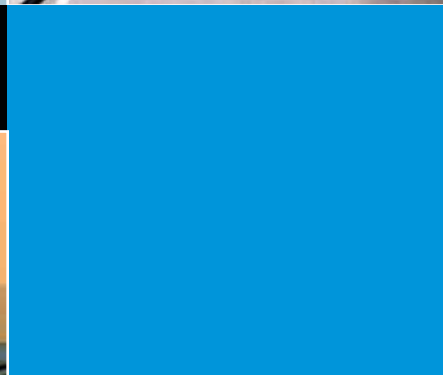




Gujarat State Petronet Limited



# **ANNUAL REPORT 2016-2017**



## **Shaping the future of INDIAN ENERGY**





## Board of Directors

Shri M M Srivastava, IAS (Retd.)  
 Shri Sujit Gulati, IAS  
 Shri Anil Mukim, IAS (w.e.f. 11<sup>th</sup> November, 2016)  
 Smt. Shridevi Shukla  
 Dr. R Vaidyanathan  
 Prof. Yogesh Singh  
 Dr. Bakul Dholakia  
 Dr. Sudhir Kumar Jain  
 Shri Bhadresh Mehta  
 Shri Bimal N Patel (w.e.f. 29<sup>th</sup> December, 2016)  
 Dr. T. Natarajan, IAS  
 Dr. J N Singh, IAS

*Chairman*

*Joint Managing Director*

*Managing Director*

## Company Secretary

Ms. Reena Desai

## Statutory Auditors

M/s V. V. Patel & Co.,  
 Chartered Accountants  
 Ahmedabad

## Secretarial Auditors

M/s Spanj & Associates  
 Practising Company Secretaries,  
 Ahmedabad

## Subsidiary Companies

GSPL India Gasnet Limited  
 GSPL India Transco Limited

## Associate Companies

Gujarat Gas Limited  
 Sabarmati Gas Limited

## Cost Auditors

M/s R K Patel & Co.  
 Cost Accountants, Vadodara

## Registrar & Share Transfer Agent

M/s Karvy Computershare Private  
 Limited, Hyderabad

## Internal Auditors

Ernst & Young

## Registered Office

GSPC Bhavan, Behind Udyog Bhavan  
 Sector-11, Gandhinagar-382010, Gujarat

## Corporate Office

GSPL Bhavan, E-18, GIDC Electronic  
 Estate, Sector-26, Gandhinagar-382028  
 Gujarat

## Bankers

Allahabad Bank  
 Oriental Bank of Commerce  
 Axis Bank Ltd.  
 Punjab & Sind Bank  
 Bank of Baroda  
 RBL Bank Ltd.  
 Corporation Bank  
 State Bank of India  
 HDFC Bank Ltd.  
 The Karur Vysya Bank Ltd.  
 ICICI Bank Ltd.  
 The South Indian Bank Ltd.  
 IDBI Bank Ltd.  
 Union Bank of India  
 IDFC Bank Ltd.  
 Yes Bank

## Contents

1. Board of Directors .....	02
2. Quality, Health, Safety and Environment Policy .....	05
3. Route map .....	06
4. Notice .....	07
5. Directors' Report.....	15
6. Management Discussion & Analysis .....	21
7. Corporate Governance Report .....	25
8. Business Responsibility Report .....	55
9. GSPL Gas Grid Map .....	63
10. Comments of C&AG on Standalone Financial Statements .....	67
11. Independent Auditors' Report on Standalone Financial Statements .....	68
12. Standalone Balance Sheet .....	76
13. Standalone Statement of Profit & Loss .....	77
14. Standalone Cash Flow Statement .....	79
15. Notes to Standalone Financial Statements.....	80
16. Comments of C&AG on Consolidated Financial Statements .....	120
17. Independent Auditors' Report on Consolidated Financial Statements.....	121
18. Consolidated Balance Sheet.....	126
19. Consolidated Statement of Profit & Loss .....	127
20. Consolidated Cash Flow Statement.....	128
21. Notes to Consolidated Financial Statements .....	129
22. Form AOC - 1 .....	177
23. Attendance Slip.....	179
24. Proxy Form.....	181

## Board of Directors



**Shri M M Srivastava, IAS (Retd.), *Chairman***

Shri M M Srivastava, IAS, (Retd.) has graduated in Science from Delhi University and has completed his Masters in Physics from Delhi University. He has also done MBA (Marketing) from University of Ljubljana, Slovenia. He has wide administrative and corporate experience. He has held various positions in Government Departments prior to his retirement including Member (Finance), Gujarat Electricity Board, Managing Director of Gujarat Agro Industries Corporation, Secretary in Finance Department, Commissioner of Commercial Tax Department, Principal Secretary of Energy and Petrochemicals Department and Additional Chief Secretary of Finance Department, Government of Gujarat.



**Shri Sujit Gulati, IAS, *Director***

Shri Sujit Gulati, IAS is Mechanical Engineer and Indian Administrative Officer of Gujarat Cadre since 1985. He is having varied and rich experience and has served as Joint Secretary and Financial Advisor, Ministry of Mines of Government of India. He has held key positions in the various Departments/ Ministries of Government of Gujarat. He has served as Director in various companies including Digjam Ltd., National Textile Corporation Limited, Gujarat Mineral Development Corporation Limited, Coal India Ltd, Bharat Aluminium Company Limited, Hindustan Zinc Ltd. and Gujarat Chemicals Port Terminal Company Limited. Shri Sujit Gulati, IAS is presently Additional Chief Secretary, Energy and Petrochemicals Department Government of Gujarat.



**Shri Anil Mukim, IAS, *Additional Director***

Shri Anil Mukim, IAS, is a Senior IAS Officer of Government of Gujarat. He has done Graduation in Commerce and Law. He has held various key positions in Government of Gujarat and Government of India like Collector, Bhavnagar, Vadodara & Bhuj, Principal Secretary to Hon'ble Chief Minister, Principal Secretary, Revenue Department, Additional Chief Secretary, Health & Family Welfare Department, Municipal Commissioner, Ahmedabad, Joint Secretary, Ministry of Commerce & Industry, Government of India, CVO, Housing & Urban Development Corporation, etc. He has rich experience in the field of Finance, Management and Administration. Presently, he is Additional Chief Secretary, Finance Department, Government of Gujarat



**Smt. Shridevi Shukla, *Non-Executive Woman Director***

Smt. Shridevi Shukla has done B.A in Economics. She has wide administrative and corporate experience. She has held various senior level positions in Government of Gujarat Departments prior to her retirement including Joint Secretary (Industries and Mines) and Appellate Authority (Mines), Industries and Mines Department, Deputy Secretary (Services), Finance Department, Deputy Secretary (ARTD), General Administration Department, Deputy Secretary, (Biotechnology), Science and Technology Department. Subsequent to her retirement, she was appointed as Officer on Special Duty (Industries and Mines) and Appellate Authority (Mines), Industries and Mines Department from September, 2010 to February, 2014. Thereafter, she was appointed as State Information Commissioner, Gujarat Information Commission from May, 2014 to February, 2015.



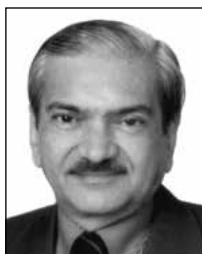
### **Dr. R Vaidyanathan, *Independent Director***

Dr. R. Vaidyanathan is a Science Graduate from the Loyola College, Madras and has done Masters from the Indian Statistical Institute, Calcutta and has also obtained Fellow in Management (Doctorate) from the Indian Institute of Management, Calcutta. Dr. R. Vaidyanathan is retired Professor of Finance at IIM-Bangalore. He is two times Fulbright scholar and a Fellow of ICSSR-Visiting Faculty at various universities in USA/UK. He has been selected by Business today as one of the ten best professors at all IIMS. He has the rare privilege of being in various committees of regulators like SEBI/RBI/IRDA/PFRDA. He is consultant to many organizations and is on the board of many corporates. His recent book India Uninc-Role of Non-corporate sectors in India- which focus on Indian/Asian value systems- has been well received by planners and policy makers. He is working in the area of Tax havens-impacting countries like India and expected to be published soon. Currently he is Cho S Ramaswamy Chair professor in Public policy at Sastra University.



### **Prof. Yogesh Singh, *Independent Director***

Prof. Yogesh Singh holds M. Tech. and Ph.D (Computer Engineering) degrees from National Institute of Technology, Kurukshetra, Haryana. Presently, he is Vice Chancellor, Delhi Technological University. Prior to the same he was Director, Netaji Subhash Institute of Technology (NSIT), New Delhi. He had also hold position Vice Chancellor, The Maharaja Sayajirao University of Baroda, Vadodara. Prof. Singh has a sustained track record of quality teaching, innovation and excellent research contributions in the field of Software Engineering. He has to his credit 285 publications in reputed National/International Journals and Conferences with 'h' index of 27 as reported by Google Scholar and produced 23 Ph.D scholars. He is an author of a book on 'Software Testing' which is published by Cambridge University Press, England. He is the Chairman of the Central Regional Committee, All India Council of Technical Education (AICTE), Bhopal, covering areas like Madhya Pradesh, Chhattisgarh and Gujarat. He is also presently, Independent Director on the Board of GSPCL.



### **Dr. Bakul Dholakia, *Independent Director***

Dr. Bakul Dholakia holds degree of M.A. (Economics), Gold Medalist and has done Ph.D. (Economics) from MS University, Baroda. Dr. Bakul Dholakia was Director General of International Management Institute (IMI) of Delhi. Prior to the same, he was the Director of Adani Institute of Infrastructure Management & Gujarat Adani Institute of Medical Sciences, Bhuj. He has 47 years of professional experience including 33 years at IIM, Ahmedabad. During the course of his long tenure at IIM Ahmedabad, Dr. Bakul Dholakia occupied the Reserve Bank of India Chair from 1992 to 1999, served as the Dean from 1998 to 2001 and as the Director of IIMA from 2002 to 2007. Dr. Dholakia was the Chairman of the National Board of Accreditation for Technical Education in India from 2005 to 2008. He has guided 20 Ph.D. students specializing in Economics, Finance, Business Policy and Public Systems. Dr. Dholakia is the author of 12 books, 28 monographs and more than 50 research papers published in professional journals in India & abroad. In 2007, Dr. Dholakia was awarded Padma Shri by the Government of India in recognition of his distinguished services in the field of education. In 2008, Dr. Dholakia was conferred the coveted Bharat Asmita National Award by the Honorable Chief Justice of India. Over the last two decades, Dr. Dholakia has worked on numerous government committees. He has also been a member of the jury for various Corporate Excellence Awards and Selection Committees for CEOs. The Competition Commission of India has appointed Dr. Dholakia as a member of the Eminent Person Advisory Group. He has been a consultant to various national and international organisation.



### **Dr. Sudhir Kumar Jain, *Independent Director***

Dr. Sudhir Kumar Jain is an active academic and a passionate academic administrator. He has been on the faculty of IIT Kanpur (IITK) since 1984 from where he is currently on leave to the new Indian Institute of Technology Gandhinagar (IITGN) in Ahmedabad to shoulder the responsibilities of its Director. Dr. Jain holds a Bachelor of Engineering from the University of Roorkee, and Masters and Doctoral degrees from the California Institute of Technology, Pasadena. He was elected to the Board of Directors of the International

Association for Earthquake Engineering in 2000, and is currently its President. He also served on the Board of Directors of the World Seismic Safety Initiative from 2002 to 2009. He was elected Fellow of the Indian National Academy of Engineering in 2003, and was conferred Life Membership by the New Zealand Society for Earthquake Engineering (NZSEE) in 2013.



### **Shri Bhadresh Mehta, *Independent Director***

Shri Bhadresh Mehta is Chartered Accountant, Company Secretary and Cost Accountant by qualification. He holds professionally qualified senior managerial experience with a proven success of over 20 years in steering finance and audit functions of reputed business groups. His areas of specialization are strategic planning, financial management, auditing, risk assessment and management.



### **Shri Bimal N Patel, *Additional Independent Director***

Shri Bimal N Patel, PhD (International Law - Leiden, the Netherlands), PhD (International Law - Jaipur), LL.M, MA, BSc, is a Professor of Public International Law and the current Director of the Gujarat National Law University, Gandhinagar. He is also a Member of the Law Commission of India, National Security Advisory Board and Advisor, Financial Sector Regulatory Appointments Search Committee, Insolvency and Bankruptcy Board of India Regulations Committee, Government of India. He has been involved in drafting several national and state primary and secondary legislations, regulations, rules. A former United Nations civil servant, scholar and academican of international law, international relations and diplomacy, Professor Patel possesses 25 years' experience in public international law, law of the sea, maritime laws, international relations, international courts and tribunals. Professor Patel is a member or advisor on committees of various governmental and academic institutions and agencies. Professor Patel is author / editor of 15 books and more than 50 research papers / articles published in leading international and national peer-reviewed journals.



### **Dr. T Natarajan, IAS, *Joint Managing Director***

Dr. T. Natarajan, IAS holds a B.E. (Mining Engineering) and an MBA (Finance & Marketing). He also holds Doctorate in Management. Dr. T. Natarajan, IAS served as Joint Managing Director of Gujarat Narmada Valley Fertilizers & Chemicals Limited. He worked in Industrial Finance Corporation for 2 years and has also held distinguished positions in the Government of Gujarat including Commissioner, Technical Education, Commissioner, Geology & Mining as well as Secretary, Economic Affairs, Finance Department. He has served as a Director of Gujarat Mineral Development Corporation Limited, Gujarat Industrial Development Corporation Limited, Gujarat Urban Development Company Limited, Gujarat State Electricity Corporation Limited and Bhavnagar Energy Co. Ltd. Presently he is Joint Managing Director of Gujarat State Petroleum Corporation Limited.



### **Dr. J N Singh, IAS, *Managing Director***

Dr. J N Singh, IAS has done M.A. (International Studies, JNU), MDM (AIM, Manila), Ph.D from M S University. He has wide experience of working in various Government Departments and Public Sector Undertakings. He has held various key positions like Additional Chief Secretary, Finance Department, Govt., of Gujarat Principal Secretary, Science and Technology Department, Textile Commissioner, Mumbai, Member (Fin), NHAI, Delhi, Managing Director, Sardar Sarovar Narmada Nigam Ltd. He has served largely in Infrastructure and Finance sector having handled Industrial Infrastructure, Power, Telecom, Highways and water. His Ph.D in Political Economy examined the tripartite relationship of Power sector, ground water resources and Agriculturists in the context of Gujarat. At present he is Chief Secretary, Govt. of Gujarat.

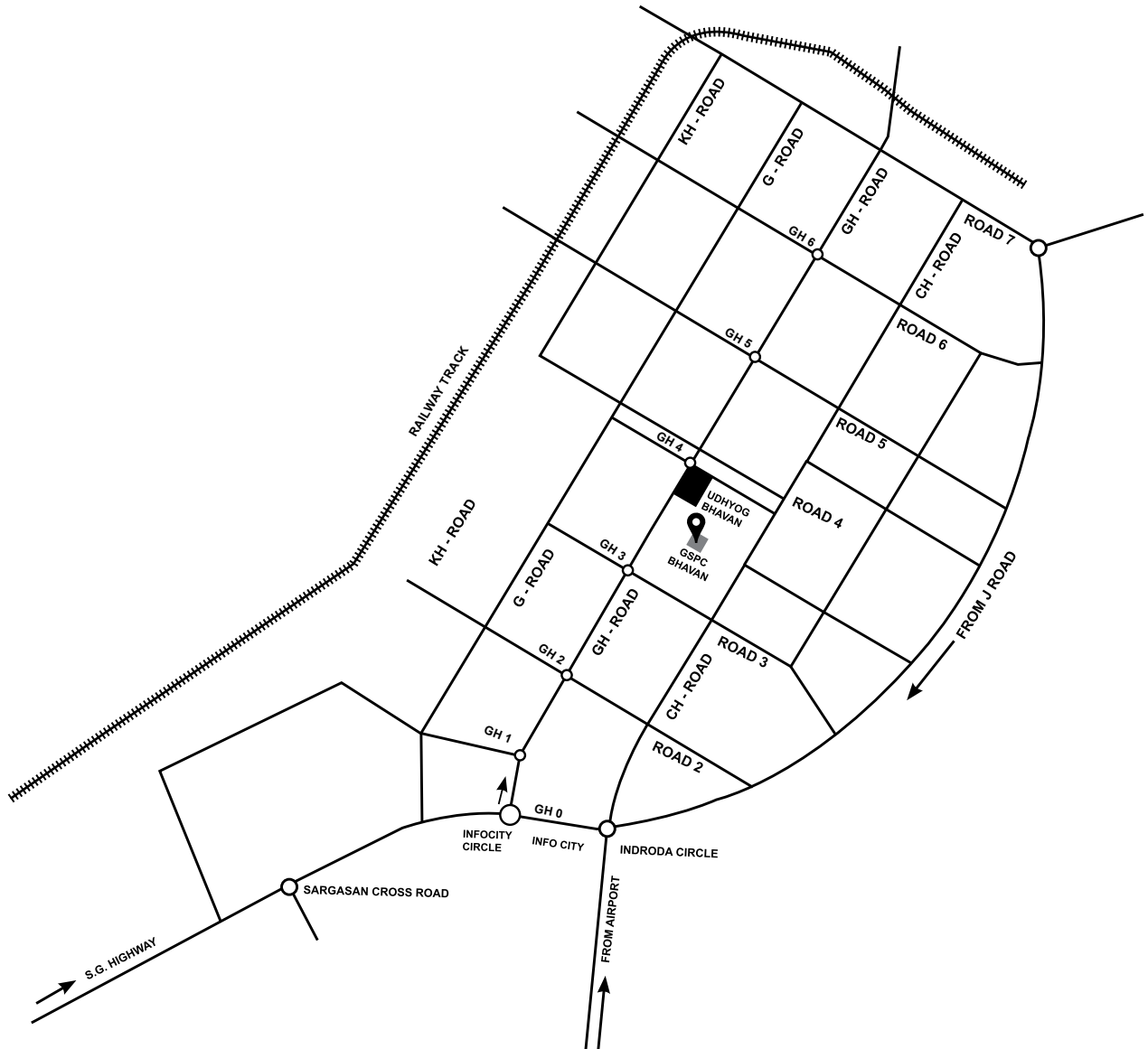
## QUALITY, HEALTH, SAFETY AND ENVIRONMENT POLICY

GSPL commits a high level of QHSE performance to ensure effective and efficient management of Operation and Maintenance of Natural Gas Grid with continual improvements so as to provide reliable natural gas transmission in a safe working environment.

### **GSPL is committed to:**

- Maintain an organizational culture of Health, Safety & Environmental excellence by conducting its business in a manner that will promote consistent development.
- Safe work, resource conservation, waste management and emergency response measures for continual improvement in QHSE performance.
- Design, construct, operate & maintain its facilities while assuring the best material and service quality and operate in a way that mitigates and minimizes risks and hazards.
- Prevention of ill-health, injuries and pollution by adopting best practices, carrying out periodic risk assessments, audits, reviews, inspections and providing awareness to employees and concerned stakeholders.
- Comply with legal, regulatory and other requirements applicable for natural gas transportation business as a responsible corporate.
- Provide appropriate resources and PPEs to its employees.
- Focusing on teamwork and customer satisfaction, adopting new technologies in O&M activities, maintaining availability of Gas Grid to meet customer requirements and reviewing of process and performance of QMS on regular basis.
- Encourage associates and stakeholders to demonstrate the same level of commitment for continuous improvement in HSE performance.
- Ensure compliance with the policy through a process of training and competence, review and audit.
- Communicate openly with Government agencies, employees, contractors and the general public on effective safety and environmental management issues.
- Delegate power to employees to implement the company's policy on health, safety, environment and loss control.

## ROUTE MAP



### AGM VENUE :

Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector - 11,  
Gandhinagar - 382 010



## NOTICE

Notice is hereby given that 19<sup>th</sup> Annual General Meeting of the members of Gujarat State Petronet Limited will be held on Thursday, the 28<sup>th</sup> day of September, 2017 at 3.30 p.m. at Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector – 11, Gandhinagar – 382010, Gujarat to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the Financial Year ended 31<sup>st</sup> March, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri M M Srivastava, IAS (Retd.) [DIN: 02190050], who retires by rotation and being eligible, offers himself for re-appointment.
4. To authorize Board of Directors to fix remuneration of Statutory Auditors of the Company in terms of the provisions of Section 142 of the Companies Act, 2013 and to pass the following resolution as an Ordinary Resolution:  
**“RESOLVED THAT** Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed by Comptroller and Auditor General of India for the Financial Year 2017-18.”

### SPECIAL BUSINESS

5. **To approve appointment of Shri Anil Mukim, IAS as a Director of the Company.**

**To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** Shri Anil Mukim, IAS [DIN: 02842064], who was appointed as an Additional Director pursuant to provisions of Sections 149, 152, 161 of the Companies Act, 2013 read with the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. **To approve appointment of Shri Bimal N Patel as an Independent Director of the Company.**

**To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** Shri Bimal N Patel [DIN: 03006605], who was appointed as an Additional/Independent Director pursuant to provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, and who being qualified and eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (5) consecutive years effective from 29<sup>th</sup> December, 2016, subject to review of annual performance, and whose term of office shall not be liable to retirement by rotation.”

7. **To ratify the remuneration payable to M/s N D Birla & Co., Cost Auditors of the Company for the Financial Year ending 31<sup>st</sup> March, 2018.**

**To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Audit and Auditors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], M/s N D Birla & Co., Cost Accountants, Ahmedabad, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2018 be paid the remuneration of ₹ 1,00,000/- [Rupees One Lac Only] plus applicable taxes and reimbursement of out of pocket expenses incurred by them during the course of Audit.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such actions as may be necessary for implementing the above Resolution.”

**For Gujarat State Petronet Limited**

**Reena Desai**  
Company Secretary

Date: 11<sup>th</sup> August, 2017

Place: Gandhinagar

**Registered Office**

GSPC Bhavan, Sector - 11,  
Gandhinagar - 382 010.



1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENTS APPOINTING PROXY TO BE VALID AND EFFECTIVE MUST REACH TO THE CORPORATE OFFICE OF THE COMPANY SITUATED AT GSPL BHAVAN, E-18, GIDC ELECTRONIC ESTATE, SECTOR-26, GANDHINAGAR-382028 MINIMUM 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% [TEN PERCENT] OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% [TEN PERCENT] OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. Members desirous of getting any information related to accounts or operations of the Company are requested to send in their queries so as to reach the Company's Corporate Office situated at GSPL Bhavan, E-18, GIDC Electronic Estate, Sector-26, Gandhinagar-382028 atleast 7 days in advance before the date of Meeting to enable the management to keep the information ready.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 22<sup>nd</sup> September, 2017 to Thursday, 28<sup>th</sup> September, 2017 (both days inclusive) for the purpose of payment of the Dividend. The Dividend, if declared at the ensuing Annual General Meeting shall be paid, on or after Thursday, 5<sup>th</sup> October, 2017 to those Members of the Company whose names appear (a) as beneficial owners as at the close of business hours on 21<sup>st</sup> September, 2017 as per the list to be furnished by the depositories in respect of the Shares held in electronic form; and (b) as Members in the Register of Members of the Company as at the close of business hours on 21<sup>st</sup> September, 2017, after giving effect to all valid Share Transfers in physical form received on or before 21<sup>st</sup> September, 2017.
6. All transfer deeds, requests for change of address, bank particulars /mandates/ECS mandates, PAN should be lodged with Company's Registrar and Share Transfer Agent (R&TA), Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 008, in case of Shares held in physical form on or before 21<sup>st</sup> September, 2017. The above details in respect of the Shares held in electronic form should be sent to the respective Depository Participants by the Members well in time.
7. Members are requested to furnish the R&TA / Depository Participants, the name and address of the branch of the bank, MICR code of the branch, type of account and account number to enable the Company to distribute Dividend through National Electronic Clearing Services (NECS). In the absence of NECS facility with the Member's bank, the bank account details will be printed on the Dividend Warrants, if available.
8. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic mode are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to Karvy Computershare Private Limited.
9. As stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, profile of Directors seeking re-appointment / appointment is separately annexed herewith.
10. In accordance with Section 20 of the Companies Act, 2013, service of documents on Members by a Company is allowed through electronic mode. Accordingly, soft copy of the Annual Report is being sent to all the Members whose E-mail IDs are registered with the Company/R&TA/Depository Participants unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail address, physical copies of the Annual Report is being sent in the permitted mode.
11. To promote green initiative, Members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the Shares in physical form may register their e-mail addresses through the R&TA, giving reference of their Folio Number.
12. Members also note that the Annual Report for Financial Year 2016-17 will also be available on the Company's website [www.gspcgroup.com](http://www.gspcgroup.com) for their download.
13. The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As

per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on 31<sup>st</sup> March, 2017 are available on the website of the Company [www.gspcgroup.com](http://www.gspcgroup.com) and on Ministry of Corporate Affairs' website.

14. In accordance with the aforesaid IEPF Rules, the Company is required to transfer all the shares to the Demat account of the IEPF Authority after the notified due date of 31<sup>st</sup> May, 2017. The Company has sent notices to all the shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisements. Hence the Company would be required to transfer all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules and detailed procedural guidelines as may be notified in this regard. The shareholders whose dividend/ shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.
15. Members are requested to contact Karvy Computershare Private Limited for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on 'Investor Relations' page on the website of the Company [www.gspcgroup.com](http://www.gspcgroup.com).

#### 16. Voting through Electronic Means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility to the Members to exercise their right to vote by electronic means in respect of the Resolution(s) contained in this Notice. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the Authorised Agency to provide remote e-voting facility (i.e. the facility of casting votes by a Member by using an electronic voting system from a place other than the venue of a General Meeting).
- II. The Company shall also provide facility for voting through polling paper which shall be available at the Meeting and Members attending the Meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the Meeting.
- III. The cut-off date for the purpose of voting (including remote e-voting) is 21<sup>st</sup> September, 2017. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories at the close of business hours on 21<sup>st</sup> September, 2017 shall be entitled to avail the facility of voting through remote e-voting/polling paper. The voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Capital of the Company as on the cut-off date for the purpose of voting.
- IV. The Members who have casted their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
- V. The Board of Directors have appointed M/s K K Patel & Associates, Practising Company Secretary, as the Scrutinizer, for conducting the voting / poll and remote e-voting process in a fair and transparent manner.
- VI. The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

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

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

- i. The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on "Shareholders" tab to cast your votes.
- iii. Now Enter your User ID:
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding Shares in Physical Form should enter Folio Number registered with the Company

- iv. Next enter the image verification as displayed and click on Login.
- v. If you are holding Shares in Demat Form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user, follow the steps given below:

	For Members holding Shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both Demat Shareholders as well as Physical Shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the R&amp;TA / Depository Participant are requested to use the first two letters of their name (In Capital) and the 8 digits of the sequence number in the PAN field. The sequence number is printed on address label/sticker affixed on the back page of the Annual Report.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name (In CAPITAL). Eg. If your name is Jay Kumar with sequence number 1 then enter JA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Please enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the R&amp;TA records in order to Login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the Depository or R&amp;TA, please enter the User ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iii)</li> </ul>

- vii. After entering these details appropriately, click on “SUBMIT” tab.
- viii. Members holding Shares in Physical Form will then directly reach to the Company selection screen. However, Members holding Shares in Demat Form will now reach “Password Creation” menu, wherein, they are required to mandatorily enter their Login Password in the new Password field. Kindly note that this Password can be used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that such company opts for e-voting through CDSL platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- ix. For Members holding Shares in Physical Form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- x. Click/Select “EVENT” of “Gujarat State Petronet Limited” to vote on the same.
- xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES /NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolutions.
- xiii. After selecting the Resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
- xvi. If Demat account holder has forgotten the Password then enter the User ID and the image verification code and click on “Forgot Password” & enter the details as prompted by the system.
- xvii. Shareholder can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone user can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. Note for Non - Individual Shareholders and Custodians:
  - Non-Individual Shareholders (i.e. other than Individuals, HUF and NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk. **evoting@cdslindia.com**.
  - After receiving the Login details a compliance user should be created using the Admin Login and Password. The compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- xix. A scanned copy of the certified Board Resolution/ Power of Attorney (POA)/ Authority Letter etc. together with attested specimen signature(s) of the duly authorized representative(s), as issued should be emailed to the Scrutinizer at **scrutinizergspl@gmail.com** and the same should also be uploaded in PDF format in the system for the verification by the Scrutinizer.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**.

**Poll at the Meeting:**

- VII. 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 at the close of the business hours on the cut-off date of 21<sup>st</sup> September, 2017 and who have not casted their vote by remote e-voting, and being present in the AGM, either personally or through proxy, only shall be entitled to vote at the AGM.
- VIII. The Scrutinizer shall after the conclusion of voting at the 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, on or before 30<sup>th</sup> September, 2017, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company, who shall countersign the same and the Chairman, or in his absence the Managing Director, shall declare the result forthwith.
- IX. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website **www.gspcgroup.com** and on the website of Central Depository Services (India) Limited immediately after the result is declared and shall be simultaneously communicated to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) where the Shares of the Company are Listed.
- X. 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.
- XI. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office and Corporate 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.

**For Gujarat State Petronet Limited**

**Reena Desai**

*Company Secretary*

Date: 11<sup>th</sup> August, 2017

Place: Gandhinagar

**Registered Office**

GSPC Bhavan, Sector -11,

Gandhinagar - 382 010.



## ANNEXURE TO THE NOTICE

### Explanatory Statement Pursuant To Section 102 Of The Companies Act, 2013

#### Item No. 5

Shri Anil Mukim, IAS [DIN: 02842064] who has been appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 read with Articles of Association of the Company with effect from 11<sup>th</sup> November, 2016 holds office upto the date of this Annual General Meeting.

The Company has received a Notice under Section 160 of the Companies Act, 2013 from a Member in writing proposing the candidature of Shri Anil Mukim, IAS for appointment as Director of the Company.

A brief profile of Shri Anil Mukim, IAS, the nature of his expertise in specific functional areas, names of companies in which he holds Directorship, Committee Memberships/ Chairmanships, his shareholding etc., are separately annexed hereto.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs, except Shri Anil Mukim, IAS, is concerned or interested in the Resolution at Item No. 5 of the Notice. Shri Anil Mukim, IAS and his relatives are interested or concerned in the Resolution concerning his appointment proposed at Agenda Item No. 5.

The Board recommends the Resolution for approval of the Members. Members are requested to approve the Resolution.

#### Item No. 6

Shri Bimal N Patel [DIN: 03006605] has been appointed as an Additional/Independent Director of the Company under Section 161 of the Companies Act, 2013 read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company with effect from 29<sup>th</sup> December, 2016.

As per the provisions of Section 149 of the Companies Act, 2013 read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation.

The Company has received a Notice under Section 160 of the Companies Act, 2013 from a Member in writing proposing the candidature of Shri Bimal N Patel for appointment as an Independent Director of the Company. Shri Bimal N Patel has given a declaration to the Board that he meets criteria of Independence as provided under Section 149 (6) of the Act.

In the opinion of the Board, Shri Bimal N Patel fulfils the conditions specified in the Act and the Rules made there under for appointment as an Independent Director and he is independent of management. The Board recommends his appointment as an Independent Director for five (5) consecutive years effective from 29<sup>th</sup> December, 2016.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Shri Bimal N Patel as an Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the draft letter of appointment of Shri Bimal N Patel will be available for inspection without any fee by the Members at the Registered Office and Corporate Office of the Company during normal business hours on any working day upto the date of the 19<sup>th</sup> AGM.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs, except Shri Bimal N Patel, is concerned or interested in the Resolution at Item No. 6 of the Notice. Shri Bimal N Patel and his relatives, if any, are interested or concerned in the Resolution concerning his appointment proposed at Agenda Item No. 6.

The Board recommends Resolution for approval of the Members. The Members are requested to approve the Resolution.

#### Item No. 7

The Board of Directors at its Meeting held on 11<sup>th</sup> August, 2017, on the recommendation of the Audit Committee, has approved appointment of M/s N D Birla & Co., as Cost Auditors to conduct the audit of the cost records maintained by the Company for the Financial Year 2017-2018 at the remuneration of ₹ 1,00,000/- [Rupees One Lac Only] plus applicable taxes and reimbursement of out of pocket expenses incurred by them during the course of Audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2017 - 2018.

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

The Board recommends the Resolution for approval of the Members. Members are requested to approve the Resolution.

**For Gujarat State Petronet Limited**

**Reena Desai**

*Company Secretary*

Date: 11<sup>th</sup> August, 2017

Place: Gandhinagar

**Registered Office**

GSPC Bhavan, Sector -11, Gandhinagar - 382 010.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN  
ANNUAL GENERAL MEETING**

<b>Name of the Director</b>	Shri M M Srivastava, IAS (Retd)	Shri Anil Mukim, IAS	Shri Bimal N Patel
<b>Date of Birth</b>	23/07/1952	15/08/1960	29/06/1970
<b>Date of Appointment</b>	24/08/2012	11/11/2016	29/11/2016
<b>Qualifications &amp; Expertise</b>	<p>Shri M M Srivastava, IAS, (Retd.) has graduated in Science from Delhi University and has completed his Masters in Physics from Delhi University. He has also done MBA (Marketing) from University of Ljubljana, Slovenia. He has wide administrative and corporate experience. He has held various positions in Government Departments prior to his retirement including Member (Finance), Gujarat Electricity Board, Managing Director of Gujarat Agro Industries Corporation, Secretary in Finance Department, Commissioner of Commercial Tax Department, Principal Secretary of Energy and Petrochemicals Department and Additional Chief Secretary of Finance Department, Government of Gujarat.</p>	<p>Shri Anil Mukim, is a Senior IAS Officer of Government of Gujarat. He has done Graduation in Commerce and Law.</p> <p>He has held various key positions in Government of Gujarat and Government of India like Collector, Bhavnagar, Vadodara &amp; Bhuj, Principal Secretary to Hon'ble Chief Minister, Principal Secretary, Revenue Department, Additional Chief Secretary, Health &amp; Family Welfare Department, Municipal Commissioner, Ahmedabad, Joint Secretary, Ministry of Commerce &amp; Industry, Government of India, CVO, Housing &amp; Urban Development Corporation, etc. He has rich experience in the field of Finance, Management and Administration. Presently, he is Additional Chief Secretary, Finance Department, Government of Gujarat.</p>	<p>Shri Bimal N Patel, PhD (International Law - Leiden, the Netherlands), PhD (International Law - Jaipur), LL.M, MA, BSc, is a Professor of Public International Law and the current Director of the Gujarat National Law University, Gandhinagar. He is also a Member of the Law Commission of India, National Security Advisory Board and Advisor, Financial Sector Regulatory Appointments Search Committee, Insolvency and Bankruptcy Board of India Regulations Committee, Government of India. He has been involved in drafting several national and state primary and secondary legislations, regulations, rules. A former United Nations civil servant, scholar and academician of international law, international relations and diplomacy, Professor Patel possesses 25 years' experience in public international law, law of the sea, maritime laws, international relations, international courts and tribunals. Professor Patel is a member or advisor on committees of various governmental and academic institutions and agencies. Professor Patel is author / editor of 15 books and more than 50 research papers / articles published in leading international and national peer-reviewed journals.</p>
<b>Directorship held in other Companies (excluding foreign Companies)</b>	Gujarat State Petroleum Corporation Limited	<ol style="list-style-type: none"> <li>1) Gujarat Alkalies And Chemical Limited</li> <li>2) Gujarat State Fertilizers &amp; Chemicals Limited</li> <li>3) Gujarat Narmada Valley Fertilizers &amp; Chemicals Limited</li> <li>4) Gujarat State Petroleum Corporation Limited</li> <li>5) Sardar Sarovar Narmada Nigam Limited</li> <li>6) Metro-Link Express For Gandhinagar And Ahmadabad (Mega) Company Limited</li> <li>7) Gujarat State Investment Limited</li> <li>8) Gujarat State Financial Services Limited</li> <li>9) Gujarat International Finance Tec-City Company Limited</li> </ol>	Gujarat Urja Vikas Nigam Limited
<b>Chairman/ Member of the Committees of other Companies (excluding foreign Companies)</b>	<p><b>Gujarat State Petroleum Corporation Limited:</b> Chairman- HR Committee-</p>	<p><b>Gujarat Alkalies And Chemical Limited:</b>  <ol style="list-style-type: none"> <li>1) Chairman; Stakeholder Relationship Committee-cum-Investor's Grievance Committee</li> <li>2) Member: Audit Committee</li> <li>3) Member: Nomination-cum-Remuneration Committee</li> <li>4) Member: CSR Committee</li> <li>5) Member: Project Committee</li> </ol> </p> <p><b>Gujarat State Fertilizers &amp; Chemicals Limited:</b>  <ol style="list-style-type: none"> <li>1) Chairman: CSR Committee</li> <li>2) Member: Finance-cum-Audit Committee</li> <li>3) Member: Nomination &amp; Remuneration Committee</li> </ol> </p>	<p><b>Gujarat Urja Vikas Nigam Limited:</b>  <ol style="list-style-type: none"> <li>1) Member: Audit Committee</li> <li>2) Member: CSR Committee</li> <li>3) Member: Nomination &amp; Remuneration Committee</li> </ol> </p>



		<b>Gujarat State Petroleum Corporation Limited:</b> 1) Member: Audit Committee 2) Member: Project Committee 3) Member: HR Committee <b>Gujarat State Investment Limited:</b> 1) Chairman: Audit Committee 2) Chairman: CSR Committee <b>Gujarat State Financial Services Limited:</b> 1) Member: Audit Committee 2) Chairman: CSR Committee 3) Chairman: Investment Committee 4) Chairman: Finance Committee 5) Chairman: Personnel Committee <b>Metro-Link Express For Gandhinagar And Ahmadabad (Mega) Company Limited:</b> 1) Chairman: Audit Committee 2) Member: Project Committee <b>Gujarat International Finance Tec-City Company Limited:</b> 1) Member: Audit Committee 2) Member: Nomination & Remuneration Committee	
Shareholding of Directors	NIL	NIL	NIL
Relationship between Directors inter-se	NIL	NIL	NIL



## DIRECTORS' REPORT

To,  
The Members  
**Gujarat State Petronet Limited**

The Directors take pleasure in presenting the 19<sup>th</sup> Annual Report and Audited Accounts of the Company for the Financial year ended on 31<sup>st</sup> March, 2017.

### FINANCIAL HIGHLIGHTS

Your Company has excelled in most of the performance parameters.

Major Highlights of the Company are summarized below:

	(₹ in Crore)	
Particulars (Standalone Accounts)	2016-17	2015-16
<b>Total Income</b>	<b>1115.76</b>	<b>1057.56</b>
Employee Benefit Expenses	38.84	36.12
Other Expenses	100.41	89.78
<b>Total Expenses</b>	<b>139.25</b>	<b>125.90</b>
<b>PBDITA</b>	<b>976.51</b>	<b>931.66</b>
Finance Cost	59.58	79.92
Depreciation & Amortisation	179.14	182.91
<b>Profit Before Tax</b>	<b>737.79</b>	<b>668.84</b>
Tax including Deferred Tax	241.15	223.49
<b>Profit After Tax</b>	<b>496.64</b>	<b>445.35</b>

### PERFORMANCE HIGHLIGHTS

- 100% Pipeline grid availability and “accident free” year of operations.
- Company is in process of implementing City Gas Distribution (CGD) Network in the Geographical Area of Amritsar District (Punjab) and Geographical Area of Bhatinda District (Punjab).
- In January 2017, PNGRB issued Public Consultation Documents pertaining to determination of final initial unit natural gas pipeline tariff for your Company's High Pressure Gujarat Gas Grid and Low Pressure Gujarat Gas Grid. Many entities, including your Company, have provided comments on the said determination exercise. Accordingly, it is expected that in FY 2017-18, PNGRB shall determine such final tariffs of your Company's pipelines.
- Total Income stood at ₹ 1115.76 Crore, as compared to ₹ 1057.56 Crore and PBT was ₹ 737.79 Crore as compared to ₹ 668.84 Crore over Previous Year.

### CAPITAL

During the year, the Board has approved allotment of 2,47,668 Shares to the eligible employees under ESOP – 2010 Scheme of the Company upon exercise of Options by them, consequent to which the paid up Share Capital of the Company has increased to ₹ 563.59 Crore.

### DIVIDEND

As per the provisions of the Regulation 43 (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations, 2015”), the Company adopted a Dividend Distribution Policy which is

broadly based on the same criteria as has been followed by the Company since long. Keeping in view the various factors as mentioned in the Policy including the fund requirements for expansion projects and subsidiaries, the Board of Directors of the Company is pleased to recommend Dividend @ ₹ 1.5 (i.e. 15 %) per Equity Share of the face value of ₹ 10 each for the Financial Year 2016-17, subject to the approval of shareholders in ensuing Annual General Meeting. The total cash outflow on account of the proposed dividend (including Dividend Distribution Tax) for the year 2016-17 would be approx ₹ 101.75 Crore.

### INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA), vide its notification dated 16<sup>th</sup> February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the Existing Indian GAAP prescribed under the Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. For your Company, Ind AS is applicable from 1<sup>st</sup> April, 2016 with transition date of 1<sup>st</sup> April, 2015.

### GAS TRANSMISSION SERVICES

The Company has effective Firm GTAs of 25.43 mmcmd & interruptible / short - medium term GTAs for 8.77 mmcmd for transmission of gas to various customers (Previous year: Firm GTAs of 22.83 mmcmd and interruptible GTAs of 9.07 mmcmd)

### GAS GRID PROJECT

Government of Gujarat has always played a pro-active role in the development of the energy value chain in the State. Gujarat is the first State to plan and execute a State-wide Gas Grid on an Open Access principle.

The pipeline grid has been designed as per the highest international standards with inbuilt flexibility to cater to varying loads.

The pipeline grid map of GSPL for Gujarat is enclosed herewith as Annexure - X.

The map showing the Cross-Country Natural Gas Transmission Pipelines being implemented through special purpose vehicles is enclosed herewith as Annexure – XI.

#### *Projects Commissioned:*

During the year under review, the Company has successfully completed commissioning of Mandali-Becharaji pipeline and provided natural gas connectivity to automobile majors Honda and Maruti, Bodighodi Ambardi pipeline connected to Gujarat Gas Ltd and various customer(s) connectivity projects namely Sanand GIDC ring network, Dahej - PCPIR and Dahej SEZ-II network.

The grid operations account for approx 2454 Kms as on 31<sup>st</sup> March, 2017. Gas is flowing from Hazira / Dahej / Vapi to various industries and City Gas Distribution (“CGD”) Networks located in various districts of Gujarat including Surat, Bharuch, Narmada, Baroda, Anand, Ahmedabad, Dahod, Gandhinagar, Sabarkantha, Panchmahal, Patan, Bhavnagar, Mehsana, Banaskantha, Surendranagar, Botad, Rajkot, Morbi, Jamnagar, Navsari, Kutchh, Kheda, Valsad, Amreli, Gir Somnath.

### **Projects under execution:**

Your Directors are pleased to inform that the Company continues to develop additional pipeline infrastructure in the State of Gujarat. The Company has also started laying Anjar-Mundra pipeline connecting GSPC LNG Terminal at Mundra to GSPL's gas grid network. Additionally, the Company is also installing Gas Compressor station at Gana which is under construction.

The Company is a co-developer in Dahej SEZ and is developing pipeline infrastructure therein. Several customers have started receiving gas in Dahej SEZ through Company's network with more getting connected on regular basis.

## **WIND POWER PROJECT**

Your Company being committed to promote clean and green energy has set up Wind Power Project of 52.5 MW in the areas of Maliya Miyana, Rajkot and Gorsar & Adodar, Porbandar. During the year, the Company has sold 11,36,48,724 KWH of electricity generated through Windmill.

## **FUTURE PLANS**

The Company is working on future expansion projects based on the demand in various regions around the gas grid. The Company is also authorised to develop the City Gas Distribution (CGD) Network in the Geographical Areas (GAs) of Amritsar District (Punjab) and Bhatinda GA (Punjab). Company has already started necessary activities in relation to the development of the City Gas Distribution (CGD) Network in both these Geographical Areas (GAs).

## **OPERATION & MAINTENANCE ACTIVITIES**

The Company has transported 9071 mmscm of gas during the financial year 2016-17 (Previous year: 8966 mmscm).

To safeguard pipeline assets and optimize utilization of the pipeline system, the Company is giving utmost importance to efficient operations and preventive maintenance. The Company is in process of implementing Pipeline Integrity Management System in line with PNGRB guidelines to safe guard the pipeline assets.

## **SUBSIDIARY, ASSOCIATES & JOINT VENTURE COMPANIES**

### **Subsidiary Companies:**

Your Company has following two Subsidiary Companies within the meaning of the section 2(87) of the Companies act, 2013:

- 1) GSPL India Gasnet Limited (GIGL) for development of Mehsana – Bhatinda (approx 1670 Kms) and Bhatinda - Jammu - Srinagar (approx 740 Kms) Pipeline Projects;
- 2) GSPL India Transco Limited (GITL) for development of Mallavaram - Bhopal – Bhilwara – Vijapur (approx. 1881 Kms) Pipeline Project.

### **Associate Companies:**

As on 31<sup>st</sup> March, 2017, your Company has two Associate Companies viz. Gujarat Gas Limited and Sabarmati Gas Limited.

To avoid duplication between the Directors' Report and

Management Discussion and Analysis, the performance highlights/summary of the subsidiary companies/joint venture companies /associate companies of GSPL is given in Management Discussion and Analysis Report.

### **Accounts of subsidiary, Associates & Joint Venture companies:**

Pursuant to notification dated 16<sup>th</sup> February, 2015 of Ministry of Corporate Affairs notifying the Companies (Indian Accounting Standard) Rules, 2015, the Company, its associates, subsidiaries and joint venture companies have adopted Ind AS w.e.f. 1<sup>st</sup> April, 2016.

Consequently, though as per provision of Section 2 (87) of the Companies Act 2013, GSPL India Gasnet Limited (GIGL) and GSPL India Transco Limited (GITL) fall within the meaning of subsidiary company, as per guidance of Indian Accounting Standards [Ind AS], GIGL and GITL fall within criteria of Joint Venture and accordingly they have been considered as Joint Venture for the purpose of disclosures and compliances in relation to the Financial Statements of the Company for the year 2016-17.

Pursuant to provisions of Section 129 (3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement in prescribed Form AOC - 1 containing salient features of the financial statement of following Subsidiaries, Associates & Joint Venture Companies is provided in the Annual Report.

Further the audited annual Financial Statement and related information of the GIGL and GITL, will be made available to any Member upon request. The annual Financial Statement of GIGL and GITL will also be kept open for inspection at the Registered Office of the Company and that of the respective companies. The same are also made available on the website of the company [www.gspcgroup.com](http://www.gspcgroup.com).

## **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Ind AS - 28 on Investment in Associates and Joint Ventures read with Ind AS - 110 on Consolidated Financial Statements and Ind AS - 111 on Joint Arrangement, the Audited Consolidated Financial Statements are provided in the Annual Report.

## **HEALTH, SAFETY AND ENVIRONMENT**

The Company, in order to fulfill its commitment towards health, safety and environment, has taken active steps towards establishment of Safety Management Systems. Environment and safety features have been integrated into design, construction and O&M operations of the Company for ensuring utmost safety for the facilities, local community and the environment. The same is also being reflected in the QHSE policy of the Company. The Company is expanding and managing its operations in a manner which is safe and environmentally sustainable.

For developing effectiveness of Safety Management Systems, training of all employees across the Company is ensured through various training programs. The same is being monitored through internal audit teams and delegation of safety management up to the local level. Contractors' adherence to Company's QHSE policy is also assured through regular site visits and external audits. Regular site visits ensure the enhancement of safety culture which also facilitates safe commissioning of the new projects. The Company is proud to maintain its target of 'zero accident' year with full commitment of its employees and management.

The Company is re-certified to Integrated Management Systems (ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007) with validity till 30<sup>th</sup> October, 2017. Effectiveness of these certifications is being assured through planned audits of the system. Continuous improvement is visible in various O&M systems. Preventive Maintenance schedules are being adhered to with updating of records. Further, Emergency Response and Disaster Management Plan (ERDMP) of GSPL was re-accredited by Disaster Management Institute, Bhopal as per the requirement of ERDMP Regulation, 2010 under PNGRB Act, 2006. ERDMP is being reviewed and updated regularly. All conditions of Accreditation are being adhered to. Effectiveness of ERDMP is verified through regular mock drills as per specified intervals as identified by respective work bases.

