Loan from Banks (Cash credit / Bank Overdraft):</b>		
Kotak Mahindra Bank Ltd.	-	1.22
HDFC Bank	-	0.06
<b>Total</b>	<b>-</b>	<b>1.28</b>

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

**Note 25 CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Total outstanding dues of micro enterprises and small enterprises -</b>		
Trade payables others (Refer Note 43)	9.56	1.43
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises:-</b>		
Trade payables - Gas Purchase / Transmission	235.36	189.16
Trade payables - Others & Provisions	107.41	102.82
<b>Total</b>	<b>352.33</b>	<b>293.41</b>

\*Refer Note 44 for financial Instruments, fair value and measurements

**Note 26 CURRENT FINANCIAL LIABILITIES : OTHERS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Current maturities of long term borrowings - (Please refer Note 20):-</b>		
<b>Term Loan</b>		
- From Banks (Secured)	123.96	113.95
	<b>123.96</b>	<b>113.95</b>
<b>Capital creditors and other payables:-</b>		
- Total outstanding dues of micro enterprises and small enterprises (Refer note 43)	27.25	11.64
- Total outstanding other than dues of micro enterprises and small enterprises	150.77	150.07
	<b>178.02</b>	<b>161.71</b>
Security Deposits from customers	826.71	721.90
Interest accrued on security deposits from customers	7.12	5.70
Security deposit from customers towards MGO	105.11	96.18
Security deposit from collection centres and others	4.58	4.32
Security Deposits from Suppliers	22.35	22.95
Unclaimed dividend (Refer Note 26.1)	2.34	2.73
<b>Others:</b>		
BG Asia Pacific Holdings Limited	464.78	464.78
Less : Amount deposited in Escrow Account with Citi Bank (Refer Note 26.2)	(464.78)	(464.78)
Net Payable	-	-
Other current financial liabilities	0.18	25.09
<b>Total</b>	<b>1,270.37</b>	<b>1,154.53</b>

\*Refer Note 44 for financial Instruments, fair value and measurements

**Notes to Standalone financial statements for the year ended 31st March 2019**

**Note 26.1:** The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 after the expiry of seven years from the date of declaration of dividend. No amount is due at the end of the period for credit to Investors education and protection fund.

**Note 26.2:** The Company deposited ₹ 464.78 crores on 12th June, 2013 into the escrow account ("named BG Asia Pacific Holdings Pte. Limited GSPC Distribution Networks Limited Escrow Account") opened with Citibank N.A., acting as the escrow agent, pursuant to the escrow agreement executed between the BG Asia Pacific Holdings Pte. Limited (the Seller), Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) (the Purchaser) and Citibank N.A. The Payment of said amount into Escrow Account is to be utilized to meet future tax withholding liability (if any) based on outcome of the applications to the Authority for Advance Rulings or otherwise to be remitted to BG Asia Pacific Holdings Pte. Limited (the Seller) directly.

**Note 27 CURRENT LIABILITIES : OTHERS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Advances from customer towards connection	13.35	16.69
Advances from customers-Others	6.69	4.86
Deferred Revenue (Refer Note 49)	7.96	-
Statutory dues payable	14.51	16.68
<b>Total</b>	<b>42.51</b>	<b>38.23</b>

**Note 28 CURRENT PROVISIONS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Provision for employee benefits (Refer note 47)</b>		
Provision for gratuity	7.37	3.92
Provision for leave encashment	0.86	0.85
Provision for long service benefits	0.07	0.13
<b>Total</b>	<b>8.30</b>	<b>4.90</b>

**Note 29 INCOME TAX LIABILITIES (NET)****Details Of Income Tax Assets And Income Tax Liabilities****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Income tax assets (Refer Note 10)	48.57	171.02
(b) Current income tax liabilities	-	2.66
<b>Net Asset (a-b)</b>	<b>48.57</b>	<b>168.36</b>

**Movement in current income tax asset/(liability)****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Net current income tax asset/(liability) at the beginning	168.36	163.85
Income tax paid for the year	151.12	96.61
Provision for Income tax for the year (Refer Note 39(a))	(162.28)	(120.00)
Prior year tax paid /refund adjusted with tax / other items	24.32	17.01
Income tax refund received	(153.65)	(9.83)
Adjustment/Reclassification/Utilisation of MAT	20.70	20.72
<b>Net current income tax asset/(liability) at the end</b>	<b>48.57</b>	<b>168.36</b>

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 30 REVENUE FROM OPERATIONS****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Sale of Product ( Including excise duty)</b>		
Natural Gas	<b>7,927.55</b>	<b>6,299.26</b>
<b>Other operating revenue</b>		
Gas transmission Income	0.09	0.10
Contract Renewal Charges	9.92	9.14
Take or Pay Income	7.17	5.44
Connection, Service and Fitting Income	16.27	23.97
Other Operating Income	1.48	1.44
	<b>34.93</b>	<b>40.09</b>
<b>Total</b>	<b>7,962.48</b>	<b>6,339.35</b>

**Note 31 OTHER INCOME****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Income (including interest on tax refunds ₹ 55.29 Crores, Previous year ₹ 0.53 Crores)*	98.61	27.77
Provisions no longer required written back	2.91	0.55
Profit/(Loss) on sale as scrap and diminution in Capital Inventory	-	0.53
Other Non-Operating Income	9.76	6.83
<b>Total</b>	<b>111.28</b>	<b>35.68</b>

\*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.

**Note 32 COST OF MATERIALS CONSUMED****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Natural Gas-Purchase	5,745.72	4,435.19
Gas Transportation Charges	349.25	259.86
Less:-		
Deferred delivery of natural gas (GIT)	(10.97)	(16.44)

**Note 33 CHANGES IN INVENTORIES OF NATURAL GAS****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Changes in inventories of finished goods, stock in trade and work in progress - Natural Gas</b>		
Inventory at the beginning of the year	4.44	3.81
Less: Inventory at the end of the year	5.49	4.44

**Note 34 EMPLOYEE BENEFIT EXPENSE****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries and Wages	131.48	119.87
Contribution to Provident and Other Funds- Gratuity(Refer note 47)	13.67	12.97
Leave Encashment & Other benefits	9.50	4.12
Staff Welfare Expenses	10.43	7.12
	<b>165.08</b>	<b>144.08</b>
Less: Amount capitalised during the period*	(5.10)	(5.07)
<b>Total</b>	<b>159.98</b>	<b>139.01</b>

\*Salary &amp; wages of employees directly involved in capital projects are capitalised in Property, plant and equipment (PPE).

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 35 FINANCE COSTS****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest on Borrowings	187.24	191.21
Interest on Security Deposits & Others	8.23	6.63
Interest on Income Tax	0.72	1.29
	<b>196.19</b>	<b>199.13</b>
Less: Amount capitalised during the period*	-	(3.05)
<b>Total</b>	<b>196.19</b>	<b>196.08</b>

\* The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year. Current year rate of interest considered is NA (Previous year 8.07%).

**Note 36 DEPRECIATION AND AMORTISATION EXPENSE****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Depreciation/Amortisation of property, plant and equipment (Refer note 3.1)	268.47	253.01
Amortisation of intangible assets (Refer note 5.1)	19.54	18.81
<b>Total</b>	<b>288.01</b>	<b>271.82</b>

**Note 37 OTHER EXPENSES****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Consumption of Stores & Spares Parts	12.22	12.07
Power and Fuel	78.03	71.70
<b>Repairs and Maintenance:</b>		
- Buildings	0.76	1.72
- Plant and Machinery	165.94	141.33
- Others	16.07	12.36
<b>Rent:</b>		
- Pipelines	32.43	32.49
- Others (Refer Note 37.1)	7.02	6.40
LCV/HCV Hiring, Operating and Maintenance Charges	51.96	43.44
Franchisee and other Commission	38.84	34.92
Agency & Contract Staff Expenses	29.41	26.60
Legal and Professional Charges	23.66	9.24
Loss on sale / write-off of Fixed Assets (net)	0.42	7.81
Bank Charges	11.54	10.12
Billing and Collection expenses	8.45	8.89
Vehicles Exps	6.70	6.39
Office Expenses	8.58	6.87
Postage and Telephone Expenses	5.16	4.54
Allowance for Doubtful Trade Receivables/Advances/Deposits	3.28	0.57
Business Promotion expenses	4.65	3.65
Insurance	3.61	3.12
Rates, taxes and duties	1.01	1.33
Travelling and Conveyance	1.94	1.68
Stationery & Printing Expenses	2.68	2.60
Corporate social responsibility exp. (Refer Note no. 50)	4.36	8.14
Payment to Auditors (Refer Note 37.2)	0.26	0.27
Material Shortage/(Gain) and Loss on sale of material(Net)	0.16	1.46
Diminution in Capital Inventory/Loss on sale as scrap	4.58	-
Miscellaneous Expenses	3.13	2.53
Net gain or loss on foreign currency transaction(Refer Note 37.3)	(0.01)	0.03
<b>Total</b>	<b>526.84</b>	<b>462.27</b>

**Notes to Standalone financial statements for the year ended 31st March 2019**

**Note 37.1** 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 ₹ 7.02 Crores (Previous Year ₹ 6.40 Crores). The lease arrangement typically ranges from 11 months to 9 years.

**Note 37.2 PAYMENT TO AUDITORS**

(₹ in Crores)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
For Statutory Audit	0.26	0.27
<b>Total</b>	<b>0.26</b>	<b>0.27</b>

**Note 37.3 NET GAIN OR LOSS ON FOREIGN CURRENCY TRANSACTION**

(₹ in Crores)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Loss on foreign currency transaction	0.02	0.03
Gain on foreign currency transaction	(0.03)	-

**Note 38 EXCEPTIONAL ITEMS**

(₹ in Crores)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Rate and taxes expenses pursuant to scheme of Amalgamation and Arrangement	17.87	-
<b>Total</b>	<b>17.87</b>	<b>-</b>

**Note 38.1** Exceptional item pertains to balance provision of stamp duty as per the order of the Chief Controlling Revenue Authority (CCRA) for stamp duty levied of ₹ 42.87 Crores with regards to the appeal filed against the order of Collector & Additional Superintendent of Stamps for adjudication of stamp duty pursuant to Composite Scheme of Amalgamation and Arrangement approved by Hon'ble Gujarat High Court. The Company had already provided ₹ 25.00 Crores in books of accounts for the same in the financial year 2015-16.

**Note 39 TAX EXPENSE****(a) Amounts recognised in profit and loss**

(₹ in Crores)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Current Tax</b>		
(a) Current income tax	162.28	120.00
(b) Short/(Excess) provision of income tax in respect of previous years	(29.85)	1.21
<b>Total (A)</b>	<b>132.43</b>	<b>121.21</b>
<b>Deferred tax</b>		
(a) Deferred tax expense / (Income)- net		
Origination and reversal of temporary differences	44.39	40.56
Increase in tax rate	-	9.71
Total	44.39	50.27
(b) Recognition of MAT credit	-	-
<b>Total (B)</b>	<b>44.39</b>	<b>50.27</b>
<b>Tax expense for the year ( A+B)</b>	<b>176.82</b>	<b>171.48</b>

**Notes to Standalone financial statements for the year ended 31st March 2019****(b) Reconciliation of effective tax rate****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Profit before tax</b>	<b>593.85</b>	<b>462.84</b>
Tax using the Company's domestic tax rate (Current year 34.94% and Previous Year 34.61%)	207.52	160.18
<b>Tax effect of:</b>		
Increase in tax rate for Deferred tax	-	9.71
Interest u/s. 234B & 234C & TDS - Disallowed	0.25	0.45
Donation	1.34	0.40
Others	(0.01)	0.01
Impact of Long Term Capital Gain and set off of B/f Loss	(1.35)	-
Impact of Long Term Capital Gain on Land	(1.08)	(0.12)
Impact of (Excess)/Short provisions of earlier year deferred taxes	-	(0.36)
Impact of (Excess)/Short provisions of earlier year taxes	(29.85)	1.21
<b>Total</b>	<b>176.82</b>	<b>171.48</b>

**Note 40 STATEMENT OF OTHER COMPREHENSIVE INCOME****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>(i) Items that will not be reclassified to profit or loss</b>		
<b>Equity Instruments through Other Comprehensive Income</b>		
Fair value of unquoted investments - Gain /(loss)	(0.04)	(52.19)
Tax impact on unquoted investments	0.01	11.64
<b>Remeasurement gains (losses) on defined employee benefit plans</b>		
Actuarial gains and losses - Gain /(loss)	(3.12)	0.66
Tax impact on Actuarial gains and losses	1.09	(0.23)
<b>Total of Items that will not be reclassified to profit or loss</b>	<b>(3.16)</b>	<b>(51.53)</b>
<b>Total Tax impact</b>	<b>1.10</b>	<b>11.41</b>
<b>Total (i)</b>	<b>(2.06)</b>	<b>(40.12)</b>
<b>(ii) Items that will be reclassified to profit or loss</b>		
Income tax relating to items that will be reclassified to profit or loss - Gain /(loss)	-	-
<b>Total (ii)</b>	<b>-</b>	<b>-</b>
<b>Total (i+ii)</b>	<b>(2.06)</b>	<b>(40.12)</b>

**Note 41 EARNING PER SHARE -(EPS)****Earnings Per Equity Share- Face Value Of ₹ 2 Each****The following reflects the income and share data used in the basic and diluted EPS computations:**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit for the year (Profit attributable to equity shareholders (₹ in Crores))	417.03	291.36
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	68,83,90,125	68,83,90,125
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	68,83,90,125	68,83,90,125
Face Value of equity share (₹)	2.00	2.00
Basic EPS (₹)	6.06	4.23
Diluted EPS (₹)	6.06	4.23



**Notes to Standalone financial statements for the year ended 31st March 2019**

**Note 41.1:-** Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

**Note 41.2:-** The Shareholders of the company had approved by way of resolution passed through postal ballot process for sub-division of each equity share of the company having face value of ₹ 10/- each into 5 equity shares having face value of ₹ 2/- each fully paid up (thereby keeping paid up share capital intact). Post requisite formalities done with the respective stock exchanges and depositories, the record date for the sub-division and ascertaining the eligibility of the members of the Company entitled to receive 05 (five) equity shares of ₹ 2/- each in lieu of 01 (one) equity share of ₹ 10/- each was fixed on 16th January 2019. Accordingly, the Company has credited / issued certificates for 68,83,90,125 equity shares of ₹ 2/- each in lieu of 13,76,78,025 equity shares of ₹ 10/- each. Accordingly, as per requirement of Ind AS 33 – Earning per share, the Earnings Per Share (EPS) of the current period and previous periods have been restated.

**Note 42 CONTINGENT LIABILITIES & CONTINGENT ASSETS****(A) CONTINGENT LIABILITIES****(₹ in Crores)**

<b>Contingent liabilities and commitments (to the extent not provided for)</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>Contingent Liabilities</b>		
(a) Contingent Liabilities – Statutory claims (Refer Note 42.1)	77.24	90.77
(b) Claims against the company not acknowledged as debt( Refer Note 42.2)	748.52	404.93
(c) Contingent Liabilities – Stamp duty on amalgamation (Refer Note 42.3)	-	18.53

The Company has reviewed all its pending claims, litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company does not expect the outcome of these claims, litigations and proceedings to have a materially adverse effect on its financial position.

**Note 42.1 CONTINGENT LIABILITIES – STATUTORY CLAIMS****(₹ in Crores)**

<b>Particulars</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
Disputed statutory dues in respect of which Appeals are filed against / by company :		
(a) Excise Duty	17.91	17.48
(b) Income Tax	18.60	32.70
(c) Service Tax	40.73	40.59
<b>TOTAL</b>	<b>77.24</b>	<b>90.77</b>

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

**Note 42.2 CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT INCLUDES THE FOLLOWING MAJOR MATTERS:**

- (i) UPL Limited (UPL) a customer of erstwhile Gujarat Gas Company Limited(now known as Gujarat Gas Limited) 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 the company by PNGRB. The company has preferred an appeal at Appellate Tribunal for Electricity (APTEL) against the PNGRB Order. The company has also sought an interim stay on the PNGRB order which was granted by APTEL. The APTEL has in its order stated that it is an interim order without considering the merits of the case. The company has submitted bank guarantee of ₹ 40.00 Crores in favour of UPL.
- (ii) Erstwhile Gujarat Gas Company Limited and Erstwhile GSPC Gas Company Limited (Now collectively known as Gujarat Gas Limited "GGL") had signed Gas supply agreement with Gujarat State Petroleum Corporation Limited (GSPCL) for purchase of Re-gasified liquefied natural gas (RLNG). As per the provision of said agreement, GGL has to pay interconnectivity charges to GSPCL for the supply and purchase of RLNG at Delivery point which is charged to GSPCL by their supplier i.e.PLL Off takers (GAIL India, BPCL, IOCL).

**Notes to Standalone financial statements for the year ended 31st March 2019**

PGRB 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 PGRB orders before the Appellate Tribunal for Electricity (APTEL). On 23-February-2012 APTEL had issued an interim order for shifting the Delivery Point from GAIL-GSPL Delivery Point to GSPL-PLL Delivery Point. On 18-December-2013 APTEL issued its judgment and required GSPCL to pay the amount of the difference between ₹ 8.74/MMBTU (exclusive of Service Tax) – earlier connectivity charges and ₹ 19.83/MMBTU (Exclusive of Service Tax) – HVJ/DVPL Zone-1 tariff to GAIL for the period from 20th November 2008 to 29th February 2012.

GSPCL has filed an appeal against the APTEL's above referred judgment before Hon'ble Supreme Court of India (GSPCL vs. 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 ₹ 12.00 per MMBTU (exclusive of Taxes). The Company has already provided and paid interconnectivity charges at the rate of ₹ 12.00 per MMBTU (exclusive of Taxes).

- (iii) One of the gas suppliers of the Company has submitted a claim of ₹ 475.59 Crores (P. Y. ₹ 134.90 Crores), for use of allocated gas for other than specified purpose, demand in earlier years (FY 2013-14 to FY 2017-18). The company has refuted this erroneous claim contending that there is gross error in actual domestic gas purchase and actual sales considered by GAIL and also there is no contractual provisions of the agreement executed with GGL that 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) The company has initiated an arbitration proceeding against one of the franchisees claiming compensation for loss of revenue. While replying to the claim, the said franchisee has also filed a counter claim of ₹ 177.14 Crores (P. Y. ₹ 177.14 Crores) against the company claiming compensation for various losses. The company has filed necessary rejoinder to the counter claim strongly refuting the same mainly on the grounds that the claims are wrong and as are not flowing from the same agreement under which the arbitral tribunal has been constituted the tribunal does not have any jurisdiction to adjudicate the claim.

**Note 42.3 - Contingent Liabilities - Stamp duty on amalgamation**

The Office of superintendent of stamp issued demand of stamp duty of ₹ 43.53 crores for the transaction of scheme of amalgamation and arrangement in the financial year 2016-17. The Company had filed the appeal before Chief Controlling Revenue Authority - CCRA on 20.12.2016. During current financial year, the Chief Controlling Revenue Authority (CCRA) had issued order for stamp duty levied of ₹ 42.87 Crores. The Company has paid the balance stamp duty as per the Chief Controlling Revenue Authority - CCRA and settled the matter.

**(B) CONTINGENT ASSETS**

- (i) Company has raised claim of ₹ 43.08 crores for net credit of natural gas pipeline tariff as per PGRB Order with one of the suppliers and supplier is disputing company's claim and indicating for adjusting the partial claim of ₹ 30.72 crores out of total claim ₹ 43.08 crores against disputed liability for use of allocated gas other than specified purpose, against demand in earlier year (Refer Point 42 A-(iii) above).
- (ii) Company has filed an appeal before the Appellate Tribunal for Electricity (APTEL) against the PGRB order related to the matter held that the Gas Swapping Arrangement Guidelines of PGRB is applicable erroneously. APTEL has issued the order in favour of GGL. The said supplier has filed appeal at Hon'ble Supreme Court of India against the order of APTEL. Presently, the matter is pending in Hon'ble Supreme Court of India. Currently, GGL is paying ₹ 42.46 per mmbtu as transmission charges for domestic gas being purchased and delivered by GAIL at one of the delivery points. If verdict is in favour of GGL, GGL will get refund of ₹ 146.66 Crores from December 2013 till March 2019 and company shall endeavour to pass on the benefit to its customers.
- (iii) The Company is having other certain claims, litigations and proceedings which are pursuing through legal processes. The management believe that probable outcome in all such claims, litigations and proceedings are uncertain. Hence, the disclosure of such claims, litigations and proceedings is not required in the financial statements.

**(C) COMMITMENTS****(₹ in Crores)**

Sr. No.	Commitments (to the extent not provided for)	As at 31st March 2019	As at 31st March 2018
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	446.75	515.87
2	Estimated amount of contracts remaining to be executed on revenue account and not provided for	388.68	330.79
	<b>Total</b>	<b>835.43</b>	<b>846.66</b>

**Notes to Standalone financial statements for the year ended 31st March 2019****Other commitments**

All term contracts for purchase of natural gas with suppliers, has contractual volume off take obligation of "Take or Pay" (ToP) as specified in individual contracts. Quantification of ToP amount is dependent on various factors like actual purchase quantity, gas purchase prices of respective contract etc. As these factors are not predictable, ToP commitment amount is not quantifiable.

**Note 43 DISCLOSURE AS REQUIRED BY THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (₹ in Crores)**

Sr. No.	Particulars	As at 31st March 2019	As at 31st March 2018
1	The principal amount outstanding as at the end of accounting year. a) Trade payable b) Capital creditors	9.56 27.25	1.43 11.64
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 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-
4	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
5	Interest accrued and remaining unpaid at the end of accounting year (Refer Note below)	0.02	0.02
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.