## DEPOSITS

During the year, the 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

Pursuant to Section 186 (11) of the Companies Act, 2013, loans made, guarantees given or securities provided by a company providing infrastructure facilities are exempted from compliance with Section 186 of the Companies Act, 2013 except sub section (1). Accordingly, your Company being engaged in the Gas Transportation business is exempted from aforesaid compliance. However, the details of Loans, Guarantees, Securities and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188 (1) OF THE COMPANIES ACT, 2013

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseeable and repetitive nature. Further a statement giving details of all Transactions executed with Related Parties is placed before the Audit Committee on a quarterly basis for its approval/ ratification 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 as Annexure - III to this Report.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Pursuant to provisions of Section 135 of the Companies Act, 2013, the Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company at <http://gspcgroup.com/GSPL/policies>.

Your Company being committed in fulfilling its Corporate Social Responsibility has been engaged in various social initiatives through its intervention in the area of promoting education, eradication of hunger & poverty, creating awareness for conservation of energy, providing preventive health care etc in accordance with the Corporate Social Responsibility Policy of the Company.

The Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed herewith as Annexure - IV to this Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board has appointed Dr. J N Singh, IAS, Director on the Board of the Company as Managing Director w.e.f. 16<sup>th</sup> April, 2016 till further intimation from Gujarat State Petroleum Corporation Limited consequent to resignation by Shri Atanu Chakraborty, IAS, as Director of the Company on 11<sup>th</sup> April, 2016.

Further, Dr. T Natarajan, IAS has been appointed as Joint Managing Director of the Company w.e.f. 4<sup>th</sup> August, 2016 till further intimation from Gujarat State Petroleum Corporation Limited.

Shri Anil Mukim, IAS has also been appointed as an Additional Director w.e.f. 11<sup>th</sup> November, 2016 to hold office till the ensuing Annual General Meeting. Accordingly, it is proposed to approve their appointment in the 19<sup>th</sup> Annual General Meeting. Further Shri Bimal N Patel has been appointed as Additional/Independent Director of the Company w.e.f. 29<sup>th</sup> December, 2016 for the period of five years subject to approval of members in the ensuing Annual General Meeting.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri M M Srivastava, IAS (Retd), Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

A brief resume of the Directors retiring by rotation/seeking appointment at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and details regarding the companies in which they hold directorship, membership/ chairmanship of committees of the Board is annexed to the Notice.

### Directors Independence:

Pursuant to the provisions of Section 149 (6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company have given confirmation/ declaration to the Board that they meet with the criteria of Independence and are Independent in terms of Section 149 (6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors have carried out an annual performance evaluation of Chairman, Non-Independent Directors and the Board as a whole. Further, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the various Committees of Directors of the Company.

The performance evaluation of individual Directors was carried out based on the various parameters after taking into consideration inputs received from the Directors and also parameters set out in the Policy for Evaluation of Performance of Directors, Committees & Board such as active participation & contributions in the Meetings, balance of knowledge, expertise and experience, safeguarding the interest of the Company and its Stakeholders etc. The performance evaluation of the Board as a whole and various Committees of Directors of the Company was carried out considering various parameters such as adequacy of the composition of the Board and its Committees, discharge of key functions and responsibilities prescribed under law, corporate governance practice etc. and the overall performance assessment was discussed in detail by the Board members.

### **Meetings:**

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 and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the Meetings. However, in case of a special and urgent business need, the approval is taken by passing resolutions through circulation to the Directors, as permitted by law, which are confirmed in the subsequent Board/Committee Meetings.

During the year, seven (7) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **AUDITORS**

### **Statutory & C&AG Audit:**

As your Company is a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, the C&AG has appointed M/s V V Patel & Co., Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2016-17.

C&AG has given NIL comment reports on Standalone & Consolidated Financial Statements of the Company for the Financial Year 2016-17. The NIL comment reports have been provided before the Standalone & Consolidated Financial Statements respectively.

### **Secretarial Auditors:**

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 has appointed M/s Spanj & Associates, Practising Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2016-17.

The Report of Secretarial Auditor on Company's Secretarial Audit for the Financial Year 2016-17 is enclosed herewith as Annexure - V to this Report. The Secretarial Audit Report is self explanatory in nature.

### **Cost Auditors:**

Your Company is required to get the Cost Audit carried out for "Gas Transportation" business as well as "Generation of Electricity through Windmill" business pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

Accordingly, your Company has got the Cost Audit carried out for the said businesses of the Company for the financial year 2016-17 through the Cost Auditor M/s R K Patel & Co. The Cost Audit Report 2016-17 will be submitted to the Central Government in the prescribed format within stipulated time period.

Further, your Directors have, on the recommendation of the Audit Committee, appointed M/s N D Birla & Co., Cost Accountants as Cost Auditor to audit the cost accounts of the Company for the financial year 2017-18 on a remuneration of ₹ 1,00,000/- plus applicable taxes and reimbursement of out of pocket expenses incurred by them during the course of Audit. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s N D Birla & Co., Cost Auditors for the Financial Year 2017-18 is included in the Notice convening the Annual General Meeting.

## **AUDIT COMMITTEE**

Audit Committee of Directors of the Company at its Meeting held on 25<sup>th</sup> May, 2017 approved the Annual Financial Statements for the Financial Year ended on 31<sup>st</sup> March, 2017 and recommended the same for approval of the Board.

## **RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM**

### **Risk Management:**

The Company has a well-defined risk management framework. The Board of Directors of the Company has adopted a Risk Management Policy.

### **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 Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

The details about the identification of elements of Risk and Internal Control Systems are provided in detail in the Management Discussion & Analysis Report forming part of this Directors' Report.



## VIGIL MECHANISM

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. that in the preparation of the annual financial statements for the year ended on 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed and no material departures have been made from the same;
- b. that accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and of the profit & loss 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.

## MANAGEMENT DISCUSSION & ANALYSIS

This Annual Report contains a separate section (Annexure-I) on the Management Discussion & Analysis, which forms part of this Directors' Report.

## CORPORATE GOVERNANCE

Corporate Governance denotes the framework for companies to conduct their business in an ethical and responsible manner. It is determined primarily by the approach that a Company has towards its stakeholders as well as to the environment in which it operates. It stems from the belief and realization that corporate citizenship has a set of responsibilities, which must be fulfilled for a Company to progress and succeed over the long term.

The Company believes that good governance alone can deliver continuous good business performance. A Report on Corporate Governance as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is incorporated as a part of this Directors' Report (Annexure – II). A Compliance Certificate by the Practising Company Secretary is also attached to this Directors' Report.

## EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form MGT - 9 is enclosed herewith as Annexure – VII.

## GSPL EMPLOYEES STOCK OPTION PLAN ("ESOP")

GSPL Employees Stock Option Plan – 2010 (ESOP – 2010) was instituted as incentives to attract, retain and reward the employees, and to enable them to participate in the future growth and success of the Company.

Under the said ESOPs, each such Option has conferred a right upon the employee to apply for one Equity Share of the Company.

Members may note that GSPL Employees Stock Option Plan – 2005 scheme is closed.

Auditors of the Company have certified that the Scheme is being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and the resolution passed by the Members. The Certificate would be placed at the Annual General Meeting for inspection by Members.

Statutory disclosure regarding ESOP-2005 and ESOP – 2010 is enclosed at Annexure – VI.

Further, the Disclosure regarding ESOP – 2010 pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 has been made on the website of the Company at <http://gspcgroup.com/GSPL/disclosures.aspx>

## PARTICULARS OF EMPLOYEES

Your Company being a Government Company is exempted from disclosing the information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company pursuant to Ministry of Corporate Affairs Notification dated 5<sup>th</sup> June, 2015.

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

Your Company has always believed that appropriate standard of conduct should be maintained by the employees in their conduct and that there should be a safe, indiscriminatory and harassment free (including sexual harassment) work environment for every individual working in the Company. The Company has in place a Policy on Prevention of Sexual Harassment at workplace as a part of its Human Resource Policy. It aims at prevention of harassment of employees and lays down the guidelines for reporting and prevention of sexual harassment.

The Company has constituted an Internal Complaints Committee (ICC) as required under the Act which is responsible for redressal of complaints related to sexual harassment.

During the year ended 31<sup>st</sup> March, 2017, no complaint has been received by the ICC pertaining to sexual harassment.

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

Information required to be disclosed pursuant to provisions of the Companies Act, 2013 read with rules thereto with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are furnished in Annexure - IX to this Report.

## BUSINESS RESPONSIBILITY REPORT

From the financial year 2016-17, Listing Regulations, 2015 has mandated the top 500 companies based on the market capitalisation to prepare and include in its Annual Report, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective among other things.

Your Company has always given the highest importance to the environment, health and safety. The same is also reflected in the business practices of the company e.g. company has implemented practices towards preservation of natural resources, Green Gas emission reduction, lowering costs, etc over these years. The Company is also conscious of its responsibility towards its various stakeholders and is determined to increase its contribution to the society to bring positive social impact.

The Business Responsibility Report in the prescribed format is enclosed as Annexure-VIII to this Report.

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

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

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

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

## ACKNOWLEDGEMENTS

The Directors appreciate the continued support received from the valued customers and look forward to this mutually supportive relationship in future.

The Directors place on record their deep appreciation to employees of the Company at all levels for their hard work, dedication and commitment without whose contribution the excellent performance of the Company would not have been possible.

The Directors are extremely grateful for all the support given by the Government of Gujarat at all levels. Their guidance, encouragement and moral support have enabled the Company to expand the pipeline network in a professional manner.

The Directors also wish to place on record the sincere thanks to PNGRB and other regulatory authorities at Central and State level for the continuous support extended to the Company.

The Directors place on record their sincere thanks to the Promoters, Shareholders and Lenders for their valuable support, trust and confidence reposed in the Company.

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

**Date:** 11<sup>th</sup> August, 2017

**Place:** Gandhinagar

**M M Srivastava, IAS (Retd.)**

*Chairman*

## ANNEXURE - I

### Management's Discussion & Analysis forming part of the Directors' Report for the year ended on 31<sup>st</sup> March, 2017

#### A. INDUSTRY OVERVIEW

Energy plays a pivotal role in economic growth of a country. Sustainable development and inclusive growth of the overall economy requires adequate, affordable and reliable energy. India is at present one of the fastest growing large economy of the world, with its share in global primary energy consumption pegged at 5.5%<sup>1</sup> in 2016, surpassing Russia to become the world's third largest energy consumer. Rising income, population growth and urbanization are breaking ground to harness huge potential for energy demand in India, which is home to about a fifth of the world's population, but uses only about 6% of the world's energy<sup>2</sup>.

India became an associate member of Paris-based International Energy Agency (IEA) and as per IEA, India is moving to the centre-stage of global energy affairs out of strong growth in the economy and population. Further, IEA has also foreseen that India would overtake China as the main driver of demand growth for energy.

As per BP Energy Outlook<sup>3</sup>, with the changing energy landscape and shifting energy mix owing to technological improvements and environmental concerns, gas would grow more quickly than coal and oil. With Asia remaining the largest destination for LNG, China, India and other Asian countries would be instrumental in gas grow faster than either oil or coal in each of the economies.

Despite gas comprising of over 6%<sup>1</sup> in the overall energy mix of the Country in 2016, India witnessed impressive LNG imports of 19 MTPA<sup>4</sup> during 2016-17, an increase of almost 16% on y-o-y basis. Decline in gas produced from domestic fields, along with drop in LNG prices led to LNG imports being almost 50% of the total gas consumed in India.

Government of India (GoI) has launched several incentivizing policy reforms including giving marketing and pricing freedom for gas to be produced from High Pressure-High Temperature, Deepwater and Ultra Deepwater Areas, Coal Bed Methane (CBM) blocks and Marginal Fields, a move which is likely to improve domestic gas production in the next 5 years timeframe. This would also ensure in achieving the vision of the Hon'ble Prime Minister of India of reducing the import dependence in energy sector by 10% by 2022.

In November 2016, GoI launched 'Gas4India' campaign aiming at boosting natural gas usage in the country as well as promoting a nation-wide gas grid, including allied gas infrastructure, all of which shall help in making India a 'Gas-based economy'. The Central Government rightly believes that domestic gas plays a very important role for developing a gas based economy.

It is pertinent to note that with an investment to the tune of over ₹ 1 lac crore to be made by several players including players, like ONGC, RIL and BP in the KG block of Eastern India, over 70 MMSCMD of gas is expected to be available from new domestic sources by 2022. It is promising to note that gas volumes are expected from new domestic sources including ONGC's Vashishta and S-1 fields in KG offshore, ONGC's Daman, and Saurashtra fields, Cairn India Ltd.'s Raageshwari Deep Gas (RDG) field, Focus Energy Ltd.'s block in Rajasthan and various CBM blocks viz, RIL's Sohagpur (East & West), GEECL and Essar Oil's blocks in Raniganj etc. All these gas sources would contribute

significantly towards volume upside from domestic fields.

Further, as seen in the preceding years, increased domestic gas production would provide the much required impetus for development of gas infrastructure, leading to higher capacity utilization.

To bridge the gap between natural gas demand and supply, import of LNG is imperative and the upcoming LNG import infrastructure would facilitate the same. The current regassification capacity of 27.5 MTPA is set to almost double by 2022, paving way for increased LNG imports in the country. Moreover, with over 50% of regassification capacity to be developed in the State of Gujarat, by way of brown and green field development, Gujarat is set to become the "LNG Gateway of India".

GoI believes power transmission lines and natural gas pipelines will deploy the largest share of energy infrastructure capital.

In so far as development of natural gas infrastructure, a large capex is required for new LNG terminals, trunk gas pipelines, CGD networks and commercial storages. Currently, with no commercial gas storage, if India needs to be a major gas consumer, it requires to have security of supply during peaking demand. Since the gas market is under evolution, the capacity utilization risk is fully loaded on the infrastructure investor, restraining them and resulting in stranded assets.

GoI believes that in order to increase the penetration of natural gas, a National Gas Grid would have to be rolled out throughout the country and VGF support would be provided to the stranded gas pipelines towards achievement of the said goal.

Accordingly, as per the draft NITI Aayog policy document<sup>5</sup>, GoI is expected to come out with a strategy to de-risk these projects, either through VGF support or by introducing an attractive revenue model.

#### B. REGULATORY FRAMEWORK

In January 2017, PNGRB issued Public Consultation Documents pertaining to determination of final initial unit natural gas pipeline tariff for your Company's High Pressure Gujarat Gas Grid and Low Pressure Gujarat Gas Grid. Many entities, including your Company, have provided comments on the said determination exercise.

Accordingly, it is expected that in FY 2017-18, PNGRB shall determine such final tariffs of your Company's pipelines.

#### C. OPPORTUNITIES AND CHALLENGES

Even though your Company saw a marginal increase in volumes in FY 2016-17 (y-o-y), it is expected that going forward several factors, including increased industrialization and competitiveness of gas vis-à-vis other fuels, would contribute to the increase in usage of gas and lead to improved utilization of infrastructure developed by companies like GSPL.

Your Company has connected to all major industrial clusters in the State and is committed to ensure availability of gas across the State through its robust network which is also currently India's second largest gas transmission network (by length and transmission volumes). In the past year, your Company achieved

<sup>1</sup> BP Statistical Review of World Energy June 2017  
<sup>2</sup> International Energy Agency (IEA)

<sup>3</sup> BP Energy Outlook 2017 Edition  
<sup>4</sup> Petroleum Planning & Analysis Cell (PPAC)

<sup>5</sup> Draft National Energy Policy document, NITI Aayog, June 2017

connectivity with industrial clusters / zones for supplying gas to SMEs/Industrial units in areas like Sanand and Mandali-Becharji.

Your Company believes that LNG shall continue to play a significant role in bridging the gas deficit and accordingly, your Company is exploring opportunities to obtain connectivity / access to Greenfield /brown field terminals in the State. In fact, your Company has also initiated discussions with operators of upcoming domestic fields to ensure early monetization of critical natural resources.

Not only LNG but Gujarat is also expected to be the focal point for several offshore / on shore gas fields being developed and your Company is poised to compete with other entities for ensuring transmission of additional gas through its network through reliability of supplies and competitiveness in tariff.

Your Company is working towards development of CGD networks in Geographical Areas of Amritsar and Bhatinda. Your Company sees its foray into CGD business as an opportunity and challenge as several players have now shown keen interest in the CGD segment.

Your Company shall be ensuring successful implementation of CGD network projects in the GAs of Amritsar & Bhatinda.

Your Company is also holding stake in the Gujarat Gas Limited and Sabarmati Gas Limited which are into the business of developing City Gas Distribution Network and your Company's CGD business is also complementary to the development of cross country pipelines that are being developed by the Company through its subsidiaries.

## D. OPERATIONS AND FUTURE OUTLOOK

Your Company owns and operates the largest gas transmission network in Gujarat totalling to approximately 2454 Kms (as on 31<sup>st</sup> March 2017). The gas grid of the Company has reached 25 of 33 Districts in Gujarat.

### Performance highlights of Subsidiary, Associates & Joint Venture Companies:

#### GIGL & GITL

GIGL and GITL have received all major statutory approvals for development of Pipeline.

In January 2017, GIGL has awarded EPC contracts for construction of (i) Palanpur Pali (160 kms) (ii) Barmer Pali (180 kms) sections of MBPL and (iii) Jalandhar Amritsar (100 kms) section of BJPL projects and construction activities have commenced for the said sections.

The aforesaid sections of MBPL will facilitate transportation of gas from Cairn India Ltd.'s Raageshwari Deep Gas (RDG) terminal and also Focus Energy Ltd.'s gas field in Jaisalmer, Rajasthan.

Further, completion of BJPL section would facilitate gas supplies for your Company's CGD network in Amritsar.

GITL has awarded the contract for construction of 362 km section of pipeline from Andhra Pradesh to Ramagundam Fertilizers and Chemicals Ltd., as part of Phase-1 implementation of MBBVPL project.

This section of MBBVPL pipeline will facilitate transportation of natural gas to the gas based M/s. Ramagundam Fertilizers and Chemicals Limited in Telangana, which is part of Govt of India plan to revive closed units of FCIL for increasing domestic urea production in the country.

The MBPL, BJPL and MBBVPL project pipelines, once commissioned, shall lead to optimum utilization of GSPLs' Network and be synergistic with your Company's foray into CGD Network Development also.

To achieve a gas based economy by way of development of National Gas Grid for and to link Eastern India to country's Natural Gas Grid, the Urja Ganga Project was provided 40% capital grant from GoI along with assurance of revival of 3 fertilizer units to act as anchor load (assured demand) and development of CGD network in 7 cities, enroute the project on nomination basis to the developer.

In view of the above, GIGL and GITL have also requested the GoI to provide capital grant for improvement of viability and development of their pipeline projects.

These cross country projects are a part of Hon'ble Prime Minister's vision of establishing additional gas Pan-India gas pipeline infrastructure and these projects shall go a long way in fulfilling the vision of Hon'ble Prime Minister and MoP&NG of establishing India as a Gas Based Economy.

#### Gujarat Gas Limited

Gujarat Gas Limited is the largest City Gas Distribution Company with its presence spread across various districts in the State of Gujarat, Union Territory of Dadra and Nagar Haveli and the State of Maharashtra distributing natural gas to various retail, industrial, commercial and domestic residential segment customers in the State of Gujarat. Further, it is also engaged in the business of distribution of CNG to transport segment customers through CNG filling stations at major cities and towns of Gujarat State.

Gujarat Gas Limited has been continuously growing and expanding its horizon by venturing into new geographic areas and is committed to reach every possible natural gas users across its licensed expanse of around 96,000 square kilometres through its ever growing pipeline network spread across 22 districts.

Gujarat Gas Limited, through competitive bidding, has won 6 new geographical areas in State of Gujarat which includes the Dahej-Vagra Taluka (District Bharuch), Panchmahal District, Ahmedabad District (excluding areas already authorized), Anand District (excluding areas already authorized), Dahod District and Amreli District and has aggressively rolled out the expansion plans to develop networks to tap the unexplored CGD potential in new geographies. Gujarat Gas Limited has, now, total 18 CGD licenses spread across 22 districts which accounts to almost 24% of total CGD licenses issued by PNGRB in India and 1 pipeline license.

Gujarat Gas Limited is supplying natural gas to more than 11.6 Lakh residential, over 12,750 commercial and non-commercial segments and around 3,050 industrial customers as on 31<sup>st</sup> March, 2017.

Gujarat Gas Limited also supplies natural gas in the form of Compressed Natural Gas (CNG) through 252 CNG stations catering to the automotive sector in the operational areas.

Your Company has a total shareholding of 25.76% in Gujarat Gas Limited as on 31<sup>st</sup> March, 2017.

During the year ending 31<sup>st</sup> March 2017, Gujarat Gas Limited contributed to approx 19% of total transmission revenues of your Company.

#### Sabarmati Gas Limited

Sabarmati Gas Limited (SGL) is engaged in the business of



development of City Gas Distribution networks in Gandhinagar, Sabarkantha and Mehsana districts of North Gujarat. SGL has also been granted authorization by PNGRB for undertaking CGD Business activity in GA of Patan District and it has initiated activities to develop City Gas Distribution network in Patan District. The sales volumes of the Sabarmati Gas Limited from all the segments have increased to 7.08 Lakh SCMD during the financial year 2016-17 as compared to 6.66 Lakh SCMD during the previous financial year. SGL has network of 340.43 kilometers of steel pipeline and 2985 kilometers of MDPE pipeline and customer base of 1,09,958 domestic customers, 273 industrial customers and 504 commercial customers as well as 56 CNG stations as on 31<sup>st</sup> March, 2017.

Your Company has a total shareholding of 27.47% in Sabarmati Gas Limited as on 31<sup>st</sup> March, 2017.

During the year ending 31<sup>st</sup> March 2017, Sabarmati Gas Limited contributed to approx 3% of total transmission revenues of your Company.

## E. PERFORMANCE PROFILE

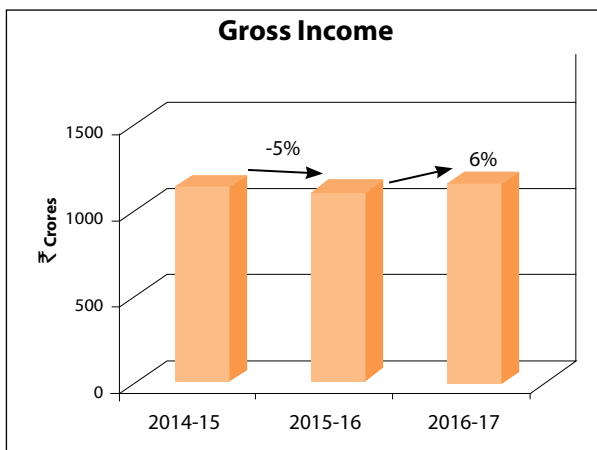
The Company continues to expand its gas grid to reach new markets and connect to new supply sources.

The infrastructure developed by the Company enabled the flow of LNG and domestic gas from various sources, including KG Basin, to reach various regions of Gujarat.

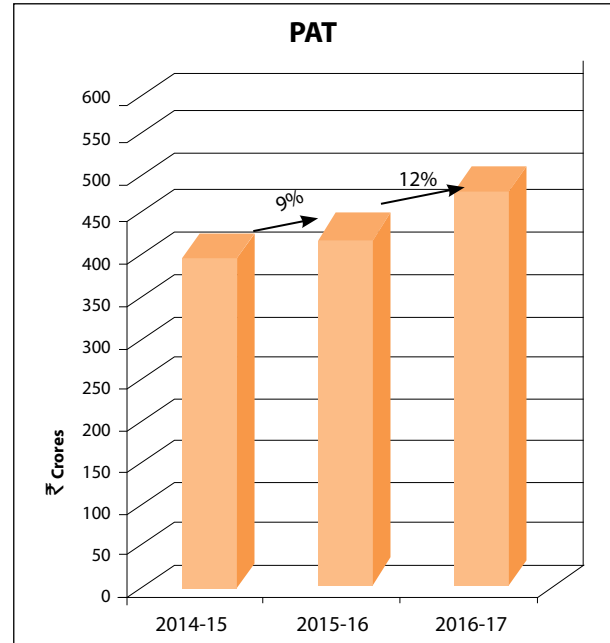
The Company has managed with a lean manpower strength on account of its well thought out strategy of developing major pipeline projects on EPC (Engineering, Procurement and Construction) Model.

The Company transported 9071 mmSCM of natural gas during the year, an increase of 1.17% over last year's volumes transportation of 8966 mmSCM.

Income from transportation of gas for the year was ₹ 976.89 Crore, increase of 3% over last year's figure of ₹ 949.70 Crore. Gross Income has increased by 6%.



Profit After Tax for the year was ₹ 496.64 Crore as compared to ₹ 445.35 Crore in the previous year, recording an increase of 12%.



The Net Worth of the Company has increased from ₹ 4069.18 Crore to ₹ 4495.97 Crore. During the year, Gross Block of Assets increased from ₹ 3305.96 Crore to ₹ 3527.70 Crore.

The Company continues to have a healthy Debt Equity Ratio of less than 1.

### Wind Power Project

Your Company believes that renewable energy sources can offer enormous economic, social and environmental benefits and India has the highest potential for effective use of the renewable energy sources like wind power.

Considering the cost benefit which a Wind Power Project can offer, your Company ventured into and has successfully completed commissioning of the Wind Power Project of 52.5 MW at Maliya Miyana, Rajkot and Gorsar & Adodar, Porbandar in the State of Gujarat.

The Company has generated 11,36,48,724 units of power from the same which resulted in the revenue of approx ₹ 39.98 Crores in the year.

## F. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

### Risk Management:

Your Company is in the process of adopting a comprehensive Risk Management System which identifies and documents business risks as well as provides for appropriate controls to mitigate these risks to the best extent possible across all aspects of the Company's business.

The said Risk Management System is based on the principle by which risks are currently managed across the Company. All functional teams address risks relevant to the assets, projects or functions and also work towards identifying appropriate mitigation strategies. Moreover, the Company has always focused on developing a "risk culture" that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.

Based on the current economic scenario affecting the Oil & Gas sector and the prevalent regulatory regime, these are the major risks being faced by your Company:

### 1. Affordability and Availability of Natural Gas

Although, the current and future demand for natural gas exceeds supply, the supply of and demand for natural gas is subject to several factors which may adversely affect our operations. Factors affecting supply include decline in exploration and production activities, decline in domestic gas production, decline in importation of LNG and government regulations affecting allocation of gas supplies. Factors affecting demand include the growth and development of industries utilizing natural gas as a primary fuel source, gas prices and availability of competing alternative fuels. Since Natural gas competes with alternative primary fuels including coal and Furnace Oil, reduction in the prices of alternative fuels may adversely impact the demand for gas transportation services. Each or all of these factors could pose risks to the gas transmission business of the Company.

In the current scenario, low levels of production of domestic natural gas and price volatility is a major risk for the Company's gas transportation business.

### 2. Regulatory Risk

The Petroleum and Natural Gas Regulatory Board (PNGRB) was constituted in 2007 as a regulatory body to regulate the natural gas pipeline business in India. Since its inception, PNGRB has been mired with legal issues. In the past years, several litigations / legal proceedings have been initiated by and against PNGRB, including a landmark SC Judgment in 2015 which clarified on the regulatory powers of the PNGRB with respect to fixing of network tariff and compression charges for a CGD network's direct consumers, which has far reaching implications on both the CGD and gas transmission segment.

The evolving nature of regulations in the sector, especially on critical aspects like third party access, CGD network exclusivity as well as with regards to the long pending list of final tariff notifications for all major pipeline networks in India (including that of your Company), pose uncertainties and challenges for all stakeholders. However, it is expected that ultimately if all litigations lead to an improved regulatory scenario, the same would ensure more investments in the sector.

### 3. Safety and Operational Risk

The changing technologies and the natural ageing of existing facilities pose the risk of Pipelines and stations. Aged Pipelines are prone to unplanned shutdowns, increased maintenance and operating costs. Deployment of new technologies in line with Pipeline Integrity Management Systems and ongoing maintenance processes are key to enhance the reliability of operations and reduction in operating costs as well as for maximising the life of assets while improving the safety of operating conditions. Pipeline system's safety is also a major challenge and even minor operational issue and safety issues may cause major safety hazards, disrupt operations at large levels, pose danger to life, property and safety of people and penalties from statutory/regulatory bodies and reputation of the organisation may also be at stake.

#### Internal Control Systems:

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 significant improved controls & transparency. Your Company also continues to invest in Information Technology to support various business processes.

## G. HUMAN RESOURCES

During the year, the Company did not experience any strikes or lockouts.

The increasing human capital aspirations are a major challenge for the Company. In order to remain competitive, it is imperative that Company has to hire and retain sufficient number of skilled talent so as to strengthen its technical and project management skills.

The Company employed 221 employees as on 31<sup>st</sup> March, 2017 (Previous year: 224 employees).

The Company believes that training and personnel development is of vital importance to create a climate where people maximize their technical skills and inner potential which can help the Company in capitalizing the emerging business opportunities through their involvement. During the year, employees were sent for various training programs and seminars in line with the Annual Training Calendar to enhance employee skills/knowledge.

The Company has in place an attractive policy of performance linked incentive to encourage and reward employee performance.

#### Forward Looking Statements:

*This Annual Report contains forward-looking statements, which may be identified by words like will, believes, plans, expects, intends, estimates or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth and market position are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that the assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements can differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or event.*

## ANNEXURE - II

### Corporate Governance Report

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Gujarat State Petronet Limited (GSPL) is committed to do business in an efficient, responsible, honest and ethical manner. The core values of the Company's Governance process include independence, integrity, accountability, transparency, responsibility and fairness. The Company is committed to transparency in all its dealings and places high emphasis on business ethics. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedication to increase long-term shareholders' value.

#### 2. BOARD OF DIRECTORS

##### A. Composition of the Board:

As per requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Structure of the Company maintains an optimum combination of Executive, Non Executive Directors with at least one Woman Director and half of the Board of Directors comprising of Independent Directors. The Composition of the Board is in conformity with the Listing requirements. The detailed composition of the Board of Directors as on 31<sup>st</sup> March, 2017, their category and their Directorship in the companies and Membership/Chairmanship in the Committees of the Board are given below:

Sr. No.	Name of the Director	Position /Category++	* Number of Directorship as on 31.03.2017 including GSPL	** Number of Membership/ Chairmanship in Board Committee as on 31.03.2017 including GSPL	
				Membership+	Chairmanship
1	Shri M M Srivastava, IAS (Retd.)	Non Executive Chairman (GSPC <sup>1</sup> Nominee)	2	0	0
2	Shri Sujit Gulati, IAS	Non Executive Director (GSPC <sup>1</sup> Nominee)	10	2	0
3	Shri Anil Mukim, IAS	Non Executive Director (GSPC <sup>1</sup> Nominee)	10	6	3
4	Smt. Shridevi Shukla	Non Executive Woman Director (GSPC <sup>1</sup> Nominee)	1	0	0
5	Dr. R Vaidyanathan	Independent Director	10	2	1
6	Prof. Yogesh Singh	Independent Director	5	2	1
7	Dr. Bakul Dholakia	Independent Director	5	3	3
8	Dr. Sudhir Kumar Jain	Independent Director	6	1	0
9	Shri Bhadresh Mehta	Independent Director	3	0	2
10	Shri Bimal N Patel	Additional Independent Director	2	1	0
11	Dr. T Natarajan, IAS	Joint Managing Director (GSPC <sup>1</sup> Nominee)	10	4	0
12	Dr. J N Singh, IAS	Managing Director (GSPC <sup>1</sup> Nominee)	9	0	2

1. Gujarat State Petroleum Corporation Limited.

+ Membership excludes Chairmanship.

\* Excluding Directorship held in Foreign Companies.

\*\* Indicates Membership/Chairmanship in the Audit Committee, Stakeholders Relationship Committee (excluding Private Limited Companies, Foreign Companies and Section 8 Companies).

++ None of the Directors of the Company are related inter-se.

##### B. Board Meetings held during the year 2016 - 2017:

The Board meets at regular intervals to discuss and decide on various issues including strategy related matters pertaining to the business/ company. The tentative calendar of Board Meetings is circulated to the Directors in advance to facilitate them and to ensure their active participation in the Meetings of the Company. Apart from this, the Meetings of the Board are also convened or the approval of the Board is obtained through circulation of resolution to all the Directors in case some urgent/special situation arises. Such circular resolution is also confirmed in the next Board Meeting. Further when it is not possible to attend meeting physically, the Directors may use video conferencing facility to enable their participation.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to take informed decisions and to discharge its functions effectively. Where it is not practicable to attach the relevant information as a part of agenda papers, the same are tabled at the Meeting or / and the presentations are made by the concerned persons to the Board. Further officials/representatives who can give additional insight in to the items being discussed are invited during the meeting.

During the year 2016 - 2017, the Board met 7 (Seven) times. Details of these Meetings are as follows:

Sr. No.	Date of Meeting
1	21 <sup>st</sup> April, 2016
2	19 <sup>th</sup> May, 2016
3	30 <sup>th</sup> July, 2016
4	9 <sup>th</sup> September, 2016
5	30 <sup>th</sup> November, 2016
6	17 <sup>th</sup> January, 2017
7	6 <sup>th</sup> February, 2017

**C. Attendance of each Director at the Board Meetings during the year 2016 - 2017 and at last AGM was as follows:**

Sr. No.	Name of the Director	Number of Board Meetings held during their tenure as Director	Number of Board Meetings attended	Attendance at last AGM held on 22 <sup>nd</sup> September, 2016
1	Shri M M Srivastava, IAS (Retd.)	7	7	Yes
2	Shri Sujit Gulati, IAS (w.e.f. 19 <sup>th</sup> July, 2016)	5	4	No
3	Shri Anil Mukim, IAS (w.e.f. 11 <sup>th</sup> November, 2016)	3	2	NA
4	Smt. Shridevi Shukla	7	6	Yes
5	Dr. R Vaidyanathan	7	5	No
6	Prof. Yogesh Singh	7	3	Yes
7	Dr. Bakul Dholakia	7	5	No
8	Dr. Sudhirkumar Jain	7	5	No
9	Shri Bhadresh Mehta	7	6	Yes
10	Shri Bimal N Patel (w.e.f. 29 <sup>th</sup> December, 2016)	2	1	NA
11	Dr. T Natarajan, IAS (w.e.f. 4 <sup>th</sup> August, 2016)	4	4	No
12	Dr. J N Singh, IAS	7	6	Yes

*Note: 1) The Directors were granted the leave of absence for non attendance at the Meeting of the Board of Directors of the Company.*

### 3. AUDIT COMMITTEE

The composition of the Audit Committee as on 31<sup>st</sup> March, 2017 is as follows:

- Prof. Yogesh Singh - Chairman
- Dr. R Vaidyanathan - Member
- Dr. Bakul Dholakia - Member
- Dr. Sudhir Kumar Jain - Member
- Shri Anil Mukim, IAS - Member
- Dr. T Natarajan, IAS - Member

Ms. Reena Desai, Company Secretary acts as a Secretary to the Audit Committee.

**Note:** All the Members of the Audit Committee are Non - Executive Directors and at least two third are Independent Directors. The Chairman of the Audit Committee is an Independent Director and is having financial and accounting knowledge.

The powers of the Audit Committee as conferred by the Board of Directors in accordance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee includes the overview of the Company's financial reporting process and related disclosures to ensure that the financials are correct, sufficient and credible. The Committee will also undertake the review, with our management, of our annual and quarterly financial statements before submission to the Board for approval. The Committee shall also review the adequacy of our internal control systems, internal audit functions and discuss any significant findings of the internal auditors. The Committee shall also discuss with our statutory auditors prior to their commencement of audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern. The Audit Committee shall examine the reasons for substantial defaults in the payments by the Company to depositors, debenture holders, shareholders (in case of non - payment of declared dividends) and creditors. The Committee shall also review the functioning of whistle blower mechanism.

During the year 2016 - 2017, the Audit Committee met 5 (Five) times. Details of these Meetings are as follows:

Sr. No.	Date of Meeting
1	19 <sup>th</sup> May, 2016
2	30 <sup>th</sup> July, 2016
3	8 <sup>th</sup> September, 2016
4	30 <sup>th</sup> November, 2016
5	6 <sup>th</sup> February, 2017

The attendance of the Members at the Audit Committee Meetings during the year 2016 - 2017 was as follows:

Sr No.	Name of the Audit Committee Members	Number of Audit Committee Meetings held while holding the office	Number of Audit Committee Meetings attended
1	Prof. Yogesh Singh	5	3
2	Dr. R Vaidyanathan	5	3
3	Dr. Bakul Dholakia	5	4
4	Dr. Sudhir Kumar Jain (w.e.f. 3 <sup>rd</sup> September, 2016)	3	2
5	Shri Anil Mukim, IAS (w.e.f. 3 <sup>rd</sup> January, 2017)	1	0
6	Dr. T Natarajan, IAS (w.e.f. 4 <sup>th</sup> August, 2016)	3	3
7	Dr. J N Singh, IAS (upto 5 <sup>th</sup> August, 2016)	2	2

The Chairman of the Audit Committee remained present at the Annual General Meeting of the Company held on 22<sup>nd</sup> September, 2016 to answer shareholder queries.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2017 is as follows:

1. Prof. Yogesh Singh - Chairman
2. Shri M M Srivastava, IAS (Retd.) - Member
3. Dr. R Vaidyanathan - Member

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

- a. Formulation of criteria for determining qualifications, positive attributes and independence of a director.
- b. Formulation of criteria for evaluation of Independent Directors and the Board.
- c. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- d. To devise a Policy on Board Diversity.
- e. Formulate and recommend to the Board a Policy relating to the remuneration for the directors, key managerial personnel and other employees.
- f. To formulate, administer and monitor detailed terms and conditions of the Employees' Stock Option Scheme(s) of the Company.
- g. To carry out any other function as delegated by the Board from time to time and / or required by any statutory notification, amendment or modification, as may be applicable.

During the year 2016 - 2017, the Nomination and Remuneration Committee met 1 (One) time. Details of the Meetings is as follows:

Sr. No.	Date of Meeting
1	30 <sup>th</sup> July, 2016

The attendance of the Members at the Nomination and Remuneration Committee Meeting during the year 2016 - 2017 was as follows:

Sr No.	Name of the Nomination and Remuneration Committee Members	Number of Nomination and Remuneration Committee Meetings held while holding the office	Number of Nomination and Remuneration Committee Meetings attended
1	Prof. Yogesh Singh	1	1
2	Shri M M Srivastava, IAS (Retd.)	1	1
3	Dr. R Vaidyanathan	1	1

The details on performance evaluation criteria for Directors including Independent Directors are already provided under the head "Board Evaluation" in the Director's Report.

## 5. REMUNERATION/SITTING FEES TO DIRECTORS

### i) Remuneration to Directors:

During the Financial Year 2016 - 17, the Company has paid remuneration of approx ₹ 16.97/- Lacs to Shri M M Srivastava, IAS (Retd.), Non - Executive Chairman pursuant to approval of Members at the 17<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2015 for the payment of remuneration for the period of one year from 28<sup>th</sup> August, 2015 and further at the 18<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2016 for payment of remuneration for the period from 24<sup>th</sup> August, 2016 to 23<sup>rd</sup> August, 2018. The payment of remuneration & perquisites to Shri M M Srivastava, IAS (Retd.) is as per the terms and conditions stipulated by the Govt. of Gujarat in its Resolution dated 10<sup>th</sup> May, 2013. Further, as Shri M M Srivastava, IAS (Retd.) has been nominated as Non-Executive Chairman by Gujarat State Petroleum Corporation Limited, the Notice Period and Severance Fees are not applicable.

### ii) Sitting Fees to Directors:

The Sitting Fees paid to the Directors who are IAS Officers is deposited in government treasury. No Director is entitled to any benefit upon termination of his Directorship/Employment in the Company.

At present, Company pays ₹ 7500/- per Meeting as Sitting Fees to the Directors (except Managing Director and Joint Managing Director) for attending Board/ Committee Meeting.

During the year 2016 - 2017, the Company has paid ₹ 6,45,000/- in aggregate towards Sitting Fees of the Directors.

### iii) Stock Options granted to Directors:

#### ESOP - 2010:

Presently, the Company has not granted Stock Option to the Directors under ESOP - 2010.

Except Dr. Bakul Dholakia who holds 3500 Shares, no other Director holds any Share in the Company.

Further, apart from Shri M M Srivastava, IAS (Retd.) who is in receipt of remuneration, none of the Non-Executive Directors has any other pecuniary interest in the Company.

### iv) Terms of appointment of Managing Director:

Dr. J N Singh, IAS has been appointed as Managing Director of the Company w.e.f. 16<sup>th</sup> April, 2016. He does not receive sitting fees from the Company. He will hold his office till further intimation by Gujarat State Petroleum Corporation Limited.

Additionally, Dr. T Natarajan, IAS has been appointed as Joint Managing Director of the Company w.e.f. 4<sup>th</sup> August, 2016. Upon his appointment as Joint Managing Director of the Company, he does not receive Sitting Fees but is paid remuneration by Gujarat State Petroleum Corporation Limited as per the pay structure for Secretary level government officials. He will hold his office till further intimation by Gujarat State Petroleum Corporation Limited.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee as on 31<sup>st</sup> March, 2017 is as follows:

1. Dr. R Vaidyanathan - Chairman
2. Shri Sujit Gulati, IAS - Member
3. Dr. T Natarajan, IAS - Member



During the year 2016 - 2017, the Stakeholders Relationship Committee met 1 (One) time. Details of the Meeting is as follows:

Sr. No.	Date of Meeting
1	19 <sup>th</sup> May, 2016

The attendance of the Members at the Stakeholders Relationship Committee Meeting during the year 2016 - 2017 was as follows:

Sr No.	Name of the Stakeholders Relationship Committee Members	Number of Stakeholders Relationship Committee Meetings held while holding the office	Number of Stakeholders Relationship Committee Meetings attended
1	Dr. R Vaidyanathan	1	1
2	Shri Sujit Gulati, IAS (w.e.f. 19 <sup>th</sup> July, 2016)	N.A.	N.A.
3	Shri L Chuaungo, IAS (upto 27 <sup>th</sup> June, 2016)	1	1
4	Dr. T Natarajan, IAS (w.e.f. 4 <sup>th</sup> August, 2016)	N.A.	N.A.
5	Shri J.N. Singh Managing Director (upto 4 <sup>th</sup> August, 2016)	1	1

The status of Shareholders complaint as on 31<sup>st</sup> March, 2017 is as follows:

Particulars	Opening as on 1 <sup>st</sup> April, 2016	Received* during the year	Disposed during the year	Balance as on 31 <sup>st</sup> March, 2017
No. of complaints	NIL	231	231	NIL

\* The Complaints received were mainly in the nature of non receipt of dividend warrants, requests for duplicate/revalidation of dividend warrants etc.

Number of complaints received during the year as a percentage of total number of Members as on 31<sup>st</sup> March, 2017 is 0.18%.

Ms Reena Desai, Company Secretary acts as Compliance Officer of the Company.

## 7. ATTENDANCE OF EACH DIRECTOR AT THE COMMITTEE MEETING OTHER THAN THOSE STATED ABOVE AND CONVENED DURING THE FINANCIAL YEAR 2016 - 2017

### 1. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

During the year 2016 - 2017, the Corporate Social Responsibility Committee met 1 (One) time. Details of the Meeting is as follows:

Sr. No.	Date
1	19 <sup>th</sup> May, 2016

The attendance of the Members at the Corporate Social Responsibility Committee Meeting during the year 2016 - 2017 was as follows:

Sr No.	Name of the Corporate Social Responsibility Committee Members	Number of Corporate Social Responsibility Committee Meetings held while holding the office	Number of Corporate Social Responsibility Committee Meetings attended
1	Shri M M Srivastava, IAS (Retd.)	1	1
2	Prof. Yogesh Singh	1	0
3	Shri J N Singh, IAS Managing Director (upto 4 <sup>th</sup> August, 2016)	1	1
4	Dr. T Natarajan, IAS (w.e.f. 4 <sup>th</sup> August, 2016)	N.A.	N.A.

## 2. PROJECT MANAGEMENT COMMITTEE

During the year 2016 - 2017, the Project Management Committee met 4 (Four) times. Details of these Meetings are as follows:

Sr. No.	Date
1	30 <sup>th</sup> July, 2016
2	9 <sup>th</sup> September, 2016
3	17 <sup>th</sup> January, 2017
4	18 <sup>th</sup> March, 2017

The attendance of the Members at the Project Management Committee Meetings during the year 2016 - 2017 was as follows:

Sr No.	Name of the Project Management Committee Members	Number of Project Management Committee Meetings held while holding the office	Number of Project Management Committee Meetings attended
1	Shri M M Srivastava, IAS (Retd.)	4	4
2	Dr. J N Singh, IAS (w.e.f. 13 <sup>th</sup> February, 2015)	4	4
3	Shri L Chuaungo, IAS (upto 27 <sup>th</sup> June, 2016)	N.A.	N.A.
4	Dr. Bakul Dholakia	4	4
5	Shri Atanu Chakraborty, IAS (upto 11 <sup>th</sup> April, 2016)	N.A.	N.A.
6	Shri Sujit Gulati, IAS (w.e.f. 19 <sup>th</sup> July, 2016)	4	3
7	Shri Anil Mukim (w.e.f. 3 <sup>rd</sup> January, 2017)	2	2
8	Dr. T Natarajan, IAS (w.e.f. 4 <sup>th</sup> August, 2016)	3	3

## 3. PERSONNEL COMMITTEE:

During the year 2016 - 2017, the Personnel Committee met 1 (One) time. Details of the Meeting is as follows:

Sr. No.	Date
1	18 <sup>th</sup> March, 2017

The attendance of the Members at the Personnel Committee Meetings during the year 2016 - 2017 was as follows:

Sr No.	Name of the Personnel Committee Members	Number of Personnel Committee Meetings held while holding the office	Number of Personnel Committee Meetings attended
1	Shri M M Srivastava, IAS (Retd.)	1	1
2	Shri Sujit Gulati, IAS	1	1
3	Dr. R Vaidyanathan	1	1
4	Dr. T. Natarajan, IAS	1	1
5	Managing Director	1	1

## 8. GENERAL BODY MEETINGS

A. Schedule of the last three Annual General Meetings of the Company is presented below:

Year	Date & Time of AGM	Venue	Special Resolutions passed
2015 - 16	22 <sup>nd</sup> September, 2016, 3.00 P.M.	Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382010	No
2014 - 15	24 <sup>th</sup> September, 2015, 3.00 P.M.	Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382010	No
2013 - 14	25 <sup>th</sup> September, 2014, 3.00 P.M.	Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382010	1. Approving borrowing limit under Section 180 (1) (c) of the Companies Act, 2013. 2. Approving creation of charge/security in favour of lenders under Section 180 (1) (a) of the Companies Act, 2013.



**B. Postal Ballot:**

During the year, no resolution was passed through postal ballot.

**9. DISCLOSURES**

There are certain transactions with related parties which have been disclosed at the relevant place in the Notes to the Annual Accounts. No such related party transactions may have potential conflict with the interests of the Company at large.

There is no non compliance on any capital market related matter since the listing of Company's security 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.

**10. MEANS OF COMMUNICATION**

The Financial Results of the Company are normally published in one National news paper in English (in one or more news papers like Business Standard/Financial Express/Mint/Economics Times/Hindu Business Line) and one Regional news paper (in one or more news papers like Gujarat Samachar/Divya Bhaskar/Sandesh/Gandhinagar Samachar). These results can also be viewed from the Company's website [www.gspcgroup.com](http://www.gspcgroup.com). Further, the Financial Results and other required filings of the Company can also be viewed on the website of The National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and The Bombay Stock Exchange Limited ([www.bseindia.com](http://www.bseindia.com)).

**11. CODE OF CONDUCT****Code of Conduct for Directors and Senior Management:**

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

The Board and Senior Management of the Company have affirmed compliance with the Code. The declaration by CEO & CFO to this effect has been made elsewhere in this Annual Report.

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

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

**12. ETHICAL BEHAVIOR AND VIGIL MECHANISM**

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has an Ethical Behavior and 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 GSPL and/or GSPC Group. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Management affirms that no employee of the Company was denied access to the Audit Committee. The Company has provided the details of the said Policy on the website of the Company at <http://gspcgroup.com/documents/pagecontent/Vigil-Mechanism-Policy.pdf>.

**13. POLICY FOR MATERIAL SUBSIDIARIES**

As required under Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy for determining "Material" Subsidiaries which has been put on the website of the Company at <http://gspcgroup.com/documents/pagecontent/Policy-for-determining-Material-Subsidiaries.pdf>.

**14. POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS**

As required under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Related Party Transactions Policy which has been put on the website of the Company at <http://gspcgroup.com/documents/pagecontent/Policy-on-Materiality-of-Related-Party-Transactions-and-dealing-with-Related-Party-Transactions.pdf>.

**15. DIVIDEND DISTRIBUTION POLICY**

The Company has adopted Dividend Distribution Policy in terms of the requirements of the SEBI Listing Regulations, 2015. The Policy

is available on the website of the Company at <http://gspcgroup.com/documents/pagecontent/Dividend-Distribution-Policy.pdf>. The Dividend Distribution Policy forms a part of this Report.