The above information regarding micro, small and medium enterprises have been determined to the extent such parties

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 44 FINANCIAL INSTRUMENTS (FAIR VALUE MEASUREMENTS) AND FINANCIAL RISK MANAGEMENT**

The Company has various financial assets and liabilities. The disclosures regarding the classification, fair value hierarchy, markets risk, credit risks and liquidity risks are as follows:

**A. Accounting classification and fair values**

(₹ in Crores)

March 31, 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level -2 Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Investments	-	16.02	-	16.02	-	-	16.02	16.02
<b>Financial assets measured at amortised cost</b>								
Loans (Non-current)	-	-	67.79	67.79	-	67.79	-	67.79
Loans (Current)	-	-	1.19	1.19	-	-	-	-
Other financial assets (Non-current)	-	-	1.66	1.66	-	1.66	-	1.66
Other financial assets (Current)	-	-	79.12	79.12	-	-	-	-
Trade receivables	-	-	510.31	510.31	-	-	-	-
Cash and cash equivalents	-	-	94.36	94.36	-	-	-	-
Other bank balances	-	-	214.80	214.80	-	-	-	-
<b>Total</b>	-	<b>16.02</b>	<b>969.23</b>	<b>985.25</b>	-	<b>69.45</b>	<b>16.02</b>	<b>85.47</b>
<b>Financial liabilities measured at amortised cost</b>								
Non current borrowings	-	-	2,089.15	2,089.15	-	2,089.15	-	2,089.15
Current borrowings	-	-	-	-	-	-	-	-
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	352.33	352.33	-	-	-	-
Other financial liabilities	-	-	1,270.37	1,270.37	-	-	-	-
<b>Total</b>	-	-	<b>3,711.85</b>	<b>3,711.85</b>	-	<b>2,089.15</b>	-	<b>2,089.15</b>

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)**

March 31, 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level -2 Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Investments	-	16.06	-	16.06	-	-	16.06	16.06
<b>Financial assets measured at amortised cost</b>								
Loans (Non-current)	-	-	70.14	70.14	-	70.14	-	70.14
Loans (Current)	-	-	1.50	1.50	-	-	-	-
Other financial assets (Non-current)	-	-	0.02	0.02	-	0.02	-	0.02
Other financial assets (Current)	-	-	47.03	47.03	-	-	-	-
Trade receivables	-	-	391.71	391.71	-	-	-	-
Cash and cash equivalents	-	-	93.12	93.12	-	-	-	-
Other bank balances	-	-	43.18	43.18	-	-	-	-
<b>Total</b>	<b>-</b>	<b>16.06</b>	<b>646.70</b>	<b>662.76</b>	<b>-</b>	<b>70.16</b>	<b>16.06</b>	<b>86.22</b>
<b>Financial liabilities measured at amortised cost</b>								
Non current borrowings	-	-	2,212.99	2,212.99	-	2,212.99	-	2,212.99
Current borrowings	-	-	1.28	1.28	-	-	-	-
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	293.41	293.41	-	-	-	-
Other financial liabilities	-	-	1,154.53	1,154.53	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,662.21</b>	<b>3,662.21</b>	<b>-</b>	<b>2,212.99</b>	<b>-</b>	<b>2,212.99</b>

**Fair Value Hierarchy of Financial Assets and Liabilities :**

Investment in equity accounted investee i.e. Guj Info Petro Limited (GIPL) carried at cost.

# Fair value of financial assets and liabilities which are measured at amortised cost is not materially different from the carrying value (ie. amortised cost).

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.



**Notes to Standalone financial statements for the year ended 31st March 2019**

**Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)**

**B. MEASUREMENT OF FAIR VALUES**

**i) Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value – FVTOCI in unquoted equity shares**

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p><b>Market comparison technique: The valuation model is based on three approaches:</b></p> <p><b>1. Market approach :</b> This approach uses information generated by market transactions of the Company being valued or the transactions of comparable companies. The following market-linked information may be used for determining valuation under this approach.</p> <ul style="list-style-type: none"> <li>- Quoted price of the company being valued,</li> <li>- Past transaction value of the company being valued,</li> <li>- Listed comparable companies' trading multiples like price to earning ratio, enterprise value to earning before interest, tax, depreciation and amortisation, enterprise value to sales etc.</li> <li>- Transactions multiples for investment / M &amp; A transaction of comparable companies.</li> </ul> <p>The valuation arrived at based on the market approach reflects the current value of the Company perceived in the active market. However, as the valuation arrived at using market multiples is based on the past/current transaction or traded values of comparable companies/businesses, it may not reflect the possible changes in future trend of cash flows being generated by a business.</p>	<p>Comparable unobservable entity has been taken as a base for the valuation of unquoted equity shares and its management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.</p> <p>As stated , highest priority is given to unadjusted quoted price of listed entities and lowest priority to non-market linked inputs such as future cash flows used in income approach.</p>	<p>The estimated fair value would increase (decrease) if:</p> <p>There is a change in pricing multiple owing to change in earnings of the entity.</p> <p>Considering the diverse asset and investment base of the Company with differing risk/return profiles, a sum of the parts approach has been adopted for the valuation. Under this method, the value of each distinct business / asset / investment has been arrived at separately and total value estimate for the Company presented as the sum of all its business / investments/assets.</p>
<p><b>2. Income approach –</b> The income approach reflects present value of future cash flows. For valuing a business, the discounted cash flow (DCF) methodology is used under this approach. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. This method is used to determine the present value of business on a going concern assumption. The DCF technique recognizes the time value of money.</p> <p>The value of the firm is arrived at by estimating the Free Cash Flow to Firm (FCFF) and discounting the same at the Weighted Average Cost of Capital (WACC). FCFF is estimated by forecasting free cash flows available to the firm (which are derived on the basis of the likely future earnings of the company).</p>		
<p><b>3. Cost approach –</b>The cost approach essentially estimates the cost of replacing the tangible assets of the business. The replacement cost takes into account the market value of various assets or the expenditure required to create the infrastructure exactly similar to that of a company being valued.</p>		

**ii) Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods.

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)****iii) Level 3 fair values**

Movements in the values of unquoted equity instruments for the period ended 31st March 2019 and 31st March 18 is as below:

(₹ in Crores)	
Particulars	Amount
<b>As at 1 April 2017</b>	<b>68.25</b>
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	(52.19)
Gains/ (losses) recognised in statement of profit or loss	-
<b>Closing Balance as at 31 March 2018</b>	<b>16.06</b>
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	(0.04)
Gains/ (losses) recognised in statement of profit or loss	-
<b>Closing Balance as at 31 March 2019</b>	<b>16.02</b>

**Transfer out of Level 3**

There were no movement in level 3 in either directions during the year ended 31st March 2019 and the year ended 31st March 2018. Ind AS 101 allows an entity to designate certain investments in equity instruments as fair valued through the OCI on the basis of the facts and circumstances at the transition date to Ind AS.

The Company has elected to apply this exemption for its investment in equity shares.

**Sensitivity analysis**

Based on the valuation report for investments in unquoted shares, the sensitivity as on 31st March 2019 is provided below.

(₹ in Crores)		
Significant observable inputs	31-March19	31-March18
	OCI	OCI
	Decrease	Decrease
<b>Equity securities in unquoted investments measured through OCI</b>		
Forecast gas trading margin 25% decrease	15.52	14.45

**C. FINANCIAL RISK MANAGEMENT**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

**i. Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company has a well-defined Risk Management framework for reviewing the major risks and has adopted a Business Risk Management Policy which also takes care of all the financial risks. Further, pursuant to the requirement of Regulation 21 of SEBI (Listing obligation and disclosure Requirements) Regulation, 2015, the company has constituted a Risk Management Committee inter - alia to monitor the Risk Management Plan of the Company.

The Group Heads Committee supported by Chief Financial Officer oversees the management of these risks. The Company's senior management is supported by Risk Management Committee that advises on financial risk and appropriate financial risk governance framework for the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Board of Directors reviews and agrees policies for managing each of these risks.

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)****ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

**(a) Other financial assets**

The company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

**(b) Trade and other receivables**

The Company's exposure to credit Risk is the exposure that Company has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial, Commercial-Non Commercial, Domestic and CNG.

The Commercial and Marketing department has established a credit policy for each category of customer viz. industrial, domestic and commercial.

The Company raises the invoice for quantities sold based on periodicity as per the agreement. Sales are subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the company's receivables are secured. In case of short/non receipt of security deposit/or bank guarantee, the Company is exposed to credit risk to that extent.

For sales to domestic customers for household purposes like cooking, geyser application, etc., invoices are raised periodically. Security deposits along with connection deposits are taken for mitigation of potential credit risk arising in the event of non-payment of invoices. Company is exposed to credit risk beyond the value of deposits.

CNG sales made through operators of the CNG stations owned by the Company and CNG Franchises outlet are exposed to credit risk as amounts so collected is deposited/transferred in company bank account on next working day. Bank Guarantee / Security Deposit is taken to mitigate the credit risk. In case of short/non receipt of security deposit/or bank guarantee, the Company is exposed to credit risk to that extent.

For CNG sales made through Oil Marketing Companies (OMCs), the Company raises the invoice for quantities sold based on periodicity as per the agreement. The OMCs are well established companies viz. HPCL, BPCL, IOCL, Nayara Energy (e-Essar Oil Ltd.) where no significant credit risk is anticipated.

The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. All trade receivables are reviewed and assessed for default on regular basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low. Credit risk is considered high when the counter party fails to make contractual payment within 180 days of when they fall due. The risk is determined by considering the business environment in which the company operates and other macro economic factors.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognised in profit and loss.

**The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:****(₹ in Crores)**

Particulars	Carrying amount	
	31st March 2019	31st March 2018
India	516.83	397.14
Other regions	-	-
<b>Total</b>	<b>516.83</b>	<b>397.14</b>

**Expected credit loss for Trade receivables under Simplified Approach****(₹ in Crores)**

Particulars	Carrying amount	
	31st March 2019	31st March 2018
Neither past due nor impaired	427.39	340.91
Past due 1-90 days	68.74	43.17
Past due 91-180 days	6.88	2.43
Past due 181 to 1095 days	7.91	6.30
Greater than 1095 days	5.92	4.33
	516.83	397.14
Less: Expected credit losses (Allowance for bad and doubtful)	6.52	5.43
<b>Carrying amount of Trade Receivable (net of impairment)</b>	<b>510.31</b>	<b>391.71</b>



**Notes to Standalone financial statements for the year ended 31st March 2019****Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)****Movement in Allowance for bad and doubtful Trade receivable****(₹ in Crores)**

Particulars	31st March, 2019	31st March, 2018
Opening Allowance for bad and doubtful Trade receivable	5.43	5.38
Provision during the year	1.09	0.05
Write off during the year	-	-
<b>Closing Allowance for bad and doubtful Trade receivable</b>	<b>6.52</b>	<b>5.43</b>

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

**(c) Loans and deposits - security deposits**

Company has given security deposit to various government authorities (like Municipal corporation, Nagarpalika, Grampanchayat, Road & building division and Irrigation department -of Govt. of Gujarat etc. ) for the permission related to work of executing / laying pipeline network in their premises / jurisdiction. Being government authorities the Companies have no exposure to any credit risk.

**Movement in Allowance for bad and doubtful Security deposits-Project authority****(₹ in Crores)**

Particulars	31st March, 2019	31st March, 2018
Opening Allowance for bad and doubtful Security deposits	10.16	9.70
Provision during the year	2.68	1.69
Recovery/Adjustment during the year	(0.78)	(1.23)
Write off during the year	-	-
<b>Closing Allowance for bad and doubtful Security deposits</b>	<b>12.06</b>	<b>10.16</b>

The impairment provisions for financial assets - Loan and advances - Security Deposit as disclosed above are based on management judgment / assumptions about risk of performance default. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history as well as forward looking estimates at the end of each reporting period.

**iii. Liquidity risk**

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

**The Company maintains the following lines of credit outstanding:**

- (a) Term loans from banks and financial institution of ₹ 2213.11 crores (Previous year: ₹ 2326.94 crores) that is secured by First pari - passu charge on all Present and future fixed assets & Property, plant, equipment (PPE)(Movable & Immovable) of the Company and Second pari -passu charge on Present & Future Current Assets (financial and non financial assets) of the Company. Interest rate payable varying from 8.59% - 8.75%.

**Financing arrangement**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

**(₹ in Crores)**

Particulars	31st March, 2019	31st March, 2018
<b>Floating rate</b>		
Expiring within one year (term loans, bank overdraft and other facilities)	235.00	240.00
Expiring beyond one year (term loans, bank overdraft and other facilities)	-	-
<b>Total</b>	<b>235.00</b>	<b>240.00</b>

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)****Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Crores)

31st March, 2019	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non current borrowings	2,089.15	2,089.15	-	173.96	730.60	1,184.59
Non current financial liabilities	-	-	-	-	-	-
Current financial liabilities	-	-	-	-	-	-
Trade and other payables	352.33	352.33	352.33	-	-	-
Other current financial liabilities	1,270.37	1,270.37	1,270.37	-	-	-
	<b>3,711.85</b>	<b>3,711.85</b>	<b>1,622.70</b>	<b>173.96</b>	<b>730.60</b>	<b>1,184.59</b>

Other current financial liabilities include customer deposits which are considered repayable on demand and hence current. These were classified as non-current under the previous GAAP.

(₹ in Crores)

31st March, 2018	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non current borrowings	2,212.99	2,212.99	-	297.84	730.60	1,184.55
Non current financial liabilities	-	-	-	-	-	-
Current financial liabilities	1.28	1.28	1.28	-	-	-
Trade and other payables	293.41	293.41	293.41	-	-	-
Other current financial liabilities	1,154.53	1,154.53	1,154.53	-	-	-
	<b>3,662.21</b>	<b>3,662.21</b>	<b>1,449.22</b>	<b>297.84</b>	<b>730.60</b>	<b>1,184.55</b>

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

**iv. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

**a) Currency risk**

The functional currency of the Company is Indian Rupee (₹). The Company's transactions are majorly denominated in INR and the quantum of the foreign currency transactions being immaterial, the company is not exposed to currency risk on account of payables and receivables in foreign currency. The company does not have any exports. Import amount to 2.046% (Previous Year 0.746%) of total consumption of stores and spares, this is not perceived to be a major risk.

**b) Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

On period under review the Company do not have any borrowings at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate.

(₹ in Crores)

Variable-rate instruments	31st March, 2019	31st March, 2018
Non current - Borrowings	2,089.15	2,212.99
Current portion of Long term borrowings	123.96	113.95
<b>Total</b>	<b>2,213.11</b>	<b>2,326.94</b>

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)****Sensitivity analysis**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

(₹ in Crores)

Particulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
<b>31st March 2019</b>				
Non current - Borrowings	(20.89)	20.89	(13.59)	13.59
Current portion of Long term borrowings	(1.24)	1.24	(0.81)	0.81
<b>Total</b>	<b>(22.13)</b>	<b>22.13</b>	<b>(14.40)</b>	<b>14.40</b>
<b>31st March 2018</b>				
Non current - Borrowings	(22.13)	22.13	(14.47)	14.47
Current portion of Long term borrowings	(1.14)	1.14	(0.75)	0.75
<b>Total</b>	<b>(23.27)</b>	<b>23.27</b>	<b>(15.22)</b>	<b>15.22</b>

**c) Commodity Price Risk**

Risk arising on account of fluctuations in price of natural gas is mitigated by ability to pass on the fluctuations in prices to customers over period of time. The company monitors movements in the prices closely on regular basis.

**d) Equity Price Risk**

The Company do not have any investment in quoted equity shares hence not exposed to equity price risk.

**Note 45 CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company has achieved a return on capital 19% in March 31, 2019 (Previous year: 16%). The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 8.19%.(Previous year: 8.07%)

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

**The Company's adjusted net debt to equity ratio is as follows.**

Particulars	(₹ in Crores)	
	As at 31st March 2019	As at 31st March 2018
Borrowings	2,213.11	2,326.94
Total equity	2,183.99	1,846.41
<b>Debt equity ratio</b>	<b>1.01</b>	<b>1.26</b>
Interest bearing borrowings	2,213.11	2,326.94
Less : Cash and bank balances	309.16	136.30
<b>Adjusted net debt</b>	<b>1,903.95</b>	<b>2,190.64</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.87</b>	<b>1.19</b>

**Notes to Standalone financial statements for the year ended 31st March 2019****NOTE 46 EMPLOYEE STOCK OPTION PLAN :**

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

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

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

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

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

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

The ESOP 2008 Trust had purchased out of the funds advanced by the Company, the shares equivalent to the number of options granted. IDBI Trusteeship Services Limited are the Trustees. The Trustees can sell the shares in the market as per the approved scheme and for the year ended on 31st March 2019, 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.

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. **There are no options outstanding as on 31 March 2019, 31 March 2018 and 31 March 2017.**

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 47 DISCLOSURE OF EMPLOYEE BENEFITS**

The Company has implemented Ind AS - 19 on "Employee Benefits".

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

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the period of 12 months ended is ₹ 8.41 Crores (Previous year ₹ 7.94 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:

(₹ in Crores)

Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	31st March 2019	31st March 2019	31st March 2018	31st March 2018
<b>A.</b> Discount rate	7.55%	7.55%	7.65%	7.65%
Rate of return on plan assets	7.55%	N.A.	7.65%	N.A.
Salary Escalation	10.00%	10.00%	9.50%	9.50%
<b>B. Change in Defined Benefit Obligations</b>				
Liability at the beginning of the year	46.80	33.17	42.12	30.70
Interest Cost	3.53	2.50	3.01	2.20
Current Service Cost	4.25	2.85	4.15	2.80
Benefits Paid	(2.17)	(2.90)	(1.35)	(1.80)
Actuarial loss/ (gain) due to experience adjustment	(0.80)	0.99	1.15	1.15
Actuarial (Gain) / Loss due to change in financial estimate	3.69	3.10	(2.27)	(1.89)
<b>Total Liability at the end of the year</b>	<b>55.28</b>	<b>39.71</b>	<b>46.80</b>	<b>33.17</b>
<b>C. Change in Fair Value of plan Assets</b>				
Opening fair Value of plan assets	42.88	-	34.11	-
Expected return on plan assets	3.39	-	2.58	-
Return on plan assets excluding amounts included in interest income	(0.24)	-	(0.46)	-
Contributions by employer	4.06	-	8.01	-
Benefits Paid	(2.17)	-	(1.35)	-
<b>Closing fair Value of plan assets</b>	<b>47.91</b>	<b>-</b>	<b>42.88</b>	<b>-</b>
<b>D. Expenses Recognised in the Profit and Loss Statement</b>				
Current Service Cost	4.25	2.85	4.15	2.80
Interest Cost	3.53	2.50	3.01	2.20
Expected return on plan assets	(3.39)	-	(2.58)	-
Actuarial (Gain) / Loss	3.12	4.09	(0.66)	(0.73)
<b>Exps. charged to Statement of Profit &amp; Loss</b>	<b>7.51</b>	<b>9.44</b>	<b>3.92</b>	<b>4.27</b>
<b>E. Balance Sheet Reconciliation</b>				
Opening Net Liability	3.92	33.17	8.01	30.70
Employee Benefit Expense	4.39	9.44	4.58	4.27
Amounts recognized in Other Comprehensive Income	3.12	-	(0.66)	-
Contributions by employer	(4.06)	-	(8.01)	-
Benefits Paid	-	(2.90)	-	(1.80)
<b>Closing Liability</b>	<b>7.37</b>	<b>39.71</b>	<b>3.92</b>	<b>33.17</b>
<b>F. Current/Non-Current Liability :</b>				
<b>Current*</b>	<b>7.37</b>	<b>0.86</b>	<b>3.92</b>	<b>0.85</b>
<b>Non-Current</b>	<b>-</b>	<b>38.85</b>	<b>-</b>	<b>32.32</b>

\*The Company expects that total outstanding gratuity liability payable as on 31.03.2019 will be paid to the gratuity trust within next 12 months.

**Notes to Standalone financial statements for the year ended 31st March 2019****(c) Amounts recognised in current year and previous four years****(₹ in Crores)**

Particulars	As at 31st	As at 31st	As at 31st	As at 31st	As at 31st
	March 2019	March 2018	March 2017	March 2016	March 2015
<b>A. Gratuity</b>					
Present value of Defined Benefit Obligation	55.28	46.80	42.12	32.49	22.17
Fair value of Plan Assets	47.91	42.88	34.11	22.84	20.26
(Surplus) / Deficit in the plan	7.37	3.92	8.01	9.65	1.91
Actuarial (Gain) / Loss on Plan Obligation	3.69	(2.27)	0.31	2.90	4.89
Actuarial Gain / (Loss) on Plan Assets	(0.24)	(0.46)	0.68	(0.26)	0.19
<b>B. Earned Leave</b>					
Present value of Defined Benefit Obligation	39.71	33.17	30.70	25.37	22.38
Actuarial (Gain) / Loss on Plan Obligation	3.10	(1.89)	0.27	(3.13)	10.64
<b>C. Long Service Award</b>					
Present value of Defined Benefit Obligation	0.81	0.83	0.94	1.43	-
Actuarial (Gain) / Loss on Plan Obligation	-	-	-	-	-

**(d) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31st March 2019			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	52.13	37.07	58.72	42.63
Salary growth rate (0.5% movement)	58.62	42.55	52.20	37.11

Particulars	31st March 2018			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	44.18	31.01	49.67	35.55
Salary growth rate (0.5% movement)	49.60	35.50	44.21	31.04

**(e) Gratuity Benefits Plan:**

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	No ceiling
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	60 years

**(i) Entity's responsibilities for the governance of the plan****Risk to the Plan**

Following are the risk to which the plan exposes the entity:

**A Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

- Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.
- Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
- Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**Notes to Standalone financial statements for the year ended 31st March 2019****B Investment Risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**C Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

**D Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**E Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

- (ii) The company has participated in Group Gratuity Scheme Plan with Life Insurance Corporation of India (LIC), HDFC Life Insurance Co. Ltd, Aditya Birla Sun Life Insurance Co. Ltd, ICICI Prudential Life Insurance Co. Ltd, SBI Life Insurance Co. Ltd, Reliance Nippon Life Insurance Co. Ltd (collectively referred as Insurance Co. / Fund Managers) 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 various Insurance Co./ fund managers.

(a) Composition of the plan assets

Particulars	31st March, 2019	31st March, 2018	31st March, 2017
Bank balance	0.20%	0.12%	0.11%
Policy of insurance	99.77%	99.85%	98.89%
Others	0.02%	0.03%	1.00%

(b) The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

(c) Expected benefit payments for gratuity as on 31 March 2019.

Particulars	1-3 years	4-5 years	6 year & Above
Cash flow ( ₹ in Crores)	6.05	8.14	152.96
Distribution ( in %)	3.62%	4.87%	91.51%

**(f) Expected benefit payments as on 31 March 2019 for Privilege Leave encashment benefits.**

Particulars	1-3 years	4-5 years	6 year & Above
Cash flow ( ₹ in Crores)	3.43	4.42	134.90
Distribution ( in %)	2.40%	3.10%	94.50%

**(g) Other Notes:**

- (i) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.
- (ii) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.
- (iii) The company has provided long service award benefits to its employees who completed 15/20/25 Years of employment with company. Accordingly company has provided ₹ 0.81 Crores (Previous year ₹ 0.83 crores) on account of Long service award benefit. Current Liability as at 31st March 2019 is ₹ 0.08 Crores (Previous year ₹ 0.13 Crores) and Non- Current Liability is ₹ 0.73 Crores (Previous year ₹ 0.70 Crores) Discount rate considered for current year is 7.55% (previous year 7.65%).



**Notes to Standalone financial statements for the year ended 31st March 2019**

**Note 48 RELATED PARTY TRANSACTIONS**

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of parent & subsidiary of the Company are as follows.

**(a) Parent Entity**

Gujarat State Petroleum Corporation Limited (GSPC) - Ultimate Holding Company  
Gujarat State Petronet Limited (GSPL) - Holding Company

**(b) Subsidiary / Associate**

Guj Info Petro Limited (GIPL) - Associate

**Related Party Transactions for the period**

(₹ in Crores)

Sr.	Name of Related Party	Relationship	Nature of Transactions & Balances	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Gujarat State Petroleum Corporation Limited - GSPC	Ultimate Holding Company	Purchase of Natural Gas	5,651.33	4,400.46
			Rent Expense	0.13	0.05
			Administration & Other Expense	0.06	0.08
			Dividend Paid	-	11.73
			Reimbursement of Expenses	0.07	0.36
			Recharge of Salary - Income (Net)	-	0.13
			Recharge of Salary - Expense (Net)	0.19	-
			CNG Sales - Income	0.01	0.05
			PNG Gas Sales - Income	0.02	0.02
			<b>Balance at period end</b>		
			Amount Receivable/(Payable)	(151.74)	(134.71)
			Investment at Period end	16.02	16.06
			Deposits Asset / (Liability) - Net	(0.00)	(0.00)
			Bank Guarantee by GGL to GSPC	272.90	367.40
2	Gujarat State Petronet Limited - GSPL	Holding Company	Gas Transmission Expense	321.06	242.29
			Supervision Expenses	-	0.33
			Recharge of Salary Expense (Net)	0.07	0.06
			Right of Way Expense (ROW)	0.14	3.04
			Reimbursement of Expenses	0.19	0.09
			Dividend Paid	29.83	10.64
			Rent Expense	1.56	1.26
			CNG Sales	-	0.00
			PNG Sales - Income	0.03	0.03
			O&M Charges Recovered - Income	0.04	0.06
			Rent - Income	0.03	0.08
			Recharge of Capex (by GGL to GSPL)	1.97	-
			Sale of Assets	-	1.53
			<b>Balance at period end</b>		
Amount Receivable/(Payable)	(14.60)	(10.35)			
Deposits Asset / (Liability) - Net	4.47	1.99			
Bank Guarantee - by GGL to GSPL	31.36	23.89			
Letter of Credit - by GGL to GSPL	0.10	0.10			
3	Sabarmati Gas Limited - SGL	Associate of Holding Company	Gas Transportation Expense	0.73	0.71
			Recharge of Salary - Income (Net)	-	0.01
			PNG Sales - Income	0.002	-
			Gas Transportation Charges - Income	0.09	0.06
			Reimbursement of expenses - Income	0.21	-
			Sale of Asset	1.72	-
			Sale of Material - Income	-	4.49
			<b>Balance at period end</b>		
Amount Receivable/(Payable)	(0.43)	(0.03)			
Deposits Asset / (Liability) - Net	(0.04)	(0.04)			



**Notes to Standalone financial statements for the year ended 31st March 2019****Note 46 Related Party Transactions****Related Party Transactions for the period (Continued .....****(₹ in Crores)**

Sr.	Name of Related Party	Relationship	Nature of Transactions & Balances	For the year ended 31st March, 2019	For the year ended 31st March, 2018
4	Guj Info Petro Limited- GIPL	Associate	Web Development / Bandwidth Charges	0.01	0.01
			Asset - Purchase	-	0.01
			<b>Balance at period end</b>		
			Investment at Period end	0.03	0.03
5	Gujarat State Energy Generation Limited - GSEG	Associate of Ultimate Holding Company	Dividend Paid	0.11	0.08
			PNG Sales - Income	0.00	0.00
			Reimbursement of Charges - Income	-	0.00
			<b>Balance at period end</b>		
			Amount Receivable/(Payable)	0.00	(0.01)
			Deposits Asset / (Liability) - Net	(0.10)	(0.10)
6	Gujarat Gas Limited Employees Group Gratuity Scheme	Enterprise controlled by the company	Contribution Paid	4.06	8.01
7	Mr. Nitin Patil- CEO	Key Managerial Person	Remuneration- Short Term Benefits -₹ 0.88 Crores (PY- ₹ 0.84 Crores) Post Employment Benefit (Gratuity & PF Contribution) -₹ 0.14 Crores (PY-₹ 0.08 Crores)	1.02	0.92

**Notes**

- All transactions with related parties were carried out in the ordinary course of business and at arms length.
- Total sitting fees & out of pocket expense paid to directors in 2018-19 amounts to ₹ 0.13 Crores (previous year ₹ 0.09 Crores.) and ₹ 0.04 Crores (previous year ₹ 0.04 Crores.) respectively.
- Sitting fees which becomes payable to Shri. J. N. Singh, IAS, Shri. T. Natarajan, IAS, Shri. Sujit Gulati, IAS, Shri. Milind Torawane, IAS and Shri. Raj Gopal, IAS during FY 2018-19 are directly deposited in Govt. Treasury Account.

**Note 49 NOTE ON FIRST TIME ADOPTION OF IND AS 115**

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with customers" which resulted in changes in the revenue recognition accounting policy and adjustments to the amounts recognised in the financial statements.

In accordance with the transition provisions in Ind AS 115, the Company has adopted the new standard retrospectively using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted.

In summary, the following adjustments were made:

**a) Balance Sheet as on April 1, 2018:****(₹ in Crores)**

Balance sheet (extract)	Ind AS 18-Carrying Amount	Re-measurement	Ind AS 115-Carrying Amount
Other Equity:			
Retained Earnings	1,708.73	(36.96)	1,671.77
Non-Current Liability:			
Deferred Revenue	-	50.51	50.51
Current Liability:			
Deferred Revenue	-	6.30	6.30
Deferred Tax Asset		19.85	19.85

**Notes to Standalone financial statements for the year ended 31st March 2019****b) Balance Sheet as on March 31, 2019:****(₹ in Crores)**

Balance sheet (extract)	Ind AS 18-Carrying Amount	Re-measurement	Ind AS 115-Carrying Amount
Other Equity:			
Retained Earnings	2,090.22	(43.91)	2,046.31
Non-Current Liability:			
Deferred Revenue	-	59.54	59.54
Current Liability:			
Deferred Revenue	-	7.96	7.96
Deferred Tax Asset	-	23.59	23.59

**c) Statement of profit or loss for the year ended March 31, 2019****(₹ in Crores)**

Balance sheet (extract)	Ind AS 18-Carrying Amount	Re-measurement	Ind AS 115-Carrying Amount
Revenue from contracts with customers	7,973.16	(10.68)	7,962.48
Income tax expense	-	(3.73)	(3.73)
Profit for the period	423.98	(6.95)	417.03

d) Out of the opening amount of deferred revenue, amount of ₹ 7.11 crores has been recognised as revenue during the year.

**Explanation of the Re-measurement Adjustment:**

Connection charges from customers deferred over the period when the performance obligation is satisfied:

Industrial Customers: The performance obligations as per the contractual arrangement with the customer is to deliver gas over the tenure of the contract. Consequently, the connection charges is to be deferred over the contract period.

Domestic Customer: The connection charges is to be deferred over the period of delivery of gas. It is reasonably expected by the Company that the gas is procured by the customer and supplied by the Company on a perpetual basis. Consequently the connection charges are to be deferred over the useful life of the connection facility (i.e. 18 years).

**Note 50 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE**

As per Section 135 of the Companies Act, 2013, a company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. CSR expenditure is contain the following:

**(₹ in Crores)**

Particulars	FY 2018-19	FY 2017-18	FY 2016-17
(1) Gross amount required to be spent by the company during the year.	6.47	7.93	6.86
(2) Amount spent during the year on:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	4.36	8.14	1.90

**(₹ in Crores)**

Particular of Expenditure during the year	FY 2018-19
Contribution in providing gas to Crematoriums across operating locations	1.70
Contribution to support Sri Laxmi Kravia Techlabs Pvt. Ltd. -Mobile Health screening Van	1.59
Contribution to support Akshaya Patra Foundation in setting up centralised kitchen in Kutchh-Mid Day Meal	1.00
Others	0.07
<b>Total</b>	<b>4.36</b>

No provision for unspent amount of CSR expenditure has been made in the books of accounts in accordance with generally accepted accounting principles.

**Notes to Standalone financial statements for the year ended 31st March 2019****Note 51 SEGMENT REPORTING**

The Company primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The Managing Director/Chief Executive Officer of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment needs to be disclosed.

**Information about products and service:**

The Company is in a single line of business of Sale of Natural Gas.

**Information about geographical areas:**

1. The Company does not have geographical distribution of revenue outside India and hence segmentwise disclosure is not applicable to the Company.
2. None of the Company's assets are located outside India hence segmentwise disclosure is not applicable to the Company.

**Information about major customers:**

None of the customer account for more than 10% of the total revenue of the Company.

**Note 52 PREVIOUS YEAR FIGURES**

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

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

As per our report attached

**For S R Goyal & Co.**

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

**Chartered Accountants**

ICAI Firm Reg. No. 001537C

**Anurag Goyal**

Partner

M. No. : 412538

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

Chairman

**Dr. T. Natarajan, IAS**

Director

**K.D. Chatterjee**

Director

**Nitin Patil**

Chief Executive Officer

**Nitesh Bhandari**

Chief Financial Officer

**Rajeshwari Sharma**

Company Secretary

Place : Gandhinagar

Date : 6th May, 2019

Place : Gandhinagar

Date : 6th May, 2019



**Notes to Standalone financial statements for the year ended 31st March 2019**  
**Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies**  
**and Joint Ventures**  
**Part "B": Associates**

(₹ in Crores)

Name of Associates	Guj Info Petro Limited
1. Latest audited Balance Sheet Date	31-03-2019
2. Shares of Associate held by the company on the year end	25,000
Amount of Investment in Associate	0.03
Extend of Holding %	49.94%
3. Description of how there is significant influence	Through voting power
4. Reason why the associate is not consolidated	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	<i>As per Ind AS-28 equity method is followed</i>
6. Profit / Loss for the year	
i. Considered in Consolidation	1.46
ii. Not Considered in Consolidation	-

**For S R Goyal & Co.****Chartered Accountants**

ICAI Firm Reg. No. 001537C

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

Chairman

**Dr. T. Natarajan, IAS**

Director

**K.D. Chatterjee**

Director

**Anurag Goyal**

Partner

M. No. : 412538

**Nitin Patil**

Chief Executive Officer

**Nitesh Bhandari**

Chief Financial Officer

**Rajeshwari Sharma**

Company Secretary

Place : Gandhinagar

Date : 6th May, 2019

Place : Gandhinagar

Date : 6th May, 2019



# Consolidated Financial Statements



## 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 CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of consolidated financial statements of **Gujarat Gas Limited** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 06 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Gujarat Gas Limited for the year ended 31 March 2019 under Section 143 (6) (a) of the Act. We conducted a supplementary audit of the financial statements of Gujarat Gas Limited and Guj Info Petro Limited for the year ended on that date. Further, section 139(5) and 143 (6)(b) of the Act are not applicable to Gujarat Gas Limited Employees Welfare Stock Option Trust being private entities, neither for appointment of their Statutory Auditors nor for conduct of supplementary audit. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

#### **A. Comments on Consolidated Cash Flow Statement**

##### **1. Statement of Cash Flow**

##### **Net Cash Flow from Investing Activities - (₹ 603.91 crore)**

##### **Interest received ₹ 96.11 crore**

The above included interest income of ₹ 19.70 crore comprising of late payment charges of ₹ 8.24 crore and interest on late payment charges of ₹ 11.46 crore collected from domestic, industrial and commercial customers. The same has been adjusted as non-cash item from Net profit before tax for determining Cash flow from Operating Activities and has been classified under the head of Cash flow from Investing Activities.

As late payment charges and interest on late payment charges of ₹ 19.70 crore pertain to the operational Activities of the Company, the same should have been classified under Cash flow from Operation Activities instead of Cash flow from Investing Activities.

This has resulted in understatement of Cash flow from Operating Activities and overstatement of Cash flow from Investing Activities by ₹ 19.70 crore.

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

**(H. K. Dharmadarshi)  
Pr. Accountant General (E&RSA), Gujarat**

**Place: Ahmedabad  
Date: 9th July, 2019**



## INDEPENDENT AUDITOR'S REPORT

To

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

### **Report on the Audit of the Consolidated Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **Gujarat Gas Limited** (Formerly known as GSPC Distribution Networks Limited) ("the Holding Company") and Guj Info Petro Limited (Associate of the Holding company) and Gujarat Gas Limited Employee Stock Option Welfare Trust (Controlled Trust) (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the consolidated Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the consolidated state of affairs (financial position) of the Group as at March 31, 2019 and their consolidated profit (financial performance including other comprehensive income), their consolidated cash flows and their consolidated statement of changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



## INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Accuracy of Recognition, measurement, presentation and disclosure of revenues and other related balance in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</b></p> <p>Refer note 49 of the Consolidated Ind AS Financial Statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the Holding Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>We evaluated the accounting policy and internal controls followed by the Company while accounting of connection charges from customers, which is deferred over the period when the performance obligation is satisfied, as per the new accounting standard.</p> <p>Further, we test checked some of the contracts and carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls.</p> <p>We also performed analytical procedures for reasonableness of revenues disclosed as per the new accounting standard.</p>
2.	<p><b>Evaluation of material claims against the company not acknowledge as debt.</b></p> <p>There are various claims disputed by the Holding Company including matters under dispute with one of the suppliers in respect of use of domestic allocated gas other than specified purpose which involves significant judgment to determine the possible outcome and Future Cash outflow of these disputes.</p> <p>Refer note 42.2 (iii) of the Consolidated Ind AS Financial Statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>Obtained details of all the claims disputed by the company as on 31st March 2019 from the management. We have discussed the management's underlying assumptions in estimating that the claims are erroneous and the possible outcome of the disputes. We have also evaluated these underlying assumptions to determine the Legal Liability / Obligation of the company as defined in applicable Indian Accounting Standards (Ind AS 37) and also evaluated whether any change was required to management's position on these uncertainties vis a vis past year with reference to new claims disputed by the company.</p>

**Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

**Responsibilities of Management and those charged with Governance for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated Ind AS financial position, consolidated Ind AS financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by





## INDEPENDENT AUDITOR'S REPORT

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its associate company which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and including its Associates and controlled entities to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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



## INDEPENDENT AUDITOR'S REPORT

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of Gujarat Gas Limited Employee Stock Option Welfare Trust (Controlled Trust), whose financial statements reflect total assets of ₹ 4.02 Crores as at 31st March 2019, total revenues of ₹ 0.27 Crores and net cash inflow amounting to ₹ 0.21 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements.

The consolidated financial statements also includes the Group's share of total comprehensive income of ₹ 1.46 Crores for the financial year 2018-19 and share of accumulated retained earnings of ₹ 24.65 Crores upto 31st March 2018, as considered in the consolidated Ind AS financial statements, in respect of the financial statements of Guj Info Petro Limited (associate of the holding company), whose financial statements have not been audited by us.

The financial statement of the associate company and controlled trust have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate company and controlled trust, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid associate company and controlled trust, is based solely on the reports of other auditors.

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) As the Holding Company and its Associate Company, both are Government Companies, 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 Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting.
  - g) As the Holding Company and its Associate Company, both are Government Companies, in terms of notification no. G.S.R 463(E) dated 5th June 2015, issued by Ministry of Corporate Affairs, the sub-section (16) of section 197 of the Act is not applicable.
  - h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:



### INDEPENDENT AUDITOR'S REPORT

- i. The consolidated Ind AS financial statements disclose impact of pending litigations on the consolidated financial position of the Group. Refer Note 42 to the Consolidated Ind AS financial statements.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and Associate Company incorporated in India.

**Place: Gandhinagar**  
**Date: 6<sup>th</sup> May 2019**

**For, S. R. Goyal & Co.**  
**Chartered Accountants**  
**FRN No. 001537C**

**Anurag Goyal**  
**(Partner)**  
**M. No.: 412538**



## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE – A

#### TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**(Referred to in paragraph 1 (f) under "Report on Other Legal and Regulatory Requirements" section of our Independent Auditor's Report, of even date, to the members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) on Consolidated Ind AS Financial Statements for the year ended 31st March 2019)**

#### **Report on the Internal Financial Controls Over Financial Reporting 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 Ind AS financial statements of the Company as of and for the year ended March 31, 2019, 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 are companies 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 Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its associate company, which are companies incorporated in India, 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 the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 internal financial controls system over financial reporting of the Holding Company and its associate company, which are companies incorporated in India.

#### **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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. the company's assets that could have a material effect on the financial statements.



## INDEPENDENT AUDITOR'S REPORT

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

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

### **Opinion**

In our opinion, the Holding Company and its associate company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matters**

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

**Place: Gandhinagar**

**Date: 6<sup>th</sup> May 2019**

**For, S. R. Goyal & Co.  
Chartered Accountants  
FRN No. 001537C**

**Anurag Goyal  
(Partner)  
M. No.: 412538**



**CONSOLIDATED BALANCE SHEET AS AT 31 ST MARCH 2019**

(₹ in Crores)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
<b>I. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, plant and equipment	3.1	4,964.63	4,793.14
(b) Capital work in progress	3.2	488.49	478.33
(c) Investment property	4	1.30	1.30
(d) Intangible assets	5.1	324.06	299.57
(e) Intangible assets under development	5.2	0.37	-
(f) Investment in equity accounted investee	6	26.06	24.68
(g) Financial assets			
(i) Investments	7	16.02	16.06
(ii) Loans	8	67.79	70.14
(iii) Other financial assets	9	1.66	0.02
(h) Other non-current assets	10	230.56	278.11
<b>Total Non-Current Assets</b>		<b>6,120.94</b>	<b>5,961.35</b>
<b>2 Current Assets</b>			
(a) Inventories	11	69.41	56.78
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	12	510.31	391.71
(iii) Cash and cash equivalents	13	98.39	96.94
(iv) Bank balances other than (iii) above	14	214.80	43.18
(v) Loans	15	1.19	1.50
(vi) Other financial assets	16	79.12	47.03
(c) Other current assets	17	63.37	63.29
<b>Total Current Assets</b>		<b>1,036.59</b>	<b>700.43</b>
<b>TOTAL ASSETS</b>		<b>7,157.53</b>	<b>6,661.78</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	18	137.68	137.68
(b) Other Equity	19	2,067.59	1,728.70
<b>Total Equity</b>		<b>2,205.27</b>	<b>1,866.38</b>
<b>2 Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	2,089.15	2,212.99
(b) Provisions	21	39.68	33.40
(c) Deferred tax liabilities (Net)	22	1,086.94	1,050.56
(d) Other non-current liabilities	23	59.54	-
<b>Total Non-Current Liabilities</b>		<b>3,275.31</b>	<b>3,296.95</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	24	-	1.28
(ii) Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises		9.56	1.43
Total outstanding dues of creditors other than micro enterprises and small enterprises		346.21	295.42
(iii) Other financial liabilities	26	1,270.37	1,154.53
(b) Other current liabilities	27	42.51	38.23
(c) Provisions	28	8.30	4.90
(d) Current Tax Liabilities (Net)	29	-	2.66
<b>Total Current Liabilities</b>		<b>1,676.95</b>	<b>1,498.45</b>
<b>Total Liabilities</b>		<b>4,952.26</b>	<b>4,795.40</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,157.53</b>	<b>6,661.78</b>

See accompanying notes to the financial statements

As per our report attached  
**For S R Goyal & Co.**  
**Chartered Accountants**  
 ICAI Firm Reg. No. 001537C