## 16. APPOINTMENT OF INDEPENDENT DIRECTORS

The Company has issued formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the applicable Corporate Governance requirements. The terms and conditions of appointment have also been disclosed on the website of the Company at <http://gspcgroup.com/documents/pagecontent/GSPL-Terms-and-Conditions-of-Letter-of-Appointment-to-Independent-Director.pdf>

## 17. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to provisions of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Familiarization Programme for Independent Directors. The Programme aims to familiarize Independent Directors with activities of the Company so as to enable them to make effective contribution and to assist them in discharging their functions as a Board Member. The Company's Policy on Familiarization Programme for Independent Directors has been disclosed on the website of the Company at <http://gspcgroup.com/documents/pagecontent/Policy-on-Familiarization-Programme-for-Independent-Directors.pdf>

## 18. GENERAL SHAREHOLDERS INFORMATION

### A. Schedule & Venue of the 19<sup>th</sup> Annual General Meeting of the Company:

Date & Day : 28<sup>th</sup> September, 2017, Thursday  
 Time : 3.30 PM  
 Venue : Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan,  
 Sector - 11, Gandhinagar - 382010.

### B. Financial Year and Calendar:

The Financial Year of the Company starts on 1<sup>st</sup> April and ends on 31<sup>st</sup> March every year.

Financial Calendar for 2017 - 2018 (Tentative Schedule) for adoption of quarterly results for:

Quarter ending 30 <sup>th</sup> June, 2017	11 <sup>th</sup> August, 2017
Quarter ending 30 <sup>th</sup> September, 2017	Before 14 <sup>th</sup> November, 2017
Quarter ending 31 <sup>st</sup> December, 2017	Before 14 <sup>th</sup> February, 2018
Quarter & Year ending 31 <sup>st</sup> March , 2018 (Audited)	Before 30 <sup>th</sup> May, 2018

### C. Book Closure Date:

Friday, 22<sup>nd</sup> September, 2017, to Thursday, 28<sup>th</sup> September, 2017 (both days inclusive).

### D. Dividend Payment:

The Dividend, if approved by the Shareholders will be paid on or after Thursday, the 5<sup>th</sup> October, 2017.

### Unclaimed Dividends/Shares

As per the provisions of the erstwhile Companies Act, 1956, Dividend which remained unclaimed for a period of seven years cannot be claimed by the Investors from the Company once the same is transferred to the Investors Education and Protection Fund (IEPF).

During the year under review, the Ministry of Corporate Affairs notified provisions relating to unpaid / unclaimed dividends under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per the new Rules, dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate companies to transfer shares of shareholders whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The shareholders whose dividend / shares are transferred to the IEPF Authority can now claim their shares / dividend from the Authority.

In accordance with the new IEPF Rules, the Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and has also published requisite advertisements in the newspapers.

The Unclaimed Dividend in respect of the Financial Year 2009 - 2010 is due for transfer IEPF on 20<sup>th</sup> October, 2017. In view of this, the Members of the Company, who have not yet encashed their Dividend Warrant(s)/ claimed their Dividend(s) declared by the Company are requested to claim the same from the Company alongwith necessary documentary proof.

Further, in terms of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), your Company has uploaded the Unclaimed Dividend details in respect of the Dividends declared by the Company for the Financial Years 2009-2010 onwards on the Company's website [www.gspegroup.com](http://www.gspegroup.com) under separate dedicated section 'Investors'. The said details of Unclaimed Dividend are updated by the Company on Company's Website on a half yearly basis.

In accordance with Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 32065 Equity Shares (previous year: 33141 Equity Shares) issued to 124 Shareholders (previous year: 128 Shareholders) of the face value of ₹ 10 each are lying in the "GSPL Unclaimed Shares Demat Suspense Account" maintained by the Company. The voting rights on the Shares outstanding in the suspense account as on 31<sup>st</sup> March, 2017 shall remain frozen till the rightful owner of such Shares claims the Shares. Further once the details are notified in relation to the opening of the account with IEPF Authority, the Company will transfer the shares lying in the "GSPL Unclaimed Shares Demat Suspense Account" to IEPF Authority account, as may be required under the IEPF Rules.

Due Dates for Transfer of Unclaimed Dividend to IEPF:

Year	Dividend rate per share (₹)	Date of Declaration of Dividend by the Shareholders in AGM	Unclaimed Dividend Amount (₹)	Due Date
2009 – 2010	1.00 (i.e. 10%)	21 <sup>st</sup> September, 2010	11,30,414.00	20 <sup>th</sup> October, 2017
2010 – 2011	1.00 (i.e. 10%)	23 <sup>rd</sup> September, 2011	10,25,537.64	22 <sup>nd</sup> October, 2018
2011 - 2012	1.00 (i.e. 10%)	25 <sup>th</sup> September, 2012	15,41,994.00	24 <sup>th</sup> October, 2019
2012 - 2013	1.00 (i.e. 10%)	27 <sup>th</sup> September, 2013	9,83,239.00	26 <sup>th</sup> October, 2020
2013 – 2014	1.00 (i.e. 10%)	25 <sup>th</sup> September, 2014	10,11,150.00	24 <sup>th</sup> October, 2021
2014 - 2015	1.20 (i.e. 12%)	24 <sup>th</sup> September, 2015	14,04,251.60	23 <sup>rd</sup> October, 2022
2015 - 2016	1.50 (i.e. 15%)	22 <sup>nd</sup> September, 2016	12,08,227.50	21 <sup>st</sup> October, 2023

#### E. Listing on Stock Exchanges and Scrip Codes:

Name of Stock Exchanges	Scrip Code
1. The Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	532702
2. The National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	GSPL

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 INE246F01010.

*Note:*

1. The necessary listing fees for the year 2017 - 2018 has already been paid to both the Stock Exchanges.

#### F. Stock Market Data:

Market Price Data in BSE and NSE is as follows:

Month	BSE Sensex		Company's Share price on BSE		NSE Nifty		Company's Share price on NSE	
	High	Low	High	Low	High	Low	High	Low
April 2016	26100.54	24523.2	147.40	131.45	7992.00	7516.85	146.80	131.20
May	26837.2	25057.93	143.25	129.55	8213.6	7678.35	143.25	129.35
June	27105.41	25911.33	143.75	128.00	8308.15	7927.05	145.50	128.70
July	28240.2	27034.14	144.50	127.00	8674.7	8287.55	144.80	127.05
August	28532.25	27627.97	164.20	129.45	8819.2	8518.15	164.40	129.45
September	29077.28	27716.78	160.00	144.85	8968.7	8555.2	159.90	144.20
October	28477.65	27488.3	172.90	150.40	8806.95	8506.15	172.80	150.30
November	28029.8	25717.93	160.55	140.00	8669.6	7916.4	160.95	143.95
December	26803.76	25753.74	158.50	119.00	8274.95	7893.8	158.45	127.05
January 2017	27980.39	26447.06	161.30	135.00	8672.7	8133.8	161.30	135.55
February	29065.31	27590.1	170.70	151.85	8982.15	8537.5	170.40	151.25
March	29824.62	28716.21	169.10	153.50	9218.4	8860.1	169.95	152.70

**G. Registrar and Share Transfer Agent and Share Transfer System:**

The Company has appointed Karvy Computershare Private Limited as the Registrar and Share Transfer Agent of the Company for both Physical as well as Demat mode.

The Company has entrusted Karvy Computershare Private Limited with the responsibility of ensuring effective resolution and disposal of all kinds of investor grievances such as Demat, Remat, non receipt of Dividend, etc.

Investors may contact our Registrar and Share Transfer Agent at the following address for their queries:

**M/s Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District,  
Nanakramguda, Serilingampally, Hyderabad – 500 008, Andhra Pradesh, India

**Tel:** +91-40-67161518 | **Fax:** +91-40-23420814

**Email:** mailmanager@karvy.com | **Website:** www.karvycomputershare.com

**Contact person:** Mr. Suresh Babu D

**H. Distribution of Shareholding:**

Distribution of Shareholding as on 31<sup>st</sup> March, 2017 is given below:

Category (Amount of Shares)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-5000	116405	91.91	20971072	3.72
5001-10000	6107	4.82	4808908	0.85
10001-20000	2185	1.73	3294023	0.59
20001-30000	656	0.52	1693000	0.30
30001-40000	253	0.20	915520	0.16
40001-50000	253	0.20	1203988	0.22
50001-100000	338	0.27	2441633	0.43
100001 & above	448	0.35	528259588	93.73
<b>Total</b>	<b>126645</b>	<b>100</b>	<b>563587732</b>	<b>100</b>

**I. Dematerialization of Shares and its liquidity:**

546719020 Equity Shares representing 97.01% of the total Equity Shares of the Company are held in Dematerialized Form and balance 16868712 Equity Shares representing 2.99% are in Physical Form as on 31<sup>st</sup> March, 2017.

**J. Plant Locations:**

The Company is developing pipeline infrastructure for transportation of gas. Presently, the Company has commissioned pipeline projects covering various locations in the State of Gujarat. The required details of these locations are specified in Directors' Report which forms part of this Annual Report. The Company has also set up wind power project of 52.5 MW in the areas of Maliya Miyana, Rajkot and Gorsar & Adodar, Porbandar.

**K. Address for correspondence with the Company:**

The address for correspondence with the Company is given below:-

**Gujarat State Petronet Limited**

GSPL Bhavan, E-18, GIDC Electronic Estate, Sector - 26, Nr. K-7 Circle, Gandhinagar - 382028.

**Ph.:** +91-79-23268500 | **Fax:** +91-79-23268506

**Website:** www.gujpetronet.com | **Email:** investors.gspl@gspl.in

**L. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversions date and likely impact on Equity:**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

**M. Non-Mandatory Requirements:**

**The Company has complied with the following Non-Mandatory Requirements:**

**1. Audit Qualifications**

There are no qualifications in the Auditors' Report on the financial statements to the Shareholders of the Company.

**2. Separate posts of Chairman and Managing Director**

The positions of the Chairman and Managing Director are separate.

**3. Reporting of Internal Auditor**

The Internal Auditor has access and may report directly to the Audit Committee.

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

**Date:** 11<sup>th</sup> August, 2017

**Place:** Gandhinagar

**M M Srivastava, IAS (Retd.)**

*Chairman*

## CEO & CFO CERTIFICATION

**Certificate by Managing Director and CFO in terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

We hereby certify that:-

- A. We have reviewed the Audited Financial Statements and Cash Flow Statements for the Year ended on 31<sup>st</sup> March, 2017 and that to the best of our knowledge and belief:
  - (1) these Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these Financial Statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee that:
  - (1) that there are no significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year; if any have been disclosed in the notes to the financial statements; and
  - (3) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting during the year.

We further declare that all the Board Members and Senior Management have affirmed their compliance with the Code of Conduct for the year ended on 31<sup>st</sup> March, 2017.

**Manish Seth**  
CFO

**Dr. J N Singh, IAS**  
Managing Director

**Date:** 25<sup>th</sup> May, 2017  
**Place:** Gandhinagar



## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members  
GUJARAT STATE PETRONET LIMITED  
GSPC Bhavan, Behind Udyog Bhavan,  
Sector - 11, Gandhinagar – 382 011

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

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

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

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors as required under Listing Regulations, 2015 except for the period from 11<sup>th</sup> November, 2016 to 28<sup>th</sup> December, 2016 wherein the number of Independent Directors remained below one- half of the total number of Directors on the Board of the Company. Subsequently, the Company has appointed Bimalkumar Natvarlal Patel as Additional Independent Director of the Company w.e.f 29<sup>th</sup> December, 2016 resulting into proper constitution of Board of Directors w.e.f 29<sup>th</sup> December, 2016.

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*

**Date:** 11<sup>th</sup> August, 2017

**Place:** Ahmedabad

Membership No.: FCS 4287

Certificate of Practice No.: CP - 2574

## ANNEXURE - III

## 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 arms length transactions under third proviso thereto.

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

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Duration of the contracts/arrangements/transactions: Ongoing/Recurring

(b) Date of approval by the Board: NA

Nature of Contract/Transactions & Name of the Related Party	Nature of relationship	Salient terms of the contracts or arrangements or transactions including the value of the transaction in FY 2016 – 17 (in ₹), if any *	Amount paid as advances, if any
<b>Reimbursement made/received like for Employee salary/benefits, RoU, electricity Expenses etc</b>			
Gujarat Gas Limited	Associate	7411963	NIL
Gujarat State Petroleum Corporation Limited	Holding	12793475	NIL
<b>Purchase/sale of goods, Availing/Rendering Services</b>			
Gujarat Gas Limited	Associate	106996719	NIL
Gujarat State Petroleum Corporation Limited	Holding	191767747	NIL
<b>Refundable deposits received/paid in relation to the Pipeline crossings</b>			
Gujarat Gas Limited	Associate	17400000	NIL
<b>Gas Transportation Income</b>			
Gujarat Gas Limited	Associate	2096691908	NIL
Gujarat State Petroleum Corporation Limited	Holding	934077778	NIL
<b>Purchase/Sale of Tangible Assets</b>			
Gujarat Gas Limited	Associate	1583000	NIL
<b>Misc Receipts/payments towards business transactions</b>			
Gujarat Gas Limited	Associate	2531	NIL

\* All the Transactions are in the ordinary course of business and have been entered on Arm's Length Principle. Further, the threshold for determining the Material Related Party Transactions has been considered as per the terms defined in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The transactions between two Govt. Companies do not require approval of shareholders under provisions of the Listing Regulations.

For and on behalf of the Board of Directors

Date : 11<sup>th</sup> August, 2017

Place : Gandhinagar

M M Srivastava, IAS (Retd.)

Chairman



## ANNEXURE - IV

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- The brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

The Corporate Social Responsibility Policy of the Company is available on the website of the Company viz. [www.gspcgroup.com](http://www.gspcgroup.com).

- Composition of the CSR Committee:

Shri M M Srivastava, IAS (Retd.) - Chairman

Prof. Yogesh Singh - Member

Dr. T Natarajan, IAS - Member

- Average Net Profit of the Company for last three Financial Years:

₹ 655.22 Crores (FY 2013 - 14 to FY 2015 - 16).

- Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

₹ 13.10 Crores

- Details of CSR spent during the financial year:

(a) Total amount spent for the financial year: approx ₹ 0.38 Crores

(b) Amount unspent, if any: approx ₹ 12.72 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	Projects or programmes (1) Local Area or other (2) Specify the state and district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise	Amount spent on the project or programmes		Cumulative expenditure up to the reporting period	Amount spent : Directly or Through Implementing Agency
					Direct expenditure on programmes or projects	Overheads		
1	Tree Plantation Activity	Rural Development Etc.	District: Amritsar State: Punjab	₹ 21,10,00,000	₹ 15,00,000	-	₹ 15,00,000	Direct
2	For purchase of Ambulance & Printing of booklets for promotion of Road Safety	Promoting Education and Eradicating Hunger, poverty, promoting Healthcare etc	District: Kutchh Mundra/ Anjar State: Gujarat		₹ 23,00,000	-	₹ 23,00,000	Through Implementing Agency
<b>Total</b>				<b>₹ 21,10,00,000</b>	<b>₹ 38,00,000</b>		<b>₹ 38,00,000</b>	

- In case the Company has failed to spend 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:

It is relevant to note that the Company has entered into MoU of ₹ 25 Crores with Govt of Gujarat in the year 2011 for setting up a semi financed Degree Engineering Institute under Public Private Partnership Mode in Surendranagar District for promoting education. The project completion period was two years from the date of allocation of land to the Company. The present estimated cost towards the said project is approx ₹ 43 Crores. As the land originally allocated by Govt. of Gujarat was found unsuitable for establishing the engineering college, GSPL took up the matter with Govt of Gujarat in the year 2013 for allotment of alternative land. Thereafter GSPL had continuously followed up with the Govt. of Gujarat and made several request to allocate new land so that Company can initiate the activities for setting up the Engineering Institute. Accordingly Company had budgeted an amount of ₹ 21 Crores towards said Engineering Institute in its CSR Budget for the financial year 2016-17, subject to allocation of suitable land by Govt. However, Govt has now informed the Company that presently sufficient/suitable land for Engineering College is not available in Surendranagar District for allocation. Accordingly the Company had to cancel/drop the said Project under its CSR activities.

- 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.

For Gujarat State Petronet Limited

Dr. J N Singh, IAS  
Managing Director

For and on behalf of the Corporate Social Responsibility  
Committee of Gujarat State Petronet Limited

M M Srivastava, IAS (Retd.)  
Chairman of the Corporate Social Responsibility Committee



# ANNEXURE - V

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2017

**[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 STATE PETRONET LIMITED  
Regd. Off: GSPC Bhavan,  
Sector 11, Behind Udyog Bhavan,  
Gandhinagar - 382 010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GUJARAT STATE PETRONET 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 our opinion thereon.

Based on our verification of the Company's 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 31<sup>st</sup> March, 2017 has 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 as per Annexure - A for the Financial Year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

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

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (c), (e), (g) and (h) of para (V) mentioned hereinabove during the period under review.

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 Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;
- VI. We further report that having regard to the compliance managing system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has compliance management system for the following sector specific laws applicable specifically to the Company:

- a) Petroleum and Minerals Pipelines (Acquisition of Right of User in land) Act, 1962
- b) Gujarat Water and Gas Pipelines (Acquisition of Right of User in land) Act, 2000
- c) Petroleum and Natural Gas Regulatory Board Act, 2006
- d) Petroleum Act, 1934
- e) Explosives Act, 1884
- f) Electricity Act, 2003

During the period under review, it was found that there is adequate compliance management system to comply with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under sector specific laws and regulations applicable to the Company.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as required under Listing Regulations, 2015 except for the period from 11<sup>th</sup> November, 2016 to 28<sup>th</sup> December, 2016 wherein the number of Independent Directors remained below one- half of the total number of Directors on the Board of the Company. Subsequently, the Company appointed Bimalkumar N Patel as Additional Independent Director of the Company w.e.f 29<sup>th</sup> December, 2016 resulting into proper constitution of Board of Directors w.e.f 29<sup>th</sup> December, 2016. 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever required.

**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 sector specific laws, rules, regulations and guidelines.

**We further report** that during the audit period of the Company there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**Place:** Ahmedabad

**Date:** 29/07/2017

**Name of practicing CS:** Ashish C. Doshi, Partner  
SPANJ & ASSOCIATES  
Company Secretaries

**ACS/FCS No.:** F3544

**C P No :** 2356

Note : This report is to be read with our letter of even date which is annexed as Annexure B and forms an integral part of this report.

## Annexure - A

**List of documents verified**

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors and Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee along with attendance register held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Act and rules made there under.
5. Agenda papers submitted to all the Directors / Members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Act.
7. Intimations/Disclosure/Declaration received from Directors under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act and attachments thereof during the period under report.
9. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the period under report.
10. Communications/ Letters issued to and acknowledgements received from the Independent Directors for their appointment.
11. Various policies framed by the Company from time to time as required under the Act as well as Listing Agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time as mentioned hereunder:
  - Corporate Social Responsibility Policy
  - Ethical Behavior & Vigil Mechanism
  - Policy on Prevention of Sexual Harassment at the work place
  - Archival Policy
  - Policy For Determination Of Materiality Of Events / Information
  - Policy on Materiality of Transactions and Dealing with Related Party Transactions.
  - Policy for determining Material Subsidiaries
  - Code Of Conduct for Regulating, Monitoring And Reporting of Trading By Insiders
  - Code Of Practices And Procedures For Fair Disclosure Of Unpublished Price Sensitive Information
  - Policy on Preservation of Documents
  - Nomination and Remuneration Policy
  - Policy on Board Diversity
  - Policy on Familiarization Programme for Independent Directors
  - Policy for Evaluation of Performance of Directors, Committees & Board
  - Code Of Conduct For Board Members And Senior Management
  - Dividend Distribution Policy

## Annexure - B

To,  
 The Members  
 GUJARAT STATE PETRONET LIMITED  
 Regd. Off: GSPC Bhavan,  
 Sector 11, Behind Udyog Bhavan,  
 Gandhinagar - 382 010

**Sub:** Secretarial Audit Report for the Financial Year ended on 31<sup>st</sup> March, 2017.

**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 of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures 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.

**Place:** Ahmedabad  
**Date:** 29/07/2017

**Name of practicing CS:** Ashish C. Doshi, Partner  
 SPANJ & ASSOCIATES  
 Company Secretaries  
**ACS/FCS No.:** F3544  
**C P No :** 2356

## ANNEXURE - VI

### DISCLOSURE REGARDING GSPL EMPLOYEE STOCK OPTION PLAN - 2005

Disclosure for the FY 2016 - 17			
Sr. No	Particulars	ESOP 2005 – Part-I	ESOP 2005 – Part-II
1	Options granted during the year	Nil	Nil
2	Options Vested during the year	Nil	Nil
3	Options exercised during the year	Nil	Nil
4	The total number of shares arising as a result of exercise of Options during the respective financial year	Nil	Nil
5	Options lapsed during the year	Nil	2
6	The exercise Price	₹ 14/-	₹ 14/-
7	Variation in terms of Options	Nil	Nil
8	Money realized by exercise of Options during the respective financial year	Nil	Nil
9	Total Number of Options in force as on 31 <sup>st</sup> March of the respective financial year	Nil	Nil
10	Employee wise details of Options granted during the year to:		
	(i) Key Managerial Personnel: Shri Manish Seth	Nil	Nil
	(ii) Any other employee who received grant in any one year of Options amounting to five percent or more of Options granted during that year	N.A	N.A
	(iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	N.A	N.A

### DISCLOSURE REGARDING GSPL EMPLOYEE STOCK OPTION PLAN - 2010

Disclosure for the FY 2016 - 17			
Sr. No.	Particulars	ESOP 2010 – Type A	ESOP 2010 – Type B
1	Options granted during the year	Nil	Nil
2	Options Vested during the year	Nil	Nil
3	Options exercised during the year	242943	4725
4	The total number of shares arising as a result of exercise of Options during the respective financial year	242943	4725
5	Options lapsed during the year	Nil	Nil
6	The exercise Price	₹ 75/-	₹ 75/-
7	Variation in terms of Options	Nil	Nil
8	Money realized by exercise of Options during the respective financial year	18220725	354375
9	Total Number of Options in force as on 31 <sup>st</sup> March of the respective financial year	614640	21586
10	Employee wise details of Options granted during the year to:		
	(i) Key Managerial Personnel: Shri Manish Seth	Nil	Nil
	(ii) Any other employee who received grant in any one year of Options amounting to five percent or more of Options granted during that year	N.A	N.A
	(iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	N.A	N.A

## ANNEXURE - VII

### FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2017 [PURSUANT TO SECTION 92(3) AND RULE 12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

#### I. REGISTRATION AND OTHER DETAILS

i.	CIN	L40200GJ1998SGC035188
ii.	Registration Date	23/12/1998
iii.	Name of the Company	Gujarat State Petronet Limited
iv.	Category / Sub-Category of the Company	Public Company Limited by Shares / State Government Company
v.	Address of the Registered Office and contact details	GSPC Bhavan, B/h. Udyog Bhavan, Sector - 11, Gandhinagar - 382 010 <b>Tel.:</b> 079 - 23268500   <b>Fax:</b> 079 - 23268506 <b>Website :</b> www.gspcgroup.com   <b>e-mail:</b> investors.gspl@gspc.in
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Karvy Computershare Private Limited</b> <b>Unit :</b> Gujarat State Petronet Limited Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 008 <b>Email :</b> einward.ris@karvy.com <b>Phone :</b> +91 040 67161518   <b>Fax :</b> +91 40 23420814

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Gas Transportation Business	49300	96.11%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
i.	Gujarat State Petroleum Corporation Limited GSPC Bhavan, B/h Udyog Bhavan, Sector - 11, Gandhinagar - 382 010	U23209GJ1979SGC003281	Holding company	37.67	2(46)
ii.	GSPL India Gasnet Limited GSPC Bhavan, B/h Udyog Bhavan, Sector - 11, Gandhinagar - 382 010	U40200GJ2011SGC067449	Subsidiary Company	52	2(87)
iii.	GSPL India Transco Limited GSPC Bhavan, B/h Udyog Bhavan, Sector - 11, Gandhinagar - 382 010	U40200GJ2011SGC067450	Subsidiary Company	52	2(87)
iv.	Gujarat Gas Limited Block No. 15, 3rd Floor, Udyog Bhavan, Sector - 11, Gandhinagar - 382 010	L40200GJ2012SGC069118	Associate Company	25.76	2(6)
v.	Sabarmati Gas Limited Plot No. 907, Sector - 21, Gandhinagar - 382 021	U40200GJ2006PLC048397	Associate Company	27.47	2(6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year		No. of Shares held at the end of the year		% change during the year
	Demat	Physical	Demat	Physical	
<b>A. Promoters</b>					
<b>(1) Indian</b>					
a) Individual/HUF	-	-	-	-	-
b) Central Government	-	-	-	-	-
c) State Government(s)	-	-	-	-	-
d) Bodies Corporate	212305270	37.69	212305270	37.67	(0.02*)
e) Banks / Financial Institution	-	-	-	-	-
f) Any Other	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>212305270</b>	<b>37.69</b>	<b>212305270</b>	<b>37.67</b>	<b>(0.02)</b>
<b>(2) Foreign</b>					
a) NRIs - Individuals	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-
d) Banks / Financial Institution	-	-	-	-	-
e) Any Other	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>212305270</b>	<b>37.69</b>	<b>212305270</b>	<b>37.67</b>	<b>(0.02)</b>
<b>B. Public Shareholding</b>					
<b>1. Institutions</b>					
a) Mutual Funds	86030551	15.27	83959058	14.90	(0.37)
b) Banks / Financial Institute	25137929	4.46	24599216	4.36	(0.10)
c) Central Government	-	-	-	-	-
d) State Government (Bodies Corporate)	53938000	10.99	45088000	10.99	0.00
e) Venture Capital Funds	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-
g) Foreign Institutional Investors	86822871	15.42	96998486	17.21	1.80
h) Foreign Venture Capital Funds	-	-	-	-	-
i) Others - Qualified Foreign Investor	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>205991351</b>	<b>53.938000</b>	<b>259929351</b>	<b>46.14</b>	<b>1.32</b>
<b>2. Non-Institutions</b>					
a) Bodies Corporate	-	-	-	-	-
i) Indian	49105139	8.72	43162700	7.66	(1.06)
ii) Overseas	-	-	-	-	-
b) Individuals	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹ 1 lac	35978700	19012	33540112	18712	(0.44)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	4617759	-	4301990	-	(0.05)
c) Others (specify)	-	-	-	-	-
Clearing Members	248540	0.04	1226588	0.22	0.17
Foreign Bodies	***	***	***	***	***
Foreign Nationals	5000	5000	4200	4200	-
Non Resident Indians	880605	0.16	686036	0.12	(0.03)
Overseas Corporate Bodies	600	600	1600	1600	0.07
Trusts	250088	0.04	637585	0.11	0.07
Qualified Foreign Investors	-	-	-	-	-
<b>Sub-total (B)(2)</b>	<b>91086431</b>	<b>16.16</b>	<b>83768990</b>	<b>14.87</b>	<b>(1.30)</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>297077782</b>	<b>62.31</b>	<b>334413750</b>	<b>62.33</b>	<b>0.02</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>509383052</b>	<b>53.957012</b>	<b>563340064</b>	<b>100.00</b>	<b>100.00</b>

\* The reduction in % of shareholding during the year is due to increase in Paid-up Share Capital of the Company consequent to allotment of shares to employees exercising their options under Employee Stock Option Scheme of the Company.



## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during the year*
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Gujarat State Petroleum Corporation Limited	212305270	37.69	-	212305270	37.67	-	0.02
	<b>TOTAL</b>	<b>212305270</b>	<b>37.69</b>	<b>-</b>	<b>212305270</b>	<b>37.67</b>	<b>-</b>	<b>0.02</b>

\*The reduction in % of shareholding during the year is due to increase in Paid-up Share Capital of the Company consequent to allotment of shares to employees exercising their options under Employee Stock Option Scheme of the Company.

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
1.	Gujarat State Petroleum Corporation Limited				
	At the beginning of the year	212305270	37.69	212305270	37.67
	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No Change during the year			
	At the end of the year	212305270	37.67		

\* The reduction in % of shareholding during the year is due to increase in paid share capital of the Company consequent to allotment of shares to employees exercising their options under Employee Stock Option Schemes of the Company.

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
1.	<b>Gujarat Maritime Board</b>				
	At the beginning of the year	37088000	6.58	37088000	6.58
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No Change during the year			
	At the end of the year	37088000	6.58		
2.	<b>LIC of India Pension Plus Mixed Fund</b>				
	At the beginning of the year		23367890	4.15	
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	<b>Date</b>	<b>No. of shares (sold) / purchased</b>	<b>%</b>	<b>Cumulative No. of shares after the sale / purchase</b>
		09/09/2016	(520)	0.00	23367370
		28/10/2016	374	0.00	23367744
		28/10/2016	(374)	0.00	23367370
		03/02/2017	5000	0.00	23372370
		03/02/2017	(5000)	0.00	23367370
	At the end of the year		23367370	4.15	

<b>3.</b>	<b>Platinum Asia Fund</b>					
	At the beginning of the year		15151415	2.69		
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	<b>Date</b>	<b>No. of shares (sold) / purchased</b>	<b>%</b>	<b>Cumulative No. of shares after the sale / purchase</b>	<b>%</b>
		08/04/2016	770478	0.14	15921893	2.83
		29/04/2016	42000	0.01	15963893	2.83
		06/05/2016	1514211	0.27	17478104	3.10
		13/05/2016	186889	0.03	17664993	3.14
		20/05/2016	405000	0.07	18069993	3.21
		27/05/2016	1780540	0.32	19850533	3.52
		03/06/2016	201141	0.04	20051674	3.56
		10/06/2016	126500	0.02	20178174	3.58
		02/09/2016	80000	0.01	20258174	3.60
		09/09/2016	219029	0.04	20477203	3.63
		16/09/2016	437075	0.08	20914278	3.71
		30/09/2016	200000	0.04	21114278	3.75
		21/10/2016	557000	0.10	21671278	3.85
		28/10/2016	355912	0.06	22027190	3.91
	At the end of the year		22027190	3.91		
<b>4.</b>	<b>Franklin Templeton Mutual Fund A/c Franklin India</b>					
	At the beginning of the year		15127475	2.68		
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	<b>Date</b>	<b>No. of shares (sold) / purchased</b>	<b>%</b>	<b>Cumulative No. of shares after the sale / purchase</b>	<b>%</b>
		08/04/2016	270000	0.05	15397475	2.73
		15/04/2016	45128	0.01	15442603	2.74
		22/04/2016	364432	0.06	15807035	2.81
		06/05/2016	140440	0.02	15947475	2.83
		13/05/2016	15781	0.00	15963256	2.83
		20/05/2016	484219	0.09	16447475	2.92
		08/07/2016	1200000	0.21	17647475	3.13
		15/07/2016	600000	0.11	18247475	3.24
		22/07/2016	200000	0.04	18447475	3.27
		05/08/2016	7600	0.00	18455075	3.28
		12/08/2016	39908	0.01	18494983	3.28
		19/08/2016	458185	0.08	18953168	3.36
		26/08/2016	276	0.00	18953444	3.36
		07/10/2016	619593	0.11	19573037	3.47
		14/10/2016	255540	0.05	19828577	3.52
		21/10/2016	603892	0.11	20432469	3.63
		28/10/2016	41555	0.01	20474024	3.63
		04/11/2016	663171	0.12	21137195	3.75
		11/11/2016	67358	0.01	21204553	3.76
		18/11/2016	111382	0.02	21315935	3.78
		25/11/2016	2035953	0.36	23351888	4.14
		02/12/2016	272355	0.05	23624243	4.19
		03/02/2017	(1677)	0.00	23622566	4.19
		10/02/2017	(1054765)	(0.19)	22567801	4.00
		31/03/2017	631542	0.11	23199343	4.12
	At the end of the year		23199343	4.12		

5.	<b>DSP Black Rock MIP Fund</b>					
	At the beginning of the year		14327987	2.54		
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	<b>Date</b>	<b>No. of shares (sold) / purchased</b>	<b>%</b>	<b>Cumulative No. of shares after the sale / purchase</b>	<b>%</b>
		13/05/2016	(1457090)	(0.26)	12870897	2.28
		30/06/2016	(34838)	(0.01)	12836059	2.28
		08/07/2016	(1249092)	(0.22)	11586967	2.06
		15/07/2016	621212	0.11	12208179	2.17
		15/07/2016	(721131)	(0.13)	11487048	2.04
		30/09/2016	(315572)	(0.06)	11171476	1.98
		21/10/2016	50068	0.01	11221544	1.99
		28/10/2016	70504	0.01	11292048	2.00
		28/10/2016	(34009)	(0.01)	11258039	2.00
		11/11/2016	(24998)	0.00	11233041	1.99
		23/12/2016	(22729)	0.00	11210312	1.99
		13/01/2017	(78974)	(0.01)	11131338	1.98
		17/02/2017	(697759)	(0.12)	10433579	1.85
		03/03/2017	(71280)	(0.01)	10362299	1.84
	At the end of the year		10362299	1.84		
6.	<b>IDFC Premier Equity Fund</b>					
	At the beginning of the year		13980000	2.48		
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	<b>Date</b>	<b>No. of shares (sold) / purchased</b>	<b>%</b>	<b>Cumulative No. of shares after the sale / purchase</b>	<b>%</b>
		15/07/2016	(65000)	(0.01)	13915000	2.47
		22/07/2016	(100000)	(0.02)	13815000	2.45
		29/07/2016	(205000)	(0.04)	13610000	2.42
		05/08/2016	(4000)	0.00	13606000	2.42
		12/08/2016	(3000)	0.00	13603000	2.41
		23/09/2016	(2000)	0.00	13601000	2.41
		20/01/2017	(156939)	(0.03)	13444061	2.39
		27/01/2017	(284441)	(0.05)	13159620	2.34
		03/03/2017	(1000)	0.00	13158620	2.33
		31/03/2017	(1016161)	(0.18)	12142459	2.15
	At the end of the year		12142459	2.15		
7.	<b>HDFC Standard Life Insurance Company Limited</b>					
	At the beginning of the year		11745208	2.08		
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	<b>Date</b>	<b>No. of shares (sold) / purchased</b>	<b>%</b>	<b>Cumulative No. of shares after the sale / purchase</b>	<b>%</b>
		08/04/2016	62349	0.01	11807557	2.10
		29/04/2016	(22846)	0.00	11784711	2.09
		06/05/2016	52192	0.01	11836903	2.10
		13/05/2016	27479	0.00	11864382	2.11
		20/05/2016	3416	0.00	11867798	2.11
		20/05/2016	(10116)	0.00	11857682	2.10
		27/05/2016	13049	0.00	11870731	2.11
		27/05/2016	(15540)	0.00	11855191	2.10
		03/06/2016	80049	0.01	11935240	2.12
		10/06/2016	5000	0.00	11940240	2.12
		17/06/2016	222778	0.04	12163018	2.16
		24/06/2016	221278	0.04	12384296	2.20
		30/06/2016	3585	0.00	12387881	2.20
		15/07/2016	29417	0.01	12417298	2.20
		22/07/2016	24253	0.00	12441551	2.21
		12/08/2016	(500000)	(0.09)	11941551	2.12

7.	HDFC Standard Life Insurance Company Limited						
	At the beginning of the year			11745208	2.08		
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Date	No. of shares (sold) / purchased	%	Cumulative No. of shares after the sale / purchase	%	
		02/09/2016	9189	0.00	11950740	2.12	
		09/09/2016	45092	0.01	11995832	2.13	
		16/09/2016	41187	0.01	12037019	2.14	
		30/09/2016	22878	0.00	12059897	2.14	
		07/10/2016	365702	0.06	12425599	2.21	
		14/10/2016	530546	0.09	12956145	2.30	
		21/10/2016	104918	0.02	13061063	2.32	
		28/10/2016	(100000)	(0.02)	12961063	2.30	
		11/11/2016	65000	0.01	13026063	2.31	
		18/11/2016	15000	0.00	13041063	2.31	
		25/11/2016	(844962)	(0.15)	12196101	2.16	
		02/12/2016	(69158)	(0.01)	12126943	2.15	
		09/12/2016	(1711)	0.00	12125232	2.15	
		23/12/2016	2286	0.00	12127518	2.15	
		30/12/2016	291437	0.05	12418955	2.20	
		06/01/2017	149453	0.03	12568408	2.23	
		13/01/2017	100000	0.02	12668408	2.25	
		20/01/2017	13634	0.00	12682042	2.25	
		20/01/2017	(476252)	(0.08)	12205790	2.17	
		27/01/2017	107	0.00	12205897	2.17	
		03/02/2017	(85000)	(0.02)	12120897	2.15	
		10/02/2017	(202172)	(0.04)	11918725	2.12	
		17/02/2017	(50200)	(0.01)	11868525	2.11	
		24/02/2017	53393	0.01	11921918	2.12	
		03/03/2017	65000	0.01	11986918	2.13	
		10/03/2017	(6225)	0.00	11980693	2.13	
		17/03/2017	(623033)	(0.11)	11357660	2.02	
		24/03/2017	(220107)	(0.04)	11137553	1.98	
31/03/2017	(41715)	(0.01)	11095838	1.97			
At the end of the year			11095838	1.97			
8.	Gujarat Urja Vikas Nigam Limited						
	At the beginning of the year			11350000	2.01		
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Date	No. of shares (sold) / purchased	%	Cumulative No. of shares after the sale / purchase	%	
No change during the year							
	At the end of the year			11350000	2.01		

<b>9.</b>	<b>UTI-Oppotunities Fund</b>				
	At the beginning of the year		7850154	1.39	
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Date	No. of shares (sold) / purchased	%	Cumulative No. of shares after the sale / purchase
		22/04/2016	28191	0.01	7878345
		27/05/2016	28676	0.01	7907021
		30/06/2016	86202	0.02	7993223
		29/07/2016	125000	0.02	8118223
		05/08/2016	39828	0.01	8158051
		19/08/2016	100000	0.02	8258051
		26/08/2016	190000	0.03	8448051
		02/09/2016	150000	0.03	8598051
		09/09/2016	105594	0.02	8703645
		07/10/2016	(90000)	(0.02)	8613645
		02/12/2016	(159041)	(0.03)	8454604
		09/12/2016	(482418)	(0.09)	7972186
		16/12/2016	(206587)	(0.04)	7765599
		23/12/2016	(73511)	(0.01)	7692088
		30/12/2016	(12208)	0.00	7679880
		06/01/2017	(14292)	0.00	7665588
		20/01/2017	312972	0.06	7978560
		27/01/2017	328768	0.06	8307328
		17/02/2017	279000	0.05	8586328
		24/03/2017	1985509	0.35	10571837
		31/03/2017	90000	0.02	10661837
	At the end of the year		10661837	1.89	
<b>10.</b>	<b>ICICI Prudential Life Insurance Company Limited</b>				
	At the beginning of the year		10388928	1.84	
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Date	No. of shares (sold) / purchased	%	Cumulative No. of shares after the sale / purchase
		08/04/2016	(44)	0.00	10388884
		06/05/2016	(9013)	0.00	10379871
		13/05/2016	(45915)	(0.01)	10333956
		01/07/2016	(134000)	(0.02)	10199956
		08/07/2016	(86870)	(0.02)	10113086
		03/02/2017	(1336737)	(0.24)	8776349
		10/02/2017	1336737	0.24	10113086
		17/02/2017	10113086	1.79	20226172
		17/02/2017	(10113086)	(1.79)	10113086
	At the end of the year		10113086	1.79	

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>Dr. J N Singh, IAS , Managing Director</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	N.A.			
	At the end of the year	Nil	0.00	Nil	0.00
2.	<b>Shri Sujit Gulati, IAS, Non-Executive Director (appointed as Director w.e.f. 19<sup>th</sup> July, 2016)</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA			
	At the end of the year	Nil	0.00	Nil	0.00
3.	<b>Shri Anil Mukim, IAS, Non-Executive Director (appointed as Director w.e.f. 11<sup>th</sup> November, 2016)</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA			
	At the end of the year	Nil	0.00	Nil	0.00
4.	<b>Smt. Shridevi Shukla, Non-Executive Director</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA			
	At the end of the year	Nil	0.00	Nil	0.00
5.	<b>Dr. R Vaidyanathan, Independent Director</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA			
	At the end of the year	Nil	0.00	Nil	0.00
6.	<b>Prof. Yogesh Singh, Independent Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA			
	At the end of the year	Nil	0.00	Nil	0.00
7.	<b>Dr. Bakul Dholakia, Independent Director</b>				
	At the beginning of the year	3500	0.00	3500	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No Change during the year			
	At the end of the year	3500	0.00	3500	0.00



8.	<b>Dr. Sudhir Kumar Jain, Independent Director</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA			
	At the end of the year	Nil	0.00	Nil	0.00
9.	<b>Shri Bhadresh Mehta, Independent Director</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA			
	At the end of the year	Nil	0.00	Nil	0.00
10.	<b>Shri Bimal N Patel, (appointed as Additional Independent Director w.e.f 29<sup>th</sup> December, 2016)</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA			
	At the end of the year	Nil	0.00	Nil	0.00
11.	<b>Dr. T Natarajan, IAS, Joint Managing Director (appointed w.e.f 4<sup>th</sup> August, 2016)</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA			
	At the end of the year	Nil	0.00	Nil	0.00
12.	<b>Shri M M Srivastava, IAS (Retd.), Non-executive Chairman</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA			
	At the end of the year	Nil	0.00	Nil	0.00
13.	<b>Mr. Manish Seth, Chief Financial Officer</b>				
	At the beginning of the year	47316	0.01	47316	0.01
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No Change During the year			
	At the end of the year	47316	0.01		
* ESOP exercise					
14.	<b>Ms. Reena Desai, Company Secretary</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA			
	At the end of the year	Nil	0.00	Nil	0.00

## INDEBTEDNESS

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

(₹ in Crores)

Particulars	Secured Loans excluding Deposits (₹)	Unsecured Loans (₹)	Deposits (₹)	Total Indebtedness (₹)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal amount	919.19	140.00	-	1,059.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.12	2.69	-	7.81
<b>Total (i+ii+iii)</b>	<b>924.31</b>	<b>142.69</b>	<b>-</b>	<b>1,067.00</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	35.00	0.00	-	35.00
Reduction	327.92	140.00	-	467.92
Net change	<b>(292.92)</b>	<b>(140.00)</b>	<b>-</b>	<b>(432.92)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	626.27	-	-	626.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.26	-	-	4.26
<b>Total (i+ii+iii)</b>	<b>630.53</b>	<b>-</b>	<b>-</b>	<b>630.53</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTM/Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA
2.	Stock option	NA	NA
3.	Sweat equity	NA	NA
4.	Commission - as % of profit - others, specify	NA	NA
5.	Others, please specify	NA	NA
	Total (A)	NA	NA
	Ceiling as per the Act	The remuneration payable to one Managing Director or Whole Time Director or Manager shall not exceed 5 % of the Net Profits of the Company and if there is more than one such Director, remuneration shall not exceed 10% of the Net Profits to all such Director and Manager taken together.	

(1) During the year Dr. J N Singh, IAS was appointed as Managing Director of the Company w.e.f. 16<sup>th</sup> April, 2017 consequent to resignation of Shri Atanu Chakraborty, IAS w.e.f. 11<sup>th</sup> April, 2016. Further Dr. T Natarajan, IAS has been appointed as Joint Managing Director of the company w.e.f. 4<sup>th</sup> August, 2016. The Company does not pay any sitting fees to the Managing Director/Joint Managing Director of the Company. Further no remuneration was paid by the company to Shri Atanu Chakraborty, IAS, Dr. J N Singh, IAS and Dr. T Natarajan, IAS during the year. However Dr. T Natarajan, IAS is being paid remuneration by Gujarat State Petroleum Corporation limited as per the pay structure of Secretary level government officials.

# Pursuant to Ministry of Corporate Affairs Notification dated 5<sup>th</sup> June, 2015; Government Companies are exempted from applicability of the provisions of Section 197 of the Companies Act, 2013

N.A.: Not Applicable

**B. REMUNERATION TO OTHER DIRECTORS:**

Sl. No.	Name of the Director	Particulars of Remuneration			Total Amount (₹)
		Fees for attending board / committee meetings (₹)	Commission (₹)	Others, please specify (₹)	
<b>1.</b>	<b>Independent Directors</b>				
i	Dr. R Vaidyanathan	90,000	-	-	90,000
ii	Prof. Yogesh Singh	52,500	-	-	52,500
iii	Dr. Bakul Dholakia	1,05,000	-	-	1,05,000
iv	Dr. Sudhir Kumar Jain	60,000	-	-	60,000
v	Shri Bhadresh Mehta	52,500	-	-	52,500
vi	Shri Bimal N Patel	15,000	-	-	15,000
	<b>Total (1)</b>	<b>3,75,000</b>	-	-	<b>3,75,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>				
vii	Shri M M Srivastava, IAS (Retd.)	1,05,000	-	16,97,280 (Remuneration)	18,02,280
viii	Shri Sujit Gulati, IAS	60,000	-	-	60,000
ix	Shri Anil Mukim, IAS	37,500	-	-	37,500
x	Shri L Chuaungo, IAS (up to	22,500	-	-	22,500
xi	Smt. Shridevi Shukla	45,000	-	-	45,000
	<b>Total (2)</b>	<b>2,70,000</b>	-	<b>16,97,280</b>	<b>19,67,280</b>
	<b>Total (1) + (2)</b>				<b>23,42,280</b>
<b>3</b>	<b>Overall Ceiling as per the Act (%)</b>	<b>The remuneration payable to Directors other than Executive Directors shall not exceed 1% of the Net Profit of the Company. The remuneration paid to the Directors is well within the said limit.</b>			

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer (Shri Manish Seth)	Company Secretary (Ms. Reena Desai)	Total Amount
1.	Gross salary (in ₹)			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,38,787	12,58,390	45,97,177
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	99,561	18,012	1,17,573
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock option	Nil	Nil	Nil
3.	Sweat equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>34,38,348</b>	<b>12,76,402</b>	<b>47,14,750</b>

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

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

## Annexure - VIII

### BUSINESS RESPONSIBILITY REPORT

#### Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L40200GJ1998SGC035188
2. **Name of the company:** Gujarat State Petronet Limited
3. **Registered Address:** GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382 010, Gujarat, INDIA.
4. **Website:** www.gspcgroup.com
5. **E-mail ID:** investors.gspl@gspc.in
6. **Financial year reported:** 2016-17
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**  
Natural Gas Transmission [493-Transport via pipeline] Generation of Electricity through Wind mill [351- Electric power generation, transmission and distribution].
8. **List three key products/services that the company manufactures/provides:**  
Transmission of Natural Gas  
Generation and Sale of Electricity through wind power mills
9. **Number of locations where business activities are undertaken by the company**
  - 1) Total number of International locations : Nil
  - 2) Total number of National locations : The Natural gas pipeline network of the company is spread across various locations in the State of Gujarat in India –  
The offices and major operation sites are as under:
    1. **Registered office:** Gandhinagar
    2. **Corporate Office:** Gandhinagar
    3. **Office:** Delhi
    4. **Base Locations/SV Stations:** Surat, Vadodara, Bharuch, Rajkot and Bibipura
10. **Markets served by the company Local/State/National/International**  
Local and State.  
The company transports gas to various Customers including Refineries, Steel Plants, Fertilizer Plants, Petrochemical Plants, Power Plants, Glass industries, Textiles, Chemical, City Gas Distribution (CGD) Companies and other miscellaneous industries

#### Section B: Financial Details of the Company

1. Paid Up Capital (INR) : ₹ 56358.77 Lacs
2. Total Turnover (INR) : ₹ 111575.63 Lacs
3. Total Profit after Taxes (INR) : ₹ 496.64 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%) : ₹ 0.38 Crores (% of Profit after tax)
5. List of activities in which the expenditure in 4 above has been incurred.
  - a. Promoting Education and Eradication of Hunger, poverty, promotion of health care : ₹ 0.23 Crores
  - b. Rural development : ₹ 0.15 Crore

#### Section C: Other Details

1. **Does the company have any Subsidiary Company/Companies?**  
Yes. Company has 2 subsidiaries, GSPL India Gasnet Limited and GSPL India Transco Limited.
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)**  
No, as these companies have not started their commercial operations, currently they do not participate in the BR initiatives of GSPL. The subsidiaries however participate in various activities such as tree plantations, safety awareness programs etc.
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%)**  
Less than 30%. We encourage our suppliers and vendors to participate in the BR initiatives undertaken by the Company.