**Anurag Goyal**  
 Partner  
 M. No. : 412538

Place : Gandhinagar  
 Date : 6th May, 2019

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

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

**Nitin Patil**  
 Chief Executive Officer

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

**Nitesh Bhandari**  
 Chief Financial Officer

**K.D. Chatterjee**  
 Director

**Rajeshwari Sharma**  
 Company Secretary  
 Place : Gandhinagar  
 Date : 6th May, 2019

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2019**

(₹ in Crores)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Revenue</b>			
I. Revenue from Operations	30	7,962.48	6,339.35
II. Other income	31	111.56	35.86
<b>III. Total Income (I+II)</b>		<b>8,074.04</b>	<b>6,375.21</b>
<b>IV. Expenses</b>			
Cost of materials consumed	32	6,084.00	4,678.61
Changes in inventories of natural gas	33	(1.05)	(0.62)
Employee Benefits Expenses	34	159.98	139.01
Finance Costs	35	196.19	196.08
Depreciation and Amortization Expenses	36	288.01	271.82
Excise Duty		208.07	165.02
Other Expenses	37	526.84	462.27
<b>Total Expenses (IV)</b>		<b>7,462.04</b>	<b>5,912.19</b>
V. Profit/(Loss) Before Exceptional Items and Tax(III-IV)		612.00	463.02
VI. Exceptional Items	38	17.87	-
<b>VII. Profit/(Loss) Before Tax (V-VI)</b>		<b>594.13</b>	<b>463.02</b>
Add: Share of net profit of equity accounted investee		1.49	1.25
<b>Profit/(Loss) Before Tax</b>		<b>595.62</b>	<b>464.27</b>
<b>VIII. Tax expense:</b>	39		
Current Tax		132.50	121.25
Deferred Tax		44.67	50.58
<b>Total Tax Expense (VIII)</b>		<b>177.17</b>	<b>171.83</b>
<b>IX. Profit/(Loss) for the period(VII-VIII)</b>		<b>418.45</b>	<b>292.44</b>
<b>X. Other comprehensive income</b>	40		
A. (i) Items that will not be reclassified to profit or loss		(3.16)	(51.53)
(ii) Income tax related to items that will not be reclassified to profit or loss		1.10	11.41
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax related to items that will be reclassified to profit or loss		-	-
C. Share of Other comprehensive income of equity accounted investee		(0.03)	0.04
<b>Total other comprehensive income (X)</b>		<b>(2.09)</b>	<b>(40.08)</b>
<b>XI. Total comprehensive income for the period (IX+X)</b>		<b>416.36</b>	<b>252.36</b>
Earnings per equity share of Face Value of ₹ 2 each	41		
Basic		6.08	4.25
Diluted		6.08	4.25
See accompanying notes to the financial statements			

As per our report attached

**For S R Goyal & Co.****Chartered Accountants**

ICAI Firm Reg. No. 001537C

**For and on behalf of Board of Directors****Dr. J. N. Singh, IAS**  
Chairman**Dr. T. Natarajan, IAS**  
Director**K.D. Chatterjee**  
Director**Anurag Goyal**

Partner

M. No. : 412538

**Nitin Patil**  
Chief Executive Officer**Nitesh Bhandari**  
Chief Financial Officer**Rajeshwari Sharma**  
Company Secretary

Place : Gandhinagar

Date : 6th May, 2019

Place : Gandhinagar

Date : 6th May, 2019



**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2019**

(₹ in Crores)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	594.13	463.02
<b>Adjustments for:</b>		
Depreciation	288.01	271.82
Loss on sale/disposal of Property, plant and equipment	0.42	7.81
(Profit)/Loss on sale as scrap and diminution in Capital Inventory	4.58	(0.53)
Material Shortage/(Gain)/Loss on sale of inventory	0.16	1.46
Provision for Doubtful Trade Receivables / Advances / Deposits etc.	3.28	0.57
Finance Costs	196.19	196.08
Provision/liability no longer required written back	(2.91)	(0.55)
Interest Income	(98.89)	(27.95)
<b>Operating Profit before Working Capital Changes</b>	<b>984.97</b>	<b>911.73</b>
<b>Adjustments for changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	(119.69)	(44.25)
(Increase)/Decrease in Other - Non Current Assets	(28.14)	(4.12)
(Increase)/Decrease in Other financial assets-Non-current	(1.64)	0.01
(Increase)/Decrease in Short Terms Loans and Advances	0.31	(0.07)
(Increase)/Decrease in Other Current Assets	(0.08)	(37.81)
(Increase)/Decrease in Other financial assets-Current	(32.09)	(0.50)
(Increase)/Decrease in Inventories	(12.63)	(15.13)
(Increase)/Decrease in Long-term loan and advances	1.21	(2.78)
<b>Changes in Trade and Other Receivables</b>	<b>(192.75)</b>	<b>(104.65)</b>
Increase/(Decrease) in Trade Payables	61.83	(20.20)
Increase/(Decrease) in Other current Liabilities	88.49	124.05
Increase/(Decrease) in Other Non Financial current Liabilities	4.28	(21.27)
Increase/(Decrease) in Other Non current Liabilities	2.72	-
Increase/(Decrease) in Short-term provisions	0.28	(3.58)
Increase/(Decrease) in Long-term provisions	6.28	2.61
<b>Changes in Trade and Other Payables</b>	<b>163.88</b>	<b>81.61</b>
<b>Cash Generated from Operations</b>	<b>956.10</b>	<b>888.69</b>
Income tax refund	153.65	9.83
Income tax paid	(153.69)	(113.85)
<b>Net Cash from Operating Activities</b>	<b>956.06</b>	<b>784.67</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Property, plant and equipments/Intangible assets including capital work in progress and capital advances.	(537.59)	(455.48)
Deposits with original maturity of more than three months	(169.60)	0.23
Interest received	96.11	25.36
Proceeds from sale of Property, plant and equipments	7.17	0.32
<b>Net Cash used in Investing Activities</b>	<b>(603.91)</b>	<b>(429.57)</b>



**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2019**

(₹ in Crores)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term borrowings	-	50.00
Repayment of Long-term borrowings	(113.91)	(74.83)
Interest Paid	(194.69)	(198.55)
Dividend Paid (including tax thereon)	(66.78)	(49.94)
Refund of Dividend Distribution tax	25.96	-
<b>Net Cash from Financing Activities</b>	<b>(349.42)</b>	<b>(273.32)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2.73</b>	<b>81.78</b>
Cash and Cash Equivalents at the beginning of the year	95.66	13.88
Cash and Cash Equivalents at the end of the year	98.39	95.66
<b>Closing Cash and Cash Equivalents comprise:</b>		
Cash in hand	2.64	1.35
Balances with Scheduled Banks	19.24	15.28
Balances in Fixed Deposits	76.51	80.31
Balances in Bank Overdraft / Cash Credit	-	(1.28)
<b>Total</b>	<b>98.39</b>	<b>95.66</b>

**Notes to Cash Flow Statement:**

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

As per our report attached  
**For S R Goyal & Co.**  
**Chartered Accountants**  
 ICAI Firm Reg. No. 001537C

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

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

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

**K.D. Chatterjee**  
 Director

**Anurag Goyal**  
 Partner  
 M. No. : 412538

**Nitin Patil**  
 Chief Executive Officer

**Nitesh Bhandari**  
 Chief Financial Officer

**Rajeshwari Sharma**  
 Company Secretary

Place : Gandhinagar  
 Date : 6th May, 2019

Place : Gandhinagar  
 Date : 6th May, 2019



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE PERIOD ENDED 31ST MARCH 2019**

	(₹ in Crores)	
	As at 31st March 2019	As at 31st March 2018
<b>(a) Equity Share Capital</b>		
Equity share capital		
Balance at the beginning of the reporting period	137.68	137.68
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	<b>137.68</b>	<b>137.68</b>

	Attributable to the equity holders of the Group					Items of Other Comprehensive Income	Total Other Equity
	Reserves & Surplus						
Other equity	Amalgamation Arrangement & Reserve	Employees Stock Options Outstanding	Debt Redemption Reserve (DRR)	General Reserve	Retained Earnings	Equity Instruments through OCI	
<b>Balance at April 1, 2017 (A)</b>	879.59	-	-	2.72	715.82	(72.08)	1,526.05
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period</b>	<b>879.59</b>	<b>-</b>	<b>-</b>	<b>2.72</b>	<b>715.82</b>	<b>(72.08)</b>	<b>1,526.05</b>
Profit for the year	-	-	-	-	292.44	-	292.44
Other comprehensive income for the year	-	-	-	-	-	(40.55)	(40.55)
Items of OCI recognised directly in retained earnings	-	-	-	-	-	-	-
Re-measurements of post-employment benefit obligation, net of tax	-	-	-	-	0.47	-	0.47
<b>Total comprehensive income for the year (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>292.91</b>	<b>(40.55)</b>	<b>252.36</b>
Dividend	-	-	-	-	(41.30)	-	(41.30)
Dividend Distribution Tax (DDT)	-	-	-	-	(8.41)	-	(8.41)
<b>Total (C)</b>	<b>879.59</b>	<b>-</b>	<b>-</b>	<b>2.72</b>	<b>959.02</b>	<b>(112.63)</b>	<b>1,728.70</b>
<b>Balance at March 31, 2018 (A+B+C)</b>	<b>879.59</b>	<b>-</b>	<b>-</b>	<b>2.72</b>	<b>959.02</b>	<b>(112.63)</b>	<b>1,728.70</b>
Changes in accounting policy / prior period errors (Refer note 49)	-	-	-	-	(36.96)	-	(36.96)
Changes in accounting policy - Share of equity accounted investee	-	-	-	-	(0.08)	-	(0.08)
<b>Restated balance at the beginning of the reporting period (D)</b>	<b>879.59</b>	<b>-</b>	<b>-</b>	<b>2.72</b>	<b>921.98</b>	<b>(112.63)</b>	<b>1,691.66</b>
Profit for the year	-	-	-	-	418.45	-	418.45
Other comprehensive income for the year	-	-	-	-	-	(0.03)	(0.03)
Items of OCI recognised directly in retained earnings	-	-	-	-	-	-	-
Re-measurements of post-employment benefit obligation, net of tax	-	-	-	-	(2.06)	-	(2.06)
Refund of earlier year's Dividend distribution tax	-	-	-	-	25.96	-	25.96
<b>Total comprehensive income for the year (E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>442.35</b>	<b>(0.03)</b>	<b>442.32</b>
Dividend	-	-	-	-	(55.07)	-	(55.07)
Dividend Distribution Tax (DDT)	-	-	-	-	(11.32)	-	(11.32)
<b>Total (F)</b>	<b>879.59</b>	<b>-</b>	<b>-</b>	<b>2.72</b>	<b>1,297.94</b>	<b>(112.66)</b>	<b>2,067.59</b>
<b>Balance at March 31, 2019 (D+E+F)</b>	<b>879.59</b>	<b>-</b>	<b>-</b>	<b>2.72</b>	<b>1,297.94</b>	<b>(112.66)</b>	<b>2,067.59</b>

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

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

**Note (iii):** Nature and purpose of each reserve is disclosed under note no. 19 - 'Other equity'

As per our report attached  
**For S R Goyal & Co.**  
Chartered Accountants  
ICAI Firm Reg. No 001537C  
**Anurag Goyal**  
Partner  
M. No. : 412538  
Place : Gandhinagar  
Date : 6th May, 2019

**For and on behalf of Board of Directors**  
**Dr. J. N. Singh, IAS** Chairman  
**Dr. T. Natarajan, IAS** Director  
**K.D. Chatterjee** Director  
**Nitin Patil** Chief Executive Officer

**Nitesh Bhandari**  
Chief Financial Officer

**Rajeshwari Sharma**  
Company Secretary

Place : Gandhinagar  
Date : 6th May, 2019

**Notes to Consolidated Financial statements for the year ended 31st March, 2019****Note 1 – Corporate Information****1. Corporate Information**

- a) Gujarat Gas Limited (GGL or "Company") (CIN : L40200GJ2012SGC069118) 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 registered office is located at Gujarat Gas CNG Station, Sector 5/C, Gandhinagar -382006.

The Company is engaged in Natural Gas Business in India. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers.

The 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 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.

**b) Authorization of financial statements**

The Consolidated Financial Statements were approved and authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 6th May 2019.

**c) Functional and Presentation Currency**

The financial statements are presented in Indian rupee ₹ (INR), which is the functional and presentation currency of the Group.

**Note 2 Significant Accounting Policies**

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

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

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

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. (Refer note – 49)

**(ii) Historical cost convention**

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

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

**(iii) Principles of consolidation and equity accounting**

The consolidated Financial Statements of the Group represents consolidation of Company's Financial Statements with Guj Info Petro Limited (GIPL), an associate company and Gujarat Gas Limited Employees Welfare Stock Option Trust, 100% Sole beneficiary (collectively referred to as 'the Group').



Name of the Undertaking	Relationship	Country of Incorporation	Proportionate beneficial ownership interest/voting power
Guj Info Petro Limited (GIPL)	Associate	India	49.94%
Gujarat Gas Limited Employees Welfare Stock Option Trust	100% Sole beneficiary	India	100%

### Associates

Investment in associate has been accounted for using Equity Method in accordance with Ind AS 28 - *Investments in Associates and Joint Ventures*. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Any excess / short of the amount of Investment in an associate over the cost of acquisition at the date of Investment is considered as Capital Reserve and has been included in carrying amount of Investment and disclosed separately. The carrying amount of Investment is adjusted thereafter for the post acquisition changes in the Share of net Asset of associate.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The financial statements of associates are prepared up to the same reporting date as that of the company i.e. 31 st March 2019 for the current year, 31 st March 2018 for the comparative year.

### 100% Sole beneficiary entity

100% Sole beneficiary entities are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. 100% Sole beneficiary entities are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its 100% Sole beneficiary entity line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of 100% Sole beneficiary entity have been aligned where necessary.

### Use of estimates and judgements

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

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

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

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

Note 3.1 & 5.1 - Useful lives of property, plant and equipment and intangible assets

Note 16 - Recognition and measurement of unbilled gas sales revenue

Note 25 & 26 - Recognition and measurement of other provisions

Note 39 - Current/deferred tax expense



Note 42 - Contingent liabilities and assets

Note 44 - Expected credit loss for receivables

Note 44 - Fair valuation of unlisted securities

Note 47 - Measurement of defined benefit obligations

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

Property plant and equipment are stated at their cost of acquisition / construction less depreciation and impairment, if any. The cost comprises of the purchase price and any attributable cost for bringing the asset to its working condition for its intended use; like freight, duties, taxes and other incidental expenses, net of CENVAT or Goods and service tax (GST) credit.

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

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

Component accounting of assets: If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The Company has identified, reviewed, tested and determined the componentisation of the significant assets.

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

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

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

**Capital Work in Progress:**

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

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

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

**(b) Investment Properties**

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

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

**(c) Intangible Assets**

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

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



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

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

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

- i. The Schedule specifies useful life of Pipelines as 30 years for those used in exploration, production and refining of oil and gas. The Company has considered the useful life of 30 years for the pipelines used in city gas distribution business.
- ii. City gas stations, skids, pressure regulating stations, meters and regulators are estimated to have useful life of 18 years based on technical assessment made by technical expert and management.
- iii. Cost of mobile phones, are expensed off in the year of purchase.
- iv. Temporary building structures are estimated to have useful life of 1 year.

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

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

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

Component accounting of assets: If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment and accordingly depreciated at the useful lives specified as above.

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

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

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

- I. Right of Way (ROW) Permissions 30 Years  
(Considered more than 10 years as inextricably linked and dependent on the useful life of pipeline networks as referred above for which the Right of Way has been obtained).
- II. Software 6 Years.

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

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

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

**(e) Impairment of non-financial assets**

In accordance with Ind AS 36 on "Impairment of Assets" at the balance sheet date, non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating



unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

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

**(f) Revenue recognition**

**i) Revenue from operation**

Revenue is measured at fair value of the consideration received or receivable for goods and services sold, net of trade discounts/quantity discounts and rebates, in the normal course of the Company's activities. Income is recognized in the income statement when the control of the goods or services has been transferred. The amount recognised as revenue is stated inclusive of excise duty and exclusive of sales tax /value added tax (VAT) and Goods and service tax (GST).

Revenue from sale of Natural Gas is recognized at the point in time when control is transferred to the customer, generally on delivery of the gas on metered/assessed measurements facility. Sales are billed bi-monthly for domestic customers, monthly/fortnightly for commercial and non-commercial customers and fortnightly for industrial customers.

Revenue from sale of Compressed Natural Gas (CNG) is recognized at the point in time when control is transferred to the customer, generally on delivery of the gas to consumers from retail outlets and is billed weekly / fortnightly cycle in case of OMC customers.

Revenue recognised towards supply of natural gas already occurred for the period from the end of the last billing date to the Balance Sheet date has been reflected under "Contract Asset(which we refer as unbilled revenue) " based on the previous average consumption.

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

Commitments (take or pay charges) income from customers for gas sales and gas transmission is recognized on accrual basis in the period to which it relates to.

In case of industrial customers, non-refundable charges for initial or additional gas connection collected from the customers is deferred over the period of contract with respective customers and in case of domestic & commercial customers is deferred over the useful life of the asset.

**ii) Other income**

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

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

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

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

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

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

**(g) Borrowing**

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

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

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



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

**(h) Borrowing Cost**

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

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

**(i) Financial Instruments**

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

**Financial Asset**

**Initial Recognition**

A financial asset or a financial liability is recognised in the balance sheet only when, the Company becomes party to the contractual provisions of the instrument.

**Initial Measurement**

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

**Subsequent Measurement**

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

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

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

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

A financial assets is measured at amortised cost if both of the following conditions are met:

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

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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

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

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company is elected to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').



**Equity Investments:**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company is transferred the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

**De-recognition**

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

1. The contractual rights to the cash flows from the financial asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - i) The Company has transferred substantially all the risks and rewards of the asset, or
  - ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

**Embedded foreign currency derivative**

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

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

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

**Impairment of Financial Assets**

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

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

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

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

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



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

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

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

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

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

#### **Financial Liabilities**

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

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

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

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

##### **Subsequent measurement**

- Financial liabilities measured at amortised cost
- Financial liabilities subsequently measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

##### **Financial guarantee contracts**

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

##### **Loan and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Derecognition**

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

**(j) Offsetting financial instruments**

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

**(k) Fair Value Measurement**

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

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

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

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

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

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

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

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

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (Refer note 44)



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

**(l) Inventories**

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

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

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

**(m) Non-current assets held for sale and discontinued operation**

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

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

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

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

**(n) Foreign Currency Transactions**

**(i) Functional and Presentation Currency**

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

**(ii) Transactions and balances**

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

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

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

**(o) Employee Benefits**

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

**A. Post-employment benefit plans**

**I. Defined Contribution Plan**

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

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

**II. Defined benefit plan**

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

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

**III. Long term employee benefits**

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

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

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

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

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

**C. Short term employee benefits**

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

**D. Employee Stock Option Plan**

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

**(p) Leases**

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

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

**As a lessee****Finance Lease**

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

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

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

**Operating lease**

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

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

**As a lessor****Finance Lease**

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

**Operating Lease**

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

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

**Ind AS 116- Leases:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The company has started assessment of significant impacts on transition to Ind AS 116. Based on nature of company's business and preliminary assessment of terms of contracts, the company does not expect any significant impacts on transition. However impact would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options to be considered.

**(q) Taxation**

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

**Income Taxes**

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

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

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

**Deferred Taxes**

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in financial statements at the reporting date. Deferred tax are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods., the carry forward of unused tax losses and the carry forward of unused tax credits. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**(r) Earnings Per Share****Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**Treasury Share**

Treasury shares are not treated as outstanding ordinary equity shares and are therefore deducted from the number of equity shares outstanding during the period in consolidated financial statements.

**(s) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision for contractual obligation is disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a



separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Provisions are not recognised for future operating losses. Provisions for restructuring are recognised by the Group when it has developed a detailed formal plan for restructuring and has raised a valid expectation that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period and are not discounted to present value. The estimates of outcome and financial effect are determined by the judgment of the management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for and if material, are disclosed by way of notes to financial statements.

A *contingent asset* is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is disclosed by way of notes to financial statements, where an inflow of economic benefits is probable.

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

**(t) Segment Reporting**

The Company primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The Managing Director/ Chief Executive Officer of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed.

**(u) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Group considers all highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(v) Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**(w) Dividends**

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is





approved by the shareholders. A corresponding amount is recognised directly in equity.

**(x) 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.

**(y) Events occurring after the Reporting Date**

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

**(z) Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**(aa) Prior Period Adjustments and Pre-paid Expenses**

Income / expenditure in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively. Prepaid expenses up to threshold limit in each case, are charged to revenue as and when incurred.

**(ab) Rounding off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores as per the requirements of Schedule III, unless otherwise stated.



Notes to Consolidated financial statements for the year ended 31st March 2019

**Note 3.1**  
**PROPERTY, PLANT AND EQUIPMENT (PPE)**  
**Property, Plant and Equipment (PPE) as at 31st March 2019**

(₹ in Crores)

Particulars	Gross Block			Depreciation and Amortization			Net Block		
	As at 1st April 2018	Addition	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2018
Lease hold Land	38.49	0.02	-	38.51	1.89	0.46	-	2.35	36.60
Freehold Land	384.03	0.04	-	384.07	-	-	-	-	384.03
Buildings	181.23	2.62	-	183.85	17.65	3.75	-	21.40	163.58
Plant and Equipments	5,292.37	426.70	8.79	5,710.28	1,109.50	256.44	3.14	1,362.80	4,182.87
Furniture and Fixture	17.54	0.51	0.01	18.04	8.37	1.63	-	10.00	9.17
Computer Equipment	33.29	13.58	0.30	46.57	24.43	3.50	0.28	27.65	8.86
Office Equipments	18.36	1.90	0.12	20.14	13.58	1.73	0.11	15.20	4.78
Vehicles	9.99	0.43	1.35	9.07	6.74	0.96	1.20	6.50	3.25
Books and Periodicals	0.10	-	-	0.10	0.10	-	-	0.10	-
<b>Total PPE</b>	<b>5,975.40</b>	<b>445.80</b>	<b>10.57</b>	<b>6,410.63</b>	<b>1,182.26</b>	<b>268.47</b>	<b>4.73</b>	<b>1,446.00</b>	<b>4,793.14</b>

**Property, Plant and Equipment (PPE) as at 31st March 2018**

(₹ in Crores)

Particulars	Gross Block			Depreciation and Amortization			Net Block		
	As at 1st April 2017	Addition	Disposal/ Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Disposal/ Adjustment	As at 31st March 2018	As at 1st April 2017
Lease hold Land	36.85	1.64	-	38.49	1.44	0.45	-	1.89	35.41
Freehold Land	384.03	-	-	384.03	-	-	-	-	384.03
Buildings	177.69	3.54	-	181.23	13.92	3.73	-	17.65	163.77
Plant and Equipments	4,894.78	416.54	18.95	5,292.37	876.96	241.04	8.50	1,109.50	4,017.82
Furniture and Fixture	18.92	0.83	2.21	17.54	8.21	1.74	1.58	8.37	10.71
Computer Equipment	32.61	2.21	1.53	33.29	23.16	2.69	1.42	24.43	9.45
Office Equipments	19.23	1.22	2.09	18.36	13.49	2.04	1.95	13.58	5.74
Vehicles	11.75	-	1.76	9.99	6.98	1.32	1.56	6.74	4.77
Books and Periodicals	0.10	-	-	0.10	0.10	-	-	0.10	-
<b>Total PPE</b>	<b>5,575.96</b>	<b>425.98</b>	<b>26.54</b>	<b>5,975.40</b>	<b>944.26</b>	<b>253.01</b>	<b>15.01</b>	<b>1,182.26</b>	<b>4,631.69</b>

**Note 3.1.1 - Impairment of Assets:** There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

**Note 3.1.2 - Borrowing Cost:** Additions to the PPE includes borrowing costs ₹ 8.83 Crores (Previous Year ₹ 10.57 Crores) pertaining to borrowings for qualifying assets as per the requirements of Ind AS - 23 "Borrowing Costs".

**Note 3.1.3 - Security Pledge of Assets:** Refer to Note 2.0 on borrowings for details in terms of pledge of assets as security.

**Note 3.1.4** - Refer to note 4.2 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**Note 3.1.5** - There is no restriction on the title of property, plant and equipments.

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 3.2 CAPITAL WORK IN PROGRESS****(₹ in Crores)**

Capital work in progress	As at 31st March 2019	As at 31st March 2018
Capital Inventory	220.91	201.69
Capital Work-in-Progress (project under construction)	263.72	263.95
Interest during the construction period	3.86	12.69
<b>Total</b>	<b>488.49</b>	<b>478.33</b>

**Note:-** Security Pledge of Assets: Refer to Note 20 on borrowings for details of security pledge of assets.

**Note 4 INVESTMENT PROPERTY****(₹ in Crores)**

Investment Property	As at 31st March 2019	As at 31st March 2018
<b>Freehold land</b>		
Balance at the beginning of the period	1.30	1.30
Add:- Acquisition during the year	-	-
Less:- Deletion during the year	-	-
<b>Balance at the end of the period</b>	<b>1.30</b>	<b>1.30</b>

**(i) Amount recognised in profit and loss for investment properties****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Rental Income	0.26	0.14
<b>Profit from investment properties</b>	<b>0.26</b>	<b>0.14</b>

The Company had recognized the rental - facilitation fees on Investment property for the financial year 2016-17 and 2017-18 on the basis of provisional working of rental - facilitation fees submitted by tenants. As the company is defending the issue of valuation of land for rental - facilitation fees with tenants and not recognize the rental - facilitation fees on fair value of land because no such decision is arrived at by both the parties (Company & tenants) till end of the financial year. On similar line, company has recognized rental - facilitation fees on Investment property for the financial year 2018-19 on the basis of previous year working as no further working of rental - facilitation fees has been submitted by tenants for the financial year 2018-19.

**(ii) Contractual Obligations**

The Company has no contractual obligations to purchase, construct or develop investment property or for its repair, maintenance or enhancements.

**(iii) Leasing Arrangements**

The investment property is leased to tenants under long term operating leases with rentals payable annually as per the formula given in the agreement executed by both the parties. The lease period is 10 years (extendable as mutually agreed). Either party can terminate the agreement by giving 6 months notice (Non cancellable period). The future minimum lease payments receivables for 6 months can not be determined as the amount of rent is dependent on various other factors.

**(iv) Fair Value****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Investment Properties	2.40	2.40

**Estimation of Fair Value**

The Company obtains independent valuations for its investment properties once in every three to five years interval. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

1. Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties have been determined by based on independent valuer's valuation certificate. The main inputs used are the rental growth rates, jantry value guideline and sales comparison approach based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

**(v) Security Pledge:** Refer to Note 20 on borrowings for details in terms of pledge of assets as security.**(vi)** There is no restriction on the title and realisability of investment property or remittance of income and proceeds of disposals.



**Notes to Consolidated financial statements for the year ended 31st March 2019**

**NOTE 5.1 INTANGIBLE ASSETS**

**Intangible assets as at 31st March 2019**

(₹ in Crores)

Particulars	Gross Block			Amortization			Net Block	
	As at 1st April 2018	Addition	Disposal/ Adjustment	As at 31st March 2019	For the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2018
ROW Permissions	283.16	36.21	1.58	317.79	10.07	0.16	279.94	255.22
ROU	12.70	0.50	-	13.20	-	-	13.20	12.70
Software and other Intangibles	90.97	8.74	-	99.71	9.47	-	30.92	31.65
<b>Total Intangible Assets</b>	<b>386.83</b>	<b>45.45</b>	<b>1.58</b>	<b>430.70</b>	<b>19.54</b>	<b>0.16</b>	<b>324.06</b>	<b>299.57</b>

**Intangible assets as at 31st March 2018**

(₹ in Crores)

Particulars	Gross Block			Amortization			Net Block	
	As at 1st April 2017	Addition	Disposal/ Adjustment	As at 31st March 2018	For the year	Disposal/ Adjustment	As at 31st March 2018	As at 31st March 2017
ROW Permissions	249.43	33.78	0.05	283.16	8.98	0.01	27.94	230.46
ROU	12.33	0.37	-	12.70	-	-	-	12.33
Software and other Intangibles	78.45	14.29	1.77	90.97	9.83	1.77	59.32	27.20
<b>Total Intangible Assets</b>	<b>340.21</b>	<b>48.44</b>	<b>1.82</b>	<b>386.83</b>	<b>18.81</b>	<b>1.78</b>	<b>87.26</b>	<b>269.99</b>

**Note 5.1.1. Right of Way (ROW) Permissions:** The useful lives of Right of Way (ROW) Permissions as estimated by the management for the amortization is 30 years. The useful lives of ROW Permission are inextricably linked with the pipeline networks being laid, which corresponds with the useful life of 30 years of Plant and Machinery - Pipelines network for which the Right of Way (ROW) Permission has been obtained. The Useful life of 30 years of the Right of Way (ROW) Permissions is dependent on the useful life of Plant and Machinery - Pipelines i.e. Pipeline network of the company.

**Note 5.1.2 Right of Use (ROU):** The company acquires the 'Right of Use' (hereinafter referred to as 'ROU') for the purpose of laying and maintenance of the underground pipeline and vests in the company and the company has the right to use the same in the manner for which it has been acquired. The acquisition of ROU is governed by the legal process as per the Act, the company has paid the compensation / consideration of the ROU - land determined by the competent authority under the Act and any person authorised by the company, have unrestricted right of entry and lay pipeline or do any other act necessary for the purpose of laying of pipeline.

The company has disclosed the cost incurred for acquisition of ROU as 'Right of Use' in the Intangible Asset schedule. Since the ROU does not have a defined life, it is perpetual in nature. Accordingly based on requirements of Ind AS 38 - Intangible Assets, the same is tested for impairment and not amortised.

**Note 5.1.3 - Impairment of Assets:** There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

**Note 5.1.4 - Borrowing Cost:** Additions to the Intangible assets includes borrowing costs ₹ Nil (Previous Year ₹ 0.03 Crores) pertaining to borrowings for qualifying assets as per the requirements of Ind AS - 23 "Borrowing Costs".

**Note 5.1.5 - Security Pledge of Assets:** Refer to Note 20 on borrowings for details in terms of pledge of assets as security.

**Note 5.1.6 -** Refer to note 4.2 for disclosure of contractual commitments for the acquisition of intangible assets.

**Note 5.1.7 -** There is no restriction on the title of intangible assets.

**NOTE 5.2 INTANGIBLE ASSETS UNDER DEVELOPMENT**

(₹ in Crores)

Intangible assets under development	As at 31st March 2019	As at 31st March 2018
Software under development	0.37	-
<b>Total</b>	<b>0.37</b>	<b>-</b>

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 6 INVESTMENT IN ASSOCIATE****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Investments in equity shares carried at cost (fully paid)</b>		
<b>Unquoted Equity Shares</b>		
25000 (31st March, 2018: 25,000) Fully Paid up Equity Shares of ₹ 10 each of Guj Info Petro Limited	0.03	0.03
Add: Share of profit	26.03	24.65
Extent of Holding	49.94%	49.94%
Place of business/ country of incorporation	India	India
Description of method used to account for the investments (Cost or fair value)	At Cost	At Cost
<b>Total</b>	<b>26.06</b>	<b>24.68</b>

(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	26.06	24.68
(c) Aggregate amount of impairment in value of investments.	Nil	Nil

**Note 7 NON- CURRENT FINANCIAL ASSETS : INVESTMENTS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Investments in equity shares accounted through OCI (fully paid)</b>		
<b>Unquoted Equity Shares</b>		
2,00,00,000 (Previous year: 2,00,00,000) Fully Paid Up Equity Shares of ₹ 1 each of Gujarat State Petroleum Corporation Limited	16.02	16.06
200 (Previous year: 200) Fully Paid Up Equity Shares of ₹ 25 each of Kalupur Co Op Comm Bank Limited	₹ 5000/-	₹ 5000/-
<b>Total</b>	<b>16.02</b>	<b>16.06</b>

Particulars	Extent of Holding	
	31 st March 2019	31 st March 2018
Gujarat State Petroleum Corporation Limited (Ultimate Holding Co.)	0.78%	0.78%
The Kalupur Comm. Co. Op. Bank Ltd. (Others)	0.001%	0.001%
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	16.02	16.06
(c) Aggregate amount of impairment in value of investments.	Nil	Nil

\*Refer Note 44 for financial Instruments, fair value and measurements

**Note 8 NON- CURRENT FINANCIAL ASSETS : LOANS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Security Deposits (Refer Note 8.1)</b>		
To Related Parties [Unsecured, considered good]	4.57	2.09
To Others [Unsecured, considered good]	62.75	67.22
To Others [Credit impaired]	12.06	10.16
Less: Allowance for bad and doubtful	(12.06)	(10.16)
	67.32	69.31
Loan to Employees [Unsecured, considered good]	0.47	0.83
<b>Total</b>	<b>67.79</b>	<b>70.14</b>

\*Refer Note no. 44 for financial Instruments, fair value and measurements

**Notes to Consolidated financial statements for the year ended 31st March 2019**

**Note no. 8.1:** The Company has given refundable security deposits in form of fixed deposits to various project authorities to be held in their name and custody. It will be refunded after satisfactory completion of work. The company has therefore shown these fixed bank deposits amounting ₹ 40.54 Crores (Previous Year ₹ 42.70 Crores) and interest accrued on such fixed bank deposits ₹ 7.40 Crores (Previous Year ₹ 6.61 Crores), till they are in custody with project authorities as "Security Deposits" under the Note- "Loans (including Security Deposits)" in the balance sheet.

**Note 9 NON- CURRENT FINANCIAL ASSETS : OTHERS**

(₹ in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018
Receivable from employee [Unsecured, considered good]	1.66	0.02
Other Receivable [Considered Doubtful]	0.36	0.36
Less: Allowance for bad and doubtful	(0.36)	(0.36)
<b>Total</b>	<b>1.66</b>	<b>0.02</b>

\*Refer Note 44 for financial Instruments, fair value and measurements

**Note 10 OTHER NON- CURRENT ASSETS**

(₹ in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Capital advances</b>		
Capital advances [Unsecured, considered good]	72.18	25.42
Capital advances [Credit Impaired]	0.93	0.64
	73.11	26.06
Less: Allowance for bad and doubtful	(0.93)	(0.64)
Total	72.18	25.42
<b>Advance against expenses</b>		
Other advances - [Unsecured, considered good]	-	-
Other advances - [Credit Impaired]	-	0.03
	-	0.03
Less: Allowance for bad and doubtful	-	(0.03)
Total	-	-
Advance payment of income tax [Net of provisions](Refer Note 29)	48.57	171.02
Prepaid Expenses	59.86	51.19
Balances with Government authorities for Litigations	18.11	24.62
Balances with Government authorities - VAT credit refundable	24.23	5.73
Deferred employee benefit cost	7.58	0.10
Other non-current assets	0.03	0.03
<b>Total</b>	<b>230.56</b>	<b>278.11</b>

**Note 11 INVENTORIES\***

(₹ in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018
Natural Gas	5.49	4.44
Stores and spares	36.50	35.90
Deferred delivery-Natural Gas (Goods in transit)	27.42	16.44
<b>Total</b>	<b>69.41</b>	<b>56.78</b>

\* For Valuation- Refer note 2(l)

\*\*Refer Note 20 on borrowings for details in terms of pledge of assets as security.

**Note 12 CURRENT FINANCIAL ASSETS : TRADE RECEIVABLES**

(₹ in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018
Trade Receivables considered good - Secured	117.55	92.68
Trade Receivables considered good - Unsecured (Backed by Bank guarantee)	317.93	259.11
Trade Receivables considered good - Unsecured (Others)	74.83	39.92
Trade Receivables - credit impaired	6.52	5.43
<b>Total</b>	<b>516.83</b>	<b>397.14</b>
Less: Allowance for bad and doubtful	6.52	5.43
<b>Total</b>	<b>510.31</b>	<b>391.71</b>

\*Refer Note 44 for financial Instruments, fair value and measurements

\*\*Refer Note 20 on borrowings for details in terms of pledge of assets as security.

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 13 CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>(a) Balance with banks</b>		
Balance in account [with Sweep -in deposit facility]	19.24	15.28
Deposits with maturity of less than three months	4.01	3.79
<b>(b) Balance with financial Institutions</b>		
Deposits with maturity of less than three months	72.50	76.52
<b>(c) Cash on hand</b>	2.64	1.35
<b>Total</b>	<b>98.39</b>	<b>96.94</b>

\*Refer Note 44 for financial Instruments, fair value and measurements

**Note 14 CURRENT FINANCIAL ASSETS : OTHER BANK BALANCES****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Earmarked balances in unclaimed dividend accounts (Refer Note 14.1)	2.33	2.73
Margin Money deposits under lien against Bank Guarantee	40.00	40.00
Deposits with maturity having more than 3 months but less than 12 months	172.47	0.45
<b>Total</b>	<b>214.80</b>	<b>43.18</b>

\*Refer Note 44 for financial Instruments, fair value and measurements

**Note 14.1 :** 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 15 CURRENT FINANCIAL ASSETS : LOANS (INCLUDING SECURITY DEPOSITS)****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Loans to employees	1.19	1.50
<b>Total</b>	<b>1.19</b>	<b>1.50</b>

**Note 16 CURRENT FINANCIAL ASSETS : OTHERS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Unbilled Revenue	47.94	42.89
Insurance claim receivable	0.10	-
Staff Advance	-	0.04
Receivable from employee	0.52	-
<b>Other receivables [Unsecured, considered good]:-</b>		
From Related parties	1.76	1.59
From Others	28.80	2.51
<b>Total</b>	<b>79.12</b>	<b>47.03</b>

**Note 17 CURRENT ASSETS : OTHERS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Advances for expenses[Unsecured, considered good]</b>		
To Related parties	0.06	0.01
To Others	5.29	0.84
	5.35	0.85
Prepaid Expenses	20.01	19.86
Indirect Tax credit receivable	5.89	19.67
Balances with Government authorities - VAT credit refundable	29.71	22.80
Deferred employee benefit cost	2.41	0.11
<b>Total</b>	<b>63.37</b>	<b>63.29</b>

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 18 SHARE CAPITAL****Note 18.1 Authorised, issued, subscribed, fully paid up share capital****(₹ in Crores)**

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
Equity Shares of ₹2 each (Previous year ₹ 10 each)	8,67,55,00,000	1,735.10	1,73,51,00,000	1,735.10
7.5% Redeemable preference Shares of ₹ 10 each	1,70,00,000	17.00	1,70,00,000	17.00
Preference shares of ₹ 10 each (Refer Note No. 18.1.1)	50,00,000	5.00	50,00,000	5.00
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹2 each (Previous year ₹ 10 each) fully paid up (Refer Note No. 18.1.1)	68,83,90,125	137.68	13,76,78,025	137.68
<b>Total</b>	<b>68,83,90,125</b>	<b>137.68</b>	<b>13,76,78,025</b>	<b>137.68</b>

**Note 18.1.1:** The Shareholders of the company had approved by way of resolution passed through postal ballot process for sub-division of each equity share of the company having face value of ₹ 10/- each into 5 equity shares having face value of ₹ 2/- each fully paid up (thereby keeping paid up share capital intact). Post requisite formalities done with the respective stock exchanges and depositories, the record date for the sub-division and ascertaining the eligibility of the members of the Company entitled to receive 05 (five) equity shares of ₹ 2/- each in lieu of 01 (one) equity share of ₹ 10/- each was fixed on 16th January 2019. Accordingly, the total number of equity shares of the Company in the authorised share capital increased to 8,67,55,00,000 shares of ₹ 2 each (previous year 1,73,51,00,000 shares of ₹ 10 each). Consequently, the Company has credited / issued certificates for 68,83,90,125 equity shares of ₹ 2/- each (paid up share capital) in lieu of 13,76,78,025 equity shares of ₹ 10/- each.

**Note 18.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period (₹ in Crores)**

Particulars	As at 31st March 2019		As at 31st March 2018	
	Equity Shares of ₹ 2 each fully paid		Equity Shares of ₹ 10 each fully paid	
	No. of shares	Amount	No. of shares	Amount
Shares face value of ₹ 10 each 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	-	-	-	-
Add: Shares face value of ₹ 2 each issued during the period pursuant to the sub division of equity share (Refer Note No. 18.1.1)	68,83,90,125	-	-	-
Less: Shares face value of ₹ 10 each cancelled during the period (Refer Note No. 18.1.1)	13,76,78,025	-	-	-
Shares outstanding at the end of the period	<b>68,83,90,125</b>	<b>137.68</b>	<b>13,76,78,025</b>	<b>137.68</b>

**Note 18.3 Terms/ rights attached to equity shares**

The company has only one class of equity shares having a face value of ₹ 2 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 2019****Note 18.4 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:

**(₹ in Crores)**

Share Holder (Nature of Relationship)	As at 31st March 2019		As at 31st March 2018	
	No. of Equity Shares of ₹ 2 each fully paid	Amount	No. of Equity Shares of ₹ 10 each fully paid	Amount
(i) Gujarat State Petroleum Corporation Limited (current year :- Ultimate holding company and previous year :- Ultimate Holding Company)	-	-	-	-
(ii) Gujarat State Petronet Limited (current year :- Holding Company and previous year :- Holding company)	37,28,73,995	74.57	7,45,74,799	74.57
(iii) Gujarat State Energy Generation Limited ) (current year :- Associate of ultimate holding company and previous year :- Associate of ultimate Holding Company)	13,32,235	0.27	2,66,447	0.27

**Note 18.5 SHAREHOLDERS HOLDING MORE THAN 5 % OF TOTAL SHARE CAPITAL**

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Equity Shares of ₹ 2 each fully paid		Equity Shares of ₹ 10 each fully paid	
Gujarat State Petroleum Corporation Limited	-	-	-	-
Gujarat State Petronet Limited	37,28,73,995	54.17%	7,45,74,799	54.17%
Gujarat State Fertilizers and Chemicals Limited	4,69,14,475	6.82%	93,82,895	6.82%
Government of Gujarat	4,49,77,310	6.53%	89,95,462	6.53%

**Note 18.6****Details of Bought back of shares, Bonus Shares and Shares issue without payment being received in Cash:**

The company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares, for the period of five years immediately preceding March 31, 2019.

**Note 18.7****Proposed Dividend:**

The Board of Directors, in its meeting on 6th May, 2019, have proposed a final dividend of ₹ 1 per equity share (Face value of ₹ 2/- each) for the financial year ended on 31st March,2019. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in a cash outflow of approximately ₹ 82.99 crore including corporate dividend tax of ₹ 14.15 crores.

The Board of Directors, in its meeting on 11th May 2018, had proposed a final dividend of ₹ 4.00 per equity share (Face value of ₹ 10/- each) for the financial year ended on 31st March,2018. The proposal was approved by shareholders at the Annual General Meeting and this resulted in a cash outflow of ₹ 66.39 crore including corporate dividend tax of ₹ 11.32 crores.