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the Business Responsibility policy/policies		
Name	DIN Number	Designation
Shri M M Srivastava, IAS (Retd)	02190050	Chairman
Prof. Yogesh Singh	06600055	Member
Dr. T Natarajan, IAS	00396367	Member

b) Details of the Business Responsibility Head	
DIN Number (if applicable)	00396367
Name	Dr. T Natarajan, IAS
Designation	Joint Managing Director
Telephone number	079-66701303
e-mail id	investors.gspl@gspc.in

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

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

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: Code of Conduct for Directors and Senior Management, Vigil Mechanism, Procurement Policy P2: QHSE Policy, Responsible Business Policy P3: Internal HR Policies; Responsible Business Policy P4: CSR Policy P5: Responsible Business Policy P6: QHSE Policy, CSR Policy P7: Responsible Business Policy P8: CSR Policy P9: Responsible Business 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 and are approved by the Board								
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 in – line with the applicable national and international standards and compliant with the principles of the National Voluntary Guidelines (NVG).								
4.	Has the policy been approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	The CSR committee is responsible to oversee the implementation of the BR policies and performance								
6.	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Code of Conduct for Senior Management Directors: <a href="http://gspcgroup.com/GSPL/code-of-conduct">http://gspcgroup.com/GSPL/code-of-conduct</a> Vigil Mechanism: <a href="http://gspcgroup.com/documents/pagecontent/Vigil-Mechanism-Policy.pdf">http://gspcgroup.com/documents/pagecontent/Vigil-Mechanism-Policy.pdf</a> QHSE: <a href="http://gspcgroup.com/documents/pagecontent/gspl-qhse-policy.pdf">http://gspcgroup.com/documents/pagecontent/gspl-qhse-policy.pdf</a> CSR: <a href="http://gspcgroup.com/documents/pagecontent/GSPL46.pdf">http://gspcgroup.com/documents/pagecontent/GSPL46.pdf</a> Responsible Business Policy: <a href="http://gspcgroup.com/documents/pagecontent/Responsible-Business-Policy.pdf">http://gspcgroup.com/documents/pagecontent/Responsible-Business-Policy.pdf</a> Procurement Policy : Internal policy of the Company- is made available on request HR Policy: It is internal to the Company								



No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

NA

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles									
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.**

The CSR committee would meet on an annual basis to review, monitor and update the BR performance to the Board.

- 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 first Business Responsibility report will be published along with the annual report of FY 2016-17.

### 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?**

GSPL has developed a code of conduct in line with the guiding principles of our Group for Directors and Senior Management. The aforesaid codes provide guidance to pursue highest standards of ethical conduct and foster a culture of honesty and accountability and further avoiding conflicts of interest and advancing and protecting the company's interest independent of outside influences.

These policies/codes convey guidelines to our valued employees, business associates and other stakeholders on behavior, discipline and approach to be followed for being aligned with Company's culture.

- 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.**

At GSPL, we have laid down a structured process for reporting on any complaints related to violation of Code of Conduct of the Company. Through our whistle blower mechanism, all the complaints are addressed to the chairman of ethics compliance committee for investigation. In case of dissatisfaction related to resolution process, these complaints can be escalated directly to the Chairman of the Audit Committee.

**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.**

GSPL is into the business of laying of the gas transmission pipeline and is pioneer in developing natural gas transportation infrastructure in Gujarat thereby connecting natural gas supply sources including LNG terminals to growing markets. The Company currently has customers in Industrial, Domestic and Commercial segments.

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

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

GSPL has developed a state of art transmission lines and performs regular checkups to get updated status on loss of gas and other physical damages to transmission lines. The company has installed smart energy monitoring devices at all its gas terminals thereby enabling monitoring of electricity consumption remotely. Operating behaviors of these equipment's will be analyzed over a period of time and suitable replacements would be adopted to ensure energy savings.

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

GSPL provides Natural gas to its customers which is often called as the cleanest fossil fuel as it results in lesser Green House Gas emissions (GHG) compared to other fuels. GSPL's pipeline infrastructure facilitates transmission of natural gas through pipeline thereby minimizing impact on the air pollutions as compared to transmission of natural gas through vehicular mode.

**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.**

GSPL has incorporated HSE guidelines for all its contractors and suppliers intending to engage with responsible business associates. The Company follows an online vendor registration process to provide open access to all aspirant vendors. The Company has developed a detailed SOP for vendor selection which sets stringent process and procedures to be followed before onboarding the supplier/vendor.

**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?**

The procurement is based on tendering processes. The vendor selection is based on the compliance of the bidder with the applicable technical and commercial criteria laid down by GSPL. Any bidder meeting specified qualification criteria of particular tender is eligible for participation in the tendering process. Our bidding systems are open for all and awarding a project to vendor is solely based on its merits.

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

In line with the Company's HSE policy, we are committed to resource conservation, waste management for continual improvement in QHSE performance. The nature of our business is such that we do not generate any significant quantity of waste which is required to be recycled. GSPL however proactively ensures proper disposal of waste whenever necessary.

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

**1. Please indicate the total number of employees - 228**

**2. Please indicate the total number of employees hired on temporary/ contractual/casual basis during the year - 1**

**3. Please indicate the number of permanent women employees - 18**

**4. Please indicate the number of permanent employees with disability - 0**

**5. Do you have an employee association that is recognized by management? No**

**6. What percentage of your permanent employees are a member of this recognized employee association? Not applicable**

**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. NIL**

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

Trainings	Permanent employees attended the training	Permanent Women employees attended the training	Casual/ Temporary/ Contractual employees attended the training	Permanent employees with disabilities attended the training
Safety	59%	33%	100%	Nil
Skill upgradation	74%	50%	100%	

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

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

Yes, GSPL has identified all its key internal and external stakeholders which comprises of;

- |                                      |                                 |
|--------------------------------------|---------------------------------|
| a) Directors                         | b) Senior Management            |
| c) Employees                         | d) Shareholders                 |
| e) Investors/Financers               | f) Customers                    |
| g) Government Authorities/Regulators | h) Vendors/Supplier/Contractors |
| i) Communities                       |                                 |

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

The Company has mapped its disadvantaged, vulnerable and marginalized stakeholders, and is actively working with them for their betterment.

**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.**

Yes, GSPL is committed and engaged in various social initiatives through its intervention in the areas of education, eradication of hunger & poverty, providing preventive health care etc.

**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?**

Yes, the company has developed a Responsible Business Policy which is applicable to all relevant internal and external stakeholders

**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 set up mechanisms to report on stakeholder complaints related to Human Rights violations. The complaints are resolved on timely basis and feedback is provided to the stakeholder.

**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.**

Yes. GSPL has a policy on “Quality, Health, Safety & Environment” (QHSE) and “Responsible Business Policy” which is applicable to all its employees, suppliers, 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.**

GSPL encourages environment protection in its activities and operations. The transport of natural gas through underground pipelines helps us reduce the consumption of fossil fuel which ultimately reduces the emission of GHG in atmosphere. The company has also contributed towards energy generation from renewable energy project by installation of 52.5 MW wind power plant.

For more details on our certifications and commitments please visit <http://gspcgroup.com/GSPL/qhse-policy>

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

Yes, GSPL has a detailed risk assessment framework in place covering various parameters. Our risks can be categorized in:

- Fire and explosion as Natural Gas is highly flammable
- Natural Gas Leakage
- Other risks such as physical, chemical, biological, psychological and ergonomical

**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?**

Yes. GSPL has implemented the 52.5 MW wind power project under which 35 wind mills are operated by the Company at Maliya Miyana, Rajkot and Gorsar, Porbandar. The said Project of the Company is registered by UNFCCC as CDM Project in the Financial year 2012-13. All the required environmental/regulatory clearances have been obtained for the project.

**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.**

Yes, GSPL is aware of its environmental footprint and is taking proactive steps to mitigate impact of its operations. In this regard, The Company has taken various initiatives for conservation of energy, same are mentioned below;

- a. As a continuous effort towards environment protection, the Company has initiated a drive to start paperless communication with all shippers. In lieu of the same, the Company has initiated web based communication for daily gas business with its customers and suppliers.
- b. Solar based lighting system is installed in tap off of GSPL pipeline.
- c. Implemented water harvesting at few terminals of Gas grid and going forward the company has planned to implement such systems at other stations/terminals.
- d. Installed smart energy monitoring devices at all its gas terminals and has enabled monitoring of electricity consumption remotely.

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

Yes, GSPL's emissions/waste generated during the reporting period were within the permissible limits.

**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.**

GSPL has not received any show cause /legal notices from CPCB/SPCB in the reporting period.

**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:**

No. GSPL is not the member of any business chambers association or industrial associations. Though as and when opportunity arises, our senior management engages in various discussion with these associations and chambers through its programmes/conferences etc.

**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)**

GSPL and its Sr. Management actively participates and present its view in public consultation process carried out by the industry associations/regulatory authorities in relation to making of policies/regulations or any amendments thereto of which certain suggestions were in relation to achieving positive impact on environment, the public at large etc. Further as the gas transmission business of the company is regulated by PNGRB, GSPL regularly meets the PNGRB/MOPNG etc and conveys its view point on various industry related issues.

**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.**

GSPL has developed its CSR policy demonstrating its efforts towards social and economic development. GSPL's community development initiatives focuses on parameters mentioned below;

- a) Eradicating Hunger, poverty and malnutrition from society
- b) Health care and Sanitation
- c) Education for children, women, elderly and differently abled
- d) Promoting gender equality, Women empowerment
- e) Environmental Sustainability
- f) Protection of national heritage
- g) Rural development
- h) Slum area development

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

GSPL undertakes CSR programmes/projects directly, through its internal CSR committee or through any other trust or agencies and entities as it deems suitable

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

Yes, GSPL performs a need assessment study with help of its cross functional team at the local level to identify a suitable project for the location which is followed by interactions with local representatives and Civic bodies.

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

GSPL has contributed INR. 38 lakhs to community development projects. The amount is spent in the areas of eradicating hunger and poverty, education and rural development.

**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 CSR committee has incorporated a monitoring mechanism for all its initiatives. This mechanism keeps a track on all projects and its progress.

**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.**

GSPL has a Standard Operating Procedure (SOP) on handling customer complaints. Customers evaluate performance of GSPL on various parameters on annual basis. Customer can also give any suggestion / recommendation / complaints related to any matters within or outside the survey parameters. Customer views are reviewed internally and further action is implemented.

**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)**

GSPL deals primarily with Natural gas transportation through pipelines, hence product information & labelling is not applicable to our service portfolio. However, we abide to all laws applicable to product handling, branding and distribution by Petroleum & Natural Gas Regulatory Board (PNGRB).

**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.**

No.

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

Yes, GSPL cares for its customers and always takes feedback from them to improve its services and systems. The company provides its customers with feedback form to assess customer satisfaction on technical and operational aspects.

The Company also has a SOP related to customer satisfaction. An annual customer assessment is conducted to understand the level of satisfaction of our customers. The assessment is performed on the parameters covered in this SOP such as quality and HSE, technical and operational aspects, Implementation of corrective or improvement actions.

## ANNEXURE - IX

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

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

#### **Conservation of Energy**

- i. The Company has taken following initiatives for Conservation of Energy, utilizing Source of Energy:
- a. As a continuous effort for environment protection, company had initiated a drive to start paperless communication with all shippers, in lieu of the same, the Company has initiated web based communication for daily gas business with all its customers and suppliers.

A software has connected all GSPL Suppliers and customer to Master Control Room for carrying out daily gas business communication on web portal, it has also enabled customers to send their gas nominations to GSPL and receive daily gas allocations through this software.

Due to this application, GSPL has moved to total paperless and error free communication with all its shippers.

- b. All critical documentation is digitized.
- c. Solar based lighting system is installed in tap offs' of GSPL Pipeline.
- d. Implemented water harvesting at few terminals of Gas Grid.

In view of energy conservation, company has installed smart energy monitoring devices at all its gas terminals and has enabled monitoring of electricity consumption remotely;

- It will help GSPL to monitor the consumption of electricity of major consuming devices at each gas terminal, like air conditioning system and other devices like submersible pumps, etc. and measure energy usage for billing purpose. Operating behaviors of electricity consuming equipments will be analyzed over a period of time and reverting them for timely replacement repair will save cost of energy consumption and also help to adopt energy saving practices.

In addition to this GSPL has installed and commissioned total 35 Nos of Wind Mills with total capacity of 52.5 MW at Adodar & Gorsar, Porbandar and Maliya Miyana, Rajkot in the year 2011. GSPL has invested approx ₹ 320 Crore for installation of Wind Mill.

#### **Technology Absorption**

- i) GSPL has upgraded SCADA and Telecom System for new spur lines and adopted latest technology of VOIP and TCP/IPV4 based Telecommunication and SCADA System. (This is implemented on six nos. of new spur Gas Pipeline projects. And for MBPL project it is under progress).
- ii) GSPL has implemented SCADA and Telecommunication system and with timely upgradations major benefits derived are:

##### **Product improvement:**

- Equipments upgraded to latest feasible technology at all upcoming new terminals enabling any future addition of voice and data to be "plug and play" type with more security.
- Number of SCADA and Telecom components has reduced in comparison to traditional established system, which in turn reduced costs of project substantially.

The above has led not only to cost reduction but also safety and reliability of the network is improved significantly.

##### **High speed communication:**

- GSPL has also upgraded bandwidth of Optical fiber based Telecommunication WAN from 20 Mbps to 100 Mbps, this has improved data exchange speed and additional data load handling capacity of Master Control Room located at Gandhinagar and Standby Control Room located at Surat.
- In order to improve availability of customer data at Master Control Room (M.C.R) Company is implementing Backup Communication Link between Master Control Room and various strategic locations distributed across gas grid. It will help MCR to fetch remote data of pipeline even if Optical Fiber break occurs.
- GSPL is also in process of implementation of I.P camera based security and surveillance system at major terminals of grid with centralized monitoring from MCR.

With this system Company will be able to get live visuals of all critical gas terminals on real-time basis. This will improve safety and security system of GSPL terminals spread across pipeline.

- iii) The Company has not imported any technology. However, the Company has engaged consultants/ of international repute to make available latest technology for project implementation and Operations & Maintenance.

The expenditure incurred on Research and Development - NIL

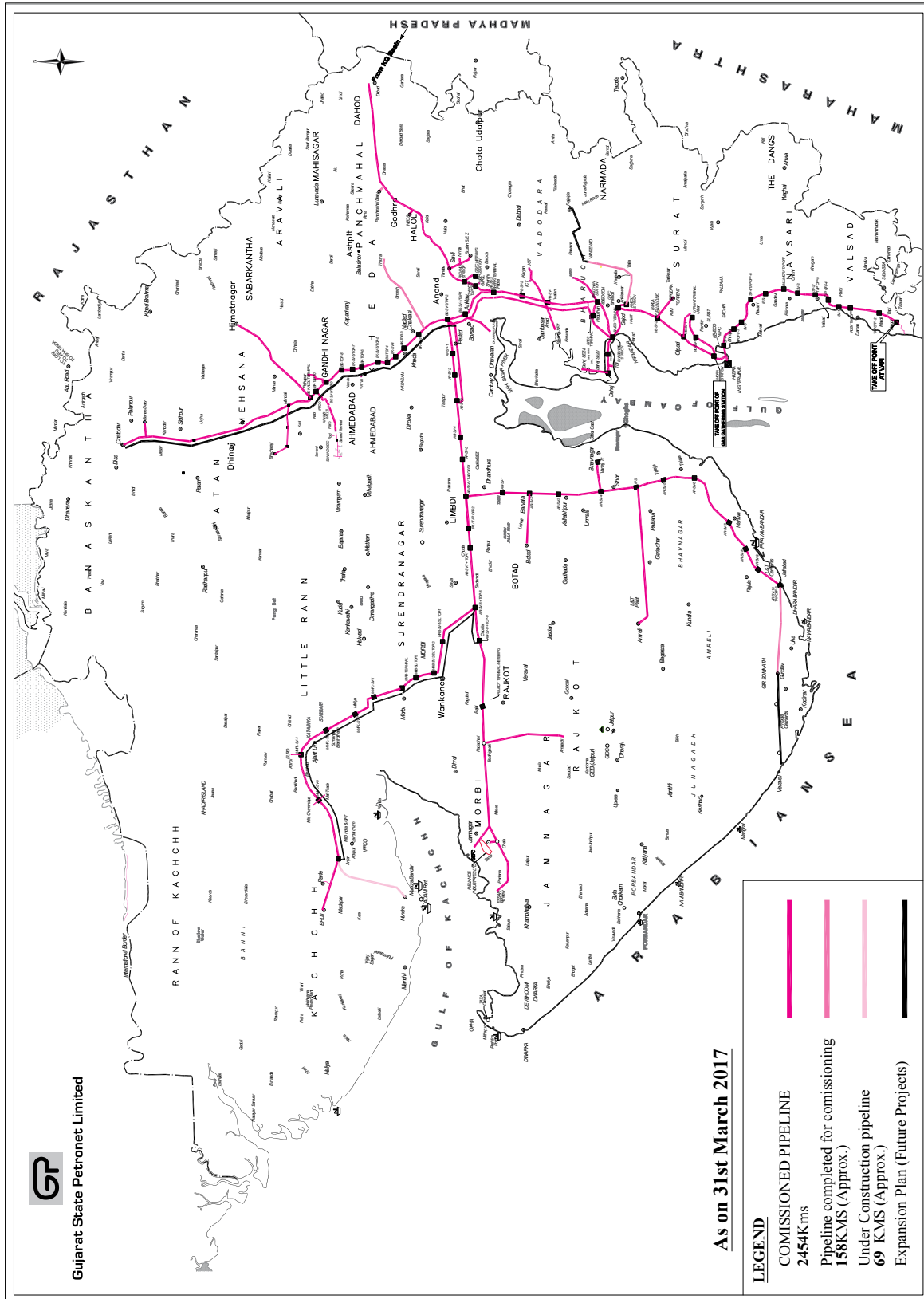
#### **Foreign Exchange Earnings & Outgo**

The Company has incurred Expenditure in Foreign Exchange to the extent of ₹ 1411.16 Lacs during the year under review. Foreign Exchange Earnings during the year were NIL



## Annexure - X

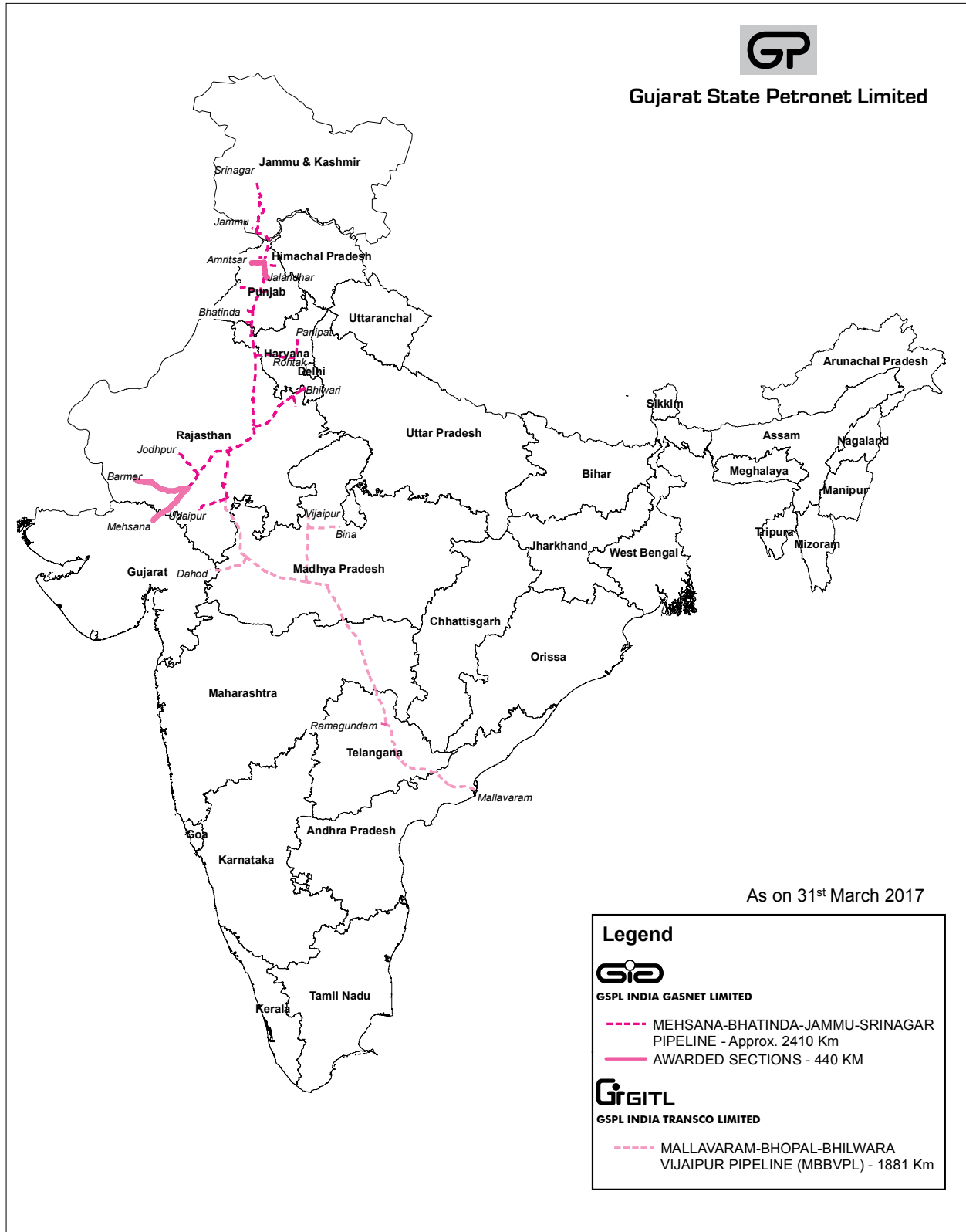
### GSPL Gas Grid Map





## Annexure - XI

### Cross Country Natural Gas Transmission Pipelines to be implemented by GIGL / GITL



## GSPL DIVIDEND DISTRIBUTION POLICY

### I. PREFACE:

The Board of Directors of Gujarat State Petronet Limited ("the Company") has adopted the GSPL Dividend Distribution Policy ("the Policy") on Dividend Distribution pursuant to the requirement of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

### II. OBJECTIVE OF THE POLICY:

The Policy reflects the intent of the Company to reward its Shareholders by sharing portion of its profit after retaining sufficient funds for growth of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the Policy while declaring/recommending Dividends on behalf of the Company. Through this Policy, the Company would endeavor to maintain a consistent approach to Dividend pay-out plans.

The declaration of Dividend on the basis of the parameters in addition to the one enumerated below or resulting to amendment of any parameter or the Policy will be regarded as deviation. Any such deviation in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board of Directors.

### III. PARAMETERS FOR DECLARATION OF DIVIDEND:

#### ■ The circumstances under which the Shareholders of the listed entities may or may not expect Dividend:

The decision regarding Dividend payout is a crucial decision as it determines the amount of profit to be distributed among Shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding Shareholders through Dividends and retaining profits in order to fund the growth plans of business.

Final Dividend is declared at the Annual General Meeting (AGM) of the Shareholders on the basis of recommendations of the Board.

The Company has been consistently paying out Dividends to its Shareholders and can be reasonably expected to continue declaring in future as well unless the Company is restrained to declare Dividends under following circumstances:

- In cases where the Company undertakes or proposes to undertake a significant expansion of the business requiring higher allocation capital.
- If during any financial year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare Dividend for that financial year.

#### ■ The financial parameters that shall be considered while declaring Dividend:

The Company stands committed to deliver sustainable value to all its Stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the Shareholders, in the form of Dividend.

**Subject to the applicable provisions of the Companies Act and other statutory requirements, the Dividend will be declared or paid only out of:**

#### (i) Current Financial Year's Profit:

- (a) After providing for depreciation in accordance with law
- (b) After transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

#### (ii) The profits of any previous Financial Year(s):

- (a) After providing for depreciation in accordance with law
- (b) Remaining undistributed or

#### (iii) Out of (i) & (ii) both.

For the purpose of computing the Profits After Tax (PAT) for purposes of determining the Dividend, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of change in law or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non- cash charges pertaining to amortisation or ESoP or resulting from change in accounting policies or accounting standards.

#### ■ Internal and External factors that shall be considered for declaration of Dividend:

##### External Factors:

- Taxation and other regulatory concern: i) Dividend distribution tax or any tax deduction at source as required by applicable

tax regulations in India, as may be applicable at the time of declaration of Dividend. ii) Any restrictions on payment of Dividends by virtue of any statutory provisions or regulations as may be applicable to the Company at the time of declaration of Dividend.

- Economic conditions, Industry Outlook and Regulatory commitment
- Cost of borrowing as well as the return on the investments by the company
- Any other factor as the Board deemed fit to take into consideration.

**Internal Factors:**

- Future expansion plans: The Company's growth oriented decision to conserve cash in the Company for its expansion plans including plan for diversification of business, merger, acquisition etc.
  - Capital expenditure requirements
  - Likely fund requirements of Subsidiaries/associate companies.
  - Outstanding debts and its repayment terms: The Company should be able to repay its debt obligations without much difficulty over a period of time. The volume of such obligations and time period of repayment shall be considered while taking decision on declaration of Dividend.
  - Contingent Liabilities
  - Cash Flow position: If the Company cannot generate adequate operating cash flow, it may need to rely on outside funding to meet its financial obligations and sometimes such funding arrangements might have to be made to run the day-to-day operations. The Board will consider the cash flow position and such eventualities before its decision whether to declare Dividend or retain its profits.
  - Profit after Tax
  - Past Dividend trends/reputation of the Company: The trend of the performance/reputation of the Company that has been during the past years determines the expectations of the Shareholders.
  - Any other factor as the Board deemed fit to take in to consideration.
- **Policy as to how the retained earnings shall be utilized:**
- The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:
- Strategic and long term business plans
  - Diversification of business
  - financial ratios required to be maintained for avilment of the fund/non fund based facilities by the company and its subsidiaries
  - Any other criteria as the Board may consider appropriate
- **Parameters that shall be adopted with regard to various classes of shares:**
- Presently, Authorized Capital of the Company comprises of only Equity Shares.
- If required, the policy may be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

**IV. INTERIM DIVIDEND:**

The Board may, at its discretion declare an Interim Dividend and such declaration of the Interim Dividend, if any, shall be in compliance with the applicable provisions of the Companies Act, 2013 and other statutory requirements.

**V. AMENDMENT TO THE POLICY:**

This Policy is framed based on the provisions of the Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable Regulations which makes any of the provisions in the Policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Regulations.

The Policy shall be reviewed and amended by the Board from time to time as and when any changes are to be incorporated in the Policy as may be felt appropriate by the Board.

**VI. DISSEMINATION OF POLICY:**

The Company shall make appropriate disclosures in compliance with the Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GUJARAT STATE PETRONET LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

The preparation of financial statements of **Gujarat State Petronet Limited** for the year ended 31<sup>st</sup> March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 24<sup>th</sup> July, 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of **Gujarat State Petronet Limited** for the year ended 31<sup>st</sup> March, 2017. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report.

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

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

**Place:** Ahmedabad  
**Date:** 4<sup>th</sup> August, 2017



## REVISED INDEPENDENT AUDITOR'S REPORT

To,  
The Members  
Gujarat State Petronet Limited  
Gandhinagar

### Report on the Standalone Ind AS Financial Statements

Being a Government Company, the Comptroller & Auditor General of India has carried out supplementary audit of your Company pursuant to Provisions of Section 143 (6) of the Companies Act, 2013. The Comptroller & Auditor General has issued provisional comments on Independent auditors report. On considering the comments we here by issuing revised Independent auditors report on standalone financial statements, hence we are replacing our original report which was issued vide dated 25<sup>th</sup> May, 2017.

We have audited the accompanying standalone Ind AS financial statements of Gujarat State Petronet Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Other Matters

The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2016 and the transition date opening balance sheet as at 1<sup>st</sup> April, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and the predecessor auditor respectively, corresponding audit report for the year ended 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015 dated 19<sup>th</sup> May, 2016 and 22<sup>nd</sup> May, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 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 Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Ind As financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) As the Company is a Government Company in terms of notification number: G.S.R. 463(E) Dated 5th June, 2015, issued by Ministry of Corporate Affairs the sub section (2) of section 164 of the Act is not applicable.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - **Refer Note 30 to the Ind AS financial statements.**
    - ii) The Company has made provisions as at 31<sup>st</sup> March 2017, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv) The Company has provided requisite disclosures in its standalone Ind As financial statements as to holdings as well as dealing in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with books of account maintained by company. Refer No : 49 to the Standalone Ind AS financial statements.
3. As required by section 143 (5) of the Act, we give in "**Annexure C**", A statement on matters specified by the Comptroller and Auditor - General of India for the Company.

**For, V.V. Patel & Co.**  
Chartered Accountants  
F. R. No. 118124W

**CA Swapnil K. Bhatt**  
Partner  
M. No. 128864

**Place:** Gandhinagar  
**Date :** 24<sup>th</sup> July, 2017



## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Standalone Ind AS financial statements for the year ended 31<sup>st</sup> March 2017, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner on regular interval. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Therefore, the provisions of Clause 3 (a) (b) and (c) of the said order are not applicable to the company.
4. According to the information and explanations given to us, the Company has granted Corporate Guarantees of ₹ 6500.00 Lakhs in respect of its two joint venture namely GSPL India Gasnet Limited and GSPL India Transco Limited.
5. The Company has not accepted any deposits from the Public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government of India for the maintenance of cost records under section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed Statutory dues including Provident fund, income-tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, particulars of dues on, income tax, duties of excise and service tax as at 31<sup>st</sup> March, 2017 which have not been deposited on account of dispute are as follows :

Nature of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount Relates	Forum where the dispute is pending.
The Income Tax Act, 1961	Interest on TDS	14.16	2009-10	The hounarble high court of Gujarat.
	Interest on TDS	12.60	2008-09	Income tax Appellate Tribunal.
	Assessment Disallowances	6.75	2013-14	CIT (Appeals), Assenssing Officer.
The Finance Act, 1994	Denial of Cenvat Credit	735.04	2005-08, 2008-09 & 2010-11	Supreme Court.
	Denial of Cenvat Credit	14,414.99	2005-08, 2008-09 & 2010-11	The hounarble high court of Gujarat.

Nature of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount Relates	Forum where the dispute is pending.
The Finance Act, 1994	Liability of Company under reverse charge mechanism	101.91	2002-03, 2003-04, 2004-05 & 2006-11	Custom Excise & Service Tax Appellate Tribunal.
	Denial of Cenvat Credit	9468.15	2009-10 2010-11 2011-12 2012-13	Custom Excise & Service Tax Appellate Tribunal.
	Denial of Cenvat Credit	2500.66	2010-11 2012-13 2014-15	Commissioner/ Asst. Commissioner

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. As per information and explanation and from verification of records, Company has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. The term loans were applied for the purposes for which those are raised.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid /provided for managerial remuneration.
12. 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.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by under Indian Accounting Standard (AS) 24, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. 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.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For V.V. Patel & Co.**  
Chartered Accountants  
Firm Regn. No. 118124W

**CA Swapnil K. Bhatt**  
Partner  
Membership No. 128864

**Place:** Gandhinagar  
**Date :** 24<sup>th</sup> July, 2017

## ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Gujarat State Petronet Limited ("the Company") as of 31<sup>st</sup> March 2017 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended 31<sup>st</sup> March, 2017.

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

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

#### Auditor's Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place:** Gandhinagar  
**Date :** 24<sup>th</sup> July, 2017

**For V.V. Patel & Co.**  
Chartered Accountants  
Firm Regn. No. 118124W

**CA Swapnil K. Bhatt**  
Partner  
Membership No. 128864

## ANNEXURE - C TO THE INDEPENDENT AUDITOR'S REPORT PURSUANT TO DIRECTIONS UNDER SECTION 143(5) OF COMPANIES ACT 2013 APPLICABLE FOR THE YEAR 2016 -17

In the continuation of our Independent Audit Report on Standalone Ind AS Financial Statements of **Gujarat State Petronet Limited** ("The Company"), dated 25<sup>th</sup> May 2017 and our revised Independent Audit Report dated 24<sup>th</sup> July, 2017 & pursuant to directions under section 143 (5) Companies Act 2013 applicable for the year 2016-17.

1. Whether the company has clear title / lease deeds for freehold and lease hold respectively? If not please state the area of freehold and leasehold land for which title / lease deeds are not available?

**As per information and explanation given to us, the Company has clear title / lease deeds for freehold and leasehold respectively.**

2. Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reason there for and the amount involved.

**There are no such cases of waiver of debts / loan / interest etc.**

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant (s) from the Govt. or other authorities.

**Company does not own any inventory which is lying with third party. Further company has not received any asset as gift from Govt. or other authorities.**

### Sub-directions under section 143 (5) of Companies Act, 2013

#### Infrastructure sector

1. Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached, under litigation, not put to use or declared surplus? Details may be provided.

**As per information and explanation given to us, the Company has taken adequate measures to prevent encroachment and there is no encroachment to the land owned by the company.**

2. Whether the system in vogue for identification of projects to be taken up under Public Private Partnership is in line with the guidelines/ policies of the Government? Comment on deviation if any.

**The Company does not have any project to be taken up under Public Private Partnership.**

3. Whether system the monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation. If any, revenues/ losses from contracts, etc., have been properly accounted for in the books.

**System for monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation. If any, revenues/ losses from contracts, etc., have been properly accounted for in the books.**

4. Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized? List the cases of deviations.

**The Company does not have received/ receivable any fund for specific schemes from Central/ State agencies.**

5. Whether the bank guarantees have been revalidated in time?

**Bank guarantees have been revalidated in a timely manner.**

6. Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.

**Balance Confirmation has been received in respect of term deposits, bank accounts & Cash. Separate disclosure has been made for trade receivables & trade payables- kindly refer note 36 to notes to accounts.**

7. The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned.

**During the year 2016-17 the Company has not abandoned any projects.**

#### Trading under Service sector

- (i) Whether the Company has an effective system for the 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?

**Not Applicable**

- (ii) Whether the Company has an effective system for physical verification valuation of stock, treatment of non moving items and accounting the effect of shortage/excess noticed during physical verification?

**Not Applicable**

- (iii) The effectiveness of the system followed in recovery of dues in respect of sales activities may be examined and reported.

**Not Applicable**

**For V.V. Patel & Co.**  
Chartered Accountants  
Firm Regn. No. 118124W  
**CA Swapnil K. Bhatt**  
Partner  
Membership No. 128864

**Place:** Gandhinagar  
**Date :** 24<sup>th</sup> July, 2017

## DISCLAIMER

“V.V. Patel & Co. has relied upon the documents, information and explanations provided to us by the management of the company for the purpose of forming our observations and views in this report. It is not practically possible to study all financial aspects thoroughly during the time period of audit. For carrying out statutory audit, we have gone through sampling procedure for generate audit evidences. Sample selection is purely judgmental basis. The responsibility, at all times, for the design and implementation of the related Internal Financial Controls including adequate disclosures, is of the management of the Company including the maintenance of adequate records, system and internal control sections and applications of the internal policies and safe guarding the assets of the company. The management of the Company will be responsible for correcting control lapses, if any. We are not aware of any information, record to the contrary which will lead us to believe that the conclusion stated in this Financial Statement is not longer valid. We have assumed that no changes, modifications of what so ever nature have been made to the policies and procedures implemented by the company, whether oral or in writing subsequent to the date of review specified in our report. And observations stated in this Financial Statements are to the best knowledge of V.V. Patel & Co. and such knowledge shall mean the actual knowledge of employees and Partners of V.V. Patel & Co. In course of preparing of this report:

1. We have presumed accuracy of all statements, information, documents and clarifications which were provided to us.
2. We have assumed the genuineness of all signatures on, and the authenticity and completeness of all documents, the copies of which alone have been reviewed by us.
3. We assumed the conformity of originals of all documents supplied to us as photo copy, scanned documents, PDF files etc.
4. We have assumed that documents submitted to us in connection with any particular issue are the only documents relating to such issue.

### Limitations of liability

V. V. Patel & co. and/or its Partners and/or its employees shall not be held liable for any direct, indirect, consequential, special, incidental loss, damages or expenses, (including, without limitation, damages loss of profit , goodwill, opportunity cost, loss of goodwill, indemnification etc. ) arising out of this report, for this possible existence.

### Circulation of the Report

The above report is for sole and exclusive benefit of the Company. The Company agrees not to modify, derive commercial use, exploit any type of undue advantage or benefits from the report.

**For V.V. Patel & Co.**  
Chartered Accountants  
Firm Regn. No. 118124W

**CA Swapnil K. Bhatt**  
Partner  
Membership No. 128864

**Place:** Ahmedabad  
**Date :** 24<sup>th</sup> July, 2017



## STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

(₹ in Lacs)

Particulars	Notes	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	3	3,02,858.68	2,99,068.81	2,93,370.13
Capital Work-In-Progress	3	68,637.33	76,791.11	77,477.85
Intangible Assets	4	13,709.32	13,237.50	12,795.76
Investment in Associate and Joint Venture	5	73,065.14	67,605.14	59,365.44
<b>Financial Assets</b>				
Investments	6	3,484.41	3,505.09	5,505.09
Loans	7	1,182.96	1,242.44	1,159.45
Other Financial Assets	8	1,801.36	2,015.82	2,380.21
Other Non-Current Assets	9	10,868.01	32,146.59	27,349.13
<b>Total Non-Current Assets</b>		<b>4,75,607.21</b>	<b>4,95,612.50</b>	<b>4,79,403.06</b>
<b>Current Assets</b>				
Inventories	10	11,233.96	11,772.55	11,023.50
<b>Financial Assets</b>				
Investments	6	-	2,000.00	-
Trade Receivables	11	12,164.25	15,175.39	15,039.26
Cash and Cash Equivalents	12	1,517.61	7,578.33	9,110.08
Other Bank Balances	12	78,745.92	47,714.81	35,371.94
Loans	7	173.80	192.60	172.45
Other Financial Assets	8	529.44	900.48	475.39
Other Current Assets	9	3,364.96	3,685.50	3,455.97
<b>Total Current Assets</b>		<b>1,07,729.94</b>	<b>89,019.66</b>	<b>74,648.59</b>
<b>Total Assets</b>		<b>5,83,337.15</b>	<b>5,84,632.16</b>	<b>5,54,051.65</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	13	56,358.77	56,334.01	56,298.00
Other Equity	14	3,93,238.56	3,50,584.17	3,13,955.41
<b>Total Equity</b>		<b>4,49,597.33</b>	<b>4,06,918.18</b>	<b>3,70,253.41</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	15	50,118.08	79,045.37	87,904.50
Other Financial Liabilities	16	1,394.95	1,244.53	1,010.68
Provisions	17	1,127.36	1,235.61	1,089.49
Deferred Tax Liabilities (Net)	18	47,189.10	47,234.92	44,871.99
Other Non-Current Liabilities	19	1,549.01	1,689.41	1,924.77
<b>Total Non-Current Liabilities</b>		<b>1,01,378.50</b>	<b>1,30,449.84</b>	<b>1,36,801.44</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Trade Payables	20	1,378.66	1,501.11	4,024.91
Other Financial Liabilities	16	22,545.59	37,580.95	38,241.42
Other Current Liabilities	19	8,325.50	8,015.15	4,579.19
Provisions	17	111.57	166.93	151.27
<b>Total Current Liabilities</b>		<b>32,361.32</b>	<b>47,264.14</b>	<b>46,996.79</b>
<b>Total Liabilities</b>		<b>1,33,739.82</b>	<b>1,77,713.98</b>	<b>1,83,798.23</b>
<b>Total Equity and Liabilities</b>		<b>5,83,337.15</b>	<b>5,84,632.16</b>	<b>5,54,051.65</b>

Significant Accounting Policies

2

The accompanying notes are integral part of the Financial Statements.

**As per our Report attached****For V.V. Patel & Co**

Chartered Accountants

Firm Regn. No. 118124W

**Swapnil K Bhatt**

Partner

Membership No.128864

Place : Ahmedabad

Date : 25<sup>th</sup> May, 2017**For and on behalf of the Board of Directors,****M M Srivastava, IAS (Retd.)**

Chairman

DIN : 02190050

**Manish Seth**

Chief Financial Officer

**Dr. J N Singh, IAS**

Managing Director

DIN : 00955107

**Reena Desai**

Company Secretary

Place : Gandhinagar

Date : 25<sup>th</sup> May, 2017



## STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

(₹ in Lacs)

Particulars	Notes	For the Year ended 31 <sup>st</sup> March, 2017	For the Year ended 31 <sup>st</sup> March, 2016
<b>INCOME :</b>			
Revenue from Operations	21	1,02,755.44	99,192.56
Other Income	22	1,520.04	2,392.40
Interest Income	23	7,300.15	4,171.48
<b>Total Income (A)</b>		<b>1,11,575.63</b>	<b>1,05,756.44</b>
<b>EXPENSES :</b>			
Employee Benefit Expenses	24	3,884.16	3,612.41
Finance Costs	25	5,957.87	7,991.52
Depreciation and Amortisation Expenses	26	17,913.87	18,291.15
Other Expenses	27	10,040.92	8,977.51
<b>Total Expenses (B)</b>		<b>37,796.82</b>	<b>38,872.59</b>
<b>Profit Before Tax (A-B)</b>		<b>73,778.81</b>	<b>66,883.84</b>
<b>Tax Expenses</b>	28		
Current Tax		22,150.52	20,290.97
(Excess)/Short Provision of Tax - Earlier Years		(1,080.99)	(354.75)
Deferred Tax		3,045.32	2,412.43
<b>Profit After Tax for the Period</b>		<b>49,663.96</b>	<b>44,535.20</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Changes in fair value of FVOCI equity instruments		(20.69)	-
Remeasurements of post-employment benefit obligations		(68.38)	10.07
Income tax relating to these items		66.29	49.50
<b>Other Comprehensive Income for the Period, net of tax</b>		<b>(22.78)</b>	<b>59.57</b>
<b>Total Comprehensive Income for the Period</b>		<b>49,641.17</b>	<b>44,594.77</b>
<b>Earning per Equity Share (EPS) for Profit for the Period (Face Value of ₹ 10)</b>			
Basic (₹)	29	8.81	7.91
Diluted (₹)	29	8.81	7.90
Significant Accounting Policies	2		
The accompanying Notes are integral part of the Financial Statements.			

### As per our Report attached

**For V.V. Patel & Co**  
Chartered Accountants  
Firm Regn. No. 118124W

**Swapnil K Bhatt**  
Partner  
Membership No.128864

Place : Ahmedabad  
Date : 25<sup>th</sup> May, 2017

### For and on behalf of the Board of Directors,

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Dr. J N Singh, IAS**  
Managing Director  
DIN : 00955107

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 25<sup>th</sup> May, 2017



## STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE PERIOD ENDED ON 31<sup>ST</sup> MARCH 2017

**A. Equity Share Capital**

Particulars	Notes	Number of Shares	Amount ₹ in Lacs
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
Equity Shares of ₹ 10/- each fully paid up			
<b>As at 1<sup>st</sup> April, 2015</b>		<b>56,29,79,980</b>	<b>56,298.00</b>
Add: Equity Shares allotted pursuant to Employee Stock Option Plan	43	3,60,084	36.01
<b>As at 31<sup>st</sup> March, 2016</b>		<b>56,33,40,064</b>	<b>56,334.01</b>
Add: Equity Shares allotted pursuant to Employee Stock Option Plan	43	2,47,668	24.77
<b>As at 31<sup>st</sup> March, 2017</b>		<b>56,35,87,732</b>	<b>56,358.77</b>

**B. Other Equity**

(₹ in Lacs)

Particulars	Reserves & Surplus				Equity Instruments through Other Comprehensive Income	Total Other Equity
	Security Premium	General reserve	Employees Stock Options Outstanding	Retained earnings		
<b>Balance at April 1, 2015</b>	<b>40,381.41</b>	<b>272.30</b>	<b>739.02</b>	<b>2,72,606.65</b>	<b>104.77</b>	<b>3,14,104.14</b>
Changes in accounting policy / prior period errors	-	-	-	(148.73)	-	(148.73)
<b>Restated balance at the beginning of the reporting period</b>	<b>40,381.41</b>	<b>272.30</b>	<b>739.02</b>	<b>2,72,457.92</b>	<b>104.77</b>	<b>3,13,955.41</b>
Profit for the year excluding prior period items	-	-	-	44,544.07	-	44,544.07
Other comprehensive income for the year	-	-	-	-	52.99	52.99
<i>Items of OCI recognised directly in retained earnings</i>						
Remeasurements of post-employment benefit obligation (net of tax)	-	-	-	6.59	-	6.59
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,550.66</b>	<b>52.99</b>	<b>44,603.65</b>
Deferred Employee Stock Compensation (Note 43)	-	-	2.77	-	-	2.77
Transferred to Securities Premium on exercise of ESOPs (Note 43)	-	-	(169.42)	-	-	(169.42)
ESOP Lapsed / Cancelled (Note 43)	-	-	(70.01)	-	-	(70.01)
Dividends (Note 13)	-	-	-	(6,757.21)	-	(6,757.21)
Dividend Distribution Tax (DDT)	-	-	-	(1,375.61)	-	(1,375.61)
Issue of Equity Shares	403.47	-	-	-	-	403.47
<b>Balance at March 31, 2016</b>	<b>40,784.88</b>	<b>272.30</b>	<b>502.36</b>	<b>3,08,875.76</b>	<b>157.76</b>	<b>3,50,593.06</b>
Changes in accounting policy / prior period errors	-	-	-	(8.87)	-	(8.87)
<b>Restated balance at the beginning of the reporting period</b>	<b>40,784.88</b>	<b>272.30</b>	<b>502.36</b>	<b>3,08,866.89</b>	<b>157.76</b>	<b>3,50,584.18</b>
Profit for the year	-	-	-	49,663.96	-	49,663.96
Other comprehensive income for the year	-	-	-	-	21.94	21.94
<i>Items of OCI recognised directly in retained earnings</i>						
Remeasurements of post-employment benefit obligation (net of tax)	-	-	-	(44.72)	-	(44.72)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,619.24</b>	<b>21.94</b>	<b>49,641.17</b>
Transferred to Securities Premium on exercise of ESOPs (Note 43)	-	-	(116.53)	-	-	(116.53)
Dividends (Note 13)	-	-	-	(8,452.00)	-	(8,452.00)
Dividend Distribution Tax (DDT)	-	-	-	(1,720.63)	-	(1,720.63)
Issue of Equity Shares	277.51	-	-	-	-	277.51
Tax adjustments of earlier years	-	-	-	3,024.85	-	3,024.85
<b>Balance at 31 March, 2017</b>	<b>41,062.39</b>	<b>272.30</b>	<b>385.83</b>	<b>3,51,338.35</b>	<b>179.70</b>	<b>3,93,238.56</b>

**As per our Report attached**

**For V.V. Patel & Co**  
Chartered Accountants  
Firm Regn. No. 118124W

**Swapnil K Bhatt**  
Partner  
Membership No.128864

Place : Ahmedabad  
Date : 25<sup>th</sup> May, 2017

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

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Dr. J N Singh, IAS**  
Managing Director  
DIN : 00955107

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 25<sup>th</sup> May, 2017

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

(₹ in Lacs)

Particulars	2016-2017	2015-2016
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Taxes	73,778.80	66,883.84
<u>Adjustments for:</u>		
Depreciation & amortisation	17,913.87	18,291.06
ESOP Compensation Expense	-	(67.25)
Provision for decommissioning obligations	24.89	23.05
Employee benefit expenses	16.74	87.97
(Profit)/Loss on sale of Assets	4.84	(17.65)
Dividend Income	(941.64)	(1,842.17)
Interest Income	(6,901.19)	(3,836.99)
Finance cost	7,402.19	7,859.27
<b>Operating Profit Before Working Capital Changes</b>	<b>91,298.50</b>	<b>87,381.13</b>
<b><u>Changes in Current Assets and Current Liabilities</u></b>		
(Increase)/Decrease in Inventory	538.59	(749.05)
(Increase)/Decrease in Trade Receivable	3,011.14	(136.13)
(Increase)/Decrease in Loans	78.29	(103.14)
(Increase)/Decrease in Other Financial Assets	30.16	(111.88)
(Increase)/Decrease in Other Non-Financial Assets	22,269.61	(7,228.40)
Increase/(Decrease) in Trade payable	(122.45)	(2,523.80)
Increase/(Decrease) in Other Financial Liabilities	(446.60)	1,005.71
Increase/(Decrease) in Net Employee Benefit Liabilities	(188.50)	138.74
Increase/(Decrease) in Non-Financial Liabilities	169.95	3,210.00
<b>Cash Generated from Operations</b>	<b>1,16,638.69</b>	<b>80,883.17</b>
Taxes Paid	(22,277.96)	(20,615.59)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>94,360.73</b>	<b>60,267.59</b>
<b>B. Cash Flow from Investing Activities</b>		
(Increase) / Decrease in Investment	(3,460.00)	(8,239.70)
Interest Received	6,051.40	4,046.07
Dividend Received	941.64	1,842.17
Changes in earmarked Fixed Deposits & Current Account	(29,768.43)	(12,032.35)
Proceeds from sale of Assets	17.82	610.55
Acquisition of Fixed Assets and Change in Capital Work in Progress	(10,540.28)	(18,283.71)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(36,757.85)</b>	<b>(32,056.96)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Share Capital including Share Premium	185.74	270.06
Proceeds from Long Term Borrowing	3,500.00	17,700.00
Repayment of Long Term Borrowings	(46,791.67)	(27,477.17)
Dividend (Including Corporate Dividend Tax) Paid	(10,172.63)	(8,132.82)
Interest & Financial Charges paid	(10,385.03)	(12,077.57)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(63,663.59)</b>	<b>(29,717.50)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)</b>	<b>(6,060.71)</b>	<b>(1,506.87)</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	<b>7,578.32</b>	<b>9,085.19</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>1,517.61</b>	<b>7,578.32</b>
<b><u>Notes to Statement of Cash Flows</u></b>		
<b>1. Cash and cash equivalent includes-</b>		
Cash and Cheques on Hand	0.45	1.39
Balances with Scheduled Banks		
in Current Accounts	1,016.82	1,189.02
in Deposit Accounts	500.34	6,387.92
	<b>1,517.61</b>	<b>7,578.32</b>

2. Previous period's figures have been rearranged/regrouped wherever necessary, to confirm to this year's classification.

### As per our Report attached

**For V.V. Patel & Co**  
Chartered Accountants  
Firm Regn. No. 118124W

**Swapnil K Bhatt**  
Partner  
Membership No.128864

Place : Ahmedabad  
Date : 25<sup>th</sup> May, 2017

### For and on behalf of the Board of Directors,

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Dr. J N Singh, IAS**  
Managing Director  
DIN : 00955107

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 25<sup>th</sup> May, 2017

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 1 CORPORATE INFORMATION

Gujarat State Petronet Limited (GSPL, "The Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. GSPL is a Government Company u/s 2(45) of Companies Act 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is primarily engaged in transmission of natural gas through pipeline on an open access basis from supply points to demand centers. Further, it is also engaged in generation of electricity through Windmills.

#### Authorization of financial statements

The Standalone Financial Statements were authorized for issue in accordance with a resolution passed in Board of Directors meeting held on 25<sup>th</sup> May, 2017.

### 2.1 Significant Accounting Policies

#### (a) Basis of preparation

- (i) The standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Act. The financial statements up to year ended 31<sup>st</sup> March 2016 were prepared under historical convention in accordance with the mandatory accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1<sup>st</sup> April, 2015. Refer Note 50 for an explanation of how the transition from Indian GAAP (IGAAP) to Ind AS has affected the Company's financial position, financial performance and cash flows.

These financial statement have been prepared on accrual basis of accounting using historical cost convention except certain financial assets, financial liabilities and share based payment measured at fair value.

- (ii) The preparation & presentation of financial statements requires management to make certain judgments, estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. 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.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Useful lives of property, plant and equipment and intangible assets
- Measurement of Defined Benefit Obligations
- Provisions and contingencies
- Expected credit loss for receivables
- Fair valuation of investments in equity instruments of unlisted companies
- Identification of investment properties

- (iii) All values are rounded to the nearest rupees in Lacs, except where otherwise indicated.

#### (b) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost net of recoverable taxes, less accumulated depreciation and impairment loss, if any.

The cost of Property, Plant and Equipment comprises of its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and Borrowing costs for assets that necessarily take a substantial period of time to get ready for their intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, 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.

Capital Work-in-progress (CWIP) includes expenditure that is directly attributable to the acquisition/construction of assets, which are yet to be commissioned, and project inventory.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to carry forward the previous GAAP net carrying value of all of its property, plant and equipment recognised as at 1<sup>st</sup> April 2015 as the deemed cost. Please refer to note 50 for details of the same.

**(c) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets like software, licenses, Right-of-Use of land (ROU) and Right of Way (ROW) permissions which are expected to provide future enduring economic benefits are capitalized as Intangible Assets.

***Transition to Ind AS***

On transition to Ind AS, the Company has elected to carry forward the previous GAAP net carrying value of all of its intangible assets recognised as at 1<sup>st</sup> April, 2015 as the deemed cost. Please refer to note 50 for details of the same.

**(d) Investment properties**

Investment properties comprise portions of free hold or lease hold land and office buildings that are held for rental of for capital appreciation or both. An Investment property generates cash flow largely independently of the other assets held by an entity.

Property used in production or supply of goods or services and also held to earn rentals / capital appreciation is accounted separately as investment property only if portion of property held to earn rental / capital appreciation can be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Further property with provision of ancillary services to the occupants is treated as investment property if the services are insignificant to the arrangement as a whole. Investment property shall be recognised as an asset when and only when: (a) it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and (b) the cost of the investment property can be measured reliably.

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.

**(e) Depreciation and Amortisation**

Depreciation on gas transmission pipeline(s) is provided using straight line method (SLM) and on other items of property, plant and equipment using written down value method (WDV) based on the useful life prescribed in Schedule II to the Companies Act 2013 except, for mobile phones which are depreciated over useful life of two years based on technical opinion.

The residual values are not more than 5% of the original cost of the item of property, plant and equipment.

Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal. Assets costing up to ₹5,000/- and Books are depreciated fully in the year of purchase / capitalization.

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

In case of Intangible Assets, software is amortized at 40% on written down value method.

Right of Use has an indefinite in nature hence it is not amortised. However, the same is tested for impairment annually. Right of Way (ROW) is amortised over 30 years on straight line method as the same is inextricably linked and dependent on useful life of gas transmission pipeline(s).

**(f) 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 assets*****Initial recognition and measurement***

A financial asset is recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

***Subsequent measurement***

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

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

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

- (i) The Company's business model for managing the financial assets, and

(ii) The contractual cash flows characteristics of the financial asset.

*A. Financial assets measured at amortised cost*

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

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (ii) 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. This category generally applies to trade and other receivables.

*B. Financial assets measured at fair value through other comprehensive income (FVTOCI)*

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

- (i) 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
- (ii) The asset's contractual cash flows represent SPPI.

*C. Financial assets measured at fair value through profit or loss (FVTPL)*

FVTPL is a residual category. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to 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 instruments**

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 P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**Derecognition**

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:

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

**Impairment of financial assets**

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

- (i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- (ii) Trade receivables
- (iii) Lease Receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date adjusted appropriately to reflect the estimated expected losses.

**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***

A. Financial liabilities measured at amortised cost

B. Financial liabilities subsequently measured at fair value through profit or loss (FVTPL)

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 is recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

***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 on EIR amortisation and derecognition are recognised in profit or loss. 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.

This category generally applies to interest-bearing loans and borrowings.

***Derivatives***

The Company uses derivative financial instruments such as cross currency interest rate swaps to hedge its foreign currency risks and interest rate risk. Such derivative financial instruments are initially recognised at fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss.

***Trade and other payables***

These amounts represent liability for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

***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.

***Offsetting financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when, there is a legally enforceable right to offset the recognised amount and there is intention either to settle on net basis or to realise the assets and to settle the liabilities simultaneously.

**(g) Fair Value**

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:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability



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 best economic 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 follows, 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.

#### (h) Inventories

Inventories including project inventory, stock of stores, spares, consumables and line pack gas not meant for sale in ordinary course of business are valued at weighted moving average cost.

#### (i) Employee Benefits

##### ***Short term employee benefits obligations:***

Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which related services are rendered.

##### ***Post-employment benefits and other long term employee benefits:***

The Company has participated in- Group Gratuity scheme of Life Insurance Corporation of India. The liability in respect of gratuity benefits being defined benefit schemes, payable in future, are determined by actuarial valuation carried out using projected unit credit method as on the balance sheet date and actuarial gains/(losses) after adjustment of planned assets are charged to the Other Comprehensive Income for the year. Moreover, the liability in respect of leave encashment being other long term employee benefits, payable in future, are also determined by actuarial valuation carried out using projected unit credit method as on the balance sheet date and actuarial gains/(losses) are charged as employee benefit expenses in the Statement of Profit and Loss for the year.

Retirement benefits in the form of provident fund and defined superannuation fund which are defined contribution schemes are accrued in accordance with statutes and deposited with respective authority/agency and charged to the Statement of Profit and Loss account for the year, in which the contributions to the respective funds accrue.

##### ***Share-based payments***

Share-based compensation benefits are provided to employees via GSPL Employee Stock Option Scheme. The fair value of options granted under the GSPL Employee Option Plan is recognised as an employee benefit expenses with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- (i) including any market performance conditions (e.g. entity's share price)
- (ii) excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specific time period); and
- (iii) Including the impact of any non-vesting conditions (e.g. the requirements for employees to save or holding shares for specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

#### (j) Borrowing Cost

The Company is capitalising borrowing costs that are directly attributable to the acquisition or construction of qualifying assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. For borrowing cost capitalisation, the capital cost of a particular project is identified against a borrowing in terms of period of construction and the borrowing cost for the relevant period is added to the capital cost till the particular project is capitalised and thereafter the interest is charged to the Statement of Profit and Loss. 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.

#### (k) Foreign Currency Transactions

##### ***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 standalone financial statements are presented in Indian rupee (INR), which is GSPL's functional and presentation currency.

***Transactions and balances***

Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing at the time of transaction. Monetary assets and liabilities denominated in foreign currencies at year-end are reported at exchange rate prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates prevailing at the time of the initial transactions. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

**(l) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue from transmission of gas through pipeline is recognized net of service tax on fortnight basis when it can be reliably measured and it is reasonable to expect ultimate collection.

Revenue from sale of electricity is recognized on last day of respective month when it can be reliably measured and it is reasonable to expect the ultimate collection.

All other revenues are recognised when it can be reliably measured and it is reasonable to expect ultimate collection. Interest income is recognised using effective interest rate (EIR) method.

**(m) Taxation*****Income taxes***

Provision for current tax is calculated on the basis of the Income tax law enacted or substantively enacted at the end of the reporting period.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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.

***Deferred Taxes***

Deferred tax is provided, on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in standalone financial statements, using tax rates & laws that have been enacted or substantially enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise the same.

Deferred tax is not recognised for all taxable 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.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the same and when the balances relate to the same taxation authority.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case, the tax is also recognised in other comprehensive income or directly in equity.

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 utilize all or part of the deferred tax asset. 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 be available to utilize the deferred tax asset.

**(n) Impairment of non-financial assets**

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash-flow expected from the continuing use of the assets and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific of the assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. 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.

**(o) Earnings per Share**

Basic EPS is computed by dividing net profit after taxes for the year by weighted average number of equity shares outstanding during the financial year, adjusted for bonus share elements in equity shares issued during the year and excluding treasury shares, if any.

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.

**(p) 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.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are not recognized in the financial statements but are disclosed by way of notes to accounts unless the possibility of an outflow of economic resources is considered remote.

Contingent assets are not recognized in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

**(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 fulfillment 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<sup>st</sup> April, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease is classified at the inception date as a finance lease or an operating lease.

**As a lessee**

***Finance lease***

Leases are classified as finance leases (including those for land), if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

At the commencement of the lease term, the Company recognises finance leases as assets and liabilities 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. Any indirect costs of the Company are added to the amount recognised as an asset.

Minimum lease payments are 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 (including those for land) which are not classified as finance leases are considered as operating lease. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term unless either:

- A. 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
- B. 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***

All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts are adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

The Company a scheme of providing certain assets viz mobiles, laptops, vehicles to their employees. Under the said scheme, the company initially purchases the asset which is transferred to an employee after a specified period at book value on that date. As this arrangement has element of finance lease, the Company, has derecognised the items of PPE given to employees & reclassified it as finance lease. The difference between the cost of the asset and present value or (absolute value if the present value is not material) of the consideration to be received from the employee over the lease term and at the time of transfer of ownership in the future is recognised as an employee cost over the period.

***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:

- A. 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
- B. The payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases. If payments to the Company vary because of factors other than general inflation, then this condition is not met.

**(r) Segment Reporting**

The Chief Operational Decision Maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

The Board of Directors (BoD) of the Company assesses the financial performance and position of the Company, and makes strategic decisions; hence the Board of Directors are CODM. Refer note 38 for segment information presented.

**(s) Cash and cash Equivalents**

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**(t) 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.

**(u) Dividends**

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorized 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.

**(v) Event Occurring after 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.

- (w)** Prepaid expenses and prior period expenses/income up to ₹ 5,00,000/- in each case are charged to relevant heads of account of the current year.

### 3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at 31 <sup>st</sup> March 2016										(₹ in Lacs)
Particulars	Gross Carrying Amount			Accumulated Depreciation / Amortisation			Net Carrying Amount			
	Deemed Cost As on 1-Apr-15	Additions/ Adjustments during the year	Deduction During the year	Balance As on 31-Mar-16	Balance As on 1-Apr-15	Additions/ Adjustments during the year	Deduction during the year	Balance As on 31-Mar-16	As on 1-Apr-15	
Land- Freehold	9,336.38	436.34	468.60	9,304.12	-	-	-	-	9,304.12	9,336.38
Land- Leasehold (Refer (i))	1,923.44	-	-	1,923.44	-	21.09	-	21.09	1,902.35	1,923.44
Building	12,226.84	1,913.59	-	14,140.43	-	1,197.77	-	1,197.77	12,942.66	12,226.84
Plant & Equipment	2,60,650.54	20,226.36	4.51	2,80,872.39	-	14,111.95	0.68	14,111.28	2,66,761.11	2,60,650.54
Communication Equipment	4,024.74	420.11	-	4,444.84	-	924.70	-	924.70	3,520.14	4,024.74
Ele Installation & Equipment	4,558.64	1,158.72	-	5,717.36	-	1,621.64	-	1,621.64	4,095.72	4,558.64
Computers	84.89	84.63	-	169.53	-	57.18	-	57.18	112.35	84.89
Furniture & Fittings	424.89	12.10	0.22	436.78	-	120.24	0.08	120.17	316.61	424.89
Office Equipment	42.00	7.61	-	49.61	-	21.48	-	21.48	28.12	42.00
Vehicles	91.44	23.99	4.24	111.19	-	31.03	0.44	30.59	80.60	91.44
Ship / Boat	6.33	-	-	6.33	-	1.31	-	1.31	5.02	6.33
<b>Total Property, Plant and Equipment</b>	<b>2,93,370.13</b>	<b>24,283.45</b>	<b>477.57</b>	<b>3,17,176.02</b>	<b>-</b>	<b>18,108.40</b>	<b>1.19</b>	<b>18,107.21</b>	<b>2,99,068.81</b>	<b>2,93,370.13</b>
<b>Capital Work In Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,791.11</b>	<b>77,477.85</b>

Property, plant and equipment as at 31 <sup>st</sup> March 2017										(₹ in Lacs)
Particulars	Gross Carrying Amount			Accumulated Depreciation / Amortisation			Net Carrying Amount			
	Cost As on 1-Apr-16	Additions/ Adjustments during the year	Deduction During the year	Balance As on 31-Mar-17	Balance As on 1-Apr-16	Additions/ Adjustments during the year	Deduction during the year	Balance As on 31-Mar-17	As on 1-Apr-16	
Land- Free Hold	9,304.12	451.83	-	9,755.95	-	-	-	-	9,755.95	9,304.12
Land- Lease Hold (Refer (i))	1,923.44	-	-	1,923.44	21.09	21.09	-	42.18	1,881.26	1,902.35
Building	14,140.43	2,490.61	-	16,631.04	1,197.77	1,253.16	-	2,450.93	14,180.12	12,942.66
Plant & Equipment	2,80,872.39	16,321.41	-	2,97,193.80	14,111.28	14,093.58	-	28,204.86	2,68,988.95	2,66,761.11
Communication Equipment	4,444.84	639.43	0.02	5,084.26	924.70	790.90	0.02	1,715.59	3,368.67	3,520.14
Ele Installation & Equipment	5,717.36	1,406.24	-	7,123.61	1,621.64	1,348.89	-	2,970.53	4,153.08	4,095.72
Computers	169.53	39.16	4.31	204.38	57.18	44.86	0.43	101.61	102.77	112.35
Furniture & Fittings	436.78	128.26	0.20	564.83	120.17	114.11	0.09	234.19	330.64	316.61
Office Equipment	49.61	7.54	0.06	57.09	21.48	14.21	-	35.69	21.40	28.12
Vehicles	111.19	22.87	3.64	130.41	30.59	29.01	1.06	58.54	71.87	80.60
Books	-	23.40	-	23.40	-	23.40	-	23.40	-	-
Ship / Boat	6.33	-	-	6.33	1.31	1.04	-	2.35	3.99	5.02
<b>Total Property, Plant and Equipment</b>	<b>3,17,176.02</b>	<b>21,550.76</b>	<b>8.23</b>	<b>3,38,698.54</b>	<b>18,107.21</b>	<b>17,734.25</b>	<b>1.59</b>	<b>35,839.86</b>	<b>3,02,858.68</b>	<b>2,99,068.81</b>
<b>Capital Work In Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,637.33</b>	<b>76,791.11</b>

**(i) Leased Assets**

The land is obtained under finance lease and the lease term in respect of assets acquired under finance leases is generally more than 50 years.

**(ii) Contractual Obligations**

Refer Note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**4 INTANGIBLE ASSETS****(₹ in Lacs)**

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Net carrying value</b>			
Computer software	90.72	130.19	141.84
Right of use / Right of way	13,618.60	13,107.31	12,653.92
<b>Total Intangible Assets</b>	<b>13,709.32</b>	<b>13,237.50</b>	<b>12,795.76</b>

**(₹ in Lacs)**

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Computer software</b>			
<b>Cost or deemed cost</b>			
Balance at the beginning of the Year	197.87	141.84	141.84
Add: Addition during the Year	19.14	56.03	-
Less: Deduction during the year	0.72	-	-
<b>Closing gross carrying value</b>	<b>216.28</b>	<b>197.87</b>	<b>141.84</b>
<b>Accumulated amortisation</b>			
Balance at the beginning of the Year	67.68	-	-
Add: Addition during the Year	58.34	67.68	-
Less: Deduction during the year	0.46	-	-
<b>Closing accumulated amortisation</b>	<b>125.56</b>	<b>67.68</b>	<b>-</b>
<b>Closing net carrying value</b>	<b>90.72</b>	<b>130.19</b>	<b>141.84</b>

**(₹ in Lacs)**

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Right of use / Right of way</b>			
<b>Cost or deemed cost</b>			
Balance at the beginning of the Year	13,222.39	12,653.92	12,653.92
Add: Addition during the Year	632.57	642.85	-
Less: Deduction during the Year	-	74.39	-
<b>Closing gross carrying value*</b>	<b>13,854.95</b>	<b>13,222.38</b>	<b>12,653.92</b>
<b>Accumulated amortisation</b>			
Balance at the beginning of the Year	115.07	-	-
Add: Addition during the Year	121.28	115.07	-
<b>Closing accumulated amortisation</b>	<b>236.36</b>	<b>115.07</b>	<b>-</b>
<b>Closing net carrying value</b>	<b>13,618.60</b>	<b>13,107.31</b>	<b>12,653.92</b>

Right of Use (RoU) in land is a right acquired under the law and the company has unrestricted right of entry for laying, operation and maintenance of the pipeline for indefinite period. Hence, RoU is indefinite in nature and not amortised; however, the same is tested for impairment annually. Moreover, Right of Way (ROW) is amortised over 30 years on straight line method as the same is inextricably linked and dependent on useful life of gas transmission pipeline(s).

\*Includes RoU of ₹ 9,434.02 lacs (31<sup>st</sup> March 2016 ₹ 9,247.95 lacs; 1<sup>st</sup> April 2015: ₹ 8,863.41 lacs)

## 5. INVESTMENTS IN ASSOCIATE AND JOINT VENTURE

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Non-Current</b>			
<b>Investment in quoted equity shares of associate companies</b>			
3,54,68,471 (31 <sup>st</sup> March, 2016: 3,54,68,471; 1 <sup>st</sup> April, 2015: Nil) Fully Paid Up Equity Shares of ₹ 10 each of Gujarat Gas Limited [Quoted as “Gujarat Gas Limited” w.e.f. 15 <sup>th</sup> Sep 2015 which is formally unquoted as “GSPC Distribution Networks Limited”]	41,260.44	41,260.44	-
<b>Investments in unquoted equity shares of joint venture companies</b>			
14,40,50,060 (31 <sup>st</sup> March, 2016: 11,02,50,060; 1 <sup>st</sup> April, 2015: 9,72,50,060) Fully Paid Up Equity Shares of ₹ 10 each of GSPL India Gasnet Limited	14,405.01	11,025.01	9,725.01
10,66,00,000 (31 <sup>st</sup> March, 2016: 8,58,00,000; 1 <sup>st</sup> April, 2015: 7,28,00,000) Fully Paid Up Equity Shares of ₹ 10 each of GSPL India Transco Limited	10,660.00	8,580.00	7,280.00
<b>Investment in unquoted equity shares of associate companies</b>			
54,93,070 (31 <sup>st</sup> March, 2016: 54,93,070; 1 <sup>st</sup> April, 2015: 27,50,000) Fully Paid Up Equity Shares of ₹ 10 each of Sabarmati Gas Limited	6,739.70	6,739.70	1,100.00
Nil (31 <sup>st</sup> March, 2016: Nil; 1 <sup>st</sup> April, 2015: 2,46,37,085) Fully Paid Up Equity Shares of ₹ 10 each of GSPC Gas Company Limited [Merged into GSPC Distribution Networks Limited]	-	-	6,260.44
Nil (31 <sup>st</sup> March, 2016: Nil; 1 <sup>st</sup> April 2015: 35,00,00,000) Fully Paid Up Equity Shares of ₹ 10 each of GSPC Distribution Networks Limited]	-	-	35,000.00
<b>Total</b>	<b>73,065.14</b>	<b>67,605.14</b>	<b>59,365.44</b>
<b>Aggregate value of quoted investments</b>	<b>41,260.44</b>	<b>41,260.44</b>	<b>-</b>
<b>Market value of quoted investment</b>	<b>2,72,663.87</b>	<b>1,95,785.96</b>	<b>-</b>
<b>Aggregate value of unquoted investments</b>	<b>31,804.70</b>	<b>26,344.70</b>	<b>59,365.44</b>

- (i) Pursuant to the scheme of amalgamation and arrangement sanctioned by the Hon’ble Gujarat High Court, inter-alia, GSPC Gas Company Limited and Gujarat Gas Company Limited have amalgamated with Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited). The schemes of amalgamation become effective on 14<sup>th</sup> May, 2015 with appointed date of 1<sup>st</sup> April, 2013. The shares of Gujarat Gas Limited have been listed on Bombay Stock Exchange and National Stock Exchange on 15<sup>th</sup> September, 2015.
- (ii) On 18<sup>th</sup> February, 2016, the Company acquired additional shares in Sabarmati Gas Limited.



6. INVESTMENTS		(₹ in Lacs)	
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Non-Current</b>			
<b>Investment in unquoted equity shares of other companies measured at fair value through other comprehensive income (FVOCI)*</b>			
2,50,00,000 (31 <sup>st</sup> March, 2016: 2,50,00,000, 1 <sup>st</sup> April 2015: 2,50,00,000) Fully Paid Up Equity Shares of ₹ 10 each of GSPC LNG Limited	2,843.94	2,843.94	2,843.94
62,50,000 (31 <sup>st</sup> March, 2016: 62,50,000; 1 <sup>st</sup> April, 2015: 62,50,000) Fully Paid Up Equity Shares of ₹ 10 each of Gujarat State Energy Generation Limited	640.47	661.15	661.15
<b>Investment in unquoted debentures of other companies measured at fair value through profit and loss (FVTPL)</b>			
Nil (31 <sup>st</sup> March, 2016: Nil, 1 <sup>st</sup> April, 2015: 2,000) Fully Paid Up 6% Optionally Convertible Debentures of ₹ 1,00,000 each of Sabarmati Gas Ltd.	-	-	2,000.00
<b>Total Non-Current Investments</b>	<b>3,484.41</b>	<b>3,505.09</b>	<b>5,505.09</b>
<b>Current</b>			
<b>Investment in unquoted debentures of other companies measured at fair value through profit and loss (FVTPL)</b>			
Nil (31 <sup>st</sup> March, 2016: 2,000, 1 <sup>st</sup> April, 2015: Nil) Fully Paid Up 6% Optionally Convertible Debentures of ₹ 1,00,000 each of Sabarmati Gas Ltd.	-	2,000.00	-
<b>Total Current Investments</b>	<b>-</b>	<b>2,000.00</b>	

(i) Investments measured at fair value through Other Comprehensive Income (FVOCI) reflect investments in unquoted equity securities and debt securities. Refer Note 40 for determination of their fair values.

\* Refer note 40 - Financial instruments, fair values and risk measurement for fair valuation methodology.

7. LOANS*		(₹ in Lacs)	
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b><u>Non-Current</u></b>			
Housing building advance to employees			
Secured, considered good	1,133.32	1,165.64	1,080.10
Other loans and advances to employees			
Unsecured, considered good	49.64	76.80	79.35
<b>Total Non-Current Loans</b>	<b>1,182.96</b>	<b>1,242.44</b>	<b>1,159.45</b>
<b><u>Current</u></b>			
Housing building advance to employees			
Secured, considered good	90.91	94.51	78.64
Other loans and advances to employees			
Unsecured, considered good	82.89	98.09	93.81
<b>Total Current Loans</b>	<b>173.80</b>	<b>192.60</b>	<b>172.45</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

## 8. OTHER FINANCIAL ASSETS\*

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Non-Current</b>			
Margin money deposit - bank guarantee / letter of credit	-	152.00	-
Balance in escrow A/c-PNGRB [Incl. TD]	339.55	44.09	490.36
Fixed deposits with original maturity of more than 12 month	14.07	462.42	589.71
Security deposit given (Unsecured - considered good)	1,434.21	1,349.34	1,285.62
Receivable from employees (Unsecured - considered good)	13.53	7.96	14.51
<b>Total Non-Current Other Financial Assets</b>	<b>1,801.36</b>	<b>2,015.82</b>	<b>2,380.21</b>
<b>Current</b>			
Security deposit given (Unsecured - considered good)	61.63	95.19	100.90
Receivable from employees (Unsecured - considered good)	7.61	7.64	11.00
Derivative asset (i)	309.97	463.48	-
Others	150.23	334.16	363.49
<b>Total Current Other Financial Assets</b>	<b>529.44</b>	<b>900.48</b>	<b>475.39</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

### (i) Derivative assets

The Company has entered into cross currency interest rate swap to hedge against interest rate risk and exchange rate risk. Refer Note 40 for details.

## 9. OTHER NON-FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Non-Current</b>			
Capital advances	654.92	1,249.58	4,096.97
Balances with Government Authorities	6,892.39	6,892.39	6,767.45
Advance income tax and TDS (net of provision)	2,289.05	786.12	223.39
Payment under protest	585.27	335.78	772.53
Prepaid expenses	382.61	428.50	435.74
Deferred employee cost	63.77	54.21	53.04
Others	-	22,400.00	15,000.00
<b>Total Non-Current Non-Financial Assets</b>	<b>10,868.01</b>	<b>32,146.59</b>	<b>27,349.13</b>
<b>Current</b>			
Balances with Government Authorities	2,700.32	2,546.25	2,966.27
Payment under protest	-	543.98	-
Prepaid expenses	153.16	144.01	110.61
Other advances	450.27	408.85	323.61
Deferred employee cost	61.21	42.41	55.48
<b>Total Current Non-Financial Assets</b>	<b>3,364.96</b>	<b>3,685.50</b>	<b>3,455.97</b>

## 10. INVENTORIES\*

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Stores & spares	1,492.02	1,759.65	1,861.82
Line pack gas	9,741.94	10,012.90	9,161.68
<b>Total Inventories</b>	<b>11,233.96</b>	<b>11,772.55</b>	<b>11,023.50</b>

\*For mode of valuation, refer note 2 (h) of significant accounting policies

**11. TRADE RECEIVABLES\***

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Current</b>			
Unsecured, considered good	12,164.25	15,175.39	15,039.26
Unsecured, considered doubtful	268.10	268.10	268.10
Less: Provision for doubtful debts (Expected credit loss allowance)	(268.10)	(268.10)	(268.10)
<b>Total Trade Receivables</b>	<b>12,164.25</b>	<b>15,175.39</b>	<b>15,039.26</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

**(i) Trade receivables from related parties:**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Trade receivables from related parties	1,717.04	1,451.42	1428.28

**12. CASH AND OTHER BANK BALANCES\***

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Cash and Cash Equivalents</b>			
Balances with banks			
In current accounts	1,016.82	1,189.02	1,434.47
Fixed deposit with original maturity of less than 3 months	500.34	6,387.92	7,674.89
Cash on hand	0.45	1.39	0.72
<b>Total Cash and Cash Equivalents</b>	<b>1,517.61</b>	<b>7,578.33</b>	<b>9,110.08</b>
<b>Other Bank Balances</b>			
Earmarked balances with banks			
Unpaid dividend account	83.05	85.54	71.35
Balance in escrow A/c-PNGB [Incl. TD]	3,576.10	3,122.86	2,327.23
Fixed Deposit			
Margin money deposit - bank guarantee / letter of credit	-	23.72	11,291.54
With original maturity of more than 12 months	3,870.55	125.21	115.67
With original maturity of more than 3 months but less than 12 months	71,216.22	44,357.48	21,566.15
<b>Total Bank Balance other than Cash and Cash Equivalents</b>	<b>78,745.92</b>	<b>47,714.81</b>	<b>35,371.94</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

### 13. EQUITY SHARE CAPITAL

Particulars		Number of Shares	Amount ₹ in Lacs
<b>AUTHORISED SHARE CAPITAL</b>			
Equity shares of ₹ 10/- each			
<b>As at 1<sup>st</sup> April, 2015</b>		<b>70,00,00,000</b>	<b>70,000.00</b>
Increase/(decrease) during the year		-	-
<b>As at 31<sup>st</sup> March, 2016</b>		<b>70,00,00,000</b>	<b>70,000.00</b>
Increase/(decrease) during the year		-	-
<b>As at 31<sup>st</sup> March, 2017</b>		<b>70,00,00,000</b>	<b>70,000.00</b>
Particulars	Notes	Number of Shares	Amount ₹ in Lacs
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
Equity shares of ₹ 10/- each fully paid up			
<b>As at 1<sup>st</sup> April, 2015</b>		<b>56,29,79,980</b>	<b>56,298.00</b>
Add: Equity shares allotted pursuant to Employee Stock Option Plan (ESOP)	43	3,60,084	36.01
<b>As at 31<sup>st</sup> March, 2016</b>		<b>56,33,40,064</b>	<b>56,334.01</b>
Add: Equity shares allotted pursuant to Employee Stock Option Plan (ESOP)	43	2,47,668	24.77
<b>As at 31<sup>st</sup> March, 2017</b>		<b>56,35,87,732</b>	<b>56,358.77</b>

#### Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended 31<sup>st</sup> March, 2017, the amount of dividend per share recognised as distributions to equity shareholders is ₹ 1.5 per share. (31<sup>st</sup> March 2016: ₹ 1.2 per share; 1<sup>st</sup> April 2015: ₹ 1 per share)

In the events of liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### **Details of shares held by parent company and ultimate parent company and their subsidiaries / associates: (₹ in Lacs)**

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
21,23,05,270/- Equity Shares held by parent company - Gujarat State Petroleum Corporation Ltd.			
(As at 31 <sup>st</sup> March, 2016: 21,23,05,270/-; as at 1 <sup>st</sup> April, 2015: 21,23,05,270/-)	21,230.53	21,230.53	21,230.53

#### **Details of shareholder(s) holding more than 5% equity shares**

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Number of Equity Shares</b>			
Gujarat State Petroleum Corporation Limited	21,23,05,270	21,23,05,270	21,23,05,270
Gujarat Maritime Board	3,70,88,000	3,70,88,000	3,70,88,000
<b>% Holding in Equity Shares</b>			
Gujarat State Petroleum Corporation Limited	37.67%	37.69%	37.71%
Gujarat Maritime Board	6.58%	6.58%	6.59%

#### **Detail of shares reserved for issue under Employee Stock Option Plan (ESOP)**

For details of shares reserved for issue under the Employees Stock Option Plan (ESOP) 2010 of GSPL, please refer Note 43.

**14. OTHER EQUITY**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Securities Premium Reserve	41,062.39	40,784.88	40,381.41
General Reserve	272.30	272.30	272.30
Employees Stock Options Outstanding (Net)	385.82	502.35	739.02
Retained Earnings	3,51,338.35	3,08,866.88	2,72,457.92
Reserves representing unrealized gains/losses	179.70	157.76	104.77
<b>Total Other Equity</b>	<b>3,93,238.56</b>	<b>3,50,584.17</b>	<b>3,13,955.41</b>

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b><u>Securities Premium Reserve</u></b>		
Opening balance	40,784.88	40,381.41
Add: Addition during the Year	277.51	403.47
<b>Closing balance</b>	<b>41,062.39</b>	<b>40,784.88</b>
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.		
<b><u>General Reserve</u></b>		
Opening balance	272.30	272.30
Add: Addition during the Year	-	-
<b>Closing balance</b>	<b>272.30</b>	<b>272.30</b>
<b><u>Employees Stock Options Outstanding (Net)</u></b>		
Gross compensation for ESOPs granted	1,125.94	1,125.94
Less: Deferred employee stock compensation	-	-
Less: Transferred to securities premium on exercise of ESOPs	396.14	279.61
Less: ESOP lapsed / cancelled	343.98	343.98
<b>Closing balance</b>	<b>385.82</b>	<b>502.35</b>

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b><u>Retained Earnings</u></b>		
Opening balance	3,08,866.88	2,72,457.92
<b>Add:</b>		
Profit during the period	49,663.96	44,535.19
Tax adjustment of earlier years	3,024.85	-
Remeasurement of post employment benefit obligation, net of tax	(44.72)	6.59
<b>Less:</b>		
Equity dividend	(8,450.10)	(6,755.76)
Difference in dividend on equity share	(1.90)	(1.45)
Tax on dividend	(1,720.24)	(1,413.65)
Difference in tax on dividend for equity share	(0.39)	38.04
<b>Closing balance</b>	<b>3,51,338.35</b>	<b>3,08,866.88</b>

The amount that can be distributed by the Company as dividends to its equity shareholders out of accumulated reserves is determined considering the requirements of the Companies Act, 2013. Thus, the closing balance amounts reported above are not distributable in entirety.

**Reserves representing unrealized gains/losses****FVOCI - Equity Investments**

Opening balance	157.76	104.77
Increase/(decrease) fair value of FVOCI equity instruments	(20.69)	-
Income tax on net fair value gain or loss	42.62	52.99
<b>Closing Balance</b>	<b>179.70</b>	<b>157.76</b>

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 reserves.

## 15. BORROWINGS\*

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Secured</b>			
Term loan from banks	48,183.22	74,805.28	62,186.66
Term loan from financial institutions	14,869.43	17,625.51	25,112.71
<b>Unsecured</b>			
Term loan from financial institutions	-	14,268.91	28,575.34
<b>Total Borrowings (A)</b>	<b>63,052.65</b>	<b>1,06,699.69</b>	<b>1,15,874.71</b>
<b>Current Maturities of Borrowings**</b>			
<b>Secured</b>			
Term loan from banks	9,998.20	10,423.18	8,867.79
Term loan from financial institutions	2,936.37	2,962.23	4,527.07
<b>Unsecured</b>			
Term loan from financial institutions	-	14,268.91	14,575.34
<b>Current Maturities of Borrowings (B)</b>	<b>12,934.57</b>	<b>27,654.32</b>	<b>27,970.21</b>
<b>Non-Current Borrowings (A-B)</b>	<b>50,118.08</b>	<b>79,045.37</b>	<b>87,904.50</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

\*\* Disclosed under 'Other Current Financial Liabilities' (Refer Note 16)

Term loan from banks and financial institutions are secured by first pari-passu charge on all Intangible and Tangible assets (except 36" pipeline from Hazira to Mora), Capital Work in Progress, operating cash flows, Book Debts and Other Movables of the Company.

For foreign currency loan, the Company has entered in to cross currency swap and interest rate swap in order to hedge its foreign currency risks in full.

### Maturity Profile and Rate of Interest of Term Loans<sup>1</sup>

(₹ in Lacs)

Rate of Interest	No. of Installment	Outstanding at 31 <sup>st</sup> March 2017	2017-18	2018-2027
7.86%	21	14,875.39	2,812.50	11,953.13
Base Rate + 0.35%	9	3,326.40	1,466.67	1,833.33
1 Year GSEC + 2.175%	7	4,456.26	1,206.55	3,016.36
Base Rate + 0.35%	6	2,159.37	1,428.57	714.29
10.10% - Reset every year	5	1,791.36	1,428.57	357.14
Base Rate + 0.25	27	7,626.51	1,428.57	8,212.15
Base Rate + 0.45	36	10,169.14	417.00	14,583.00
Base Rate + 0.25	31	3,135.67	625.00	4,217.17
Base Rate + 0.25	32	4,787.57	1,250.00	8,747.38
Base Rate + 0.40	31	10,724.99	553.21	10,229.80
<b>Grand Total</b>		<b>63,052.65</b>	<b>12,616.64</b>	<b>63,863.75</b>

<sup>1</sup> Repayment schedule includes amount of loan sanctioned but to be drawn

**16. OTHER FINANCIAL LIABILITIES\***

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b><u>Non-Current</u></b>			
Security deposit from customers	1,394.95	1,244.53	1,010.68
<b>Total Non-Current Other Financial Liabilities</b>	<b>1,394.95</b>	<b>1,244.53</b>	<b>1,010.68</b>
<b><u>Current</u></b>			
Current maturities of non-current borrowings	12,934.57	27,654.32	27,970.21
Other payables (including for capital goods and services)	5,020.55	5,805.91	6,192.95
Earnest money deposit	26.25	43.55	33.05
Deposit from customers	1,213.42	1,041.09	945.59
Dividend payable / unclaimed	83.05	85.54	81.67
Imbalance, overrun & other charges - PNGRB	3,267.75	2,950.54	2,608.78
Derivative liability (i)	-	-	409.17
<b>Total Current Other Financial Liabilities</b>	<b>22,545.59</b>	<b>37,580.95</b>	<b>38,241.42</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

**(i) Derivative liability**

The Company has entered into cross currency interest rate swap to hedge against interest rate risk and as well exchange rate risk. Refer Note 40 for more details.

**17. PROVISIONS**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b><u>Non-Current</u></b>			
<b>Provision for employee benefits</b>			
Provision for gratuity	-	282.19	232.11
Provision for leave salary	791.34	642.30	569.29
<b>Other Provision</b>			
Provision for decommissioning obligations	336.01	311.12	288.08
<b>Total Non-Current Provisions</b>	<b>1,127.36</b>	<b>1,235.61</b>	<b>1,089.49</b>
<b><u>Current</u></b>			
<b>Provision for employee benefits</b>			
Provision for gratuity	45.81	104.95	97.36
Provision for leave salary	29.85	27.08	23.27
Provision for leave travel allowance	35.91	34.90	30.64
<b>Total Current Provisions</b>	<b>111.57</b>	<b>166.93</b>	<b>151.27</b>

**(i) Movements in Other Provisions**

Particulars	Provision for decommissioning obligations	Total
At 1 <sup>st</sup> April, 2016	311.12	311.12
Add: Unwinding of discounts (accounted as finance cost)	24.89	24.89
<b>At 31<sup>st</sup> March, 2017</b>	<b>336.01</b>	<b>336.01</b>

For movements in provisions for employee benefits, refer Note 42.

**(ii) Provision for Decommissioning Obligations**

Refer accounting policies (t) and Note 50 Transition to Ind AS.

## 18 DEFERRED TAX LIABILITIES (Net)

(₹ in Lacs)

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Deferred Tax Liabilities</b>			
Property, plant and equipment	47,866.34	47,979.79	45,477.31
Financial liabilities measured at amortised cost	173.39	214.06	244.77
<b>Total Deferred Tax Liabilities (A)</b>	<b>48,039.73</b>	<b>48,193.85</b>	<b>45,722.08</b>
<b>Deferred Tax Assets</b>			
Provisions for employee benefits	300.05	365.64	319.10
Investments in equity instruments measured at FVOCI	195.29	152.67	99.68
Provision for decommissioning obligations	66.28	54.91	44.19
Provisions - Others	289.01	385.71	387.12
<b>Total Deferred Tax Assets (B)</b>	<b>850.63</b>	<b>958.94</b>	<b>850.09</b>
<b>Net Deferred Tax Liabilities (A-B)</b>	<b>47,189.10</b>	<b>47,234.92</b>	<b>44,871.99</b>

### (i) Movements in Deferred Tax Liabilities (net)

Particulars	Property, plant and equipment	Financial liabilities measured at amortised cost	Provisions for employee benefits	Investments in equity instruments measured at FVOCI	Provision for decommissioning obligations	Provisions - Others	Net Deferred Tax Liabilities
<b>At 1<sup>st</sup> April, 2015</b>	<b>45,477.31</b>	<b>244.77</b>	<b>(319.10)</b>	<b>(99.68)</b>	<b>(44.19)</b>	<b>(387.12)</b>	<b>44,871.99</b>
Charged/(credited)							
- to profit or loss	2,502.48	(30.71)	(50.03)	-	(10.73)	1.41	2,412.43
- to other comprehensive income	-	-	3.49	(52.99)	-	-	(49.50)
<b>At 31<sup>st</sup> March, 2016</b>	<b>47,979.79</b>	<b>214.06</b>	<b>(365.64)</b>	<b>(152.67)</b>	<b>(54.91)</b>	<b>(385.71)</b>	<b>47,234.92</b>
Charged/(credited)							
- to profit or loss	2,911.40	(40.67)	89.26	-	(11.36)	96.71	3,045.32
- to directly in equity	(3,024.85)	-	-	-	-	-	(3,024.85)
- to other comprehensive income	-	-	(23.67)	(42.62)	-	-	(66.29)
<b>At 31<sup>st</sup> March, 2017</b>	<b>47,866.34</b>	<b>173.39</b>	<b>(300.05)</b>	<b>(195.29)</b>	<b>(66.28)</b>	<b>(289.01)</b>	<b>47,189.10</b>

### (ii) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate:

(₹ in Lacs)

Particulars	2016-17	2015-16
Accounting Profit before income tax expenses	73,778.80	66,883.84
<b>Tax expenses at statutory tax rate of 34.608% (2015-16 - 34.608%)</b>	<b>25,533.37</b>	<b>23,147.16</b>

### Tax effect of amounts which are not deductible(taxable) in calculating taxable income:

Items having no tax consequences	839.82	839.34
Tax exempt income	(325.88)	(637.54)
Chapter VI deductions	(851.47)	(645.56)
Short/(Excess) provisions of tax - earlier years	(1,080.99)	(354.75)
<b>Tax Expenses at effective income tax rate of 32.685% (2015-16: 33.414%)</b>	<b>24,114.84</b>	<b>22,348.65</b>

### (iii) Items of Other Comprehensive Income

(₹ in Lacs)

Particulars	2016-17	2015-16
Deferred tax related to items recognised in OCI during the year:		
Unrealised gain/(loss) on FVOCI equity securities	(23.67)	(52.99)
Net (loss)/gain on remeasurements of defined benefit plans	(42.62)	3.49
<b>Income tax charged to OCI</b>	<b>(66.29)</b>	<b>(49.50)</b>



**19. OTHER NON-FINANCIAL LIABILITIES**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Non-Current</b>			
Revenue received in advance	1,073.42	1,072.07	1,165.68
Others	475.59	617.34	759.09
<b>Total Non-Current Non-Financial Liabilities</b>	<b>1,549.01</b>	<b>1,689.41</b>	<b>1,924.77</b>
<b>Current</b>			
Revenue received in advance	198.51	193.45	179.34
Statutory taxes payable	210.30	273.41	270.81
Others	7,916.69	7,548.29	4,129.04
<b>Total Current Non-Financial Liabilities</b>	<b>8,325.50</b>	<b>8,015.15</b>	<b>4,579.19</b>

**20. TRADE PAYABLES\***

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Current</b>			
Total outstanding dues of micro enterprises and small enterprises	431.14	113.63	61.56
Total outstanding dues of creditors other than micro enterprises and small enterprises	947.52	1,387.48	3,963.35
<b>Total Trade Payables</b>	<b>1,378.66</b>	<b>1,501.11</b>	<b>4,024.91</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

**21. REVENUE FROM OPERATIONS**

(₹ in Lacs)

Particulars	2016-17	2015-16
Revenue from transportation of gas (net)	97,688.99	94,970.33
Revenue from sale of electricity (net)	3,998.14	3,730.40
Other operating revenues		
Connectivity charges	1,068.31	491.82
<b>Total Revenue from Operations</b>	<b>1,02,755.44</b>	<b>99,192.56</b>

**22. OTHER INCOME**

(₹ in Lacs)

Particulars	2016-17	2015-16
Dividend income	941.64	1,842.17
Other non-operating income	578.39	550.22
<b>Total Other Income</b>	<b>1,520.04</b>	<b>2,392.40</b>

**23. INTEREST INCOME**

(₹ in Lacs)

Particulars	2016-17	2015-16
Interest income		
Fixed deposits with banks	5,677.34	3,716.99
Optionally convertible debentures	34.85	120.00
Others	1,587.96	334.50
<b>Total Interest Income</b>	<b>7,300.15</b>	<b>4,171.48</b>

## 24. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	2016-17	2015-16
Salaries and wages		
Salaries and allowances	3,014.22	2,982.07
Leave salary	178.01	83.04
Contribution to provident and other funds		
Contribution to provident fund	206.77	200.98
Contribution to super annuation scheme	86.04	84.40
Group gratuity expenses	132.06	115.70
ESOP compensation expenses	-	(67.25)
Staff welfare expenses	267.06	213.46
<b>Total Employee Benefit Expenses</b>	<b>3,884.16</b>	<b>3,612.41</b>

## 25. FINANCE COSTS

(₹ in Lacs)

Particulars	2016-17	2015-16
Interest on borrowings	5,690.83	7,757.91
Unwinding of discount on provisions	24.89	23.05
Unwinding of transaction costs incurred on borrowings	90.08	88.25
Other borrowing costs (includes bank charges, etc.)	152.07	122.31
<b>Total Finance Costs</b>	<b>5,957.87</b>	<b>7,991.52</b>

## 26. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	2016-17	2015-16
Depreciation for property, plant and equipment	17,734.25	18,108.40
Amortisation for intangible assets	179.62	182.76
<b>Total Depreciation and Amortisation Expenses</b>	<b>17,913.87</b>	<b>18,291.15</b>

## 27. OTHER EXPENSES

(₹ in Lacs)

Particulars	2016-17	2015-16
<b>Operation &amp; Maintenance Expenses</b>		
Maintenance contracts	1,486.45	2,890.67
Payment to outsourced persons	570.19	383.20
Security service charges	1,028.81	879.36
Land revenue	8.71	5.81
Power & fuel	781.00	750.55
Consumption of stores & spare parts	369.74	460.99
System usage gas	2,182.45	284.62
Repairs & maintenance - building	24.44	54.11
Repairs & maintenance - machinery	153.02	117.41
Other O&M expenses	465.06	553.87
O&M expenses - windmill	446.28	347.03
	(A)	
	<b>7,516.13</b>	<b>6,727.63</b>
<b>Other Office &amp; Administrative Expenses</b>		
Advertisement & publicity expenses	81.86	122.96
Bandwidth & website maintenance charges	21.51	9.90
Business promotion	77.82	16.74
Statutory audit fees	2.67	2.01
Donation & contributions	38.00	138.23
Legal & professional expenses	480.80	424.48
Rent	230.42	161.81

Rate & taxes	45.11	51.17
Recruitment & training	66.79	65.48
Seminar & conference	16.58	13.21
Stationery & printing	25.18	27.73
Travelling expenses - directors	5.95	4.52
Travelling expenses - others	77.23	98.34
Postage, telephone & courier expenses	45.84	51.58
HSE expenses	105.05	43.59
Listing fee	14.40	13.87
Insurance expenses	349.63	285.87
Other administrative exp.	839.93	718.40
	(B)	
	<b>2,524.79</b>	<b>2,249.88</b>
<b>Total Other Expenses (A+B)</b>	<b>10,040.92</b>	<b>8,977.51</b>

<b>(i) Payment to Auditors*</b>	<b>(₹ in Lacs)</b>	
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
For statutory audit	2.40	2.00
For other services	2.25	1.95
For reimbursement of expenses	0.26	0.03
<b>Total</b>	<b>4.91</b>	<b>3.98</b>

\*Excluding applicable taxes.