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note-19 OTHER EQUITY****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>(A) Reserves &amp; Surplus</b>		
<b>General Reserve</b>		
Opening Balance	2.72	2.72
Add/Less : Adjustment during the year	-	-
<b>Closing Balance</b>	<b>2.72</b>	<b>2.72</b>
<b>Amalgamation and arrangement Reserve</b>		
Opening Balance	879.59	879.59
Add/Less : Adjustment during the year	-	-
<b>Closing Balance</b>	<b>879.59</b>	<b>879.59</b>
<b>Retained Earnings</b>		
Opening balance	959.02	715.82
Changes in accounting policy (Refer note 49)	(36.96)	-
Changes in accounting policy- share of equity accounted investee	(0.08)	
Restated balance at the beginning	921.98	715.82
Add: Profit during the year	418.45	292.44
Remeasurement of post employment benefit obligation, net of tax	(2.06)	0.47
Refund of earlier year's Dividend distribution tax	25.96	-
<b>Total</b>	<b>1,364.33</b>	<b>1,008.73</b>
<b>Less : Appropriations</b>		
Dividend	(55.07)	(41.30)
Corporate Tax on Dividend	(11.32)	(8.41)
<b>Closing Balance</b>	<b>1,297.94</b>	<b>959.02</b>
<b>Total (A)</b>	<b>2,180.25</b>	<b>1,841.33</b>
<b>(B) Equity instrument through OCI</b>		
Opening Balance	(112.63)	(72.08)
Change in fair value of equity instrument	(0.04)	(52.19)
Income tax relating to above item	0.01	11.64
<b>Closing Balance (B)</b>	<b>(112.66)</b>	<b>(112.63)</b>

**Nature and purpose of reserves:****General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

**Amalgamation and Arrangement Reserve**

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

**Debenture redemption reserve**

The Company had issued Non convertible debentures and as per the provisions of the Companies Act, 2013, had created debenture redemption reserve out of the profits of the company available for payment of dividend. The Non convertible debentures had been redeemed in April 2016 hence balance of debenture redemption reserve transferred to retained earnings.

**Employees Stock Options Outstanding**

The Employee stock options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

**Equity instrument through OCI**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instrument through OCI reserve within equity.



**Notes to Consolidated financial statements for the year ended 31st March 2019**

**Note 20 NON-CURRENT FINANCIAL LIABILITIES : BORROWINGS**

(₹ in Crores)

	As at 31st March 2019		As at 31st March 2018	
	Non-Current	Current*	Non-Current	Current*
Term Loan from Banks (Refer Note 20.1)	2,089.15	123.96	2,212.99	113.95
<b>Total secured borrowings</b>	<b>2,089.15</b>	<b>123.96</b>	<b>2,212.99</b>	<b>113.95</b>

\*Amount disclosed under the head "Current financial liabilities : Others" (Note 26)

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

**20.1 Secured Loans**

(₹ in Crores)

	Terms of repayment	Interest Rate	Maturity	As at 31st March 2019		As at 31st March 2018	
				Non-Current	Current	Non-Current	Current
<b>From banks</b>							
HDFC Bank	Quarterly Instalment from March 2018	8.75%	Dec-27	488.09	27.63	515.59	27.62
State Bank of India TL I	Quarterly Instalment from December 2017	8.59%	Sep-27	374.19	21.39	395.59	21.39
State Bank of India TL II	Quarterly Instalment from December 2017	8.59%	Sep-27	1,136.87	64.92	1,201.81	64.91
Kotak Mahindra Bank Limited	Quarterly Instalment from June 2019	8.60%	Mar-29	90.00	10.02	100.00	0.02
<b>Total</b>				<b>2,089.15</b>	<b>123.96</b>	<b>2,212.99</b>	<b>113.95</b>

\*Refer Note 44 for financial Instruments, fair value and measurements

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

Type of Loan	As at 31st March 2019	As at 31st March 2018
		<ol style="list-style-type: none"> <li>1. First pari - passu charge on the fixed assets (Movable &amp; Immovable) i.e. Property, plant, equipment (PPE), Investment property of the Company except RoU/RoW rights, both present and future.</li> <li>2. Second pari - passu charge on all Current Assets (financial and non financial assets) of the Company, both present and future. The working capital lenders will have first charge pari passu on the current assets.</li> </ol>

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 21 NON-CURRENT PROVISIONS**

(₹ in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Provision for employee benefits (Refer note 47)</b>		
Provision for Long service benefits	0.73	0.70
Provision for leave encashment	38.85	32.32
Provision for Superannuation	0.10	0.38
<b>Total</b>	<b>39.68</b>	<b>33.40</b>

**Note 22 DEFERRED TAX LIABILITIES****(a) Deferred tax balances and movement for FY 2018-19**

(₹ in Crores)

Particulars	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2019
<b>Deferred tax Liabilities</b>					
Property, plant and equipment	1,084.86	43.41	-	-	1,128.27
Investments	3.11	-	(0.01)	-	3.10
Share of net profit of associate	5.06	0.28	-	-	5.34
Loans and borrowings	0.25	(0.02)	-	-	0.23
<b>Total</b>	<b>1,093.28</b>	<b>43.67</b>	<b>(0.01)</b>	<b>-</b>	<b>1,136.94</b>
<b>Deferred tax asset</b>					
Employee benefits	11.90	(6.96)	1.09	8.04	14.07
Tax credit	20.70	-	-	(20.70)	-
Provisions	6.44	0.98	-	-	7.42
Other items	3.68	4.98	-	19.85	28.51
<b>Total</b>	<b>42.72</b>	<b>(1.00)</b>	<b>1.09</b>	<b>7.19</b>	<b>50.00</b>
<b>Net deferred tax Liabilities</b>	<b>1,050.56</b>	<b>44.67</b>	<b>(1.10)</b>	<b>(7.19)</b>	<b>1,086.94</b>

**(b) Deferred tax balances and movement for FY 2017-18**

(₹ in Crores)

Particulars	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2018
<b>Deferred tax Liabilities</b>					
Property, plant and equipment	1,035.37	49.49	-	-	1,084.86
Investments	14.74	-	(11.64)	-	3.11
Share of net profit of associate	4.76	0.30	-	-	5.06
Loans and borrowings	0.30	(0.05)	-	-	0.25
<b>Total</b>	<b>1,055.18</b>	<b>49.74</b>	<b>(11.64)</b>	<b>-</b>	<b>1,093.28</b>
<b>Deferred tax asset</b>					
Employee benefits	10.93	1.20	(0.23)	-	11.90
Tax credit	42.44	-	-	(21.74)	20.70
Provisions	6.59	(0.15)	-	-	6.44
Other items	5.57	(1.89)	-	-	3.68
<b>Total</b>	<b>65.53</b>	<b>(0.84)</b>	<b>(0.23)</b>	<b>(21.74)</b>	<b>42.72</b>
<b>Net deferred tax Liabilities</b>	<b>989.65</b>	<b>50.58</b>	<b>(11.41)</b>	<b>21.74</b>	<b>1,050.56</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

**(c) Tax losses carried forward**

Particulars	31st March 2019	Expiry date	31st March 2018	Expiry date
Expire	Nil	NA	Nil	NA
Never Expire	Nil	NA	Nil	NA

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 23 OTHER NON-CURRENT LIABILITIES****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Deferred Revenue ( Refer Note 49 )	59.54	-
<b>Total</b>	<b>59.54</b>	<b>-</b>

**Note 24 CURRENT FINANCIAL LIABILITIES : BORROWINGS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Unsecured (Repayable on demand)</b>		
<b>Loan from Banks (Cash credit / Bank Overdraft):</b>		
Kotak Mahindra Bank Ltd.	-	1.22
HDFC Bank	-	0.06
<b>Total</b>	<b>-</b>	<b>1.28</b>

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

**Note 25 CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Total outstanding dues of micro enterprises and small enterprises -</b>		
Trade payables others (Refer Note 43)	9.56	1.43
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises:-</b>		
Trade payables - Gas Purchase / Transmission	235.36	189.16
Trade payables - Others & Provisions	110.85	106.26
<b>Total</b>	<b>355.77</b>	<b>296.85</b>

\*Refer Note 44 for financial Instruments, fair value and measurements

**Note 26 CURRENT FINANCIAL LIABILITIES : OTHERS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Current maturities of long term borrowings - (Please refer Note 20):-</b>		
<b>Term Loan</b>		
- From Banks (Secured)	123.96	113.95
	<b>123.96</b>	<b>113.95</b>
<b>Capital creditors and other payables:-</b>		
- Total outstanding dues of micro enterprises and small enterprises (Refer note 43)	27.25	11.64
- Total outstanding other than dues of micro enterprises and small enterprises	150.77	150.07
	<b>178.02</b>	<b>161.71</b>
Security Deposits from customers	826.71	721.90
Interest accrued on security deposits from customers	7.12	5.70
Security deposit from customers towards MGO	105.11	96.18
Security deposit from collection centres and others	4.58	4.32
Security Deposits from Suppliers	22.35	22.95
Unclaimed dividend (Refer Note 26.1)	2.34	2.73
<b>Others:</b>		
BG Asia Pacific Holdings Limited	464.78	464.78
Less : Amount deposited in Escrow Account with Citi Bank (Refer Note 26.2)	(464.78)	(464.78)
Net Payable	-	-
Other current financial liabilities	0.18	25.09
<b>Total</b>	<b>1,270.37</b>	<b>1,154.53</b>

\*Refer Note 44 for financial Instruments, fair value and measurements

**Note 26.1:** The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 after the expiry of seven years from the date of declaration of dividend. No amount is due at the end of the period for credit to Investors education and protection fund.

**Note 26.2:** The Company deposited ₹ 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 2019****Note 27 CURRENT LIABILITIES : OTHERS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Advances from customer towards connection	13.35	16.69
Advances from customers-Others	6.69	4.86
Deferred Revenue (Refer Note 49)	7.96	-
Statutory dues payable	14.51	16.68
<b>Total</b>	<b>42.51</b>	<b>38.23</b>

**Note 28 CURRENT PROVISIONS****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Provision for employee benefits (Refer note 47)</b>		
Provision for gratuity	7.37	3.92
Provision for leave encashment	0.86	0.85
Provision for long service benefits	0.07	0.13
<b>Total</b>	<b>8.30</b>	<b>4.90</b>

**Note 29 INCOME TAX LIABILITIES (NET)****Details of Income tax assets and income tax liabilities****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Income tax assets (Refer Note 10)	48.57	171.02
(b) Current income tax liabilities	-	2.66
<b>Net Asset (a-b)</b>	<b>48.57</b>	<b>168.36</b>

**Movement in current income tax asset/(liability)****(₹ in Crores)**

Particulars	As at 31st March 2019	As at 31st March 2018
Net current income tax asset/(liability) at the beginning	168.36	163.85
Income tax paid for the year	151.19	96.66
Provision for Income tax for the year (Refer Note 39(a))	(162.35)	(120.04)
Prior year tax paid /refund adjusted with tax / other items	24.32	17.01
Income tax refund received	(153.65)	(9.83)
Adjustment/Reclassification/Utilisation of MAT	20.70	20.72
<b>Net current income tax asset/(liability) at the end</b>	<b>48.57</b>	<b>168.36</b>

**Note 30 REVENUE FROM OPERATIONS****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Sale of Product ( Including excise duty)</b>		
Natural Gas	7,927.55	6,299.26
<b>Other operating revenue</b>		
Gas transmission Income	0.09	0.10
Contract Renewal Charges	9.92	9.14
Take or Pay Income	7.17	5.44
Connection, Service and Fitting Income	16.27	23.97
Other Operating Income	1.48	1.44
	<b>34.93</b>	<b>40.09</b>
<b>Total</b>	<b>7,962.48</b>	<b>6,339.35</b>

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 31 OTHER INCOME****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Income (including interest on tax refunds ₹ 55.29 Crores, Previous year ₹ 0.53 Crores)*	98.89	27.95
Provisions no longer required written back	2.91	0.55
Profit/(Loss) on sale as scrap and diminution in Capital Inventory	-	0.53
Other Non-Operating Income	9.76	6.83

\*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.

**Note 32 COST OF MATERIALS CONSUMED****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Natural Gas - Purchase	5,745.72	4,435.19
Gas Transportation Charges	349.25	259.86
Less:-		
Deferred delivery of natural gas (GIT)	(10.97)	(16.44)
<b>Total</b>	<b>6,084.00</b>	<b>4,678.61</b>

**Note 33 CHANGES IN INVENTORIES OF NATURAL GAS****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Changes in inventories of finished goods, stock in trade and work in progress - Natural Gas</b>		
Inventory at the beginning of the year	4.44	3.81
Less: Inventory at the end of the year	5.49	4.44
<b>Total</b>	<b>(1.05)</b>	<b>(0.62)</b>

**Note 34 EMPLOYEE BENEFIT EXPENSE****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries and Wages	131.48	119.87
Contribution to Provident and Other Funds- Gratuity(Refer note 47)	13.67	12.97
Leave Encashment & Other benefits	9.50	4.12
Staff Welfare Expenses	10.43	7.12
	<b>165.08</b>	<b>144.08</b>
Less: Amount capitalised during the period*	(5.10)	(5.07)
<b>Total</b>	<b>159.98</b>	<b>139.01</b>

\*Salary &amp; wages of employees directly involved in capital projects are capitalised in Property, plant and equipment (PPE).

**Note 35 FINANCE COSTS****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest on Borrowings	187.24	191.21
Interest on Security Deposits & Others	8.23	6.63
Interest on Income Tax	0.72	1.29
	<b>196.19</b>	<b>199.13</b>
Less: Amount capitalised during the period*	-	(3.05)
<b>Total</b>	<b>196.19</b>	<b>196.08</b>

\* The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year. Current year rate of interest considered is NA (Previous year 8.07%)

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 36 DEPRECIATION AND AMORTISATION EXPENSE****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Depreciation/Amortisation of property, plant and equipment (Refer note 3.1)	268.47	253.01
Amortisation of intangible assets (Refer note 5.1)	19.54	18.81
<b>Total</b>	<b>288.01</b>	<b>271.82</b>

**Note 37 OTHER EXPENSES****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Consumption of Stores & Spares Parts	12.22	12.07
Power and Fuel	78.03	71.70
<b>Repairs and Maintenance:</b>		
- Buildings	0.76	1.72
- Plant and Machinery	165.94	141.33
- Others	16.07	12.36
<b>Rent:</b>		
- Pipelines	32.43	32.49
- Others (Refer Note 37.1)	7.02	6.40
LCV/HCV Hiring, Operating and Maintenance Charges	51.96	43.44
Franchisee and other Commission	38.84	34.92
Agency & Contract Staff Expenses	29.41	26.60
Legal and Professional Charges	23.66	9.24
Loss on sale / write-off of Fixed Assets (net)	0.42	7.81
Bank Charges	11.54	10.12
Billing and Collection expenses	8.45	8.89
Vehicles Exps	6.70	6.39
Office Expenses	8.58	6.87
Postage and Telephone Expenses	5.16	4.54
Allowance for Doubtful Trade Receivables/Advances/Deposits	3.28	0.57
Business Promotion expenses	4.65	3.65
Insurance	3.61	3.12
Rates, taxes and duties	1.01	1.33
Travelling and Conveyance	1.94	1.68
Stationery & Printing Expenses	2.68	2.60
Corporate social responsibility exp. (Refer Note no. 50)	4.36	8.14
Payment to Auditors (Refer Note 37.2)	0.26	0.27
Material Shortage/(Gain) and Loss on sale of material(Net)	0.16	1.46
Diminution in Capital Inventory/Loss on sale as scrap	4.58	-
Miscellaneous Expenses	3.13	2.53
Net gain or loss on foreign currency transaction(Refer Note 37.3)	(0.01)	0.03
<b>Total</b>	<b>526.84</b>	<b>462.27</b>

**Note 37.1** 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 ₹ 7.02 Crores (Previous Year ₹ 6.40 Crores). The lease arrangement typically ranges from 11 months to 9 years.



**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 37.2 Payment to Auditors****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
For Statutory Audit	0.26	0.27
<b>Total</b>	<b>0.26</b>	<b>0.27</b>

**Note 37.3 Net gain or loss on foreign currency transaction****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Loss on foreign currency transaction	0.02	0.03
Gain on foreign currency transaction	(0.03)	-
<b>Net gain or loss on foreign currency transaction</b>	<b>(0.01)</b>	<b>0.03</b>

**Note 38 EXCEPTIONAL ITEMS****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Rate and taxes expenses pursuant to scheme of Amalgamation and Arrangement	17.87	-
<b>Total</b>	<b>17.87</b>	<b>-</b>

**Note 38.1** Exceptional item pertains to balance provision of stamp duty as per the order of the Chief Controlling Revenue Authority (CCRA) for stamp duty levied of ₹ 42.87 Crores with regards to the appeal filed against the order of Collector & Additional Superintendent of Stamps for adjudication of stamp duty pursuant to Composite Scheme of Amalgamation and Arrangement approved by Hon'ble Gujarat High Court. The Company had already provided ₹ 25.00 Crores in books of accounts for the same in the financial year 2015-16.

**Note 39 TAX EXPENSE****(a) Amounts recognised in profit and loss****(₹ in Crores)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Current Tax</b>		
(a) Current income tax	162.35	120.04
(b) Short/(Excess) provision of income tax in respect of previous years	(29.85)	1.21
<b>Total (A)</b>	<b>132.50</b>	<b>121.25</b>
<b>Deferred tax</b>		
(a) Deferred tax expense / (Income)- net		
Origination and reversal of temporary differences	44.67	40.87
Increase in tax rate	-	9.71
Total	44.67	50.58
(b) Recognition of MAT credit	-	-
<b>Total (B)</b>	<b>44.67</b>	<b>50.58</b>
<b>Tax expense for the year (A+B)</b>	<b>177.17</b>	<b>171.83</b>



**Notes to Consolidated financial statements for the year ended 31st March 2019**

**(b) Reconciliation of effective tax rate**

(₹ in Crores)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Profit before tax</b>	<b>595.62</b>	<b>464.27</b>
Tax using the Company's domestic tax rate (Current year 34.94% and Previous Year 34.61%)	208.14	160.67
<b>Tax effect of:</b>		
Increase in tax rate for Deferred tax	-	9.71
Interest u/s. 234B & 234C & TDS - Disallowed	0.25	0.45
Donation	1.34	0.40
Others	(0.01)	0.01
Impact of Long Term Capital Gain and set off of B/f Loss	(1.35)	-
Impact of Long Term Capital Gain on Land	(1.08)	(0.12)
Impact of low tax rate for DDT/ tax on share of profit of subsidiary and associate	(0.27)	(0.14)
Impact of (Excess)/Short provisions of earlier year deferred taxes	-	(0.36)
Impact of (Excess)/Short provisions of earlier year taxes	(29.85)	1.21
<b>Total</b>	<b>177.17</b>	<b>171.83</b>

**Note 40 STATEMENT OF OTHER COMPREHENSIVE INCOME**

(₹ in Crores)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>(i) Items that will not be reclassified to profit or loss</b>		
<b>Equity Instruments through Other Comprehensive Income</b>		
Fair value of unquoted investments - Gain /(loss)	(0.04)	(52.19)
Tax impact on unquoted investments	0.01	11.64
<b>Remeasurement gains (losses) on defined employee benefit plans</b>		
Actuarial gains and losses - Gain /(loss)	(3.12)	0.66
Tax impact on Actuarial gains and losses	1.09	(0.23)
<b>Share of Other comprehensive income of equity accounted investee</b>	(0.03)	0.04
<b>Total of Items that will not be reclassified to profit or loss</b>	<b>(3.19)</b>	<b>(51.49)</b>
<b>Total Tax impact</b>	<b>1.10</b>	<b>11.41</b>
<b>Total (i)</b>	<b>(2.09)</b>	<b>(40.08)</b>
<b>(ii) Items that will be reclassified to profit or loss</b>		
Income tax relating to items that will be reclassified to profit or loss - Gain /(loss)	-	-
<b>Total (ii)</b>	<b>-</b>	<b>-</b>
<b>Total (i+ii)</b>	<b>(2.09)</b>	<b>(40.08)</b>

**Note 41 EARNINGS PER EQUITY SHARE- FACE VALUE OF ₹ 2 EACH**

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit for the year (Profit attributable to equity shareholders (₹ in Crores))	418.45	292.44
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	68,83,90,125	68,83,90,125
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	68,83,90,125	68,83,90,125
Face Value of equity share (₹)	2.00	2.00
Basic EPS (₹)	6.08	4.25
Diluted EPS (₹)	6.08	4.25

**Notes to Consolidated financial statements for the year ended 31st March 2019**

**Note 41.1:-** Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares. The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

**Note 41.2:-** The Shareholders of the company had approved by way of resolution passed through postal ballot process for sub-division of each equity share of the company having face value of ₹ 10/- each into 5 equity shares having face value of ₹ 2/- each fully paid up (thereby keeping paid up share capital intact). Post requisite formalities done with the respective stock exchanges and depositories, the record date for the sub-division and ascertaining the eligibility of the members of the Company entitled to receive 05 (five) equity shares of ₹ 2/- each in lieu of 01 (one) equity share of ₹ 10/- each was fixed on 16th January 2019. Accordingly, the Company has credited / issued certificates for 68,83,90,125 equity shares of ₹ 2/- each in lieu of 13,76,78,025 equity shares of ₹ 10/- each. Accordingly, as per requirement of Ind AS 33 – Earning per share, the Earnings Per Share (EPS) of the current period and previous periods have been restated.

**Note 42 CONTINGENT LIABILITIES & CONTINGENT ASSETS****(A) CONTINGENT LIABILITIES\*****(₹ in Crores)**

<b>Contingent liabilities (to the extent not provided for)</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>Contingent Liabilities</b>		
(a) Contingent Liabilities – Statutory claims (Refer Note 42.1)	77.69	91.34
(b) Claims against the company not acknowledged as debt( Refer Note 42.2)	751.00	407.40
(c) Contingent Liabilities – Stamp duty on amalgamation (Refer Note 42.3)	-	18.53
<b>Total</b>	<b>828.68</b>	<b>517.27</b>

\*Refer note no 52 for details of group's shares in contingent liabilities of associate company.

The Group has reviewed all its pending claims, litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company does not expect the outcome of these claims, litigations and proceedings to have a materially adverse effect on its financial position.