<b>(ii) Corporate Social Responsibility Expenses</b>	<b>(₹ in Lacs)</b>	
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Gross amount required to be spent by the Company during the year	1,310.03	1,425.82
Amount spent during the year on (paid in cash) :		
Construction /acquisition of any asset	23.00	62.50
On purpose other than above	15.00	75.16
Amount spent during the year on (yet to be paid in cash) :		
Construction /acquisition of any asset	-	-
On purpose other than above	-	-
<b>Total</b>	<b>38.00</b>	<b>137.66</b>

<b>28. INCOME TAX EXPENSES</b>	<b>(₹ in Lacs)</b>	
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Current Tax Expenses</b>		
Current tax on profits for the year	22,150.52	20,290.97
Adjustments for the current tax of prior periods	(1,080.99)	(354.75)
<b>Total Current Tax Expenses</b>	<b>21,069.52</b>	<b>19,936.22</b>
<b>Deferred Tax Expenses</b>		
Decrease/(Increase) in deferred tax assets	174.60	(59.35)
(Decrease)/Increase in deferred tax liabilities	2,870.72	2,471.77
<b>Total Deferred Tax Expenses</b>	<b>3,045.32</b>	<b>2,412.43</b>
<b>Income Tax Expenses</b>	<b>24,114.85</b>	<b>22,348.64</b>

<b>Tax Items of Other Comprehensive Income</b>	<b>(₹ in Lacs)</b>	
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Deferred tax related to items recognised in OCI during the year:		
Unrealised gain/(loss) on FVOCI equity securities	(23.67)	(52.99)
Net (loss)/gain on remeasurements of defined benefit plans	(42.62)	3.49
<b>Income tax charged to OCI</b>	<b>(66.29)</b>	<b>(49.50)</b>

## 29 EARNING PER SHARE

Particulars	2016-17	2015-16
<b>Profit attributable to equity holders for (₹ in Lacs):</b>		
Basic earnings	49,663.96	44,535.20
Adjusted for the effect of dilution	49,663.96	44,535.20
<b>Weighted average number of Equity Shares for:</b>		
Basic EPS	56,34,53,705	56,31,33,906
Adjusted for the effect of dilution	56,37,63,818	56,34,92,116
<b>Earnings Per Share (₹):</b>		
Basic	8.81	7.91
Diluted	8.81	7.90

## 30. CONTINGENT LIABILITIES & CONTINGENT ASSETS

(₹ in Lacs)

Sr No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>A</b>	<b>Claims against company not acknowledged as debts</b>			
1	By land owners seeking enhancement of compensation in respect of RoU acquired by the Company	2,269.22	2,124.57	2,124.57
2	By other parties including contractual disputes	7,094.78	7,094.78	39.86
3	Central Excise and Service Tax matters, the matters lying before: Applicable interest & penalty has also been demanded by Department.	34,113.14	33,137.93	33,137.93
4	Income tax matters:	317.17	355.94	1,195.95
The Company has reviewed all its pending 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 proceedings to have a materially adverse effect on its financial position.				
<b>B</b>	<b>Guarantees excluding financial guarantees</b>			
	Outstanding Bank Guarantees / Letter of Credits	2,25,729.45	2,26,226.09	68,983.64

Imbalance and overrun charges as per the 'Modalities of maintaining & operation of Escrow Account under the PNGRB (Access Code for Common or Contract Carrier Natural Gas Pipeline) Regulations, 2008' issued by PNGRB on 7<sup>th</sup> March, 2011, collected for the period prior to 1<sup>st</sup> April, 2011 amounting to ₹ 226.02 Lacs (net of taxes) has been deposited in Escrow Account under protest. However, the same is not recognised as liability as these guidelines are applicable w.e.f. 1<sup>st</sup> April, 2011.

### Contingent Assets

The Company is having certain claims which are pursuing through legal processes. The management believe that probable outcome in all such claims are uncertain. Hence, the disclosure of such claims is not required in the financial statements.

**31. COMMITMENTS**

(₹ in Lacs)

Sr No.	Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>A</b>	<b>Capital Commitments</b>			
	Estimated amount of contracts remaining to be executed on capital account and not provided for	46,871.34	21,614.46	25,686.84
<b>B</b>	<b>Other Commitments</b>			
	Further investments in subsidiaries and associates	1,88,534.99	1,93,994.99	1,96,594.99
	Advance adjustable against re-gasification services	-	-	5,000.00

**32. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

The dividend recommended by the directors which is subject to approval of shareholders in the ensuing annual general meeting.

33. Previous year figures have been reclassified or regrouped wherever necessary.

**34. BORROWING COSTS CAPITALIZATION**

(₹ in Lacs)

**As per Indian Accounting Standard -23 “Borrowing Costs”, the Company has capitalised the borrowing costs amounting to:**

Particulars	2016-17	2015-16
Borrowing costs capitalised	3,513.72	3,931.14

- 35 There are no whole time / executive directors on the Board except Managing Director and joint Managing Director. They are not drawing any remuneration from the Company.
- 36 The balances of sundry debtors, creditors, loans & advances and deposits are subject to confirmation. Provision for all liabilities is adequate in opinion of the Company.
- 37 Information in respect Micro, Small and Medium Enterprises Development Act, 2006; Company had sought confirmation from the vendors whether they fall in the category of Micro/Small/Medium Enterprises. Based on the information available, the required disclosures are given below:

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Principal amount remaining unpaid</b>	431.14	113.63	61.56
Interest due thereon	-	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-
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 Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
Interest accrued and remaining unpaid	-	-	-
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	-	-	-

### 38. SEGMENT INFORMATION

#### (a) Description of segment and principal activities

The Company's Board of Directors monitors the operating results of the below business segments separately for the purpose of making decisions about resource allocation and performance assessment and has identified two reportable segments of its business:

**1. Gas Transportation** - The Company's principal business comprising transportation of Gas through pipeline.

**2. Windmill** - Generation of electricity through windmills.

#### (b) Segment revenue and expenses

Revenue and Expenses have been identified to a segment on the basis of operating activities of the segment. Revenue and Expenses which relate to common activities and are not allocable to segment on reasonable basis have been disclosed as "Unallocable".

#### (c) Segment assets and liabilities

Segment assets include all operating assets in respective segments comprising of net fixed assets, Capital Work in Progress, current assets, loans and advances. Segment liabilities include operating liabilities and provisions including borrowings and deferred tax liabilities.

#### (d) Information about geographical areas

The Company does not have geographical distribution of revenue hence this disclosure is not applicable to the Company. All the customers are located within India.

#### (e) Information about major customers

Revenues of ₹ 50,565.41 Lacs (P.Y.: ₹ 45,722.95 Lacs) are derived from multiple major customers. These revenue are attributable to gas transportation segment.

#### (f) Information about product and services

The Company's revenue from external customers for each product is same as that disclosed below under "segment revenue".

(₹ in Lacs)

Particulars	2016-17				2015-16			
	Gas Transportation	Windmill	Unallocated	Total	Gas Transportation	Windmill	Unallocated	Total
<b>Segment Revenues</b>								
External Revenue*	1,00,596.68	3,998.14	-	1,04,594.82	95,982.53	3,730.40	-	99,712.93
Inter Segment Revenue	-	-	-	-	-	-	-	-
<b>Total Segment Revenue</b>	<b>1,00,596.68</b>	<b>3,998.14</b>	<b>-</b>	<b>1,04,594.82</b>	<b>95,982.53</b>	<b>3,730.40</b>	<b>-</b>	<b>99,712.93</b>
<b>Segment Results</b>								
<b>Profit/(Loss)</b>	73,978.77	1,805.58	-	75,784.35	70,684.61	1,395.93	-	72,080.54
Unallocated other income	-	-	6,980.94	6,980.94	-	-	6,043.44	6,043.44
Unallocated expenses and finance cost	-	-	(8,986.49)	(8,986.49)	-	-	(11,240.13)	(11,240.13)
<b>Profit before tax</b>	<b>73,978.77</b>	<b>1,805.58</b>	<b>(2,005.55)</b>	<b>73,778.80</b>	<b>70,684.61</b>	<b>1,395.93</b>	<b>(5,196.69)</b>	<b>66,883.85</b>
Income tax- Current	-	-	(22,150.51)	(22,150.51)	-	-	(20,290.97)	(20,290.97)
Excess/short provision of income tax	-	-	1,080.99	1,080.99	-	-	354.75	354.75
Deferred tax	-	-	(3,045.32)	(3,045.32)	-	-	(2,412.43)	(2,412.43)
<b>Profit after tax</b>	<b>73,978.77</b>	<b>1,805.58</b>	<b>(26,120.39)</b>	<b>49,663.96</b>	<b>70,684.61</b>	<b>1,395.93</b>	<b>(27,545.33)</b>	<b>44,535.20</b>
<b>Other information</b>								
Depreciation and amortisation	15,664.61	1,653.14	596.11	17,913.87	15,790.09	1,888.86	612.12	18,291.07
Cost to acquire Fixed Assets (incl.CWIP)	17,203.81	-	831.24	18,035.05	24,315.97	-	734.50	25,050.47
Net Additions to non-current assets	17,221.09	-	(15,169.13)	2,051.96	21,611.56	-	9,861.66	31,473.22
Non-Cash Expenses other than depreciation and amortisation	281.68	32.84	5.16	319.68	267.39	30.99	59.46	357.85

\* Segment Revenue includes other income which is directly attributable to each segment.

	(₹ in Lacs)		
<b>Segments Assets**</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 1<sup>st</sup> April, 2015</b>
Gas Transportation	4,03,836.47	4,09,820.79	4,05,454.18
Windmill	12,590.60	14,369.17	16,297.57
Unallocated	1,66,910.07	1,60,442.19	1,32,299.91
<b>Total</b>	<b>5,83,337.14</b>	<b>5,84,632.15</b>	<b>5,54,051.65</b>

	(₹ in Lacs)		
<b>Segments Liabilities**</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 1<sup>st</sup> April, 2015</b>
Gas Transportation	20,225.07	20,400.06	18,494.39
Windmill	1,137.98	1,216.60	1,275.81
Unallocated	1,12,376.78	1,56,097.33	1,64,028.04
<b>Total</b>	<b>1,33,739.83</b>	<b>1,77,713.99</b>	<b>1,83,798.24</b>

\*\* Segment assets and liabilities are measured in same way as in the financial statements. They are allocated based on the operations of the segment.

### 39 RELATED PARTY DISCLOSURES

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Company are as follows.

(a) Parent Entity

Gujarat State Petroleum Corporation Limited

(b) Subsidiary/Associate

<b>Name of the entity#</b>	<b>Type</b>
GSPL India Gasnet Limited	Joint Venture
GSPL India Transco Limited	Joint Venture
Gujarat Gas Limited*	Associate
Sabarmati Gas Limited**	Associate
Gujarat State Energy Generation Limited	Other
Gujarat Info Petro Limited	Other
Gujarat Pipavav Power Company Limited	Other
GSPC LNG Limited	Other

# List of parties having transactions during the year

\* Pursuant to the scheme of amalgamation and arrangement sanctioned by the Hon'ble Gujarat High Court, inter-alia, GSPC Gas Company Limited and Gujarat Gas Company Limited have amalgamated with Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited). The schemes of amalgamation become effective on 14<sup>th</sup> May, 2015 with appointed date of 1<sup>st</sup> April, 2013. The shares of Gujarat Gas Limited have been listed on Bombay Stock Exchange and National Stock Exchange on 15<sup>th</sup> September, 2015.

\*\* On 18<sup>th</sup> February, 2016, the Company acquired additional shares in Sabarmati Gas Limited.

**(c) Transactions with related parties:**

(₹ in Lacs)

Particulars	Parent		Joint Venture		Associate		Others		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Gas Transportation Income	9,340.78	3,428.70	-	-	25,077.63	24,519.80	1,130.89	911.91	35,549.30	28,860.41
Other Income	-	0.16	181.93	170.41	182.64	169.30	0.01	0.02	364.58	339.89
Interest on Investment	-	-	-	-	34.85	120.00	-	-	34.85	120.00
Dividend received	-	-	-	-	941.64	1842.17	-	-	941.64	1842.17
Services received	3.64	6.37	-	-	13.18	19.23	88.50	4.65	105.32	30.25
Reimbursement made for expenses	70.39	79.35	319.65	391.53	6.36	9.21	1.19	5.19	397.59	485.28
Reimbursement received for expenses	46.39	90.74	230.95	364.86	71.55	62.48	27.77	23.53	376.66	541.61
Purchase of Line Pack Gas	1,911.50	1,135.84	-	-	-	-	-	-	1,911.50	1,135.84
Dividend Paid	3,184.58	2,547.66	-	-	-	-	-	-	3,184.58	2,547.66
Investment in Equity	-	-	5,460.00	2,600.00	-	5,623.29	-	-	5,460.00	8,223.29
Redemption of Optionally Convertible Debentures	-	-	-	-	2,000.00	-	-	-	2,000.00	-
Purchase of Assets	-	-	-	-	-	(2.81)	-	108.46	-	105.65
Sale of Assets	1.79	0.45	-	6.05	-	1,958.16	-	-	1.79	1,964.66
Transfer of receivable/(payable) on Sale of Assets	-	(0.07)	-	(1.69)	-	22.30	-	-	-	20.54
Security deposits paid/released	-	-	-	-	90.00	14.05	-	-	90.00	14.05
Security deposits Received	-	-	-	-	88.23	58.00	-	1.00	88.23	59.00
Contribution made to Superannuation Trust	-	-	-	-	-	-	86.04	84.40	86.04	84.40
Contribution made to Gratuity Trust	-	-	-	-	-	-	535.09	44.02	535.09	44.02
<b>Outstanding balances arising from sales/purchases of goods/services</b>										
Corporate guarantee given	-	-	6,500.00	6,500.00	-	50,000.00	-	-	6,500.00	56,500.00
Account Payable as at year end	367.57	48.37	21.92	21.63	1.26	128.96	52.83	61.72	443.58	260.68
Account Receivable as at year end	518.36	171.85	38.44	114.51	932.98	975.78	227.26	189.28	1,717.04	1,451.42

\*\* The above transactions are inclusive of all taxes, wherever applicable.

**(d) Terms and conditions**

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. All outstanding balances are unsecured.

Apart from the above transactions, the Company has also entered into certain transactions in ordinary course of business with Government related entities. These are transacted at arm's length prices based on the agreed contractual terms.



## 40. FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS

## A. Financial instruments by category and their fair value

(₹ in Lacs)

As at 31 <sup>st</sup> March, 2017	Carrying amount				Fair value			
	FVTPL	FVOCI	Amotised 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								
- Equity Shares - Unquoted	-	3,484.41	-	3,484.41	-	-	3,484.41	3,484.41
- Optionally Convertible Debentures - Unquoted	-	-	-	-	-	-	-	-
Loan								
- Non-current	-	-	1,182.96	1,182.96	-	1,182.96	-	1,182.96
- Current	-	-	173.80	173.80	-	-	-	-
Trade Receivables	-	-	12,164.25	12,164.25	-	-	-	-
Cash and Cash Equivalents	-	-	1,517.61	1,517.61	-	-	-	-
Other Bank Balances	-	-	78,745.92	78,745.92	-	-	-	-
Other financial assets								
- Non-current	-	-	1,801.37	1,801.37	-	1,801.37	-	1,801.37
- Current	309.97	-	219.47	529.44	-	-	-	-
<b>Total financial assets</b>	<b>309.97</b>	<b>3,484.41</b>	<b>95,805.37</b>	<b>99,599.74</b>	<b>-</b>	<b>2,984.32</b>	<b>3,484.41</b>	<b>6,468.73</b>
Financial liabilities								
Non-current Borrowings	-	-	50,118.08	50,118.08	-	50,118.08	-	50,118.08
Other financial liabilities								
- Non-current	-	-	1,394.95	1,394.95	-	1,394.95	-	1,394.95
- Current	-	-	22,545.58	22,545.58	-	-	-	-
Trade Payables	-	-	1,378.66	1,378.66	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>75,437.28</b>	<b>75,437.28</b>	<b>-</b>	<b>51,513.03</b>	<b>-</b>	<b>51,513.03</b>

As at 31 <sup>st</sup> March, 2016	Carrying amount				Fair value			
	FVTPL	FVOCI	Amotised 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								
- Equity Shares - Unquoted	-	3,505.09	-	3,505.09	-	-	3,505.09	3,505.09
- Optionally Convertible Debentures - Unquoted	2,000.00	-	-	2,000.00	-	-	-	-
Loan								
- Non-current	-	-	1,242.44	1,242.44	-	1,242.44	-	1,242.44
- Current	-	-	192.60	192.60	-	-	-	-
Trade Receivables	-	-	15,175.39	15,175.39	-	-	-	-
Cash and Cash Equivalents	-	-	7,578.32	7,578.32	-	-	-	-
Other Bank Balances	-	-	47,714.81	47,714.81	-	-	-	-
Other financial assets								
- Non-current	-	-	2,015.82	2,015.82	-	2,015.82	-	2,015.82
- Current	463.48	-	437.00	900.48	-	-	-	-
<b>Total financial assets</b>	<b>2,463.48</b>	<b>3,505.09</b>	<b>74,356.38</b>	<b>80,324.96</b>	<b>-</b>	<b>3,258.26</b>	<b>3,505.09</b>	<b>6,763.35</b>
Financial liabilities								
Non-current Borrowings	-	-	79,045.37	79,045.37	-	79,045.37	-	79,045.37
Other financial liabilities								
- Non-current	-	-	1,244.53	1,244.53	-	1,244.53	-	1,244.53
- Current	-	-	37,580.95	37,580.95	-	-	-	-
Trade Payables	-	-	1,501.11	1,501.11	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,19,371.96</b>	<b>1,19,371.96</b>	<b>-</b>	<b>80,289.90</b>	<b>-</b>	<b>80,289.90</b>

(₹ in Lacs)

As at 1 <sup>st</sup> April, 2015	Carrying amount				Fair value			
	FVTPL	FVOCI	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								
- Equity Shares - Unquoted	-	3,505.09	-	3,505.09	-	-	3,505.09	3,505.09
- Optionally Convertible Debentures - Unquoted	2,000.00	-	-	2,000.00	-	2,000.00	-	2,000.00
Loan								
- Non-current	-	-	1,159.45	1,159.45	-	1,159.45	-	1,159.45
- Current	-	-	172.45	172.45	-	-	-	-
Trade Receivables	-	-	15,039.26	15,039.26	-	-	-	-
Cash and Cash Equivalents	-	-	9,110.08	9,110.08	-	-	-	-
Other Bank Balances	-	-	35,371.94	35,371.94	-	-	-	-
Other financial assets								
- Non-current	-	-	2,380.21	2,380.21	-	2,380.21	-	2,380.21
- Current	-	-	475.39	475.39	-	-	-	-
<b>Total financial assets</b>	<b>2,000.00</b>	<b>3,505.09</b>	<b>63,708.78</b>	<b>69,213.87</b>	<b>-</b>	<b>5,539.66</b>	<b>3,505.09</b>	<b>9,044.75</b>
<b>Financial liabilities</b>								
Non-current Borrowings	-	-	87,904.50	87,904.50	-	87,904.50	-	87,904.50
Other financial liabilities								
- Non-current	-	-	1,010.68	1,010.68	-	1,010.68	-	1,010.68
- Current	409.17	-	37,832.25	38,241.42	-	-	-	-
Trade Payables	-	-	4,024.91	4,024.91	-	-	-	-
<b>Total financial liabilities</b>	<b>409.17</b>	<b>-</b>	<b>1,30,772.35</b>	<b>1,31,181.52</b>	<b>-</b>	<b>88,915.19</b>	<b>-</b>	<b>88,915.19</b>

Investments in equity accounted investees are carried at amortised cost.

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

#### Types of inputs for determining fair value are as under:

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.

#### B. Measurement of fair values

##### i) Valuation techniques and significant unobservable inputs

The following table 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

<b>FVOCI in unquoted equity shares</b>	<p><b>Valuation techniques:</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. 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><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. The value of the firm is arrived at by estimating the Free Cash Flow to Firm (FCFF) and discounting the same at the Weighted Average Cost of Capital (WACC). FCFF is estimated by forecasting free cash flows available to the firm (which are derived on the basis of the likely future earnings of the company).</p> <p><b>3. Cost Approach:</b> The cost approach essentially estimates the cost of replacing the tangible assets of the business. The replacement cost takes into account the market value of various assets or the expenditure required to create the infrastructure exactly similar to that of a company being valued.</p> <p><b>Significant unobservable inputs</b> 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, bare minimum fixed cost reimbursement, escalation in opex etc.</p> <p><b>Inter-relationship between significant unobservable inputs and fair value measurement</b> The estimated fair value would increase (decrease) if there is a change in pricing multiple owing to change in earnings of the entity.</p>
<b>Cross Currency Interest Rate Swaps</b>	This instrument is valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The model incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads, interest rate curve.

## ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

## iii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31<sup>st</sup> March, 17, 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015 is as below:

(₹ in Lacs)	
Particulars	Amount
<b>As at 1<sup>st</sup> April, 2015</b>	<b>3,505.09</b>
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in statement of profit or loss	-
<b>As at 31<sup>st</sup> March, 2016</b>	<b>3,505.09</b>
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	(20.69)
Gains/ (losses) recognised in statement of profit or loss	-
<b>As at 31<sup>st</sup> March, 2017</b>	<b>3,484.41</b>

## Transfer out of Level 3

There were no movement in level 3 in either directions during the financial year ending on 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016.

## Sensitivity analysis

## Gujarat State Energy Generation Limited (GSEG)

A sensitivity analysis has been carried out to determine the impact of continuation of bare minimum fixed cost reimbursement on equity valuation of GSEG. The impact on account of change in inputs is as under:

Variation	Impact on other comprehensive income (₹ in Lacs)	
	2016-17	2015-16
<b>Change in continuation of bare minimum fixed cost for one additional year</b>	32.00	57.00

### GSPC LNG Limited

A sensitivity analysis has been carried out to determine the impact of escalation in Opex of GSPC LNG Limited on the valuation. The impact on account of change in inputs is as under:

Variation	Impact on other comprehensive income (₹ in Lacs)	
	2016-17	2015-16
Increase in total Opex by 5%	91.00	91.00

### C. Financial risk management

The Company has a well-defined risk management framework. The Board of Directors of the Company has adopted a Risk Management Policy. The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

#### (i) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

#### Trade and other receivables

The Company's exposure to credit Risk is the exposure that Company has on account of 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 and Commercial.

Services are generally subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the company's receivables are secured. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

#### Age of Receivables

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Not Due	5,277.90	4,110.74	4,497.80
0-3 Months	1,980.39	1,519.15	1,359.60
3-6 Months	-	753.89	40.43
6-12 Months	0.02	446.78	4,309.59
1-3 years	1,398.74	8,433.44	4,983.46
> 3 years	3,775.30	179.55	116.47

The above receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven creditworthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The provision for impairment of trade receivables, movement of which has been provided below, is not significant / material. The concentration of credit risk is limited due to fact that the customer base is large and unrelated.

**Movements in Expected Credit Loss Allowance**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Balance at the beginning of the year	268.10	268.10
Movements in allowance	-	-
<b>Closing balance</b>	<b>268.10</b>	<b>268.10</b>

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

(₹ in Lacs)

Particulars	Carrying amount		
	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015
India	12,164.25	15,175.39	15,039.26
Other regions	-	-	-
<b>Total</b>	<b>12,164.25</b>	<b>15,175.39</b>	<b>15,039.26</b>

**Other financial assets**

Other financial assets includes loan to employees, security deposits, investments, cash and cash equivalents, other bank balance, derivative asset, advances to employees etc.

- Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating.
- Investments are made in credit worthy companies.
- Derivative instrument comprises cross currency interest rate swaps where the counter parties are banks with good reputation, and past track record with adequate credit rating. Accordingly no default risk is perceived.
- Company has given security deposit to various government authorities (like Municipal corporation, Nagarpalika, Grampanchayat, Road & building division and Irrigation department -of Government of Gujarat, credit worthy companies etc.) for the permission related to work of executing / laying pipeline network in their premises / jurisdiction. Being government authorities, the Company does not have exposure to any credit risk.
- Loan and advances to employees are majorly secured in nature and hence the Company does not have exposure to any credit risk.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has practiced financial diligence and syndicated adequate liquidity in all business scenarios.

**Financing arrangement**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lacs)

Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015
Floating rate			
Expiring within one year (bank overdraft and other facilities)	13,800.00	-	-
Expiring beyond one year (bank overdraft and other facilities)	-	17,300.00	42,850.67
<b>Total</b>	<b>13,800.00</b>	<b>17,300.00</b>	<b>42,850.67</b>

Further, the Company has also tied-up additional sources of liquidity to meet the liabilities during the respective annual years which has ensured that the Company has a clean track record with no adverse events pertaining to liquidity risk.

**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 Lacs)

31 <sup>st</sup> March, 2017	Carrying amount	Contractual maturities		
		Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Non current borrowings	50,118.08	63,863.75	-	63,863.75
Non current financial liabilities	1,394.95	1,394.95	-	1,394.95
Current financial liabilities	22,545.58	22,545.58	22,545.58	-
Trade payables	1,378.66	1,378.66	1,378.66	-
<b>Total</b>	<b>75,437.28</b>	<b>89,182.94</b>	<b>23,924.24</b>	<b>65,258.70</b>

(₹ in Lacs)

31 <sup>st</sup> March, 2016	Carrying amount	Contractual maturities		
		Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Non current borrowings	79,045.37	96,204.29	-	96,204.29
Non current financial liabilities	1,244.53	1,244.53	-	1,244.53
Current financial liabilities	37,580.95	37,580.95	37,580.95	-
Trade payables	1,501.11	1,501.11	1,501.11	-
<b>Total</b>	<b>1,19,371.96</b>	<b>1,36,530.88</b>	<b>39,082.06</b>	<b>97,448.82</b>

(₹ in Lacs)

1 <sup>st</sup> April, 2015	Carrying amount	Contractual maturities		
		Total	Less than 12 months	1-2 Years
<b>Non-derivative financial liabilities</b>				
Non current borrowings	87,904.50	1,21,638.73	-	1,21,638.73
Non current financial liabilities	1,010.68	1,010.68	-	1,010.68
Current financial liabilities	37,832.25	37,832.25	37,832.25	-
Trade payables	4,024.91	4,024.91	4,024.91	-
<b>Total</b>	<b>1,30,772.35</b>	<b>1,64,506.57</b>	<b>41,857.16</b>	<b>1,22,649.41</b>
<b>Derivative financial liabilities</b>				
<b>Derivative contracts</b>				
- Outflow	409.17	409.17	409.17	-

### (iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.

#### Currency risk

The functional currency of the company is Indian Rupees and its revenue is generated from operations in India. It is exposed to foreign currency risk arising on the LIBOR linked floating rate external commercial borrowing (ECB) denominated in Japanese Yen. The ECB has been fully hedged using a pay fixed – receive floating cross currency interest rate swap with all critical terms mirroring the underlying ECB. Accordingly, the foreign currency exposure and interest rate exposure has been completely hedged.

This aside, the Company does not have any derivative instruments used for trading or speculative purposes.

#### 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.

The Company's portfolio of borrowings comprise of a mix of fixed rate and floating rate loans which are monitored continuously in the light of market conditions. Further as disclosed above, The interest rate exposure on floating rate ECB has been fully hedged through a pay fixed – receive floating cross currency interest rate swap.

A reasonably possible change of 50 basis points in floating rate Indian Rupee denominated borrowings at the reporting date would have the below mentioned impact on equity and profit & loss. Since no interest rate exposure is perceived on fixed rate loans and ECB, the same have been excluded from the sensitivity analysis provided below:

(₹ in Lacs)

Variable-rate instruments	31 <sup>st</sup> March, 17	31 <sup>st</sup> March, 16
Non current - Borrowings	38,185.03	64,382.10
Current portion of Long term borrowings	9,998.20	10,423.18
<b>Total</b>	<b>48,183.22</b>	<b>74,805.28</b>
Fixed-rate instruments	31 <sup>st</sup> March, 17	31 <sup>st</sup> March, 16
Non current - Borrowings	11,933.06	14,663.28
Current portion of Long term borrowings	2,936.37	2,962.23
<b>Total</b>	<b>14,869.43</b>	<b>17,625.51</b>

### Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

(₹ in Lacs)

Particulars	Profit or (Loss)		Equity (net of tax)	
	50 bp Increase	50 bp decrease	50 bp Increase	50 bp decrease
<b>31<sup>st</sup> March, 2017</b>				
Non current - Borrowings	(162.61)	162.61	(106.33)	106.33
Current portion of Long term borrowings	(43.96)	43.96	(28.75)	28.75
<b>Total</b>	<b>(206.57)</b>	<b>206.57</b>	<b>(135.08)</b>	<b>135.08</b>
<b>31<sup>st</sup> March, 2016</b>				
Non current - Borrowings	(295.66)	295.66	(193.34)	193.34
Current portion of Long term borrowings	(46.08)	46.08	(30.13)	30.13
<b>Total</b>	<b>(341.75)</b>	<b>341.75</b>	<b>(223.47)</b>	<b>223.47</b>

## 41. CAPITAL MANAGEMENT

The Company defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company (which is the Company's net asset value). The primary objective of the Company's financial framework is to support the pursuit of value growth for shareholders, while ensuring a secure financial base.

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 and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows.

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total Non-current liabilities	1,01,378.51	1,30,449.84	1,36,801.44
Less : Cash and bank balances	80,263.53	55,293.13	44,482.02
<b>Adjusted net debt</b>	<b>21,114.98</b>	<b>75,156.71</b>	<b>92,319.42</b>
Borrowings	63,052.65	1,06,699.69	1,15,874.71
<b>Total equity</b>	<b>4,49,597.33</b>	<b>4,06,918.18</b>	<b>3,70,253.41</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.05</b>	<b>0.18</b>	<b>0.25</b>
<b>Debt equity considering only borrowings as debt</b>	<b>0.14</b>	<b>0.26</b>	<b>0.31</b>

## 42 DISCLOSURES FOR GRATUITY & LEAVE SALARY PROVISIONS AS PER INDIAN ACCOUNTING STANDARD - 19

Company has participated in Group Gratuity scheme of Life Insurance Corporation of India. The liability in respect of gratuity benefits & leave salary being defined benefit schemes, payable in future, are determined by actuarial valuation as on balance sheet date.

In arriving at the valuation for gratuity & leave salaries following assumptions were used:

Particulars	2016-17		2015-16		2014-15	
	Gratuity	Leave Salary	Gratuity	Leave Salary	Gratuity	Leave Salary
Mortality	Indian Assured Lives Mortality (2006-08) Ult.		Indian Assured Lives Mortality (2006-08) Ult.		Indian Assured Lives Mortality (2006-08) Ult.	
Withdrawal rate	5% at younger age reducing to 1% at old age		5% at younger age reducing to 1% at old age		5% at younger age reducing to 1% at old age	
Retirement Age	60 years		60 years		60 years	
Discount Rate	7.40%	7.40%	8.10%	8.10%	7.80%	7.80%
Rate of Return on Plan Assets	7.40%	0.00%	8.10%	0.00%	9.00%	0.00%
Salary escalation	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

The following table sets out status of gratuity plan and leave salary as required under Indian Accounting Standard 19 on “Employee Benefit”.

(₹ in Lacs)

Particulars	2016-17		2015-16		2014-15	
	Gratuity	Leave Salary	Gratuity	Leave Salary	Gratuity	Leave Salary
<b>Table showing change in benefit obligation</b>						
Opening defined benefit obligation	830.34	669.38	696.84	592.57	443.25	411.30
Interest Cost	65.71	53.11	53.79	45.31	39.37	30.00
Current Service Cost	104.94	46.77	95.21	46.52	80.62	36.53
Benefit Paid	70.52	(26.19)	(0.54)	(6.23)	(20.46)	(19.91)
Actuarial Loss / (gain) on Obligations	(54.29)	78.12	(14.96)	(8.79)	154.06	134.65
<b>Liability at the end of the period</b>	<b>1,017.22</b>	<b>821.19</b>	<b>830.34</b>	<b>669.38</b>	<b>696.84</b>	<b>592.57</b>
<b>Table showing change in fair value of Plan Assets</b>						
Fair Value of Plan Assets at the beginning	443.20	-	367.37	-	327.35	-
Adjustment to Opening fund	-	-	0.44	-	(0.96)	-
Expected Return on Plan Assets	38.60	-	36.80	-	32.59	-
Contributions	535.09	-	44.02	-	22.31	-
Benefit Paid	(47.62)	-	(0.54)	-	(11.39)	-
Actuarial gain /(loss) on Plan Assets	2.14	-	(4.89)	-	(2.53)	-
<b>Fair Value of Plan Assets at the end of the period</b>	<b>971.41</b>	<b>-</b>	<b>443.20</b>	<b>-</b>	<b>367.37</b>	<b>-</b>



(₹ in Lacs)

Particulars	2016-17		2015-16	
	Gratuity	Leave Salary	Gratuity	Leave Salary
<b>Actuarial (Gain) / loss recognized</b>				
Actuarial (gain) / loss on obligations	70.52	78.12	(14.96)	(8.79)
Actuarial (gain) / loss on Plan Assets	(2.14)	-	4.89	-
<b>Net Actuarial (gain) / loss recognized during year</b>	<b>68.38</b>	<b>78.12</b>	<b>(10.07)</b>	<b>(8.79)</b>
<b>Amount recognized in Balance Sheet</b>				
Liability at the end of the period	1,017.22	821.19	830.34	669.38
Fair Value of Plan Asset at the end of the period	971.41	-	443.20	-
<b>Net Amount recognized in Balance Sheet</b>	<b>45.81</b>	<b>821.19</b>	<b>387.14</b>	<b>669.38</b>
<b>Expense recognized in the Statement of Profit and Loss</b>				
Current Service cost	104.94	46.77	95.21	46.52
Interest cost	65.71	53.11	53.79	45.31
Expected return on Plan Asset	(38.60)	-	(36.80)	-
Net Actuarial Loss / (gain) to be recognized	68.38	78.12	(10.07)	(8.79)
Adjustment to Opening fund/Prior year Charges	-	-	(0.44)	-
<b>Net Expense recognized in P&amp;L</b>	<b>200.43</b>	<b>178.00</b>	<b>101.69</b>	<b>83.04</b>
<b>Sensitivity Analysis:</b>				
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 Lacs)				
Gratuity	2016-17		2015-16	
	Increase	Decrease	Increase	Decrease
Discount rate - 0.5% (PY: 0.5%)	958.44	1,081.53	772.51	869.88
Salary growth rate - 0.5% (PY: 0.5%)	1,063.27	971.27	857.59	783.45
Leave salary	2016-17		2015-16	
	Increase	Decrease	Increase	Decrease
Discount rate - 0.5% (PY: 0.5%)	768.77	878.88	627.73	715.40
Salary growth rate - 0.5% (PY: 0.5%)	878.82	768.34	715.40	627.14

### 43 EMPLOYEE STOCK OPTION PLANS

#### ESOP 2010 Scheme:

During the Financial Year 2010-11, the Company instituted ESOP-2010. The Board of Directors and the Shareholders approved the plan in the meeting held on 23<sup>rd</sup> August, 2010 and 27<sup>th</sup> October, 2010 respectively, which provides for the issue of 21,28,925 equity shares to the employees of the company. The Compensation Committee administers ESOP-2010. These ESOPs are granted at an exercise price of ₹ 75 per share to be vested over the period of five years and to be exercised within a period of ten years from the date of Grant.

Set out below is a summary of options granted under the plan:

Particulars	31 <sup>st</sup> March, 2017		31 <sup>st</sup> March, 2016	
	Avg Exercise Price per share option (₹)	Number of options	Avg Exercise Price per share option (₹)	Number of options
<b>Opening Balance</b>	<b>75.00</b>	<b>8,83,894</b>	<b>75.00</b>	<b>10,52,384</b>
Granted during the year	75.00	-	75.00	3,40,404
Exercised during the year	75.00	(2,47,668)	75.00	(3,60,084)
Lapsed/cancelled during the year	75.00	-	75.00	(1,48,810)
<b>Closing balance</b>		<b>6,36,226</b>		<b>8,83,894</b>

### Fair value of options granted

The fair value at grant date of options granted during the year ended 31<sup>st</sup> March, 2017 was ₹ 72.45 per option (31<sup>st</sup> March, 2016 - ₹ 72.45). The fair value at grant date is determined using the Binomial Model which takes into account the exercise price, the terms of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

### Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in the statement of profit and loss as part of employee benefit expenses were as follows:

(₹ in Lacs)		
Particulars	31 <sup>st</sup> March, 17	31 <sup>st</sup> March, 16
Employee option plan	-	(67.25)

- 44 The Company has maintained a separate escrow account as per PNGRB guidelines for modalities of maintaining and operation of escrow account for charges towards system indiscipline in terms of positive or negative imbalance or overruns. In this regard, since financial year 2011-12, amount recovered from customers is deposited in the said bank account and the amount invoiced (net of taxes) is recognized as liability.
- 45 As at the balance sheet date, Company has reviewed the carrying amounts of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss has been provided.
- 46 Amount due for credit to Investor Education and Protection Fund is NIL (Previous year NIL).
- 47 In continuation to the disclosure made in the Notes to Accounts in the Annual Report of FY 2015-16 regarding the status of tariff proposal submitted to PNGRB for calculation of revised tariff pursuant to APTEL ruling in its judgment dated 25-November-2014 and 28-November-2014 allowing GSPL appeals and asking PNGRB to reconsider the tariff proposal to be submitted by GSPL based on relevant data and other submissions made by the appellant in this regard, GSPL had submitted the revised tariff proposals for consideration of PNGRB and the PNGRB Tariff order is awaited. The implementation of the order shall be done once the PNGRB Order is issued.
- 48 In the opinion of management, any of the assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

## 49 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(In ₹)			
Particulars	SBNs*	Other denomination notes	Total
<b>Closing cash in hand as on November 8, 2016</b>	<b>34,500.00</b>	<b>30,365.00</b>	<b>64,865.00</b>
(+) Permitted receipts		4,65,000.00	4,65,000.00
(-) Permitted Payments		4,31,162.00	4,31,162.00
(-) Amount deposited in Banks	34,500.00	-	34,500.00
<b>Closing cash in hand as on December 30, 2016</b>	<b>-</b>	<b>64,203.00</b>	<b>64,203.00</b>

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

## 50. EXPLANATION OF TRANSITION TO IND AS

These are the Company's first standalone financial statements prepared in accordance with Ind ASs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31<sup>st</sup> March, 2017, the comparative information presented in these financial statements for the year ended 31<sup>st</sup> March, 2016 and in the preparation of an opening Ind AS balance sheet at 1<sup>st</sup> April, 2015 (the Company's date of transition).

In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables and notes:

**Exemption and exception applied**

In preparing these financial statements, the Company has applied the below optional exemptions and mandatory exceptions in line with principles of Ind AS 101.

**Optional exemptions****1. Property, Plant and Equipment (PPE)**

Ind AS 101 provides the below options with respect to the items of PPE and intangible assets:

- Carry forward the previous GAAP net carrying values as at the transition date as “deemed cost” under Ind AS, provided there is no change in functional currency.
- Fair value the items of PPE as at the transition date and use this as the “deemed cost” under Ind AS.
- Restate the carrying values of PPE retrospectively as at the transition date based on Ind AS 16.

The Company has opted to measure all the items of PPE and intangible assets at the previous GAAP net carrying values as at the transition date.

**2. Decommissioning liabilities included in the cost of PPE**

A first-time adopter need not to comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind ASs. If a first-time adopter uses this exemption, it shall:

- Measure the liability at the transition date in accordance with Ind AS 37;
- Using the historical risk adjusted discount rate, determine the amount which would have been capitalised when the liability first arose; and
- Compute the amount of depreciation based on the estimated useful life.

Accordingly, the Company has elected to apply the exemption for the obligations arising on account of decommissioning cost.

**3. Determining whether an arrangement contains a lease**

As per Appendix C to Ind AS 17, at the inception, an assessment is to be made whether an arrangement contains a lease or not. Ind AS 101 permits an entity to make an assessment based on the facts and circumstances existing as at the transition date.

Based on the exemption, the Company has opted not to apply the requirements retrospectively. Assessment of whether an arrangement contains a lease or not has been made on the basis of facts and circumstances existing as at the transition date. Further, lease classification i.e. operating or finance lease is made at the inception of lease.

**4. Accounting for certain equity investments**

Ind AS 101 permits designation of equity investments in certain entities (other than subsidiaries, associates and joint arrangements) as instruments fair valued through the other comprehensive income (FVOCI).

Accordingly, the Company has opted to designate certain equity investments as FVOCI on the transition date.

**5. Deemed cost for investments in equity shares of subsidiaries, associates and joint arrangements**

Under, Ind AS 101 an entity can determine the value of investment in a subsidiary, associate or joint arrangement as either of the below:

- Cost determined in accordance with Ind AS 27 (i.e. retrospective application of Ind AS 27)
- Fair value at the entity's date of transition to Ind AS
- Previous GAAP carrying amount

Accordingly, if an entity chooses to measure its investment at fair value at the date of transition then that is deemed to be cost of such investment for the company and, therefore, it shall carry its investment at that amount (i.e. fair value at the date of transition) after the date of transition.

The Company has elected to carry forward the previous GAAP amounts as the deemed cost for investment in equity shares of subsidiary, associates and joint arrangements in the standalone financial statements.

**Mandatory exceptions**

Below are the key mandatory exceptions used in preparation of these financial statements:

**1. Estimates**

Under Ind AS 101, an entity's estimates in accordance with Ind AS at 'the date of transition to Ind AS' or 'the end of the comparative period presented in the entity's first Ind AS financial statements', as the case may be, should be consistent with estimates made for the same date in accordance with previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

The Company's Ind AS estimates as on the transition date are consistent with the estimates made under previous GAAP as on this date. Key estimates considered in preparation of these financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Discounted value of liability on account of decommissioning cost.

## 2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

### Reconciliation of total equity as at 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015

(₹ in Lacs)

Particulars	Footnote Ref	31-Mar-16	01-Apr-15
<b>Total equity as per previous GAAP</b>		<b>396,844.94</b>	<b>362,305.14</b>
<b>Adjustments:</b>			
Impact of accounting security deposits at amortised cost	1	144.68	99.58
Proposed dividend (including dividend distribution tax)	2	10,170.34	8,169.41
Financial liabilities at amortised cost	3	473.85	607.69
Decommissioning liability and unwinding of discount	4	(158.68)	(127.68)
Staigntlining of operation and maintenance charges	5	(708.75)	(850.50)
Fair valuation of certain equity investments designated at FVOCI	6	5.09	5.09
Right of Use Amortisation Reversal	7	71.18	-
Prior period adjustments	8	(131.65)	(122.78)
Tax effects of adjustments	11	207.21	167.49
<b>Total equity as per Ind AS</b>		<b>4,06,918.17</b>	<b>3,70,253.41</b>

### Reconciliation of total comprehensive income for the year ended 31<sup>st</sup> March, 2016

Particulars	Footnote Ref	31-Mar-16
<b>Profit after tax as per previous GAAP</b>		<b>44,447.15</b>
Impact of accounting security deposits at amortised cost	1	45.10
Financial liabilities at amortised cost	3	(133.84)
Decommissioning liability and unwinding of discount	4	(30.99)
Staigntlining of operation and maintenance charges	5	141.75
Right of Use Amortisation Reversal	7	71.18
Prior period adjustments	8	(8.87)
Employee stock option expenses recognised based on fair value method	9	23.58
Remeasurement of post-employment benefit obligations	10	(10.07)
Tax effects of adjustments	11	(9.78)
<b>Total Adjustments</b>		<b>88.05</b>
<b>Profit after tax as per Ind AS</b>		<b>44,535.20</b>
Other comprehensive income	6, 10	10.07
Tax effects of adjustments	10, 11	49.50
<b>Total comprehensive income as per Ind AS</b>		<b>44,594.77</b>

#### 1. Impact of accounting security deposits at amortised cost

Under previous GAAP, the Company accounted for refundable interest free security deposits received at historical cost. Under Ind AS, these deposits have been accounted at amortised cost determined using the appropriate market rate. This resulted in increase in equity as on transition date by ₹ 99.58 Lac and as on 31<sup>st</sup> March 2016 by ₹ 144.68 Lac. The impact of deferred tax provided in note number 11.

#### 2. Proposed dividend and dividend distribution tax

Under previous GAAP, the Company used to provide for proposed dividend including dividend distribution tax as and when the same is declared by the Board of Directors considering the same as adjusting event. Under Ind AS, declaration of dividend by Board of Directors would be considered as non-adjusting event and the same would be provided once it is approved by the shareholders in their general meeting. As a result, the Company recorded an increase of ₹ 8,169.41 lac in equity as on the transition date and ₹ 2,000.93 Lac as on 31 March 2016 i.e. amount provided for dividend is ₹ 8,169.41 Lac and amount reversed for dividend declared by Board of directors is ₹ 10,170.34 Lac.

#### 3. Financial liabilities at amortised cost

Under previous GAAP, transaction charges directly attributable to borrowings where either expensed or capitalised as appropriate. Under Ind AS, these have been considered to determine the amortised cost of the respective borrowings using the effective interest rate method. This resulted in increase in equity as on transition date by ₹ 607.69 Lac and as on 31<sup>st</sup> March 2016 by ₹ 473.85 Lac. The impact of deferred tax provided in note number 11.

#### 4. Decommissioning liability

Under the previous GAAP, estimated obligation of restoration of wind mills were not accounted. On transition to Ind AS, the Company

has estimated the present value of the decommissioning cost on these assets. Based on provisions of Ind AS 101 as discussed earlier in this note, the decommissioning cost pertaining to the windmills has been accounted through the equity. Consequently, the equity as on transition date as well as 31<sup>st</sup> March, 2016 reduced by ₹ 127.68 Lacs and ₹ 158.68 Lacs. The impact of deferred tax provided in note number 11.

#### 5. Operation and maintenance (O & M) expenses

Under previous GAAP, such expenses were accounted as and when incurred. No expense was recorded during the free period of O & M contract. Under Ind AS, such expenses have been straightlined over the contract tenure including the free period. This has decreased the equity on the transition date by ₹ 850.50 Lacs and as on 31<sup>st</sup> March, 2016 by ₹ 708.75 Lacs. The impact of deferred tax provided in note number 11.

#### 6. Fair valuation of certain equity investments designated at FVOCI

Under previous GAAP, the Company used to carry the investments in companies other than investments in subsidiaries, associates, joint ventures at cost. Under Ind AS, the Company elected to fair value the same through the other comprehensive income. As a result, the Company recorded upward fair valuation of ₹ 5.09 Lac as on the transition date. During 2015-16, the impact for the same is nil as there was no change in the fair value of the said investments since the date of transition date.

#### 7. Right of Use amortisation

Right of Use is considered to have indefinite life. However, under previous GAAP, the Company used to claim amortisation on Right of Use based on EAC opinion using 99 years as useful life. Under Ind AS, an intangible asset having indefinite life needs not to be amortised but tested for impairment at each reporting date. As a result, the Company reversed the ROU amortisation amounting to ₹ 71.18 Lac during 2015-16. There will be no impact as on the transition date as the Company has claimed deemed cost exemption for the items of PPE and intangible assets.

#### 8. Prior period adjustments

Under previous GAAP, the Company used to account for the prior period items in the period in which the same arose. Under Ind AS, based on requirements of Ind AS 8, the Company has accounted for the same retrospectively by restating the comparative amounts to which the same relates. Since certain periods were prior to the transition date, the impact has been considered in preparation of the opening balance sheet. Consequently, this has decreased the equity on the transition date by ₹ 122.78 Lakh and reduced the equity as on 31<sup>st</sup> March, 2016 by ₹ 131.65 Lakh.

#### 9. Employee stock options

Under previous GAAP, the Company used to follow intrinsic value based approach to value the outstanding ESOP options. Under Ind AS, the Company is required to follow fair value based approach. As a result, the Company recorded decrease in ESOP compensation expenses amounting to ₹ 23.04 Lac during 2015-16.

#### 10. Remeasurement of post-employment benefit obligations

Under Ind AS, the Company's accounting policy is to recognise actuarial gains and losses pertaining to post employment benefit obligations in other comprehensive income. Under previous GAAP, the Company recognised such actuarial gains and losses in the profit or loss. However, this has no impact on the total equity as on 1<sup>st</sup> April, 2015 as well as 31<sup>st</sup> March, 2016. During 2015-16, the Company recognised ₹ 10.07 Lac in the other comprehensive income.

#### 11. Deferred Tax expenses

The above changes decreased/ (increased) the deferred tax liability as follows:

			(₹ in Lacs)
Particulars	Footnote	31-Mar-16	01-Apr-15
Impact of accounting security deposits at amortised cost	1	(50.07)	(34.46)
Financial liabilities at amortised cost	3	(163.99)	(210.31)
Decommissioning liability and unwinding of discount	4	54.91	44.19
Straightlining of operation and maintenance charges	5	245.28	294.34
Fair valuation of certain equity investments designated at FVOCI	6	152.67	99.68
Prior period adjustments	8	(31.59)	(25.95)
		<b>207.21</b>	<b>167.49</b>

**For V.V. Patel & Co**  
Chartered Accountants  
Firm Regn. No. 118124W

**Swapnil K Bhatt**  
Partner  
Membership No.128864

Place : Ahmedabad  
Date : 25<sup>th</sup> May, 2017

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

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Dr. J N Singh, IAS**  
Managing Director  
DIN : 00955107

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 25<sup>th</sup> May, 2017



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT STATE PETRONET LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

The preparation of consolidated financial statements of Gujarat State Petronet Limited for the year ended 31<sup>st</sup> March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the consolidated financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 24<sup>th</sup> July, 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of Gujarat State Petronet Limited for the year ended 31<sup>st</sup> March, 2017. We conducted a supplementary audit of the financial statements of **Gujarat State Petronet Limited, Gujarat Gas Limited, Sabarmati Gas Limited, GSPL India Gasnet Limited and GSPL India Transco Limited** for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

**Place:** Ahmedabad  
**Date:** 4<sup>th</sup> August, 2017

**For and on behalf of the  
Comptroller and Auditor General of India**  
**(Gurveen Sidhu)**  
Accountant General (E&RSA), Gujarat

## REVISED INDEPENDENT AUDITOR'S REPORT

To,  
The Members  
Gujarat State Petronet Limited  
Gandhinagar

### Report on the Consolidated Ind AS Financial Statements

Being a Government Company, the Comptroller & Auditor General of India has carried out supplementary audit of your Company pursuant to Provisions of Section 143 (6) of the Companies Act, 2013. The Comptroller & Auditor General has issued provisional comments on Independent auditors report. On considering the comments we here by issuing revised Independent auditors report on Consolidated financial statements, hence we are replacing our original report which was issued vide dated 25<sup>th</sup> May, 2017.

We have audited the accompanying consolidated Ind AS financial statements of Gujarat State Petronet Limited (hereinafter referred to as "the Holding Company") and its two joint controlled companies and two associate companies (collectively referred as "the Group") which comprise the consolidated balance sheet as at 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated financial position of the Group, as at 31<sup>st</sup> March, 2017, and their consolidated financial performance (including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## Other Matters

- We did not audit the financial statements/financial information's of two jointly controlled companies and two associate companies included in the consolidated annual financial results, whose annual financial statements reflect:

(₹ in Lacs)

Name of company	Total Assets	Total Revenue	Net Cash Inflow /(Outflow)	Group's Share of net Profit
<b>Jointly Controlled companies:</b>				
1. GSPL India Gasnet Limited	29,146.85	178.42	(442.83)	56.01
2. GSPL India Transco Limited	21,631.90	153.66	901.03	47.72
<b>Associate companies</b>				
1. Gujarat Gas Limited	6,37,540.00	5,26,421.00	(899.00)	4,402.72
2. Sabarmati Gas Limited	54,776.81	69,750.95	130.88	1,156.97

These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the annual consolidated financial results, to the extent they have been derived from such annual financial statements of Associates and Jointly controlled entities is based solely on the report of such other auditors.

- The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2016 and the transition date opening balance sheet as at 1<sup>st</sup> April, 2015 included in these Consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and the predecessor auditor respectively, corresponding audit report for the year ended 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2015 dated 19<sup>th</sup> May 2016 and 22<sup>nd</sup> May, 2015 respectively expressed an unmodified opinion on those Consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us".

## Report on Other Legal and Regulatory Requirements

- As required by Section 143 (3) of the Act, we report that: .
  - 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.
  - 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 by the Company so far as it appears from our examination of those books and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind as financial statements.
  - In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - As the Company is a Government company in terms of notification number: G.S.R. 463(E) Dated 5<sup>th</sup> June, 2015, issued by Ministry of Corporate Affairs the sub section (2) of section 164 of the Act is not applicable.
  - With respect to the adequacy of the internal financial control over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure- A", which is based on the auditor's reports on the Holding company, Associates and Jointly controlled entities.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The Group Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 & 51 to the financial statements.
    - The Group, its associates have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate companies incorporated in India.

For, V.V. Patel & Co.  
Chartered Accountants  
F. R. No. 118124W

CA Swapnil K. Bhatt  
Partner  
M. No. 128864

Place: Gandhinagar  
Date : 24<sup>th</sup> July, 2017



## ANNEXURE-A

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31<sup>st</sup> March, 2017, We have audited the internal financial controls over financial reporting of Gujarat State Petronet Limited (hereinafter referred to as “the Holding Company”) and its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

#### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies 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 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



## Opinion

In our opinion, the Holding Company, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

## Other Matters

Our aforesaid reports 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 two associate companies and two jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For, V.V. Patel & Co.**

Chartered Accountants

F. R. No. 118124W

**CA Swapnil K. Bhatt**

Partner

M. No. 128864

**Place:** Gandhinagar

**Date :** 24<sup>th</sup> July, 2017

## DISCLAIMER

“V.V. Patel & Co. has relied upon the documents, information and explanations provided to us by the management of the company for the purpose of forming our observations and views in this report. It is not practically possible to study all financial aspects thoroughly during the time period of audit. For carrying out statutory audit, we have gone through sampling procedure for generate audit evidences. Sample selection is purely judgmental basis. The responsibility, at all times, for the design and implementation of the related Internal Financial Controls including adequate disclosures, is of the management of the Company including the maintenance of adequate records, system and internal control sections and applications of the internal policies and safe guarding the assets of the company. The management of the Company will be responsible for correcting control lapses, if any. We are not aware of any information, record to the contrary which will lead us to believe that the conclusion stated in this Financial Statement is not longer valid. We have assumed that no changes, modifications of what so ever nature have been made to the policies and procedures implemented by the company, whether oral or in writing subsequent to the date of review specified in our report. And observations stated in this Financial Statements are to the best knowledge of V.V. Patel & Co. and such knowledge shall mean the actual knowledge of employees and Partners of V.V. Patel & Co. In course of preparing of this report:

1. We have presumed accuracy of all statements, information, documents and clarifications which were provided to us.
2. We have assumed the genuineness of all signatures on, and the authenticity and completeness of all documents, the copies of which alone have been reviewed by us.
3. We assumed the conformity of originals of all documents supplied to us as photo copy, scanned documents, PDF files etc.
4. We have assumed that documents submitted to us in connection with any particular issue are the only documents relating to such issue.

### Limitations of liability

V. V. Patel & co. and/or its Partners and/or its employees shall not be held liable for any direct, indirect, consequential, special, incidental loss, damages or expenses, (including, without limitation, damages loss of profit , goodwill, opportunity cost, loss of goodwill, indemnification etc. ) arising out of this report, for this possible existence.

### Circulation of the Report

The above report is for sole and exclusive benefit of the Company. The Company agrees not to modify, derive commercial use, exploit any type of undue advantage or benefits from the report.

**For V.V. Patel & Co.**  
Chartered Accountants  
Firm Regn. No. 118124W

**CA Swapnil K. Bhatt**  
Partner  
Membership No. 128864

**Place:** Ahmedabad  
**Date :** 24<sup>th</sup> July, 2017



## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

(₹ in Lacs)

Particulars	Notes	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	3	3,02,858.68	2,99,068.81	2,93,370.13
Capital Work-In-Progress	3	68,637.33	76,791.11	77,477.85
Intangible Assets	4	13,709.33	13,237.50	12,795.76
Investment in Associate and Joint Venture	5	77,098.99	66,815.20	58,559.28
<b>Financial Assets</b>				
Investments	6	3,484.41	3,505.09	5,505.09
Loans	7	1,182.96	1,242.44	1,159.45
Other Financial Assets	8	1,801.36	2,015.82	2,380.21
Other Non-Current Assets	9	10,868.01	32,146.59	27,349.13
<b>Total Non-Current Assets</b>		<b>4,79,641.07</b>	<b>4,94,822.56</b>	<b>4,78,596.90</b>
<b>Current Assets</b>				
Inventories	10	11,233.96	11,772.55	11,023.50
<b>Financial Assets</b>				
Investments	6	-	2,000.00	-
Trade Receivables	11	12,164.25	15,175.39	15,039.26
Cash and Cash Equivalents	12	1,517.61	7,578.33	9,110.08
Other Bank Balances	12	78,745.92	47,714.81	35,371.94
Loans	7	173.80	192.60	172.45
Other Financial Assets	8	529.44	900.48	475.39
Other Current Assets	9	3,364.96	3,685.50	3,455.97
<b>Total Current Assets</b>		<b>1,07,729.94</b>	<b>89,019.66</b>	<b>74,648.59</b>
<b>Total Assets</b>		<b>5,87,371.01</b>	<b>5,83,842.22</b>	<b>5,53,245.48</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	13	56,358.77	56,334.01	56,298.00
Other Equity	14	3,88,191.60	3,42,310.02	3,06,462.57
<b>Total Equity</b>		<b>4,44,550.37</b>	<b>3,98,644.03</b>	<b>3,62,760.57</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	15	50,118.08	79,045.37	87,904.50
Other Financial Liabilities	16	1,394.95	1,244.53	1,010.68
Provisions	17	1,127.35	1,235.61	1,089.49
Deferred Tax Liabilities (Net)	18	56,269.93	54,719.13	51,558.67
Other Non-Current Liabilities	19	1,549.01	1,689.41	1,924.77
<b>Total Non-Current Liabilities</b>		<b>1,10,459.32</b>	<b>1,37,934.05</b>	<b>1,43,488.11</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Trade Payables	20	1,378.66	1,501.11	4,024.91
Other Financial Liabilities	16	22,545.59	37,580.95	38,241.42
Other Current Liabilities	19	8,325.50	8,015.15	4,579.19
Provisions	17	111.57	166.93	151.27
<b>Total Current Liabilities</b>		<b>32,361.32</b>	<b>47,264.14</b>	<b>46,996.79</b>
<b>Total Liabilities</b>		<b>1,42,820.64</b>	<b>1,85,198.19</b>	<b>1,90,484.90</b>
<b>Total Equity and Liabilities</b>		<b>5,87,371.01</b>	<b>5,83,842.22</b>	<b>5,53,245.48</b>
Significant Accounting Policies	2			
The accompanying notes are integral part of the Financial Statements.				

**As per our Report attached**

**For V.V. Patel & Co**  
Chartered Accountants  
Firm Regn. No. 118124W

**Swapnil K Bhatt**  
Partner  
Membership No.128864

Place : Ahmedabad  
Date : 25<sup>th</sup> May, 2017

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

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Dr. J N Singh, IAS**  
Managing Director  
DIN : 00955107

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 25<sup>th</sup> May, 2017,

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

(₹ in Lacs)

Particulars	Notes	For the Year ended 31 <sup>st</sup> March, 2017	For the Year ended 31 <sup>st</sup> March, 2016
<b>INCOME :</b>			
Revenue from Operations	21	1,02,755.44	99,192.56
Other Income	22	578.39	550.22
Interest Income	23	7,300.15	4,171.48
<b>Total Income (A)</b>		<b>1,10,633.98</b>	<b>1,03,914.26</b>
<b>EXPENSES :</b>			
Employee Benefit Expenses	24	3,884.16	3,612.41
Finance Costs	25	5,957.87	7,991.52
Depreciation and Amortisation Expenses	26	17,913.87	18,291.15
Other Expenses	27	10,040.92	8,977.51
<b>Total Expenses (B)</b>		<b>37,796.82</b>	<b>38,872.59</b>
<b>Profit Before Tax (A-B)</b>		<b>72,837.16</b>	<b>65,041.67</b>
Share of profit/(loss) of joint ventures and associates accounted for using the equity method (Net of Tax)		<b>6,764.03</b>	<b>4,627.88</b>
<b>Tax Expenses</b>	28		
Current Tax		22,150.52	20,290.97
(Excess)/Short Provision of Tax - Earlier Years		(1,080.99)	(354.75)
Deferred Tax		4,641.93	3,209.97
<b>Profit After Tax for the Period</b>		<b>53,889.74</b>	<b>46,523.37</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Changes in fair value of FVOCI equity instruments		(20.69)	-
Remeasurements of post-employment benefit obligations		(68.38)	10.07
Income tax relating to these items		66.29	49.50
Share of other comprehensive income of associate/joint venture		(1,446.78)	(1,148.60)
Income tax relating to these items		346.17	274.24
Other Comprehensive Income for the Period, net of tax		(1,123.39)	(814.79)
<b>Total Comprehensive Income for the Period</b>		<b>52,766.34</b>	<b>45,708.58</b>
<b>Earning per Equity Share (EPS) for Profit for the Period (Face Value of ₹ 10)</b>			
Basic (₹)	29	9.56	8.26
Diluted (₹)	29	9.56	8.26
Significant Accounting Policies	2		
The accompanying Notes are integral part of the Financial Statements.			

**As per our Report attached**

**For V.V. Patel & Co**  
Chartered Accountants  
Firm Regn. No. 118124W

**Swapnil K Bhatt**  
Partner  
Membership No.128864

Place : Ahmedabad  
Date : 25<sup>th</sup> May, 2017

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

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Dr. J N Singh, IAS**  
Managing Director  
DIN : 00955107

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 25<sup>th</sup> May, 2017,



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

(₹ in Lacs)

Particulars	2016-2017	2015-2016
<b>A Cash Flow from Operating Activities</b>		
Profit Before Taxes	72,837.16	65,041.67
<u>Adjustments for:</u>		
Depreciation & amortisation	17,913.87	18,291.06
ESOP Compensation Expense	-	(67.25)
Provision for decommissioning obligations	24.89	23.05
Employee benefit expenses	16.74	87.97
(Profit)/Loss on sale of Assets	4.84	(17.65)
Dividend Income	-	-
Interest Income	(6,901.19)	(3,836.99)
Finance cost	7,402.19	7,859.27
<b>Operating Profit Before Working Capital Changes</b>	<b>91,298.50</b>	<b>87,381.13</b>
<u>Changes in Current Assets and Current Liabilities</u>		
(Increase)/Decrease in Inventory	538.59	(749.05)
(Increase)/Decrease in Trade Receivable	3,011.14	(136.13)
(Increase)/Decrease in Loans	78.29	(103.14)
(Increase)/Decrease in Other Financial Assets	30.16	(111.88)
(Increase)/Decrease in Other Non-Financial Assets	22,269.61	(7,228.40)
Increase/(Decrease) in Trade payable	(122.45)	(2,523.80)
Increase/(Decrease) in Other Financial Liabilities	(446.60)	1,005.71
Increase/(Decrease) in Provisions	-	-
Increase/(Decrease) in Net Employee Benefit Liabilities	(188.50)	138.74
Increase/(Decrease) in Non-Financial Liabilities	169.95	3,210.00
<b>Cash Generated from Operations</b>	<b>1,16,638.69</b>	<b>80,883.17</b>
Taxes Paid	(22,277.96)	(20,615.59)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>94,360.73</b>	<b>60,267.59</b>
<b>B Cash Flow from Investing Activities</b>		
(Increase) / Decrease in Investment	(3,460.00)	(8,239.70)
Interest Received	6,051.40	4,046.07
Dividend Received	941.64	1,842.17
Changes in earmarked Fixed Deposits & Current Account	(29,768.43)	(12,032.35)
Proceeds from sale of Assets	17.82	610.55
Acquisition of Fixed Assets and Change in Capital Work in Progress	(10,540.28)	(18,283.71)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(36,757.85)</b>	<b>(32,056.96)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Share Capital including Share Premium	185.74	270.06
Proceeds from Long Term Borrowing	3,500.00	17,700.00
Repayment of Long Term Borrowings	(46,791.67)	(27,477.17)
Dividend (Including Corporate Dividend Tax) Paid	(10,172.63)	(8,132.82)
Interest & Financial Charges paid	(10,385.03)	(12,077.57)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(63,663.59)</b>	<b>(29,717.50)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)</b>	<b>(6,060.71)</b>	<b>(1,506.87)</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	<b>7,578.32</b>	<b>9,085.19</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>1,517.61</b>	<b>7,578.32</b>

Notes to Cash Flow Statement

1 Cash and Cash Equivalent includes-

Cash and Cheques on Hand	0.45	1.39
Balances with Scheduled Banks		
– in Current Accounts	1,016.82	1,189.02
– in Deposit Accounts	500.34	6,387.92
	<b>1,517.61</b>	<b>7,578.32</b>

2 Previous period's figures have been rearranged/regrouped wherever necessary, to conform to this years classification.

**As per our Report attached**

**For V.V. Patel & Co**  
Chartered Accountants  
Firm Regn. No. 118124W

**Swapnil K Bhatt**  
Partner  
Membership No.128864

Place : Ahmedabad  
Date : 25<sup>th</sup> May, 2017

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

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Dr. J N Singh, IAS**  
Managing Director  
DIN : 00955107

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 25<sup>th</sup> May, 2017,

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

### 1 CORPORATE INFORMATION

Gujarat State Petronet Limited (GSPL, "The Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. GSPL is a Government Company u/s 2(45) of Companies Act 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is primarily engaged in transmission of natural gas through pipeline on an open access basis from supply points to demand centers. Further, it is also engaged in generation of electricity through Windmills.

#### Authorization of financial statements

The Standalone Financial Statements were authorized for issue in accordance with a resolution passed in Board of Directors meeting held on 25<sup>th</sup> May, 2017.

### 2.1 Significant Accounting Policies

#### (a) Basis of preparation

- (i) The standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Act. The financial statements up to year ended 31<sup>st</sup> March, 2016 were prepared under historical convention in accordance with the mandatory accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1<sup>st</sup> April, 2015. Refer Note 50 for an explanation of how the transition from Indian GAAP (IGAAP) to Ind AS has affected the Company's financial position, financial performance and cash flows.

These financial statement have been prepared on accrual basis of accounting using historical cost convention except certain financial assets, financial liabilities and share based payment measured at fair value.

- (ii) The preparation & presentation of financial statements requires management to make certain judgments, estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. 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.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Useful lives of property, plant and equipment and intangible assets
- Measurement of Defined Benefit Obligations
- Provisions and contingencies
- Expected credit loss for receivables
- Fair valuation of investments in equity instruments of unlisted companies
- Identification of investment properties

- (iii) All values are rounded to the nearest rupees in Lacs, except where otherwise indicated.

- (iv) Principles of consolidation

#### *Associates*

Associates are all entities over which the Company has significant influence but not control or joint control. Assessment of whether the Company has significant influence or not is made based on Ind AS 28 - Associates and joint ventures, which requires duly considering potential voting rights if any. Investments in associates are accounted for using the equity method, after initially recognised at cost.

#### *Joint arrangements*

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has investments in joint ventures which are accounted using the equity method based on requirements of Ind AS 111 - Joint arrangements, after initially being recognised at cost in the consolidated balance sheet.

#### *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.

Any excess/short of the amount of investments in associate or joint venture over the Company's portion of in net assets of associate or joint venture, at the date of investments is considered as goodwill/ capital reserve.



Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Company'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 Company 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 Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in accounting policies below. The consolidated financial statements of the Company represents consolidation of its financial statements with the below mentioned entities:

Name of Company	Relation with GSPL	Proportion of ownership interest as at 31 <sup>st</sup> March, 2017	Proportion of ownership interest as at 31 <sup>st</sup> March, 2016	Proportion of ownership interest as at 1 <sup>st</sup> April, 2015
GSPL India Gasnet Limited (GIGL)	Joint Venture	52.00%	52.00%	52.00%
GSPL India Transco Limited (GITL)	Joint Venture	52.00%	52.00%	52.00%
Gujarat Gas Limited (GGL) *	Associate	25.76%	25.76%	25.76%
Sabarmati Gas Limited (SGL)	Associate	27.47%	27.47%	13.75%

\* For details on the composite scheme of amalgamation and arrangement, please refer note no. 5 - Investment in associate and joint ventures to the consolidated financial statements.

Accounting policies of joint ventures and associates are similar to the Company's accounting policies, therefore, no adjustment is required for the purposes of preparation of these consolidated financial statements.

The financial statements of joint ventures and associates are prepared up to the same reporting date as that of the Company i.e. 31<sup>st</sup> March 2017.

## (b) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost net of recoverable taxes, less accumulated depreciation and impairment loss, if any.

The cost of Property, Plant and Equipment comprises of its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and Borrowing costs for assets that necessarily take a substantial period of time to get ready for their intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, 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.

Capital Work-in-progress (CWIP) includes expenditure that is directly attributable to the acquisition/construction of assets, which are yet to be commissioned, and project inventory.

### *Transition to Ind AS*

On transition to Ind AS, the Company has elected to carry forward the previous GAAP net carrying value of all of its property, plant and equipment recognised as at 1<sup>st</sup> April, 2015 as the deemed cost. Please refer to note 50 for details of the same.

## (c) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets like software, licenses, Right-of-Use of land (ROU) and Right of Way (ROW) permissions which are expected to provide future enduring economic benefits are capitalized as Intangible Assets.

### *Transition to Ind AS*

On transition to Ind AS, the Company has elected to carry forward the previous GAAP net carrying value of all of its intangible assets recognised as at 1<sup>st</sup> April, 2015 as the deemed cost. Please refer to note 50 for details of the same.



**(d) Investment properties**

Investment properties comprise portions of free hold or lease hold land and office buildings that are held for rental for capital appreciation or both. An Investment property generates cash flow largely independently of the other assets held by an entity.

Property used in production or supply of goods or services and also held to earn rentals / capital appreciation is accounted separately as investment property only if portion of property held to earn rental / capital appreciation can be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Further property with provision of ancillary services to the occupants is treated as investment property if the services are insignificant to the arrangement as a whole. Investment property shall be recognised as an asset when and only when: (a) it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and (b) the cost of the investment property can be measured reliably.

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.

**(e) Depreciation and Amortisation**

Depreciation on gas transmission pipeline(s) is provided using straight line method (SLM) and on other items of property, plant and equipment using written down value method (WDV) based on the useful life prescribed in Schedule II to the Companies Act 2013 except, for mobile phones which are depreciated over useful life of two years based on technical opinion.

The residual values are not more than 5% of the original cost of the item of property, plant and equipment.

Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal. Assets costing up to ₹ 5,000/- and Books are depreciated fully in the year of purchase / capitalization.

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

In case of Intangible Assets, software is amortized at 40% on written down value method.

Right of Use has an indefinite in nature hence it is not amortised. However, the same is tested for impairment annually. Right of Way (ROW) is amortised over 30 years on straight line method as the same is inextricably linked and dependent on useful life of gas transmission pipeline(s).

**(f) 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 assets*****Initial recognition and measurement***

A financial asset is recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

***Subsequent measurement***

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

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

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

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

- A. Financial assets measured at amortised cost

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

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (ii) 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. This category generally applies to trade and other receivables

**B. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

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

- (i) 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
- (ii) The asset's contractual cash flows represent SPPI.

**C. Financial assets measured at fair value through profit or loss (FVTPL)**

FVTPL is a residual category. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to 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 instruments**

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 P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**Derecognition**

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:

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

**Impairment of financial assets**

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

- (i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- (ii) Trade receivables
- (iii) Lease Receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date adjusted appropriately to reflect the estimated expected losses.

**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**

- A. Financial liabilities measured at amortised cost

**B. Financial liabilities subsequently measured at fair value through profit or loss (FVTPL)**

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 is recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

***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 on EIR amortisation and derecognition are recognised in profit or loss. 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.

This category generally applies to interest-bearing loans and borrowings.

***Derivatives***

The Company uses derivative financial instruments such as cross currency interest rate swaps to hedge its foreign currency risks and interest rate risk. Such derivative financial instruments are initially recognised at fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss.

***Trade and other payables***

These amounts represent liability for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

***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.

***Offsetting financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when, there is a legally enforceable right to offset the recognised amount and there is intention either to settle on net basis or to realise the assets and to settle the liabilities simultaneously.

**(g) Fair Value**

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:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

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 best economic 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 follows, 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.

## (h) Inventories

Inventories including project inventory, stock of stores, spares, consumables and line pack gas not meant for sale in ordinary course of business are valued at weighted moving average cost.

## (i) Employee Benefits

### *Short term employee benefits obligations:*

Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which related services are rendered.

Post-employment benefits and other long term employee benefits:

The Company has participated in- Group Gratuity scheme of Life Insurance Corporation of India. The liability in respect of gratuity benefits being defined benefit schemes, payable in future, are determined by actuarial valuation carried out using projected unit credit method as on the balance sheet date and actuarial gains/(losses) after adjustment of planned assets are charged to the Other Comprehensive Income for the year. Moreover, the liability in respect of leave encashment being other long term employee benefits, payable in future, are also determined by actuarial valuation carried out using projected unit credit method as on the balance sheet date and actuarial gains/(losses) are charged as employee benefit expenses in the Statement of Profit and Loss for the year.

Retirement benefits in the form of provident fund and defined superannuation fund which are defined contribution schemes are accrued in accordance with statutes and deposited with respective authority/agency and charged to the Statement of Profit and Loss account for the year, in which the contributions to the respective funds accrue.

### *Share-based payments*

Share-based compensation benefits are provided to employees via GSPL Employee Stock Option Scheme. The fair value of options granted under the GSPL Employee Option Plan is recognised as an employee benefit expenses with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- (i) including any market performance conditions (e.g. entity's share price)
- (ii) excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specific time period); and
- (iii) Including the impact of any non-vesting conditions (e.g. the requirements for employees to save or holding shares for specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

## (j) Borrowing Cost

The Company is capitalising borrowing costs that are directly attributable to the acquisition or construction of qualifying assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. For borrowing cost capitalisation, the capital cost of a particular project is identified against a borrowing in terms of period of construction and the borrowing cost for the relevant period is added to the capital cost till the particular project is capitalised and thereafter the interest is charged to the Statement of Profit and Loss. 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.

## (k) Foreign Currency Transactions

### *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 standalone financial statements are presented in Indian rupee (INR), which is GSPL's functional and presentation currency.

### *Transactions and balances*

Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing at the time of transaction. Monetary assets and liabilities denominated in foreign currencies at year-end are reported at exchange rate prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates prevailing at the time of the initial transactions. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

## (l) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue from transmission of gas through pipeline is recognized net of service tax on fortnight basis when it can be reliably measured and it is reasonable to expect ultimate collection.

Revenue from sale of electricity is recognized on last day of respective month when it can be reliably measured and it is reasonable to expect the ultimate collection.

All other revenues are recognised when it can be reliably measured and it is reasonable to expect ultimate collection. Interest income is recognised using effective interest rate (EIR) method.

**(m) Taxation**

***Income taxes***

Provision for current tax is calculated on the basis of the Income tax law enacted or substantively enacted at the end of the reporting period.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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.

***Deferred Taxes***

Deferred tax is provided, on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in standalone financial statements, using tax rates & laws that have been enacted or substantially enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise the same.

Deferred tax is not recognised for all taxable 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.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the same and when the balances relate to the same taxation authority.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case, the tax is also recognised in other comprehensive income or directly in equity.

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 utilize all or part of the deferred tax asset. 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 be available to utilize the deferred tax asset.

**(n) Impairment of non-financial assets**

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash-flow expected from the continuing use of the assets and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific of the assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. 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.

**(o) Earnings per Share**

Basic EPS is computed by dividing net profit after taxes for the year by weighted average number of equity shares outstanding during the financial year, adjusted for bonus share elements in equity shares issued during the year and excluding treasury shares, if any.

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.

**(p) 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.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are not recognized in the financial statements but are disclosed by way of notes to accounts unless the possibility of an outflow of economic resources is considered remote.

Contingent assets are not recognized in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### (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 fulfillment 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<sup>st</sup> April, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease is classified at the inception date as a finance lease or an operating lease.

As a lessee

##### **Finance lease**

Leases are classified as finance leases (including those for land), if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

At the commencement of the lease term, the Company recognises finance leases as assets and liabilities 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. Any indirect costs of the Company are added to the amount recognised as an asset.

Minimum lease payments are 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 (including those for land) which are not classified as finance leases are considered as operating lease. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term unless either:

- A. 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
- B. 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**

All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts are adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

The Company a scheme of providing certain assets viz mobiles, laptops, vehicles to their employees. Under the said scheme, the company initially purchases the asset which is transferred to an employee after a specified period at book value on that date. As this arrangement has element of finance lease, the Company, has derecognised the items of PPE given to employees & reclassified it as finance lease. The difference between the cost of the asset and present value or (absolute value if the present value is not material) of the consideration to be received from the employee over the lease term and at the time of transfer of ownership in the future is recognised as an employee cost over the period.

***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:

- A. 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
- B. The payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases. If payments to the Company vary because of factors other than general inflation, then this condition is not met.

**(r) Segment Reporting**

The Chief Operational Decision Maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

The Board of Directors (BoD) of the Company assesses the financial performance and position of the Company, and makes strategic decisions; hence the Board of Directors are CODM. Refer note 38 for segment information presented.

**(s) Cash and cash Equivalents**

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**(t) 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.

**(u) Dividends**

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorized 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.

**(v) Event Occurring after 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.

**(w) Prepaid expenses and prior period expenses/income up to ₹ 5,00,000/- in each case are charged to relevant heads of account of the current year.**



## STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE PERIOD ENDED ON 31<sup>ST</sup> MARCH 2017

### A. Equity Share Capital

Particulars	Notes	Number of Shares	Amount ₹ in Lacs
ISSUED, SUBSCRIBED AND PAID UP CAPITAL Equity Shares of ₹ 10/- each fully paid up			
<b>As at 1<sup>st</sup> April, 2015</b>		<b>56,29,79,980</b>	<b>56,298.00</b>
Add: Equity Shares allotted pursuant to Employee Stock Option Plan	43	3,60,084	36.01
<b>As at 31<sup>st</sup> March, 2016</b>		<b>56,33,40,064</b>	<b>56,334.01</b>
Add: Equity Shares allotted pursuant to Employee Stock Option Plan	43	2,47,668	24.77
<b>As at 31<sup>st</sup> March, 2017</b>		<b>56,35,87,732</b>	<b>56,358.77</b>



## B. Other Equity

(₹ in Lacs)

Particulars	Reserves & Surplus						Equity Instruments through Other Comprehensive Income	Total Other Equity
	Security Premium	Capital Reserve	General reserve	Employees Stock Options Outstanding	Other Reserves*	Retained earnings		
Balance at April 1, 2015	40,381.41	7,303.51	272.30	739.02	-	2,57,810.30	104.77	3,06,611.30
Changes in accounting policy / prior period errors	-	-	-	-	-	(148.73)	-	(148.73)
Restated balance at the beginning of the reporting period	40,381.41	7,303.51	272.30	739.02	-	2,57,661.58	104.77	3,06,462.57
Profit for the year excluding prior period items	-	-	-	-	-	46,532.24	-	46,532.24
Other comprehensive income for the year	-	-	-	-	-	-	(770.62)	(770.62)
Items of OCI recognised directly in retained earnings								
Remeasurements of post-employment benefit obligation (net of tax)	-	-	-	-	-	(44.17)	-	(44.17)
Total comprehensive income for the year	-	-	-	-	-	46,488.07	(770.62)	45,717.45
Deferred Employee Stock Compensation (Note 43)	-	-	-	2.77	-	-	-	2.77
Transferred to Securities Premium on exercise of ESOPs (Note 43)	-	-	-	(169.42)	-	-	-	(169.42)
ESOP Lapsed / Cancelled (Note 43)	-	-	-	(70.01)	-	-	-	(70.01)
Dividends (Note 13)	-	-	-	-	-	(6,757.21)	-	(6,757.21)
Dividend Distribution Tax (DDT)	-	-	-	-	-	(1,375.61)	-	(1,375.61)
Share of associates/joint venture	-	(1,906.13)	-	-	11.01	-	-	(1,895.12)
Issue of Equity Shares	403.47	-	-	-	-	-	-	403.47
Balance at March 31, 2016	40,784.88	5,397.38	272.30	502.36	11.01	2,96,016.83	(665.85)	3,42,318.90
Changes in accounting policy / prior period errors	-	-	-	-	-	(8.87)	-	(8.87)
Restated balance at the beginning of the reporting period	40,784.88	5,397.38	272.30	502.36	11.01	2,96,007.96	(665.85)	3,42,310.03
Profit for the year	-	-	-	-	-	53,889.74	-	53,889.74
Other comprehensive income for the year	-	-	-	-	-	-	(1,011.37)	(1,011.37)
Items of OCI recognised directly in retained earnings		-						
Remeasurements of post employment benefit obligation (net of tax)	-	-	-	-	-	(112.02)	-	(112.02)
Total comprehensive income for the year	-	-	-	-	-	53,777.72	(1,011.37)	52,766.34
Transferred to Securities Premium on exercise of ESOPs (Note 43)	-	-	-	(116.53)	-	-	-	(116.53)
Dividends (Note 13)	-	-	-	-	-	(8,452.00)	-	(8,452.00)
Dividend Distribution Tax (DDT)	-	-	-	-	-	(1,720.63)	-	(1,720.63)
Share of associates/joint venture	-	-	-	-	102.02			102.02
Issue of Equity Shares	277.51	-	-	-	-	-	-	277.51
Tax adjustments of earlier years	-	-	-	-	-	3,024.85	-	3,024.85
Balance at 31 March, 2017	41,062.39	5,397.38	272.30	385.83	113.03	3,42,637.90	(1,677.22)	3,88,191.59

\* Represents changes in other reserves of associates and joint ventures

## As per our Report attached

For V.V. Patel &amp; Co

Chartered Accountants

Firm Regn. No. 118124W

Swapnil K Bhatt

Partner

Membership No.128864

Place : Ahmedabad

Date : 25<sup>th</sup> May, 2017

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)

Chairman

DIN : 02190050

Manish Seth

Chief Financial Officer

Dr. J N Singh, IAS

Managing Director

DIN : 00955107

Reena Desai

Company Secretary

Place : Gandhinagar

Date : 25<sup>th</sup> May, 2017

### 3 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Particulars	Gross Carrying Amount			Accumulated Depreciation / Amortisation			Net Carrying Amount	
	Deemed Cost As on 1-Apr-15	Additions/ Adjustments during the year	Deduction During the year	Balance As on 31-Mar-16	Balance As on 1-Apr-15	Additions/ Adjustments during the year	Deduction during the year	Balance As on 31-Mar-16
Land- Freehold	9,336.38	436.34	468.60	9,304.12	-	-	-	9,304.12
Land- Leasehold (Refer (i))	1,923.44	-	-	1,923.44	-	21.09	-	1,902.35
Building	12,226.84	1,913.59	-	14,140.43	-	1,197.77	-	12,942.66
Plant & Equipment	2,60,650.54	20,226.36	4.51	2,80,872.39	-	14,111.95	0.68	2,66,761.11
Communication Equipment	4,024.74	420.11	-	4,444.84	-	924.70	-	3,520.14
Ele Installation & Equipment	4,558.64	1,158.72	-	5,717.36	-	1,621.64	-	4,095.72
Computers	84.89	84.63	-	169.53	-	57.18	-	112.35
Furniture & Fittings	424.89	12.10	0.22	436.78	-	120.24	0.08	316.61
Office Equipment	42.00	7.61	-	49.61	-	21.48	-	28.12
Vehicles	91.44	23.99	4.24	111.19	-	31.03	0.44	80.60
Ship / Boat	6.33	-	-	6.33	-	1.31	-	5.02
Total Property, Plant and Equipment	2,93,370.13	24,283.45	477.57	3,17,176.02	-	18,108.40	1.19	2,99,068.81
Capital Work In Progress								76,791.11
								77,477.85

Property, plant and equipment as at 31st March 2017

Particulars	Gross Carrying Amount			Accumulated Depreciation / Amortisation			Net Carrying Amount	
	Cost As on 1-Apr-16	Additions/ Adjustments during the year	Deduction During the year	Balance As on 31-Mar-17	Balance As on 1-Apr-16	Additions/ Adjustments during the year	Deduction during the year	Balance As on 31-Mar-17
Land- Free Hold	9,304.12	451.83	-	9,755.95	-	-	-	9,755.95
Land- Lease Hold (Refer (i))	1,923.44	-	-	1,923.44	21.09	21.09	-	1,881.26
Building	14,140.43	2,490.61	-	16,631.04	1,197.77	1,253.16	-	14,180.12
Plant & Equipment	2,80,872.39	16,321.41	-	2,97,193.80	14,111.28	14,093.58	-	2,82,048.86
Communication Equipment	4,444.84	639.43	0.02	5,084.26	924.70	790.90	0.02	4,171.59
Ele Installation & Equipment	5,717.36	1,406.24	-	7,123.61	1,621.64	1,348.89	-	5,491.92
Computers	169.53	39.16	4.31	204.38	57.18	44.86	0.43	101.61
Furniture & Fittings	436.78	128.26	0.20	564.83	120.17	114.11	0.09	443.66
Office Equipment	49.61	7.54	0.06	57.09	21.48	14.21	-	35.69
Vehicles	111.19	22.87	3.64	130.41	30.59	29.01	1.06	98.81
Books	-	23.40	-	23.40	-	23.40	-	-
Ship / Boat	6.33	-	-	6.33	1.31	1.04	-	2.35
Total Property, Plant and Equipment	3,17,176.02	21,530.76	8.23	3,38,698.54	18,107.21	17,734.25	1.59	3,20,858.68
Capital Work In Progress								68,637.33
								76,791.11

**(i) Leased Assets**

The land is obtained under finance lease and the lease term in respect of assets acquired under finance leases is generally more than 50 years.

**(ii) Contractual Obligations**

Refer Note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**4 INTANGIBLE ASSETS****(₹ in Lacs)**

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Net carrying value</b>			
Computer software	90.73	130.18	141.84
Right of use / Right of way	13,618.60	13,107.31	12,653.92
<b>Total Intangible Assets</b>	<b>13,709.33</b>	<b>13,237.50</b>	<b>12,795.76</b>

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Computer software			
Cost or deemed cost			
Balance at the beginning of the Year	197.87	141.84	141.84
Add: Addition during the Year	19.14	56.03	-
Less: Deduction during the year	0.72	-	-
<b>Closing gross carrying value</b>	<b>216.29</b>	<b>197.87</b>	<b>141.84</b>
<b>Accumulated amortisation</b>			
Balance at the beginning of the Year	67.68	-	-
Add: Addition during the Year	58.34	67.68	-
Less: Deduction during the year	0.46	-	-
<b>Closing accumulated amortisation</b>	<b>125.56</b>	<b>67.68</b>	<b>-</b>
<b>Closing net carrying value</b>	<b>90.73</b>	<b>130.18</b>	<b>141.84</b>

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Right of use / Right of way			
<b>Cost or deemed cost</b>			
Balance at the beginning of the Year	13,222.39	12,653.92	12,653.92
Add: Addition during the Year	632.57	642.85	-
Less: Deduction during the Year	-	74.39	-
<b>Closing gross carrying value*</b>	<b>13,854.95</b>	<b>13,222.39</b>	<b>12,653.92</b>
<b>Accumulated amortisation</b>			
Balance at the beginning of the Year	115.07	-	-
Add: Addition during the Year	121.28	115.07	-
<b>Closing accumulated amortisation</b>	<b>236.36</b>	<b>115.07</b>	<b>-</b>
<b>Closing net carrying value</b>	<b>13,618.60</b>	<b>13,107.31</b>	<b>12,653.92</b>

Right of Use (RoU) in land is a right acquired under the law and the company has unrestricted right of entry for laying, operation and maintenance of the pipeline for indefinite period. Hence, RoU is indefinite in nature and not amortised; however, the same is tested for impairment annually. Moreover, Right of Way (ROW) is amortised over 30 years on straight line method as the same is inextricably linked and dependent on useful life of gas transmission pipeline(s).

\*Includes RoU of ₹ 9,434.02 lacs (31<sup>st</sup> March 2016 ₹ 9,247.95 lacs; 1<sup>st</sup> April 2015: ₹ 8,863.41 lacs)

## 5. INVESTMENTS IN ASSOCIATE AND JOINT VENTURE

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Non-Current</b>			
<b>Investment in quoted equity shares of associate companies</b>			
3,54,68,471 (31 <sup>st</sup> March, 2016: 3,54,68,471; 1 <sup>st</sup> April, 2015: Nil) Fully Paid Up Equity Shares of ₹ 10 each of Gujarat Gas Limited	42,860.78	39,242.76	-
[Quoted as "Gujarat Gas Limited" w.e.f. 15 <sup>th</sup> Sep 2015 which is formally unquoted as "GSPC Distribution Networks Limited"]			
<b>Investments in unquoted equity shares of joint venture companies</b>			
14,40,50,060 (31 <sup>st</sup> March, 2016: 11,02,50,060; 1 <sup>st</sup> April, 2015: 9,72,50,060) Fully Paid Up Equity Shares of ₹ 10 each of GSPL India Gasnet Limited	14,701.20	11,265.19	9,908.49
10,66,00,000 (31 <sup>st</sup> March, 2016: 8,58,00,000; 1 <sup>st</sup> April, 2015: 7,28,00,000) Fully Paid Up Equity Shares of ₹ 10 each of GSPL India Transco Limited	10,956.39	8,828.67	7,488.12
<b>Investment in unquoted equity shares of associate companies</b>			
54,93,070 (31 <sup>st</sup> March, 2016: 54,93,070; 1 <sup>st</sup> April, 2015: 27,50,000) Fully Paid Up Equity Shares of ₹ 10 each of Sabarmati Gas Limited	8,580.62	7,478.58	3,818.22
Nil (31 <sup>st</sup> March, 2016: Nil; 1 <sup>st</sup> April, 2015: 3,54,68,471) Fully Paid Up Equity Shares of ₹ 10 each of Gujarat Gas Limited	-	-	37,344.45
<b>Total</b>	<b>77,098.99</b>	<b>66,815.20</b>	<b>58,559.28</b>
<b>Aggregate value of quoted investments</b>	<b>42,860.78</b>	<b>39,242.76</b>	<b>-</b>
<b>Market value of quoted investment</b>	<b>2,72,663.87</b>	<b>1,95,785.96</b>	<b>-</b>
<b>Aggregate value of unquoted investments</b>	<b>34,238.21</b>	<b>27,572.45</b>	<b>58,559.28</b>

- (i) Pursuant to the scheme of amalgamation and arrangement sanctioned by the Hon'ble Gujarat High Court, inter-alia, GSPC Gas Company Limited and Gujarat Gas Company Limited have amalgamated with Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited). The schemes of amalgamation become effective on 14<sup>th</sup> May, 2015 with appointed date of 1<sup>st</sup> April, 2013. The shares of Gujarat Gas Limited have been listed on Bombay Stock Exchange and National Stock Exchange on 15<sup>th</sup> September, 2015.
- (ii) As per the requirements of Ind AS 28, the management of the Company assessed the classification of investments in equity instruments of Sabarmati gas Limited and has determined that it has right to exercise significant influence considering the impact on account of potential voting rights (Optionally Convertible Debentures). Accordingly, the Company has accounted investment in the equity instrument of Sabarmati Gas Limited using the equity method as on the transition date. Further, on 18<sup>th</sup> February, 2016, the Company acquired additional shares in Sabarmati Gas Limited.

6. INVESTMENTS		(₹ in Lacs)	
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Non-Current			
Investment in unquoted equity shares of other companies measured at fair value through other comprehensive income (FVOCI)*			
2,50,00,000 (31 <sup>st</sup> March, 2016: 2,50,00,000, 1 <sup>st</sup> April 2015: 2,50,00,000) Fully Paid Up Equity Shares of ₹ 10 each of GSPC LNG Limited	2,843.94	2,843.94	2,843.94
62,50,000 (31 <sup>st</sup> March, 2016: 62,50,000; 1 <sup>st</sup> April, 2015: 62,50,000) Fully Paid Up Equity Shares of ₹ 10 each of Gujarat State Energy Generation Limited	640.47	661.15	661.15
Investment in unquoted debentures of other companies measured at fair value through profit and loss (FVTPL)			
Nil (31 <sup>st</sup> March, 2016: Nil, 1 <sup>st</sup> April, 2015: 2,000) Fully Paid Up 6% Optionally Convertible Debentures of ₹ 1,00,000 each of Sabarmati Gas Ltd.	-	-	2,000.00
Total Non-Current Investments	3,484.41	3,505.09	5,505.09
Current			
Investment in unquoted debentures of other companies measured at fair value through profit and loss (FVTPL)			
Nil (31 <sup>st</sup> March, 2016: 2,000, 1 <sup>st</sup> April, 2015: Nil) Fully Paid Up 6% Optionally Convertible Debentures of ₹ 1,00,000 each of Sabarmati Gas Ltd.	-	2,000.00	-
Total Current Investments	-	2,000.00	

(i) Investments measured at fair value through Other Comprehensive Income (FVOCI) reflect investments in unquoted equity securities and debt securities. Refer Note 40 for determination of their fair values.

\* Refer note 40 - Financial instruments, fair values and risk measurement for fair valuation methodology.

7. LOANS*		(₹ in Lacs)	
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Non-Current</b>			
Housing building advance to employees Secured, considered good	1,133.32	1,165.64	1,080.10
Other loans and advances to employees Unsecured, considered good	49.64	76.80	79.35
<b>Total Non-Current Loans</b>	<b>1,182.96</b>	<b>1,242.44</b>	<b>1,159.45</b>
<b>Current</b>			
Housing building advance to employees Secured, considered good	90.91	94.51	78.64
Other loans and advances to employees Unsecured, considered good	82.89	98.09	93.81
<b>Total Current Loans</b>	<b>173.80</b>	<b>192.60</b>	<b>172.45</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

## 8. OTHER FINANCIAL ASSETS\*

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Non-Current</b>			
Margin money deposit - bank guarantee / letter of credit	-	152.00	-
Balance in escrow A/c- PNGRB [Incl. TD]	339.55	44.09	490.36
Fixed deposits with original maturity of more than 12 month	14.07	462.42	589.71
Security deposit given (Unsecured - considered good)	1,434.21	1,349.34	1,285.62
Receivable from employees (Unsecured - considered good)	13.53	7.96	14.51
<b>Total Non-Current Other Financial Assets</b>	<b>1,801.36</b>	<b>2,015.82</b>	<b>2,380.21</b>
<b>Current</b>			
Security deposit given (Unsecured - considered good)	61.63	95.19	100.90
Receivable from employees (Unsecured - considered good)	7.61	7.64	11.00
Derivative asset (i)	309.97	463.48	-
Others	150.23	334.16	363.49
<b>Total Current Other Financial Assets</b>	<b>529.44</b>	<b>900.48</b>	<b>475.39</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

### (i) Derivative assets

The Company has entered into cross currency interest rate swap to hedge against interest rate risk and exchange rate risk. Refer Note 40 for details.