**Note 42.1 – Contingent Liabilities – Statutory claims****(₹ in Crores)**

<b>Particulars</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
Disputed statutory dues in respect of which Appeals are filed against / by company :		
(a) Excise Duty	17.91	17.48
(b) Income Tax	19.05	33.27
(c) Service Tax	40.73	40.59
<b>TOTAL</b>	<b>77.69</b>	<b>91.34</b>

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

**Note 42.2 – Claims against the company not acknowledged as debt includes the following major matters:**

- UPL Limited (UPL) a customer of erstwhile Gujarat Gas Company Limited(now known as Gujarat Gas Limited) 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 the company by PNGRB. The company has preferred an appeal at Appellate Tribunal for Electricity (APTEL) against the PNGRB Order. The company has also sought an interim stay on the PNGRB order which was granted by APTEL. The APTEL has in its order stated that it is an interim order without considering the merits of the case. The company has submitted bank guarantee of ₹ 40.00 Crores in favour of UPL.
- 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

**Notes to Consolidated financial statements for the year ended 31st March 2019**

appeals against the said PNGRB orders before the Appellate Tribunal for Electricity (APTEL). On 23-February-2012 APTEL had issued an interim order for shifting the Delivery Point from GAIL-GSPL Delivery Point to GSPL-PLL Delivery Point. On 18-December-2013 APTEL issued its judgment and required GSPCL to pay the amount of the difference between ₹ 8.74/MMBTU (exclusive of Service Tax) – earlier connectivity charges and ₹ 19.83/MMBTU (Exclusive of Service Tax) – HVJ/DVPL Zone-1 tariff to GAIL for the period from 20th November 2008 to 29th February 2012.

GSPCL has filed an appeal against the APTEL's above referred judgment before Hon'ble Supreme Court of India (GSPCL vs. 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 ₹ 12.00 per MMBTU (exclusive of Taxes). The Company has already provided and paid interconnectivity charges at the rate of ₹ 12.00 per MMBTU (exclusive of Taxes).

- (iii) One of the gas suppliers of the Company has submitted a claim of ₹ 475.59 Crores (P. Y. ₹ 134.90 Crores), for use of allocated gas for other than specified purpose, demand in earlier years (FY 2013-14 to FY 2017-18). The company has refuted this erroneous claim contending that there is gross error in actual domestic gas purchase and actual sales considered by GAIL and also there is no contractual provisions of the agreement executed with GGL that 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) The company has initiated an arbitration proceeding against one of the franchisees claiming compensation for loss of revenue. While replying to the claim, the said franchisee has also filed a counter claim of ₹ 177.14 Crores (P. Y. ₹ 177.14 Crores) against the company claiming compensation for various losses. The company has filed necessary rejoinder to the counter claim strongly refuting the same mainly on the grounds that the claims are wrong and as are not flowing from the same agreement under which the arbitral tribunal has been constituted the tribunal does not have any jurisdiction to adjudicate the claim.

**Note 42.3 - Contingent Liabilities - Stamp duty on amalgamation**

The Office of superintendent of stamp issued demand of stamp duty of ₹ 43.53 crores for the transaction of scheme of amalgamation and arrangement in the financial year 2016-17. The Company had filed the appeal before Chief Controlling Revenue Authority - CCRA on 20.12.2016. During current financial year, the Chief Controlling Revenue Authority (CCRA) had issued order for stamp duty levied of ₹ 42.87 Crores. The Company has paid the balance stamp duty as per the Chief Controlling Revenue Authority - CCRA and settled the matter.

**B) CONTINGENT ASSETS**

- (i) Company has raised claim of ₹ 43.08 crores for net credit of natural gas pipeline tariff as per PNGRB Order with one of the suppliers and supplier is disputing company's claim and indicating for adjusting the partial claim of ₹ 30.72 crores out of total claim ₹ 43.08 crores against disputed liability for use of allocated gas other than specified purpose, against demand in earlier year (Refer Point 42 A-(iii) above).
- (ii) Company has filed an appeal before the Appellate Tribunal for Electricity (APTEL) against the PNGRB order related to the matter held that the Gas Swapping Arrangement Guidelines of PNGRB is applicable erroneously. APTEL has issued the order in favour of GGL. The said supplier has filed appeal at Hon'ble Supreme Court of India against the order of APTEL. Presently, the matter is pending in Hon'ble Supreme Court of India. Currently, GGL is paying ₹ 42.46 per mmbtu as transmission charges for domestic gas being purchased and delivered by GAIL at one of the delivery points. If verdict is in favour of GGL, GGL will get refund of ₹ 146.66 Crores from December 2013 till March 2019 and company shall endeavour to pass on the benefit to its customers.
- (iii) The Company is having other certain claims, litigations and proceedings which are pursuing through legal processes. The management believe that probable outcome in all such claims, litigations and proceedings are uncertain. Hence, the disclosure of such claims, litigations and proceedings is not required in the financial statements.

**C) COMMITMENTS****(₹ in Crores)**

Sr. No.	Commitments (to the extent not provided for)	As at 31st March 2019	As at 31st March 2018
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	446.75	515.87
2	Estimated amount of contracts remaining to be executed on revenue account and not provided for	388.68	330.79
	<b>Total</b>	<b>835.43</b>	<b>846.66</b>

**Notes to Consolidated financial statements for the year ended 31st March 2019****Other commitments**

All term contracts for purchase of natural gas with suppliers, has contractual volume off take obligation of "Take or Pay" (ToP) as specified in individual contracts. Quantification of ToP amount is dependent on various factors like actual purchase quantity, gas purchase prices of respective contract etc. As these factors are not predictable, ToP commitment amount is not quantifiable.

**Note 43 Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006 (₹ in Crores)**

Sr. No.	Particulars	As at 31st March 2019	As at 31st March 2018
1	The principal amount outstanding as at the end of accounting year a) Trade payable b) Capital creditors	9.56 27.25	1.43 11.64
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 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-
4	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
5	Interest accrued and remaining unpaid at the end of accounting year (Refer Note below)	0.02	0.02
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.

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

**Notes to Consolidated financial statements for the year ended 31st March 2019****NOTE 44 FINANCIAL INSTRUMENTS (FAIR VALUE MEASUREMENTS) AND FINANCIAL RISK MANAGEMENT**

The Company has various financial assets and liabilities. The disclosures regarding the classification, fair value hierarchy, markets risk, credit risks and liquidity risks are as follows:

**A. Accounting classification and fair values****(₹ in Crores)**

March 31, 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level -2 Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Investments	-	16.02	-	16.02	-	-	16.02	16.02
<b>Financial assets measured at   amortised cost</b>								
Loans (Non-current)	-	-	67.79	67.79	-	67.79	-	67.79
Loans (Current)	-	-	1.19	1.19	-	-	-	-
Other financial assets (Non-current)	-	-	1.66	1.66	-	1.66	-	1.66
Other financial assets (Current)	-	-	79.12	79.12	-	-	-	-
Trade receivables	-	-	510.31	510.31	-	-	-	-
Cash and cash equivalents	-	-	98.39	98.39	-	-	-	-
Other bank balances	-	-	214.80	214.80	-	-	-	-
<b>Total</b>	-	<b>16.02</b>	<b>973.26</b>	<b>989.28</b>	-	<b>69.45</b>	<b>16.02</b>	<b>85.47</b>
<b>Financial liabilities   measured at amortised cost</b>								
Non current borrowings	-	-	2,089.15	2,089.15	-	2,089.15	-	2,089.15
Current borrowings	-	-	-	-	-	-	-	-
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	355.77	355.77	-	-	-	-
Other financial liabilities	-	-	1,270.37	1,270.37	-	-	-	-
<b>Total</b>	-	-	<b>3,715.29</b>	<b>3,715.29</b>	-	<b>2,089.15</b>	-	<b>2,089.15</b>

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)**

₹ in Crores)

March 31, 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level -2 Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>								
Investments	-	16.06	-	16.06	-	-	16.06	16.06
<b>Financial assets measured at amortised cost</b>								
Loans (Non-current)	-	-	70.14	70.14	-	70.14	-	70.14
Loans (Current)	-	-	1.50	1.50	-	-	-	-
Other financial assets (Non-current)	-	-	0.02	0.02	-	0.02	-	0.02
Other financial assets (Current)	-	-	47.03	47.03	-	-	-	-
Trade receivables	-	-	391.71	391.71	-	-	-	-
Cash and cash equivalents	-	-	96.94	96.94	-	-	-	-
Other bank balances	-	-	43.18	43.18	-	-	-	-
<b>Total</b>	-	<b>16.06</b>	<b>650.52</b>	<b>666.58</b>	-	<b>70.16</b>	<b>16.06</b>	<b>86.22</b>
<b>Financial liabilities measured at amortised cost</b>								
Non current borrowings	-	-	2,212.99	2,212.99	-	2,212.99	-	2,212.99
Current borrowings	-	-	1.28	1.28	-	-	-	-
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	296.85	296.85	-	-	-	-
Other financial liabilities	-	-	1,154.53	1,154.53	-	-	-	-
<b>Total</b>	-	-	<b>3,665.65</b>	<b>3,665.65</b>	-	<b>2,212.99</b>	-	<b>2,212.99</b>

**Fair Value Hierarchy of Financial Assets and Liabilities :**

# Fair value of financial assets and liabilities which are measured at amortised cost is not materially different from the carrying value (ie..amortised cost).

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)****B. MEASUREMENT OF FAIR VALUES****i) Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value – FVTOCI in unquoted equity shares**

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p><b>Market comparison technique:</b> The valuation model is based on three approaches :-</p> <p><b>1. Market approach :</b> This approach uses information generated by market transactions of the Company being valued or the transactions of comparable companies. The following market-linked information may be used for determining valuation under this approach.</p> <ul style="list-style-type: none"> <li>- Quoted price of the company being valued,</li> <li>- Past transaction value of the company being valued,</li> <li>- Listed comparable companies' trading multiples like price to earning ratio, enterprise value to earning before interest, tax, depreciation and amortisation, enterprise value to sales etc.</li> <li>- Transactions multiples for investment / M &amp; A transaction of comparable companies.</li> </ul> <p>The valuation arrived at based on the market approach reflects the current value of the Company perceived in the active market. However, as the valuation arrived at using market multiples is based on the past/current transaction or traded values of comparable companies/businesses, it may not reflect the possible changes in future trend of cash flows being generated by a business.</p>	<p>Comparable unobservable entity has been taken as a base for the valuation of unquoted equity shares and its management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.</p> <p>As stated , highest priority is given to unadjusted quoted price of listed entities and lowest priority to non-market linked inputs such as future cash flows used in income approach.</p>	<p>The estimated fair value would increase (decrease) if:</p> <p>There is a change in pricing multiple owing to change in earnings of the entity.</p> <p>Considering the diverse asset and investment base of the Company with differing risk/return profiles, a sum of the parts approach has been adopted for the valuation. Under this method, the value of each distinct business/asset/investment has been arrived at separately and total value estimate for the Company presented as the sum of all its business / investments/assets.</p>
<p><b>2. Income approach -</b> The income approach reflects present value of future cash flows. For valuing a business, the discounted cash flow (DCF) methodology is used under this approach. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. This method is used to determine the present value of business on a going concern assumption. The DCF technique recognizes the time value of money.</p> <p>The value of the firm is arrived at by estimating the Free Cash Flow to Firm (FCFF) and discounting the same at the Weighted Average Cost of Capital (WACC). FCFF is estimated by forecasting free cash flows available to the firm (which are derived on the basis of the likely future earnings of the company).</p>		
<p><b>3. Cost approach -</b> The cost approach essentially estimates the cost of replacing the tangible assets of the business. The replacement cost takes into account the market value of various assets or the expenditure required to create the infrastructure exactly similar to that of a company being valued.</p>		

**ii) Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods.



**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)****iii) Level 3 fair values**

Movements in the values of unquoted equity instruments for the period ended 31st March 2019 and 31st March 18 is as below:

**(₹ in Crores)**

Particulars	Amount
<b>As at 1 April 2017</b>	<b>68.25</b>
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	(52.19)
Gains/ (losses) recognised in statement of profit or loss	-
<b>Closing Balance as at 31 March 2018</b>	<b>16.06</b>
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	(0.04)
Gains/ (losses) recognised in statement of profit or loss	-
<b>Closing Balance as at 31 March 2019</b>	<b>16.02</b>

**Transfer out of Level 3**

There were no movement in level 3 in either directions during the year ended 31st March 2019 and the year ended 31st March 2018. Ind AS 101 allows an entity to designate certain investments in equity instruments as fair valued through the OCI on the basis of the facts and circumstances at the transition date to Ind AS. The Company has elected to apply this exemption for its investment in equity shares.

**Sensitivity analysis**

Based on the valuation report for investments in unquoted shares, the sensitivity as on 31st March 2019 is provided below.

**(₹ in Crores)**

Significant observable inputs	31-March19	31-March18
	OCI	OCI
	Decrease	Decrease
<b>Equity securities in unquoted investments measured through OCI</b>		
Forecast gas trading margin 25% decrease	15.52	14.45

**C. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- **Credit risk;**
- **Liquidity risk; and**
- **Market risk**

**i. Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company has a well-defined Risk Management framework for reviewing the major risks and has adopted a Business Risk Management Policy which also takes care of all the financial risks. Further, pursuant to the requirement of Regulation 21 of SEBI (Listing obligation and disclosure Requirements) Regulation, 2015, the company has constituted a Risk Management Committee inter - alia to monitor the Risk Management Plan of the Company.

The Group Heads Committee supported by Chief Financial Officer oversees the management of these risks. The Company's senior management is supported by Risk Management Committee that advises on financial risk and appropriate financial risk governance framework for the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Board of Directors reviews and agrees policies for managing each of these risks.

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)****ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

**The carrying amount of following financial assets represents the maximum credit exposure:**

**(a) Other financial assets**

The company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

**(b) Trade and other receivables**

The Company's exposure to credit Risk is the exposure that Company has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial, Commercial-Non Commercial, Domestic and CNG.

The Commercial and Marketing department has established a credit policy for each category of customer viz. industrial, domestic and commercial.

The Company raises the invoice for quantities sold based on periodicity as per the agreement. Sales are subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the company's receivables are secured. In case of short/non receipt of security deposit/or bank guarantee, the Company is exposed to credit risk to that extent.

For sales to domestic customers for household purposes like cooking, geyser application, etc., invoices are raised periodically. Security deposits along with connection deposits are taken for mitigation of potential credit risk arising in the event of non-payment of invoices. Company is exposed to credit risk beyond the value of deposits.

CNG sales made through operators of the CNG stations owned by the Company and CNG Franchises outlet are exposed to credit risk as amounts so collected is deposited/transferred in company bank account on next working day. Bank Guarantee / Security Deposit is taken to mitigate the credit risk. In case of short/non receipt of security deposit/or bank guarantee, the Company is exposed to credit risk to that extent.

For CNG sales made through Oil Marketing Companies (OMCs), the Company raises the invoice for quantities sold based on periodicity as per the agreement. The OMCs are well established companies viz. HPCL, BPCL, IOCL, Nayara Energy (e-Essar Oil Ltd.) where no significant credit risk is anticipated.

The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. All trade receivables are reviewed and assessed for default on regular basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low. Credit risk is considered high when the counter party fails to make contractual payment within 180 days of when they fall due. The risk is determined by considering the business environment in which the company operates and other macro economic factors.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognised in profit and loss.

**The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:**

(₹ in Crores)

Particulars	Carrying amount	
	31st March 2019	31st March 2018
India	516.83	397.14
Other regions	-	-
<b>Total</b>	<b>516.83</b>	<b>397.14</b>

**Expected credit loss for Trade receivables under Simplified Approach**

(₹ in Crores)

Particulars	Carrying amount	
	31st March 2019	31st March 2018
Neither past due nor impaired	427.39	340.91
Past due 1-90 days	68.74	43.17
Past due 91-180 days	6.88	2.43
Past due 181 to 1095 days	7.91	6.30
Greater than 1095 days	5.92	4.33
	516.83	397.14
Less: Expected credit losses (Allowance for bad and doubtful)	6.52	5.43
<b>Carrying amount of Trade Receivable (net of impairment)</b>	<b>510.31</b>	<b>391.71</b>

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)****Movement in Allowance for bad and doubtful Trade receivable****(₹ in Crores)**

Particulars	31st March, 2019	31st March, 2018
Opening Allowance for bad and doubtful Trade receivable	5.43	5.38
Provision during the year	1.09	0.05
Write off during the year	-	-
<b>Closing Allowance for bad and doubtful Trade receivable</b>	<b>6.52</b>	<b>5.43</b>

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

**(c) Loans and deposits - security deposits**

Company has given security deposit to various government authorities (like Municipal corporation, Nagarpalika, Grampanchayat, Road & building division and Irrigation department -of Govt. of Gujarat etc. ) for the permission related to work of executing / laying pipeline network in their premises / jurisdiction. Being government authorities the Companies have no exposure to any credit risk.

**Movement in Allowance for bad and doubtful Security deposits-Project authority****(₹ in Crores)**

Particulars	31st March, 2019	31st March, 2018
Opening Allowance for bad and doubtful Security deposits	10.16	9.70
Provision during the year	2.68	1.69
Recovery/Adjustment during the year	(0.78)	(1.23)
Write off during the year	-	-
<b>Closing Allowance for bad and doubtful Security deposits</b>	<b>12.06</b>	<b>10.16</b>

The impairment provisions for financial assets - Loan and advances - Security Deposit as disclosed above are based on management judgment / assumptions about risk of performance default. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history as well as forward looking estimates at the end of each reporting period.

**iii. Liquidity risk**

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

**The Company maintains the following lines of credit outstanding:**

(a) Term loans from banks and financial institution of ₹ 2213.11 crores (Previous year: ₹ 2326.94 crores) that is secured by First pari - passu charge on all Present and future fixed assets & Property, plant, equipment (PPE)(Movable & Immovable) of the Company and Second pari -passu charge on Present & Future Current Assets (financial and non financial assets) of the Company. Interest rate payable varying from 8.59% - 8.75%.

**Financing arrangement**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

**(₹ in Crores)**

Particulars	31st March, 2019	31st March, 2018
<b>Floating rate</b>		
Expiring within one year (term loans, bank overdraft and other facilities)	235.00	240.00
Expiring beyond one year (term loans, bank overdraft and other facilities)	-	-
<b>Total</b>	<b>235.00</b>	<b>240.00</b>

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)****Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Crores)

31st March, 2019	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non current borrowings	2,089.15	2,089.15	-	173.96	730.60	1,184.59
Non current financial liabilities	-	-	-	-	-	-
Current financial liabilities	-	-	-	-	-	-
Trade and other payables	355.77	355.77	355.77	-	-	-
Other current financial liabilities	1,270.37	1,270.37	1,270.37	-	-	-
	<b>3,715.29</b>	<b>3,715.29</b>	<b>1,626.14</b>	<b>173.96</b>	<b>730.60</b>	<b>1,184.59</b>

Other current financial liabilities include customer deposits which are considered repayable on demand and hence current. These were classified as non-current under the previous GAAP.

(₹ in Crores)

31st March, 2018	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non current borrowings	2,212.99	2,212.99	-	297.84	730.60	1,184.55
Non current financial liabilities	-	-	-	-	-	-
Current financial liabilities	1.28	1.28	1.28	-	-	-
Trade and other payables	296.85	296.85	296.85	-	-	-
Other current financial liabilities	1,154.53	1,154.53	1,154.53	-	-	-
	<b>3,665.65</b>	<b>3,665.65</b>	<b>1,452.66</b>	<b>297.84</b>	<b>730.60</b>	<b>1,184.55</b>

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

**iv. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

**a) Currency risk**

The functional currency of the Company is Indian Rupee (₹). The Company's transactions are majorly denominated in INR and the quantum of the foreign currency transactions being immaterial, the company is not exposed to currency risk on account of payables and receivables in foreign currency. The company does not have any exports. Import amount to 2.046% (Previous Year 0.746%) of total consumption of stores and spares, this is not perceived to be a major risk.

**b) Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

On period under review the Company do not have any borrowings at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate.

(₹ in Crores)

Variable-rate instruments	31st March, 2019	31st March, 2018
Non current - Borrowings	2,089.15	2,212.99
Current portion of Long term borrowings	123.96	113.95
<b>Total</b>	<b>2,213.11</b>	<b>2,326.94</b>

**Notes to Consolidated financial statements for the year ended 31st March 2019****Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)****Sensitivity analysis**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

**(₹ in Crores)**

Particulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
<b>31st March 2019</b>				
Non current - Borrowings	(20.89)	20.89	(13.59)	13.59
Current portion of Long term borrowings	(1.24)	1.24	(0.81)	0.81
<b>Total</b>	<b>(22.13)</b>	<b>22.13</b>	<b>(14.40)</b>	<b>14.40</b>
<b>31st March 2018</b>				
Non current - Borrowings	(22.13)	22.13	(14.47)	14.47
Current portion of Long term borrowings	(1.14)	1.14	(0.75)	0.75
<b>Total</b>	<b>(23.27)</b>	<b>23.27</b>	<b>(15.22)</b>	<b>15.22</b>

**c) Commodity Price Risk**

Risk arising on account of fluctuations in price of natural gas is mitigated by ability to pass on the fluctuations in prices to customers over period of time. The company monitors movements in the prices closely on regular basis.

**d) Equity Price Risk**

The Company do not have any investment in quoted equity shares hence not exposed to equity price risk.

**Note 45 CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company has achieved a return on capital 19 % in March 31, 2019 (Previous year: 16 %). The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 8.19%.(Previous year: 8.07%)

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

**The Group's adjusted net debt to equity ratio is as follows.**

Particulars	(₹ in Crores)	
	31st March 2019	31st March 2018
Borrowings	2,213.11	2,326.94
Total equity	2,205.27	1,866.38
<b>Debt equity ratio</b>	<b>1.00</b>	<b>1.25</b>
Interest bearing borrowings	2,213.11	2,326.94
Less : Cash and bank balances	313.19	140.12
<b>Adjusted net debt</b>	<b>1,899.92</b>	<b>2,186.82</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.86</b>	<b>1.17</b>



## Notes to Consolidated financial statements for the year ended 31st March 2019

### Note 46-EMPLOYEE STOCK OPTION PLAN:

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

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

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

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

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

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

The ESOP 2008 Trust had purchased out of the funds advanced by the Company, the shares equivalent to the number of options granted. IDBI Trusteeship Services Limited are the Trustees. The Trustees can sell the shares in the market as per the approved scheme and for the year ended on 31st March 2019, 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.

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. **There are no options outstanding as on 31 March 2019, 31 March 2018 and 31 March 2017.**



**Notes to Consolidated financial statements for the year ended 31st March 2019**

**Note 47 DISCLOSURE OF EMPLOYEE BENEFITS**

The Company has implemented Ind AS - 19 on "Employee Benefits".

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

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the period of 12 months ended is ₹ 8.41 Crores (Previous year ₹ 7.94 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:

(₹ in Crores)

Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	31st March 2019	31st March 2019	31st March 2018	31st March 2018
<b>A. Discount rate</b>	<b>7.55%</b>	<b>7.55%</b>	<b>7.65%</b>	<b>7.65%</b>
Rate of return on plan assets	7.55%	N.A.	7.65%	N.A.
Salary Escalation	10.00%	10.00%	9.50%	9.50%
<b>B. Change in Defined Benefit Obligations</b>				
Liability at the beginning of the year	46.80	33.17	42.12	30.70
Interest Cost	3.53	2.50	3.01	2.20
Current Service Cost	4.25	2.85	4.15	2.80
Benefits Paid	(2.17)	(2.90)	(1.35)	(1.80)
Actuarial loss/ (gain) due to experience adjustment	(0.80)	0.99	1.15	1.15
Actuarial (Gain) / Loss due to change in financial estimate	3.69	3.10	(2.27)	(1.89)
<b>Total Liability at the end of the year</b>	<b>55.28</b>	<b>39.71</b>	<b>46.80</b>	<b>33.17</b>
<b>C. Change in Fair Value of plan Assets</b>				
Opening fair Value of plan assets	42.88	-	34.11	-
Expected return on plan assets	3.39	-	2.58	-
Return on plan assets excluding amounts included in interest income	(0.24)	-	(0.46)	-
Contributions by employer	4.06	-	8.01	-
Benefits Paid	(2.17)	-	(1.35)	-
<b>Closing fair Value of plan assets</b>	<b>47.91</b>	<b>-</b>	<b>42.88</b>	<b>-</b>
<b>D. Expenses Recognised in the Profit and Loss Statement</b>				
Current Service Cost	4.25	2.85	4.15	2.80
Interest Cost	3.53	2.50	3.01	2.20
Expected return on plan assets	(3.39)	-	(2.58)	-
Actuarial (Gain) / Loss	3.12	4.09	(0.66)	(0.73)
<b>Exps. charged to Statement of Profit &amp; Loss</b>	<b>7.51</b>	<b>9.44</b>	<b>3.92</b>	<b>4.27</b>
<b>E. Balance Sheet Reconciliation</b>				
Opening Net Liability	3.92	33.17	8.01	30.70
Employee Benefit Expense	4.39	9.44	4.58	4.27
Amounts recognized in Other Comprehensive Income	3.12	-	(0.66)	-
Contributions by employer	(4.06)	-	(8.01)	-
Benefits Paid	-	(2.90)	-	(1.80)
<b>Closing Liability</b>	<b>7.37</b>	<b>39.71</b>	<b>3.92</b>	<b>33.17</b>
<b>F. Current/Non-Current Liability :</b>				
<b>Current*</b>	<b>7.37</b>	<b>0.86</b>	<b>3.92</b>	<b>0.85</b>
<b>Non-Current</b>	<b>-</b>	<b>38.85</b>	<b>-</b>	<b>32.32</b>

\*The Company expects that total outstanding gratuity liability payable as on 31.03.2019 will be paid to the gratuity trust within next 12 months.



**Notes to Consolidated financial statements for the year ended 31st March 2019**

**(c) Amounts recognised in current year and previous four years**

(₹ in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015
<b>A. Gratuity</b>					
Present value of Defined Benefit Obligation	55.28	46.80	42.12	32.49	22.17
Fair value of Plan Assets	47.91	42.88	34.11	22.84	20.26
(Surplus) / Deficit in the plan	7.37	3.92	8.01	9.65	1.91
Actuarial (Gain) / Loss on Plan Obligation	3.69	(2.27)	0.31	2.90	4.89
Actuarial Gain / (Loss) on Plan Assets	(0.24)	(0.46)	0.68	(0.26)	0.19
<b>B. Earned Leave</b>					
Present value of Defined Benefit Obligation	39.71	33.17	30.70	25.37	22.38
Actuarial (Gain) / Loss on Plan Obligation	3.10	(1.89)	0.27	(3.13)	10.64
<b>C. Long Service Award</b>					
Present value of Defined Benefit Obligation	0.81	0.83	0.94	1.43	-
Actuarial (Gain) / Loss on Plan Obligation	-	-	-	-	-

**(d) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Crores)

Particulars	31st March 2019			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	52.13	37.07	58.72	42.63
Salary growth rate (0.5% movement)	58.62	42.55	52.20	37.11

Particulars	31st March 2018			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	44.18	31.01	49.67	35.55
Salary growth rate (0.5% movement)	49.60	35.50	44.21	31.04

**(e) Gratuity Benefits Plan:**

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	No ceiling
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	60 years

**(i) Entity's responsibilities for the governance of the plan**

**Risk to the Plan**

Following are the risk to which the plan exposes the entity:

**A Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:- Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.



**Notes to Consolidated financial statements for the year ended 31st March 2019****B Investment Risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**C Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

**D Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**E Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

- (ii) The company has participated in Group Gratuity Scheme Plan with Life Insurance Corporation of India (LIC), HDFC Life Insurance Co. Ltd, Aditya Birla Sun Life Insurance Co. Ltd, ICICI Prudential Life Insurance Co. Ltd, SBI Life Insurance Co. Ltd, Reliance Nippon Life Insurance Co. Ltd (collectively referred as Insurance Co. / Fund Managers) 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 various Insurance Co./ fund managers.

## (a) Composition of the plan assets

Particulars	31st March, 2019	31st March, 2018	31st March, 2017
Bank balance	0.20%	0.12%	0.11%
Policy of insurance	99.77%	99.85%	98.89%
Others	0.02%	0.03%	1.00%

- (b) The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

## (c) Expected benefit payments for gratuity as on 31 March 2019.

Particulars	1-3 years	4-5 years	6 year & Above
Cash flow ( ₹ in Crores)	6.05	8.14	152.96
Distribution ( in %)	3.62%	4.87%	91.51%

**(f) Expected benefit payments as on 31 March 2019 for Privilege Leave encashment benefits.**

Particulars	1-3 years	4-5 years	6 year & Above
Cash flow ( ₹ in Crores)	3.43	4.42	134.90
Distribution ( in %)	2.40%	3.10%	94.50%

**(g) Other Notes:**

- (i) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.
- (ii) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.
- (iii) The company has provided long service award benefits to its employees who completed 15/20/25 Years of employment with company. Accordingly company has provided ₹ 0.81 Crores (Previous year ₹ 0.83 crores) on account of Long service award benefit. Current Liability as at 31st March 2019 is ₹ 0.08 Crores (Previous year ₹ 0.13 Crores) and Non- Current Liability is ₹ 0.73 Crores (Previous year ₹ 0.70 Crores) Discount rate considered for current year is 7.55% (previous year 7.65%).



**Notes to Consolidated financial statements for the year ended 31st March 2019**

**Note 48 Related Party Transactions**

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of parent & subsidiary of the Company are as follows.

**Parent Entity**

Gujarat State Petroleum Corporation Limited (GSPC) - Ultimate Holding Company

Gujarat State Petronet Limited (GSPL) - Holding Company

**Related Party Transactions for the period**

(₹ in Crores)

Sr.	Name of Related Party	Relationship	Nature of Transactions & Balances	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Gujarat State Petroleum Corporation Limited - GSPC	Ultimate Holding Company	Purchase of Natural Gas	5,651.33	4,400.46
			Rent Expense	0.13	0.05
			Administration & Other Expense	0.06	0.08
			Dividend Paid	-	11.73
			Reimbursement of Expenses	0.07	0.36
			Recharge of Salary - Income (Net)	-	0.13
			Recharge of Salary - Expense (Net)	0.19	-
			CNG Sales - Income	0.01	0.05
			PNG Gas Sales - Income	0.02	0.02
			<b>Balance at period end</b>		
			Amount Receivable/(Payable)	(151.74)	(134.71)
			Investment at Period end	16.02	16.06
			Deposits Asset / (Liability) - Net	(0.00)	(0.00)
			Bank Guarantee by GGL to GSPC	272.90	367.40
2	Gujarat State Petronet Limited - GSPL	Holding Company	Gas Transmission Expense	321.06	242.29
			Supervision Expenses	-	0.33
			Recharge of Salary Expense (Net)	0.07	0.06
			Right of Way Expense (ROW)	0.14	3.04
			Reimbursement of Expenses	0.19	0.09
			Dividend Paid	29.83	10.64
			Rent Expense	1.56	1.26
			CNG Sales	-	0.00
			PNG Sales - Income	0.03	0.03
			O&M Charges Recovered - Income	0.04	0.06
			Rent - Income	0.03	0.08
			Recharge of Capex- (by GGL to GSPL)	1.97	-
			Sale of Assets	-	1.53
			<b>Balance at period end</b>		
			Amount Receivable/(Payable)	(14.60)	(10.35)
			Deposits Asset / (Liability) - Net	4.47	1.99
Bank Guarantee - by GGL to GSPL	31.36	23.89			
Letter of Credit - by GGL to GSPL	0.10	0.10			
3	Sabarmati Gas Limited - SGL	Associate of Holding Company	Gas Transportation Expense	0.73	0.71
			Recharge of Salary - Income (Net)	-	0.01
			PNG Sales - Income	0.002	-
			Gas Transportation Charges - Income	0.09	0.06
			Reimbursement of expenses - Income	0.21	-
			Sale of Asset	1.72	-
			Sale of Material - Income	-	4.49
			<b>Balance at period end</b>		
			Amount Receivable/(Payable)	(0.43)	(0.03)
Deposits Asset / (Liability) - Net	(0.04)	(0.04)			



**Notes to Consolidated financial statements for the year ended 31st March 2019**

(₹ in Crores)

Sr.	Name of Related Party	Relationship	Nature of Transactions & Balances	For the year ended 31st March, 2019	For the year ended 31st March, 2018
4	Gujarat State Energy Generation Limited - GSEG	Associate of Ultimate Holding Company	Dividend Paid	0.11	0.08
			PNG Sales - Income	0.00	0.00
			Reimbursement of Charges - Income	-	0.00
			<b>Balance at period end</b>		
			Amount Receivable/(Payable)	0.00	(0.01)
5	Gujarat Gas Limited Employees Group Gratuity Scheme	Enterprise controlled by the company	Deposits Asset / (Liability) - Net	(0.10)	(0.10)
			Contribution Paid	4.06	8.01
6	Mr. Nitin Patil- CEO	Key Managerial Person	Remuneration- Short Term Benefits - ₹ 0.88 Crores (PY- ₹ 0.84 Crores) Post Employment Benefit (Gratuity & PF Contribution) - ₹ 0.14 Crores (PY- ₹ 0.08 Crores)	1.02	0.92

**Notes**

- All transactions with related parties were carried out in the ordinary course of business and at arms length.
- Total sitting fees & out of pocket expense paid to directors in 2018-19 amounts to ₹ 0.13 Crores (previous year ₹ 0.09 Crores.) and ₹ 0.04 Crores (previous year ₹ 0.04 Crores.) respectively.
- Sitting fees which becomes payable to Shri. J. N. Singh, IAS. Shri. T. Natarajan, IAS, Shri. Sujit Gulati, IAS, Shri. Milind Torawane, IAS and Shri. Raj Gopal, IAS during FY 2018-19 are directly deposited in Govt. Treasury Account.

**Note 49 NOTE ON FIRST TIME ADOPTION OF IND AS 115**

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with customers" which resulted in changes in the revenue recognition accounting policy and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in Ind AS 115, the Company has adopted the new standard retrospectively using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted.

In summary, the following adjustments were made:

**a) Balance Sheet as on April 1, 2018:**

(₹ in Crores)

Balance sheet (extract)	Ind AS 18-Carrying Amount	Re-measurement	Ind AS 115-Carrying Amount
Other Equity:			
Retained Earnings	1,728.70	(36.96)	1,691.74
Non-Current Liability:			
Deferred Revenue	-	50.52	50.52
Current Liability:			
Deferred Revenue	-	6.30	6.30
Deferred Tax Asset	-	19.86	19.86

**b) Balance Sheet as on March 31, 2019:**

(₹ in Crores)

Balance sheet (extract)	Ind AS 18-Carrying Amount	Re-measurement	Ind AS 115-Carrying Amount
Other Equity:			
Retained Earnings	2,111.50	(43.91)	2,067.59
Non-Current Liability:			
Deferred Revenue	-	59.54	59.54
Current Liability:			
Deferred Revenue	-	7.96	7.96
Deferred Tax Asset	-	23.59	23.59

**c) Statement of profit or loss for the year ended March 31, 2019**

(₹ in Crores)

Balance sheet (extract)	Ind AS 18-Carrying Amount	Re-measurement	Ind AS 115-Carrying Amount
Revenue from contracts with customers	7,973.16	(10.68)	7,962.48
Income tax expense	-	(3.73)	(3.73)
<b>Profit for the period</b>	<b>425.40</b>	<b>(6.95)</b>	<b>418.45</b>

**Notes to Consolidated financial statements for the year ended 31st March 2019**

d) Out of the opening amount of deferred revenue, amount of ₹ 7.11 crores has been recognised as revenue during the year.

**Explanation of the Re-measurement Adjustment:**

Connection charges from customers deferred over the period when the performance obligation is satisfied:

Industrial Customers: The performance obligations as per the contractual arrangement with the customer is to deliver gas over the tenure of the contract. Consequently, the connection charges is to be deferred over the contract period.

Domestic Customer: The connection charges is to be deferred over the period of delivery of gas. It is reasonably expected by the Company that the gas is procured by the customer and supplied by the Company on a perpetual basis. Consequently the connection charges are to be deferred over the useful life of the connection facility (i.e. 18 years).

**Note 50 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE**

As per Section 135 of the Companies Act, 2013, a company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. CSR expenditure is contain the following:

(₹ in Crores)

Sr.	Particulars	FY 2018-19	FY 2017-18	FY 2016-17
(1)	Gross amount required to be spent by the company during the year.	6.47	7.93	6.86
(2)	Amount spent during the year on:			
	(i) Construction/acquisition of any asset	-	-	-
	(ii) On purposes other than (i) above	4.36	8.14	1.90

(₹ in Crores)

Particular of Expenditure during the year	FY 2018-19
Contribution in providing gas to Crematoriums across operating locations	1.70
Contribution to support Sri Laxmi Kravia Techlabs Pvt. Ltd. -Mobile Health screening Van	1.59
Contribution to support Akshaya Patra Foundation in setting up centralised kitchen in Kutchh-Mid Day Meal	1.00
Others	0.07
<b>Total</b>	<b>4.36</b>

No provision for unspent amount of CSR expenditure has been made in the books of accounts in accordance with generally accepted accounting principles.

**Note 51 SEGMENT REPORTING**

The Company primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The Managing Director/Chief Executive Officer of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment needs to be disclosed.

**Information about products and service:**

The Company is in a single line of business of Sale of Natural Gas.

**Information about geographical areas:**

1. The Company does not have geographical distribution of revenue outside India and hence segmentwise disclosure is not applicable to the Company.
2. None of the Company's assets are located outside India hence segmentwise disclosure is not applicable to the Company.

**Information about major customers:**

None of the customer account for more than 10% of the total revenue of the Company.

**Note 52 INTEREST IN OTHER ENTITIES****a) 100% sole controlled entity**

Set out below is the 100% sole controlled entity of the Company as at 31st March 2019. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of business	Principal Activity	Relationship	% of ownership	
				31st March 2019	31st March 2018
Gujarat Gas Limited Employees Welfare Stock Option Trust	India	ESOP Trust	100% sole controlled entity	100%	100%

**Notes to Consolidated financial statements for the year ended 31st March 2019****b) Associates**

Set out below is the associate of the Company as at 31 March 2019 which, in the opinion of the directors, are material to the Company. The entity listed below has share capital consisting solely of equity shares, which are held directly by the Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Crores)

Name of Entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amount	
					31st March 2019	31st March 2018
Guj Info Petro Limited (GIPL)*	India	49.94%	Associate	Equity Method	26.06	24.68
<b>Total equity accounted investments</b>					<b>26.06</b>	<b>24.68</b>

\* Unlisted entity - no quoted price available

GIPL is primarily engaged in the marketing, selling value distribution of internet bandwidth and added services like web hosting, designing, development & maintenance of websites, IT consultancy services, software development, server co-location, mailing solutions, operation & maintenance of systems/networks, trading in hardware equipments, facility management services etc. to various organisations across Gujarat.

**Commitments and contingent liabilities in respect of associates**

(₹ in Crores)

Particulars	31st March 2019	31st March 2018
<b>Contingent liabilities - associates</b>		
For direct tax	0.45	0.57
Performance guarantee*	1.04	1.19
For disputed adjusted gross revenue DOT	2.47	2.47
Bank guarantee & Corporate guarantee*	0.10	0.10
<b>Total commitments and contingent liabilities</b>	<b>4.06</b>	<b>4.33</b>

\*Not included in group contingent liabilities as per group accounting policy.

**Summarised financial information for associate**

The tables below provide summarised financial information for those associates that are material to the Company. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Company's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(₹ in Crores)

Particulars	GIPL	
	31st March 2019	31st March 2018
Non-current assets	5.60	4.24
Current Assets*	56.65	55.68
Non-current liabilities	1.67	0.71
Current liabilities	8.40	9.80
<b>Net Assets</b>	<b>52.18</b>	<b>49.41</b>

\*As on 31st March, 2019, management has identified the debtors whose outstanding are more than three years. On the basis of technical evaluation during the year an additional provision of ₹ 0.44 Crores has been made. However, based on technical evaluation carried out by management, it is of the opinion that in case of three debtors (Receivable amount ₹ 2.74 Crores), no provisions are required to be made as discussions and correspondence with clients are going on and the amount is likely to be realized.

**Notes to Consolidated financial statements for the year ended 31st March 2019****Reconciliation to carrying amounts****(₹ in Crores)**

Particulars	GIPL	
	31st March 2019	31st March 2018
<b>Net assets</b>	<b>52.18</b>	<b>49.41</b>
Company's Share in %	49.94%	49.94%
Company's Share in INR	26.06	24.68
Goodwill/Capital Reserve	-	-
<b>Carrying amount</b>	<b>26.06</b>	<b>24.68</b>

**Summarised statement of profit and loss****(₹ in Crores)**

Particulars	GIPL	
	31st March 2019	31st March 2018
Revenue	18.48	14.78
<b>Profit for the year</b>	<b>2.98</b>	<b>2.49</b>
Other comprehensive income	(0.06)	0.08
<b>Total comprehensive income</b>	<b>2.92</b>	<b>2.57</b>
Dividend received (Current year Nil, Previous year Nil)	-	-



**Notes to Consolidated financial statements for the year ended 31st March 2019**

**Note 53 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III**

(₹ in Crores)

Sr. no.	Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or Loss	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>A</b>	<b>Parent</b>								
	<b>Gujarat Gas Limited</b>								
	31 March 2019	98.82%	2,179.21	99.67%	417.03	99%	(2.06)	99.67%	414.97
	31 March 2018	98.68%	1,841.70	99.61%	291.36	100%	(40.12)	99.54%	251.24
<b>B</b>	<b>Subsidiaries/ 100% sole controlled entity</b>								
	<b>(i) Indian</b>								
	<b>Gujarat Gas Limited Employees Welfare Stock Option Trust</b>								
	31 March 2019	0.00%	-	0.05%	0.21	-	-	0.05%	0.21
	31 March 2018	0.00%	-	0.05%	0.145	-	-	0.06%	0.15
	<b>(ii) Foreign</b>								
	<b>Non-controlling interest in all subsidiaries</b>								
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
<b>C</b>	<b>Associates (Investments as per the equity method)</b>								
	<b>(i) Indian</b>								
	<b>Guj Info Petro Limited (GIPL)</b>								
	31 March 2019	1.18%	26.06	0.28%	1.18	1.14%	(0.02)	0.28%	1.16
	31 March 2018	1.32%	24.68	0.34%	0.99	(0.08%)	0.03	0.41%	1.02
	<b>(ii) Foreign</b>								
		-	-	-	-	-	-	-	-
<b>D</b>	<b>Joint Ventures (Investments as per the equity method)</b>								
	<b>(i) Indian</b>								
		-	-	-	-	-	-	-	-
	<b>(ii) Foreign</b>								
		-	-	-	-	-	-	-	-
	<b>Total</b>								
	<b>31 March 2019</b>	<b>100%</b>	<b>2,205.27</b>	<b>100%</b>	<b>418.42</b>	<b>100%</b>	<b>(2.08)</b>	<b>100%</b>	<b>416.34</b>
	<b>31 March 2018</b>	<b>100%</b>	<b>1,866.38</b>	<b>100%</b>	<b>292.50</b>	<b>100%</b>	<b>(40.09)</b>	<b>100%</b>	<b>252.41</b>

**NOTE 54 PREVIOUS YEAR FIGURES**

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

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

As per our report attached

**For S R Goyal & Co.**

**Chartered Accountants**

ICAI Firm Reg. No. 001537C

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

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

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

**K.D. Chatterjee**  
Director

**Anurag Goyal**  
Partner  
M. No. : 412538

**Nitin Patil**  
Chief Executive Officer

**Nitesh Bhandari**  
Chief Financial Officer

**Rajeshwari Sharma**  
Company Secretary  
Place : Gandhinagar  
Date : 6th May, 2019

Place : Gandhinagar  
Date : 6th May, 2019