## 9. OTHER NON-FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Non-Current</b>			
Capital advances	654.92	1,249.58	4,096.97
Balances with Government Authorities	6,892.39	6,892.39	6,767.45
Advance income tax and TDS (net of provision)	2,289.05	786.12	223.39
Payment under protest	585.27	335.78	772.53
Prepaid expenses	382.61	428.50	435.74
Deferred employee cost	63.77	54.21	53.04
Others	-	22,400.00	15,000.00
<b>Total Non-Current Non-Financial Assets</b>	<b>10,868.01</b>	<b>32,146.59</b>	<b>27,349.13</b>
<b>Current</b>			
Balances with Government Authorities	2,700.32	2,546.25	2,966.27
Payment under protest	-	543.98	-
Prepaid expenses	153.16	144.01	110.61
Other advances	450.27	408.85	323.61
Deferred employee cost	61.21	42.41	55.48
<b>Total Current Non-Financial Assets</b>	<b>3,364.96</b>	<b>3,685.50</b>	<b>3,455.97</b>

## 10. INVENTORIES\*

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Stores & spares	1,492.02	1,759.65	1,861.82
Line pack gas	9,741.94	10,012.90	9,161.68
<b>Total Inventories</b>	<b>11,233.96</b>	<b>11,772.55</b>	<b>11,023.50</b>

\*For mode of valuation, refer note 2 (h) of significant accounting policies

**11. TRADE RECEIVABLES\***

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Current</b>			
Unsecured, considered good	12,164.25	15,175.39	15,039.26
Unsecured, considered doubtful	268.10	268.10	268.10
Less: Provision for doubtful debts (Expected credit loss allowance)	(268.10)	(268.10)	(268.10)
<b>Total Trade Receivables</b>	<b>12,164.25</b>	<b>15,175.39</b>	<b>15,039.26</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

**(i) Trade receivables from related parties:**

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Trade receivables from related parties	1,717.04	1,451.42	1428.28

**12. CASH AND OTHER BANK BALANCES\***

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Cash and Cash Equivalents</b>			
Balances with banks			
In current accounts	1,016.82	1,189.02	1,434.47
Fixed deposit with original maturity of less than 3 months	500.34	6,387.92	7,674.89
Cash on hand	0.45	1.39	0.72
<b>Total Cash and Cash Equivalents</b>	<b>1,517.61</b>	<b>7,578.33</b>	<b>9,110.08</b>
<b>Other Bank Balances</b>			
Earmarked balances with banks			
Unpaid dividend account	83.05	85.54	71.35
Balance in escrow A/c- PNGRB [Incl. TD]	3,576.10	3,122.86	2,327.23
Fixed Deposit			
Margin money deposit - bank guarantee / letter of credit	-	23.72	11,291.54
With original maturity of more than 12 months	3,870.55	125.21	115.67
With original maturity of more than 3 months but less than 12 months	71,216.22	44,357.48	21,566.15
<b>Total Bank Balance other than Cash and Cash Equivalents</b>	<b>78,745.92</b>	<b>47,714.81</b>	<b>35,371.94</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

### 13. EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	Number of Shares	Amount ₹ in Lacs
<b>AUTHORISED SHARE CAPITAL</b>		
Equity shares of ₹ 10/- each		
<b>As at 1<sup>st</sup> April, 2015</b>	<b>70,00,00,000</b>	<b>70,000.00</b>
Increase/(decrease) during the year	-	-
<b>As at 31<sup>st</sup> March, 2016</b>	<b>70,00,00,000</b>	<b>70,000.00</b>
Increase/(decrease) during the year	-	-
<b>As at 31<sup>st</sup> March, 2017</b>	<b>70,00,00,000</b>	<b>70,000.00</b>

Particulars	Notes	Number of Shares	Amount ₹ in Lacs
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
Equity shares of ₹ 10/- each fully paid up			
<b>As at 1<sup>st</sup> April, 2015</b>		<b>56,29,79,980</b>	<b>56,298.00</b>
Add: Equity shares allotted pursuant to Employee Stock Option Plan (ESOP)	43	3,60,084	36.01
<b>As at 31<sup>st</sup> March, 2016</b>		<b>56,33,40,064</b>	<b>56,334.01</b>
Add: Equity shares allotted pursuant to Employee Stock Option Plan (ESOP)	43	2,47,668	24.77
<b>As at 31<sup>st</sup> March, 2017</b>		<b>56,35,87,732</b>	<b>56,358.77</b>

#### Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended 31<sup>st</sup> March, 2017, the amount of dividend per share recognised as distributions to equity shareholders is ₹ 1.5 per share. (31<sup>st</sup> March 2016: ₹ 1.2 per share; 1<sup>st</sup> April 2015: ₹ 1 per share)

In the events of liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Details of shares held by parent company and ultimate parent company and their subsidiaries / associates:

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
21,23,05,270/- Equity Shares held by parent company - Gujarat State Petroleum Corporation Ltd.			
(As at 31 <sup>st</sup> March, 2016: 21,23,05,270/-; as at 1 <sup>st</sup> April, 2015: 21,23,05,270/-)	21,230.53	21,230.53	21,230.53

#### Details of shareholder(s) holding more than 5% equity shares

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Number of Equity Shares</b>			
Gujarat State Petroleum Corporation Limited	21,23,05,270	21,23,05,270	21,23,05,270
Gujarat Maritime Board	3,70,88,000	3,70,88,000	3,70,88,000
<b>% Holding in Equity Shares</b>			
Gujarat State Petroleum Corporation Limited	37.67%	37.69%	37.71%
Gujarat Maritime Board	6.58%	6.58%	6.59%

#### Detail of shares reserved for issue under Employee Stock Option Plan (ESOP)

For details of shares reserved for issue under the Employees Stock Option Plan (ESOP) 2010 of GSPL, please refer Note 43.



**14. OTHER EQUITY**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Securities Premium Reserve	41,062.39	40,784.88	40,381.41
General Reserve	272.30	272.30	272.30
Employees Stock Options Outstanding (Net)	385.82	502.36	739.02
Retained Earnings	3,42,637.90	2,96,007.95	2,57,661.58
Capital Reserve	5,397.38	5,397.38	7,303.51
Other reserves	113.03	11.01	-
Reserves representing unrealized gains/losses	(1,677.22)	(665.85)	104.77
<b>Total Other Equity</b>	<b>3,88,191.60</b>	<b>3,42,310.02</b>	<b>3,06,462.57</b>

Particulars	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Securities Premium Reserve</b>		
Opening balance	40,784.88	40,381.41
Add: Addition during the Year	277.51	403.47
<b>Closing balance</b>	<b>41,062.39</b>	<b>40,784.88</b>

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

<b>General Reserve</b>		
Opening balance	272.30	272.30
Add: Addition during the Year	-	-
<b>Closing balance</b>	<b>272.30</b>	<b>272.30</b>
<b>Employees Stock Options Outstanding (Net)</b>		
Gross compensation for ESOPs granted	1,125.94	1,125.94
Less: Deferred employee stock compensation	-	-
Less: Transferred to securities premium on exercise of ESOPs	396.14	279.61
Less: ESOP lapsed / cancelled	343.98	343.97
<b>Closing balance</b>	<b>385.82</b>	<b>502.36</b>

Particulars	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Retained Earnings</b>		
Opening balance	2,96,007.95	2,57,661.58
<b>Add:</b>		
Profit during the period	53,889.74	46,523.36
Tax adjustment of earlier years	3,024.85	-
Remeasurement of post employment benefit obligation, net of tax	(112.02)	(44.17)
<b>Less:</b>		
Equity dividend	(8,450.10)	(6,755.76)
Difference in dividend on equity share	(1.90)	(1.45)
Tax on dividend	(1,720.24)	(1,413.65)
Difference in tax on dividend for equity share	(0.39)	38.04
<b>Closing balance</b>	<b>3,42,637.90</b>	<b>2,96,007.95</b>

The amount that can be distributed by the Company as dividends to its equity shareholders out of accumulated reserves is determined considering the requirements of the Companies Act, 2013. Thus, the closing balance amounts reported above are not distributable in entirety.

<b>Capital Reserve</b>		
Opening balance	5,397.38	7,303.51
Addition/(Deduction) during the year	-	(1,906.13)
<b>Closing Balance</b>	<b>5,397.38</b>	<b>5,397.38</b>

**Reserves representing unrealized gains/losses**
**FVOCI - Equity Investments**

Opening balance	(665.85)	104.77
Increase/(decrease) fair value of FVOCI equity instruments	(1,365.20)	(1,070.66)
Income tax on net fair value gain or loss	353.83	300.05
<b>Closing balance</b>	<b>(1,677.22)</b>	<b>(665.85)</b>

**Other reserves**

Opening balance	11.01	-
Addition/(Deduction) during the year	102.02	11.01
<b>Closing balance</b>	<b>113.03</b>	<b>11.01</b>

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 reserves.

**15. BORROWINGS\***

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Secured</b>			
Term loan from banks	48,183.22	74,805.28	62,186.66
Term loan from financial institutions	14,869.43	17,625.51	25,112.71
<b>Unsecured</b>			
Term loan from financial institutions	-	14,268.91	28,575.34
<b>Total Borrowings (A)</b>	<b>63,052.65</b>	<b>1,06,699.69</b>	<b>1,15,874.71</b>
<b>Current Maturities of Borrowings**</b>			
<b>Secured</b>			
Term loan from banks	9,998.20	10,423.18	8,867.79
Term loan from financial institutions	2,936.37	2,962.23	4,527.07
<b>Unsecured</b>			
Term loan from financial institutions	-	14,268.91	14,575.34
<b>Current Maturities of Borrowings (B)</b>	<b>12,934.57</b>	<b>27,654.32</b>	<b>27,970.21</b>
<b>Non-Current Borrowings (A-B)</b>	<b>50,118.08</b>	<b>79,045.37</b>	<b>87,904.50</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

\*\* Disclosed under 'Other Current Financial Liabilities' (Refer Note 16)

Term loan from banks and financial institutions are secured by first pari-passu charge on all Intangible and Tangible assets (except 36" pipeline from Hazira to Mora), Capital Work in Progress, operating cash flows, Book Debts and Other Movables of the Company.

For foreign currency loan, the Company has entered in to cross currency swap and interest rate swap in order to hedge its foreign currency risks in full.

**Maturity Profile and Rate of Interest of Term Loans<sup>1</sup>**

Rate of Interest	No. of Installment	Outstanding at 31 <sup>st</sup> March 2017	2017-18	2018-2027
7.86%	21	14,875.39	2,812.50	11,953.13
Base Rate + 0.35%	9	3,326.40	1,466.67	1,833.33
1 Year GSEC + 2.175%	7	4,456.26	1,206.55	3,016.36
Base Rate + 0.35%	6	2,159.37	1,428.57	714.29
10.10% - Reset every year	5	1,791.36	1,428.57	357.14
Base Rate + 0.25	27	7,626.51	1,428.57	8,212.15
Base Rate + 0.45	36	10,169.14	417.00	14,583.00
Base Rate + 0.25	31	3,135.67	625.00	4,217.17
Base Rate + 0.25	32	4,787.57	1,250.00	8,747.38
Base Rate + 0.40	31	10,724.99	553.21	10,229.80
<b>Grand Total</b>		<b>63,052.65</b>	<b>12,616.64</b>	<b>63,863.75</b>

**1 Repayment schedule includes amount of loan sanctioned but to be drawn**

**16. OTHER FINANCIAL LIABILITIES\***

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Non-Current</b>			
Security deposit from customers	1,394.95	1,244.53	1,010.68
<b>Total Non-Current Other Financial Liabilities</b>	<b>1,394.95</b>	<b>1,244.53</b>	<b>1,010.68</b>
<b>Current</b>			
Current maturities of non-current borrowings	12,934.57	27,654.32	27,970.21
Other payables (including for capital goods and services)	5,020.55	5,805.91	6,192.95
Earnest money deposit	26.25	43.55	33.05
Deposit from customers	1,213.42	1,041.09	945.59
Dividend payable / unclaimed	83.05	85.54	81.67
Imbalance, overrun & other charges - PNGRB	3,267.75	2,950.54	2,608.78
Derivative liability (ii)	-	-	409.17
<b>Total Current Other Financial Liabilities</b>	<b>22,545.59</b>	<b>37,580.95</b>	<b>38,241.42</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

**(i) Derivative liability**

The Company has entered into cross currency interest rate swap to hedge against interest rate risk and as well exchange rate risk. Refer Note 40 for more details.

**17. PROVISIONS**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Non-Current</b>			
<b>Provision for employee benefits</b>			
Provision for gratuity	-	282.19	232.11
Provision for leave salary	791.34	642.30	569.29
	<b>791.34</b>	<b>924.48</b>	<b>801.41</b>
<b>Other Provision</b>			
Provision for decommissioning obligations	336.01	311.12	288.08
	<b>336.01</b>	<b>311.12</b>	<b>288.08</b>
<b>Total Non-Current Provisions</b>	<b>1,127.35</b>	<b>1,235.61</b>	<b>1,089.49</b>
<b>Current</b>			
<b>Provision for employee benefits</b>			
Provision for gratuity	45.81	104.95	97.36
Provision for leave salary	29.85	27.08	23.27
Provision for leave travel allowance	35.91	34.90	30.64
<b>Total Current Provisions</b>	<b>111.57</b>	<b>166.93</b>	<b>151.27</b>

**(i) Movements in Other Provisions**

Particulars	Provision for decommissioning obligations	Total
At 1 <sup>st</sup> April 2016	311.12	311.12
Add: Unwinding of discounts (accounted as finance cost)	24.89	24.89
At 31 <sup>st</sup> March 2017	<b>336.01</b>	<b>336.01</b>

For movements in provisions for employee benefits, refer Note 42.

**(ii) Provision for Decommissioning Obligations**

Refer accounting policies (t) and Note 50 Transition to Ind AS.

## 18 DEFERRED TAX LIABILITIES (Net)

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Deferred Tax Liabilities			
Property, plant and equipment	47,866.34	47,979.79	45,477.31
Financial liabilities measured at amortised cost	173.39	214.06	244.77
Undistributed reserves of equity accounted investees	9,080.82	7,484.21	6,686.67
<b>Total Deferred Tax Liabilities (A)</b>	<b>57,120.55</b>	<b>55,678.07</b>	<b>52,408.75</b>
Deferred Tax Assets			
Provisions for employee benefits	300.05	365.64	319.10
Investments in equity instruments measured at FVOCI	195.29	152.67	99.68
Provision for decommissioning obligations	66.28	54.91	44.19
Provisions - Others	289.00	385.71	387.12
<b>Total Deferred Tax Assets (B)</b>	<b>850.62</b>	<b>958.94</b>	<b>850.09</b>
<b>Net Deferred Tax Liabilities (A-B)</b>	<b>56,269.93</b>	<b>54,719.13</b>	<b>51,558.67</b>

### (i) Movements in Deferred Tax Liabilities (net)

Particulars	Property, plant and equipment	Financial liabilities measured at amortised cost	Undistributed reserves of equity accounted investees	Provisions for employee benefits	Investments in equity instruments measured at FVOCI	Provision for decommissioning obligations	Provisions - Others	Net Deferred Tax Liabilities
<b>At 1<sup>st</sup> April, 2015</b>	<b>45,477.31</b>	<b>244.77</b>	<b>6,686.67</b>	<b>(319.10)</b>	<b>(99.68)</b>	<b>(44.19)</b>	<b>(387.12)</b>	<b>51,558.67</b>
Charged/(credited)								
- to profit or loss	2,502.48	(30.71)	797.54	(50.03)	-	(10.73)	1.41	3,209.97
- to other comprehensive income	-	-	-	3.49	(52.99)	-	-	(49.50)
<b>At 31<sup>st</sup> March, 2016</b>	<b>47,979.79</b>	<b>214.06</b>	<b>7,484.21</b>	<b>(365.64)</b>	<b>(152.67)</b>	<b>(54.91)</b>	<b>(385.71)</b>	<b>54,719.13</b>
Charged/(credited)								
- to profit or loss	2,911.40	(40.67)	1,596.61	89.26	-	(11.36)	96.71	4,641.93
- to directly in equity	(3,024.85)	-	-	-	-	-	-	(3,024.85)
- to other comprehensive income	-	-	-	(23.67)	(42.62)	-	-	(66.29)
<b>At 31<sup>st</sup> March 2017</b>	<b>47,866.34</b>	<b>173.39</b>	<b>9,080.82</b>	<b>(300.05)</b>	<b>(195.29)</b>	<b>(66.28)</b>	<b>(289.00)</b>	<b>56,269.93</b>

### (ii) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate:

Particulars	2016-17	2015-16
Accounting Profit before income tax expenses	72,837.16	65,041.67
<b>Tax expenses at statutory tax rate of 34.608% (2015-16 - 34.608%)</b>	<b>25,207.48</b>	<b>22,509.62</b>

### Tax effect of amounts which are not deductible(taxable) in calculating taxable income:

Items having no tax consequences	839.82	839.34
Undistributed reserves of equity accounted entities	1,596.61	797.54
Chapter VI deductions	(851.47)	(645.56)
Short/(Excess) provisions of tax - earlier years	(1,080.99)	(354.75)
<b>Tax Expenses at effective income tax rate of 35.300% (2015-16: 35.587%)</b>	<b>25,711.45</b>	<b>23,146.19</b>

### (iii) Items of Other Comprehensive Income

Particulars	2016-17	2015-16
Deferred tax related to items recognised in OCI during the year:		
Unrealised gain/(loss) on FVOCI equity securities	(23.67)	(52.99)
Net (loss)/gain on remeasurements of defined benefit plans	(42.62)	3.49
<b>Income tax charged to OCI</b>	<b>(66.29)</b>	<b>(49.50)</b>

**19. OTHER NON-FINANCIAL LIABILITIES**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Non-Current</b>			
Revenue received in advance	1,073.42	1,072.07	1,165.68
Others	475.59	617.34	759.09
<b>Total Non-Current Non-Financial Liabilities</b>	<b>1,549.01</b>	<b>1,689.41</b>	<b>1,924.77</b>
<b>Current</b>			
Revenue received in advance	198.51	193.45	179.34
Statutory taxes payable	210.30	273.41	270.81
Others	7,916.69	7,548.29	4,129.04
<b>Total Current Non-Financial Liabilities</b>	<b>8,325.50</b>	<b>8,015.15</b>	<b>4,579.19</b>

**20. TRADE PAYABLES\***

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Current</b>			
Total outstanding dues of micro enterprises and small enterprises	431.14	113.63	61.56
Total outstanding dues of creditors other than micro enterprises and small enterprises	947.52	1,387.48	3,963.35
<b>Total Trade Payables</b>	<b>1,378.66</b>	<b>1,501.11</b>	<b>4,024.91</b>

\* Refer note 40 - Financial instruments, fair values and risk measurement

**21. REVENUE FROM OPERATIONS**

(₹ in Lacs)

Particulars	2016-17	2015-16
Revenue from transportation of gas (net)	97,688.99	94,970.33
Revenue from sale of electricity (net)	3,998.14	3,730.40
Other operating revenues		
Connectivity charges	1,068.31	491.82
<b>Total Revenue from Operations</b>	<b>1,02,755.44</b>	<b>99,192.56</b>

**22. OTHER INCOME**

(₹ in Lacs)

Particulars	2016-17	2015-16
Other non-operating income	578.39	550.22
<b>Total Other Income</b>	<b>578.39</b>	<b>550.22</b>

**23. INTEREST INCOME**

(₹ in Lacs)

Particulars	2016-17	2015-16
Interest income		
Fixed deposits with banks	5,677.34	3,716.99
Optionally convertible debentures	34.85	120.00
Others	1,587.96	334.50
<b>Total Interest Income</b>	<b>7,300.15</b>	<b>4,171.48</b>

## 24. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	2016-17	2015-16
Salaries and wages		
Salaries and allowances	3,014.22	2,982.07
Leave salary	178.01	83.04
Contribution to provident and other funds		
Contribution to provident fund	206.77	200.98
Contribution to super annuation scheme	86.04	84.40
Group gratuity expenses	132.06	115.70
ESOP compensation expenses	-	(67.25)
Staff welfare expenses	267.06	213.46
<b>Total Employee Benefit Expenses</b>	<b>3,884.16</b>	<b>3,612.41</b>

## 25. FINANCE COSTS

(₹ in Lacs)

Particulars	2016-17	2015-16
Interest on borrowings	5,690.83	7,757.91
Unwinding of discount on provisions	24.89	23.05
Unwinding of transaction costs incurred on borrowings	90.08	88.25
Other borrowing costs (includes bank charges, etc.)	152.07	122.31
<b>Total Finance Costs</b>	<b>5,957.87</b>	<b>7,991.52</b>

## 26. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	2016-17	2015-16
Depreciation for property, plant and equipment	17,734.25	18,108.40
Amortisation for intangible assets	179.62	182.76
<b>Total Depreciation and Amortisation Expenses</b>	<b>17,913.87</b>	<b>18,291.15</b>

## 27. OTHER EXPENSES

(₹ in Lacs)

Particulars	2016-17	2015-16
<b>Operation &amp; Maintenance Expenses</b>		
Maintenance contracts	1,486.45	2,890.67
Payment to outsourced persons	570.19	383.20
Security service charges	1,028.81	879.36
Land revenue	8.71	5.81
Power & fuel	781.00	750.55
Consumption of stores & spare parts	369.74	460.99
System usage gas	2,182.45	284.62
Repairs & maintenance - building	24.44	54.11
Repairs & maintenance - machinery	153.02	117.41
Other O&M expenses	465.06	553.87
O&M expenses - windmill	446.28	347.03
	<b>(A)</b>	
	<b>7,516.13</b>	<b>6,727.63</b>
<b>Other Office &amp; Administrative Expenses</b>		
Advertisement & publicity expenses	81.86	122.96
Bandwidth & website maintenance charges	21.51	9.90
Business promotion	77.82	16.74
Statutory audit fees	2.67	2.01
Donation & contributions	38.00	138.23
Legal & professional expenses	480.80	424.48
Rent	230.42	161.81

Rate & taxes	45.11	51.17
Recruitment & training	66.79	65.48
Seminar & conference	16.58	13.21
Stationery & printing	25.18	27.73
Travelling expenses - directors	5.95	4.52
Travelling expenses - others	77.23	98.34
Postage, telephone & courier expenses	45.84	51.58
HSE expenses	105.05	43.59
Listing fee	14.40	13.87
Insurance expenses	349.63	285.87
Other administrative exp.	839.93	718.40
	(B)	
<b>Total Other Expenses (A+B)</b>	<b>10,040.92</b>	<b>8,977.51</b>

**(i) Payment to Auditors\***

Particulars	2016-17	2015-16
For statutory audit	2.40	2.00
For other services	2.25	1.95
For reimbursement of expenses	0.26	0.03
<b>Total</b>	<b>4.91</b>	<b>3.98</b>

\*Excluding applicable taxes.

**(ii) Corporate Social Responsibility Expenses**

Particulars	2016-17	2015-16
Gross amount required to be spent by the Company during the year	1,310.03	1,425.82
Amount spent during the year on (paid in cash) :		
Construction /acquisition of any asset	23.00	62.50
On purpose other than above	15.00	75.16
Amount spent during the year on (yet to be paid in cash) :		
Construction /acquisition of any asset	-	-
On purpose other than above	-	-
<b>Total</b>	<b>38.00</b>	<b>137.66</b>

**28. INCOME TAX EXPENSES**

(₹ in Lacs)

Particulars	2016-17	2015-16
<b>Current Tax Expenses</b>		
Current tax on profits for the year	22,150.52	20,290.97
Adjustments for the current tax of prior periods	(1,080.99)	(354.75)
<b>Total Current Tax Expenses</b>	<b>21,069.52</b>	<b>19,936.22</b>
<b>Deferred Tax Expenses</b>		
Decrease/(Increase) in deferred tax assets	174.60	(59.35)
(Decrease)/Increase in deferred tax liabilities	4,467.33	3,269.31
<b>Total Deferred Tax Expenses</b>	<b>4,641.93</b>	<b>3,209.97</b>
<b>Income Tax Expenses</b>	<b>25,711.45</b>	<b>23,146.18</b>
<b>Tax Items of Other Comprehensive Income</b>		
Deferred tax related to items recognised in OCI during the year:		
Unrealised gain/(loss) on FVOCI equity securities	(23.67)	(52.99)
Net (loss)/gain on remeasurements of defined benefit plans	(42.62)	3.49
<b>Income tax charged to OCI</b>	<b>(66.29)</b>	<b>(49.50)</b>

## 29 EARNING PER SHARE

Particulars	2016-17	2015-16
<b>Profit attributable to equity holders for (₹ in Lacs):</b>		
Basic earnings	53,889.74	46,523.37
Adjusted for the effect of dilution	53,889.74	46,523.37
<b>Weighted average number of Equity Shares for:</b>		
Basic EPS	56,34,53,705	56,31,33,906
Adjusted for the effect of dilution	56,37,63,818	56,34,92,116
<b>Earnings Per Share (₹):</b>		
Basic	9.56	8.26
Diluted	9.56	8.26

## 30. CONTINGENT LIABILITIES & CONTINGENT ASSETS

(₹ in Lacs)

### Contingent Liabilities\*

Sr No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>A</b>	<b>Claims against company not acknowledged as debts</b>			
1	By land owners seeking enhancement of compensation in respect of RoU acquired by the Company	2,269.22	2,124.57	2,124.57
2	By other parties including contractual disputes	7,094.78	7,094.78	39.86
3	Central Excise and Service Tax matters, the matters lying before: Applicable interest & penalty has also been demanded by Department.	34,113.14	33,137.93	33,137.93
4	Income tax matters:	317.17	355.94	1,195.95
The Company has reviewed all its pending 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 proceedings to have a materially adverse effect on its financial position.				
<b>B</b>	<b>Guarantees excluding financial guarantees</b>			
	Outstanding Bank Guarantees / Letter of Credits	2,25,729.45	2,26,226.09	68,983.64

Imbalance and overrun charges as per the 'Modalities of maintaining & operation of Escrow Account under the PNGRB (Access Code for Common or Contract Carrier Natural Gas Pipeline) Regulations, 2008' issued by PNGRB on 7<sup>th</sup> March 2011, collected for the period prior to 1<sup>st</sup> April 2011 amounting to ₹ 226.02 Lacs (net of taxes) has been deposited in Escrow Account under protest. However, the same is not recognised as liability as these guidelines are applicable w.e.f. 1<sup>st</sup> April 2011.

\* Refer Note no 51 for contingent liabilities of associate & joint venture companies.

### Contingent Assets

The Company is having certain claims which are pursuing through legal processes. The management believe that probable outcome in all such claims are uncertain. Hence, the disclosure of such claims is not required in the financial statements.



**31. COMMITMENTS\*****(₹ in Lacs)**

Sr No.	Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>A</b>	<b>Capital Commitments</b>			
	Estimated amount of contracts remaining to be executed on capital account and not provided for	46,871.34	21,614.46	25,686.84
<b>B</b>	<b>Other Commitments</b>			
	Further investments in subsidiaries and associates	1,88,534.99	1,93,994.99	1,96,594.99
	Advance adjustable against re-gasification services	-	-	5,000.00
<b>* Refer Note no 51 for commitments of associate &amp; joint venture companies.</b>				

**32. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

The dividend recommended by the directors which is subject to approval of shareholders in the ensuing annual general meeting.

33. Previous year figures have been reclassified or regrouped wherever necessary.

**34. BORROWING COSTS CAPITALISATION****(₹ in Lacs)**

**As per Indian Accounting Standard -23 “Borrowing Costs”, the Company has capitalised the borrowing costs amounting to:**

Particulars	2016-17	2015-16
Borrowing costs capitalised	3,513.72	3,931.14

35. There are no whole time / executive directors on the Board except Managing Director and joint Managing Director. They are not drawing any remuneration from the Company.
36. The balances of sundry debtors, creditors, loans & advances and deposits are subject to confirmation. Provision for all liabilities is adequate in opinion of the Company.
37. Information in respect Micro, Small and Medium Enterprises Development Act, 2006; Company had sought confirmation from the vendors whether they fall in the category of Micro/Small/Medium Enterprises. Based on the information available, the required disclosures are given below:

**(₹ in Lacs)**

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Principal amount remaining unpaid</b>	431.14	113.63	61.56
Interest due thereon	-	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-
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 Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
Interest accrued and remaining unpaid	-	-	-
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	-	-	-

## 38. SEGMENT INFORMATION

(₹ in Lacs)

### (a) Description of segment and principal activities

“The Company’s Board of Directors monitors the operating results of the below business segments separately for the purpose of making decisions about resource allocation and performance assessment and has identified two reportable segments of its business:

1. Gas Transportation - The Company’s principal business comprising transportation of Gas through pipeline.
2. Windmill - Generation of electricity through windmills.”

### (b) Segment revenue and expenses

Revenue and Expenses have been identified to a segment on the basis of operating activities of the segment. Revenue and Expenses which relate to common activities and are not allocable to segment on reasonable basis have been disclosed as “Unallocable”.

### (c) Segment assets and liabilities

Segment assets include all operating assets in respective segments comprising of net fixed assets, Capital Work in Progress, current assets, loans and advances. Segment liabilities include operating liabilities and provisions including borrowings and deferred tax liabilities.

### (d) Information about geographical areas

The Company does not have geographical distribution of revenue hence this disclosure is not applicable to the Company. All the customers are located within India.

### (e) Information about major customers

Revenues of ₹ 50,565.41 Lacs (P.Y.: ₹ 45,722.95 Lacs) are derived from multiple major customers. These revenue are attributable to gas transportation segment.

### (f) Information about product and services

The Company’s revenue from external customers for each product is same as that disclosed below under “segment revenue”.

Particulars	2016-17				2015-16			
	Gas Transportation	Windmill	Unallocated	Total	Gas Transportation	Windmill	Unallocated	Total
Segment Revenues								
External Revenue*	1,00,596.68	3,998.14	-	1,04,594.82	95,982.53	3,730.40	-	99,712.93
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Segment Revenue	1,00,596.68	3,998.14	-	1,04,594.82	95,982.53	3,730.40	-	99,712.93
Segment Results								
Profit/(Loss)	73,978.77	1,805.58	-	75,784.35	70,684.61	1,395.93	-	72,080.54
Unallocated other income	-	-	12,803.33	12,803.33	-	-	8,829.15	8,829.15
Unallocated expenses and finance cost	-	-	(8,986.49)	(8,986.49)	-	-	(11,240.13)	(11,240.13)
Profit before tax	73,978.77	1,805.58	3,816.84	79,601.19	70,684.61	1,395.93	(2,410.98)	69,669.55
Income tax- Current	-	-	(22,150.51)	(22,150.51)	-	-	(20,290.97)	(20,290.97)
Excess/short provision of income tax	-	-	1,080.99	1,080.99	-	-	354.75	354.75
Deferred tax	-	-	(4,641.93)	(4,641.93)	-	-	(3,209.97)	(3,209.97)
Profit after tax	73,978.77	1,805.58	(21,894.60)	53,889.74	70,684.61	1,395.93	(25,557.17)	46,523.37
Other information								
Depreciation and amortisation	15,664.61	1,653.14	596.11	17,913.87	15,790.09	1,888.86	612.12	18,291.07
Cost to acquire Fixed Assets (incl.CWIP)	17,203.81	-	831.24	18,035.05	24,315.97	-	734.50	25,050.47
Net Additions to non-current assets	17,221.09	-	(15,065.40)	2,155.69	21,611.56		9,958.92	31,570.48
Non-Cash Expenses other than depreciation and amortisation	281.68	32.84	5.16	319.68	267.39	30.99	59.46	357.85

\* Segment Revenue includes other income which is directly attributable to each segment.

Segments Assets**	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Gas Transportation	4,03,836.47	4,09,820.79	4,05,454.18
Windmill	12,590.60	14,369.17	16,297.57
Unallocated	1,70,943.93	1,59,652.25	1,31,493.75
<b>Total</b>	<b>5,87,371.00</b>	<b>5,83,842.21</b>	<b>5,53,245.49</b>

Segments Liabilities**	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Gas Transportation	20,225.07	20,400.06	18,494.39
Windmill	1,137.98	1,216.60	1,275.81
Unallocated	1,21,457.58	1,63,581.53	1,70,714.71
<b>Total</b>	<b>1,42,820.64</b>	<b>1,85,198.19</b>	<b>1,90,484.90</b>

\*\* Segment assets and liabilities are measured in same way as in the financial statements. They are allocated based on the operations of the segment.

### 39 RELATED PARTY DISCLOSURES

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Company are as follows.

#### (a) Parent Entity

Gujarat State Petroleum Corporation Limited

#### (b) Subsidiary/Associate

Name of the entity#	Type
GSPL India Gasnet Limited	Joint Venture
GSPL India Transco Limited	Joint Venture
Gujarat Gas Limited*	Associate
Sabarmati Gas Limited**	Associate
Gujarat State Energy Generation Limited	Other
Gujarat Info Petro Limited	Other
Gujarat Pipavav Power Company Limited	Other
GSPC LNG Limited	Other

#### # List of parties having transactions during the year

\* Pursuant to the scheme of amalgamation and arrangement sanctioned by the Hon'ble Gujarat High Court, inter-alia, GSPC Gas Company Limited and Gujarat Gas Company Limited have amalgamated with Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited). The schemes of amalgamation become effective on 14<sup>th</sup> May, 2015 with appointed date of 1<sup>st</sup> April, 2013. The shares of Gujarat Gas Limited have been listed on Bombay Stock Exchange and National Stock Exchange on 15<sup>th</sup> September, 2015.

\*\* On 18<sup>th</sup> February, 2016, the Company acquired additional shares in Sabarmati Gas Limited.

## (c) Transactions with related parties:

(₹ in Lacs)

Particulars	Parent		Joint Venture		Associate		Others		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Gas Transportation Income	9,340.78	3,428.70	-	-	25,077.63	24,519.80	1,130.89	911.91	35,549.30	28,860.41
Other Income	-	0.16	181.93	170.41	182.64	169.30	0.01	0.02	364.58	339.89
Interest on Investment	-	-	-	-	34.85	120.00	-	-	34.85	120.00
Services received	3.64	6.37	-	-	13.18	19.23	88.50	4.65	105.32	30.25
Reimbursement made for expenses	70.39	79.35	319.65	391.53	6.36	9.21	1.19	5.19	397.59	485.28
Reimbursement received for expenses	46.39	90.74	230.95	364.86	71.55	62.48	27.77	23.53	376.66	541.61
Purchase of Line Pack Gas	1,911.50	1,135.84	-	-	-	-	-	-	1,911.50	1,135.84
Dividend Paid	3,184.58	2,547.66	-	-	-	-	-	-	3,184.58	2,547.66
Investment in Equity	-	-	5,460.00	2,600.00	-	5,623.29	-	-	5,460.00	8,223.29
Redemption of Optionally Convertible Debentures	-	-	-	-	2,000.00	-	-	-	2,000.00	-
Purchase of Assets	-	-	-	-	-	(2.81)	-	108.46	-	105.65
Sale of Assets	1.79	0.45	-	6.05	-	1,958.16	-	-	1.79	1,964.66
Transfer of receivable/(payable) on Sale of Assets	-	(0.07)	-	(1.69)	-	22.30	-	-	-	20.54
Security deposits paid/released	-	-	-	-	90.00	14.05	-	-	90.00	14.05
Security deposits Received	-	-	-	-	88.23	58.00	-	1.00	88.23	59.00
Contribution made to Superannuation Trust	-	-	-	-	-	-	86.04	84.40	86.04	84.40
Contribution made to Gratuity Trust	-	-	-	-	-	-	535.09	44.02	535.09	44.02
<b>Outstanding balances arising from sales/purchases of goods/services</b>										
Corporate guarantee given	-	-	6,500.00	6,500.00	-	50,000.00	-	-	6,500.00	56,500.00
Account Payable as at year end	367.57	48.37	21.92	21.63	1.26	128.96	52.83	61.72	443.58	260.68
Account Receivable as at year end	518.36	171.85	38.44	114.51	932.98	975.78	227.26	189.28	1,717.04	1,451.42
* The above transactions are inclusive of all taxes, wherever applicable.										

## (d) Terms and conditions

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. All outstanding balances are unsecured.

Apart from the above transactions, the Company has also entered into certain transactions in ordinary course of business with Government related entities. These are transacted at arm's length prices based on the agreed contractual terms.

**40. FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS**

(₹ in Lacs)

**A. Financial instruments by category and their fair value**

As at 31 <sup>st</sup> March, 2017	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortized Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments								
- Equity Shares - Unquoted	-	3,484.41	-	3,484.41	-	-	3,484.41	3,484.41
- Optionally Convertible Debentures - Unquoted	-	-	-	-	-	-	-	-
Loan								
- Non-current	-	-	1,182.96	1,182.96	-	1,182.96	-	1,182.96
- Current	-	-	173.80	173.80	-	-	-	-
Trade Receivables	-	-	12,164.25	12,164.25	-	-	-	-
Cash and Cash Equivalents	-	-	1,517.61	1,517.61	-	-	-	-
Other Bank Balances	-	-	78,745.92	78,745.92	-	-	-	-
Other financial assets								
- Non-current	-	-	1,801.37	1,801.37	-	1,801.37	-	1,801.37
- Current	309.97	-	219.47	529.44	-	-	-	-
Total financial assets	309.97	3,484.41	95,805.37	99,599.74	-	2,984.32	3,484.41	6,468.73
Financial liabilities								
Non-current Borrowings	-	-	50,118.08	50,118.08	-	50,118.08	-	50,118.08
Other financial liabilities								
- Non-current	-	-	1,394.95	1,394.95	-	1,394.95	-	1,394.95
- Current	-	-	22,545.58	22,545.58	-	-	-	-
Trade Payables	-	-	1,378.66	1,378.66	-	-	-	-
Total financial liabilities	-	-	75,437.28	75,437.28	-	51,513.03	-	51,513.03

As at 31 <sup>st</sup> March, 2016	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortized Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments								
- Equity Shares - Unquoted	-	3,505.09	-	3,505.09	-	-	3,505.09	3,505.09
- Optionally Convertible Debentures - Unquoted	2,000.00	-	-	2,000.00	-	-	-	-
Loan								
- Non-current	-	-	1,242.44	1,242.44	-	1,242.44	-	1,242.44
- Current	-	-	192.60	192.60	-	-	-	-
Trade Receivables	-	-	15,175.39	15,175.39	-	-	-	-
Cash and Cash Equivalents	-	-	7,578.32	7,578.32	-	-	-	-
Other Bank Balances	-	-	47,714.81	47,714.81	-	-	-	-
Other financial assets								
- Non-current	-	-	2,015.82	2,015.82	-	2,015.82	-	2,015.82
- Current	463.48	-	437.00	900.48	-	-	-	-
Total financial assets	2,463.48	3,505.09	74,356.38	80,324.96	-	3,258.26	3,505.09	6,763.35
Financial liabilities								
Non-current Borrowings	-	-	79,045.37	79,045.37	-	79,045.37	-	79,045.37
Other financial liabilities								
- Non-current	-	-	1,244.53	1,244.53	-	1,244.53	-	1,244.53
- Current	-	-	37,580.95	37,580.95	-	-	-	-
Trade Payables	-	-	1,501.11	1,501.11	-	-	-	-
Total financial liabilities	-	-	1,19,371.96	1,19,371.96	-	80,289.90	-	80,289.90

As at 1 <sup>st</sup> April, 2015	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortized Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments								
- Equity Shares - Unquoted	-	3,505.09	-	3,505.09	-	-	3,505.09	3,505.09
- Optionally Convertible Debentures - Unquoted	2,000.00	-	-	2,000.00	-	2,000.00	-	2,000.00
Loan								
- Non-current	-	-	1,159.45	1,159.45	-	1,159.45	-	1,159.45
- Current	-	-	172.45	172.45	-	-	-	-
Trade Receivables	-	-	15,039.26	15,039.26	-	-	-	-
Cash and Cash Equivalents	-	-	9,110.08	9,110.08	-	-	-	-
Other Bank Balances	-	-	35,371.94	35,371.94	-	-	-	-
Other financial assets								
- Non-current	-	-	2,380.21	2,380.21	-	2,380.21	-	2,380.21
- Current	-	-	475.39	475.39	-	-	-	-
Total financial assets	2,000.00	3,505.09	63,708.78	69,213.87	-	5,539.66	3,505.09	9,044.75
Financial liabilities								
Non-current Borrowings	-	-	87,904.50	87,904.50	-	87,904.50	-	87,904.50
Other financial liabilities								
- Non-current	-	-	1,010.68	1,010.68	-	1,010.68	-	1,010.68
- Current	409.17	-	37,832.25	38,241.42	-	-	-	-
Trade Payables	-	-	4,024.91	4,024.91	-	-	-	-
Total financial liabilities	409.17	-	1,30,772.35	1,31,181.52	-	88,915.19	-	88,915.19

Investments in equity accounted investees are carried at amortised cost.

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

#### Types of inputs for determining fair value are as under:

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.

#### B. Measurement of fair values

##### i) Valuation techniques and significant unobservable inputs

The following table 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**

<b>FVOCI in unquoted equity shares</b>	<p><b>Valuation techniques:</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. 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><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. 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. Significant unobservable inputs 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. <b>Inter-relationship between significant unobservable inputs and fair value measurement</b> The estimated fair value would increase (decrease) if there is a change in pricing multiple owing to change in earnings of the entity."</p>
<b>Cross Currency Interest Rate Swaps</b>	This instruments are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The model incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads, interest rate curve.

**ii) Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods

**iii) Level 3 fair values**

Movements in the values of unquoted equity instruments for the period ended 31<sup>st</sup> March, 17, 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015 is as below:

	(₹ in Lacs)
<b>Particulars</b>	<b>Amount</b>
<b>As at 1<sup>st</sup> April, 2015</b>	<b>3,505.09</b>
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in statement of profit or loss	-
<b>As at 31<sup>st</sup> March, 2016</b>	<b>3,505.09</b>
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	(20.69)
Gains/ (losses) recognised in statement of profit or loss	-
<b>As at 31<sup>st</sup> March, 2017</b>	<b>3,484.41</b>

**Transfer out of Level 3**

There were no movement in level 3 in either directions during the financial year ending on 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016.

**Sensitivity analysis****Gujarat State Energy Generation Limited (GSEG)**

A sensitivity analysis has been carried out to determine the impact of continuation of bare minimum fixed cost reimbursement on equity valuation of GSEG. The impact on account of change in inputs is as under:

<b>Variation</b>	<b>Impact on other comprehensive income (₹ in Lacs)</b>	
	<b>2016-17</b>	<b>2015-16</b>
<b>Change in continuation of bare minimum fixed cost for one additional year</b>	32.00	57.00

### GSPC LNG Limited

A sensitivity analysis has been carried out to determine the impact of escalation in Opex of GSPC LNG Limited on the valuation. The impact on account of change in inputs is as under:

Variation	Impact on other comprehensive income (₹ in Lacs)	
	2016-17	2015-16
Increase in total Opex by 5%	91.00	91.00

### C. Financial risk management

The Company has a well-defined risk management framework. The Board of Directors of the Company has adopted a Risk Management Policy. The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

#### (i) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

#### Trade and other receivables

The Company's exposure to credit Risk is the exposure that Company has on account of 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 and Commercial.

Services are generally subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the company's receivables are secured. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

#### Age of Receivables

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Not Due	5,277.90	4,110.74	4,497.80
0-3 Months	1,980.39	1,519.15	1,359.60
3-6 Months	-	753.89	40.43
6-12 Months	0.02	446.78	4,309.59
1-3 years	1,398.74	8,433.44	4,983.46
> 3 years	3,775.30	179.55	116.47

The above receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven creditworthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The provision for impairment of trade receivables, movement of which has been provided below, is not significant / material. The concentration of credit risk is limited due to fact that the customer base is large and unrelated.



**Movements in Expected Credit Loss Allowance**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Balance at the beginning of the year	268.10	268.10
Movements in allowance	-	-
<b>Closing balance</b>	<b>268.10</b>	<b>268.10</b>

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

(₹ in Lacs)

Particulars	Carrying amount		
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
India	12,164.25	15,175.39	15,039.26
Other regions	-	-	-
<b>Total</b>	<b>12,164.25</b>	<b>15,175.39</b>	<b>15,039.26</b>

**Other financial assets**

“Other financial assets includes loan to employees, security deposits, investments, cash and cash equivalents, other bank balance, derivative asset, advances to employees etc.

- Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating.
- Investments are made in credit worthy companies.
- Derivative instrument comprises cross currency interest rate swaps where the counter parties are banks with good reputation, and past track record with adequate credit rating. Accordingly no default risk is perceived.
- Company has given security deposit to various government authorities (like Municipal corporation, Nagarpalika, Grampanchayat, Road & building division and Irrigation department -of Government of Gujarat, credit worthy companies etc.) for the permission related to work of executing / laying pipeline network in their premises / jurisdiction. Being government authorities, the Company does not have exposure to any credit risk.
- Loan and advances to employees are majorly secured in nature and hence the Company does not have exposure to any credit risk.”

**(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 proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has practiced financial diligence and syndicated adequate liquidity in all business scenarios.

**Financing arrangement**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Floating rate			
Expiring within one year (bank overdraft and other facilities)	13,800.00	-	-
Expiring beyond one year (bank overdraft and other facilities)	-	17,300.00	42,850.67
<b>Total</b>	<b>13,800.00</b>	<b>17,300.00</b>	<b>42,850.67</b>

Further, the Company has also tied-up additional sources of liquidity to meet the liabilities during the respective annual years which has ensured that the Company has a clean track record with no adverse events pertaining to liquidity risk.

**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 Lacs)

March 31, 2017	Carrying amount	Contractual maturities		
		Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	50,118.08	63,863.75	-	63,863.75
Non current financial liabilities	1,394.95	1,394.95	-	1,394.95
Current financial liabilities	22,545.58	22,545.58	22,545.58	-
Trade payables	1,378.66	1,378.66	1,378.66	-
<b>Total</b>	<b>75,437.28</b>	<b>89,182.94</b>	<b>23,924.24</b>	<b>65,258.70</b>

(₹ in Lacs)

March 31, 2016	Carrying amount	Contractual maturities		
		Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	79,045.37	96,204.29	-	96,204.29
Non current financial liabilities	1,244.53	1,244.53	-	1,244.53
Current financial liabilities	37,580.95	37,580.95	37,580.95	-
Trade payables	1,501.11	1,501.11	1,501.11	-
<b>Total</b>	<b>1,19,371.96</b>	<b>1,36,530.88</b>	<b>39,082.06</b>	<b>97,448.82</b>

(₹ in Lacs)

March 31, 2015	Carrying amount	Contractual maturities		
		Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	87,904.50	1,21,638.73	-	1,21,638.73
Non current financial liabilities	1,010.68	1,010.68	-	1,010.68
Current financial liabilities	37,832.25	37,832.25	37,832.25	-
Trade payables	4,024.91	4,024.91	4,024.91	-
<b>Total</b>	<b>1,30,772.35</b>	<b>1,64,506.57</b>	<b>41,857.16</b>	<b>1,22,649.41</b>
<b>Derivative financial liabilities</b>				
<b>Derivative contracts</b>				
- Outflow	409.17	409.17	409.17	-

#### (iv) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.

#### Currency risk

“The functional currency of the company is Indian Rupees and its revenue is generated from operations in India. It is exposed to foreign currency risk arising on the LIBOR linked floating rate external commercial borrowing (ECB) denominated in Japanese Yen. The ECB has been fully hedged using a pay fixed - receive floating cross currency interest rate swap with all critical terms mirroring the underlying ECB. Accordingly, the foreign currency exposure and interest rate exposure has been completely hedged.

This aside, the Company does not have any derivative instruments used for trading or speculative purposes.”

#### 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.

The Company's portfolio of borrowings comprise of a mix of fixed rate and floating rate loans which are monitored continuously in the light of market conditions. Further as disclosed above, The interest rate exposure on floating rate ECB has been fully hedged through a pay fixed – receive floating cross currency interest rate swap.

A reasonably possible change of 50 basis points in floating rate Indian Rupee denominated borrowings at the reporting date would have the below mentioned impact on equity and profit & loss. Since no interest rate exposure is perceived on fixed rate loans and ECB, the same have been excluded from the sensitivity analysis provided below:

(₹ in Lacs)		
Variable-rate instruments	31 <sup>st</sup> March, 17	31 <sup>st</sup> March, 16
Non current - Borrowings	38,185.03	64,382.10
Current portion of Long term borrowings	9,998.20	10,423.18
<b>Total</b>	<b>48,183.22</b>	<b>74,805.28</b>
Fixed-rate instruments	31 <sup>st</sup> March, 17	31 <sup>st</sup> March, 16
Non current - Borrowings	11,933.06	14,663.28
Current portion of Long term borrowings	2,936.37	2,962.23
<b>Total</b>	<b>14,869.43</b>	<b>17,625.51</b>

### Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

(₹ in Lacs)				
Particulars	Profit or (Loss)		Equity (net of tax)	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
<b>31<sup>st</sup> March, 2017</b>				
Non current - Borrowings	(162.61)	162.61	(106.33)	106.33
Current portion of Long term borrowings	(43.96)	43.96	(28.75)	28.75
<b>Total</b>	<b>(206.57)</b>	<b>206.57</b>	<b>(135.08)</b>	<b>135.08</b>
<b>31<sup>st</sup> March, 2016</b>				
Non current - Borrowings	(295.66)	295.66	(193.34)	193.34
Current portion of Long term borrowings	(46.08)	46.08	(30.13)	30.13
<b>Total</b>	<b>(341.75)</b>	<b>341.75</b>	<b>(223.47)</b>	<b>223.47</b>

## 41. CAPITAL MANAGEMENT

“The Company defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company (which is the Company’s net asset value). The primary objective of the Company’s financial framework is to support the pursuit of value growth for shareholders, while ensuring a secure financial base.”

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 and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company’s adjusted net debt to equity ratio was as follows. (₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total Non-current liabilities	1,10,459.33	1,37,934.05	1,43,488.11
Less : Cash and bank balances	80,263.53	55,293.13	44,482.02
<b>Adjusted net debt</b>	<b>30,195.80</b>	<b>82,640.92</b>	<b>99,006.09</b>
Borrowings	63,052.65	1,06,699.69	1,15,874.71
<b>Total equity</b>	<b>4,44,550.36</b>	<b>3,98,644.03</b>	<b>3,62,760.57</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.07</b>	<b>0.21</b>	<b>0.27</b>
<b>Debt equity considering only borrowings as debt</b>	<b>0.14</b>	<b>0.27</b>	<b>0.32</b>

#### 42 DISCLOSURES FOR GRATUITY & LEAVE SALARY PROVISIONS AS PER INDIAN ACCOUNTING STANDARD - 19

Company has participated in Group Gratuity scheme of Life Insurance Corporation of India. The liability in respect of gratuity benefits & leave salary being defined benefit schemes, payable in future, are determined by actuarial valuation as on balance sheet date.

In arriving at the valuation for gratuity & leave salaries following assumptions were used:

Particulars	2016-17		2015-16		2014-15	
	Gratuity	Leave Salary	Gratuity	Leave Salary	Gratuity	Leave Salary
Mortality	Indian Assured Lives Mortality (2006-08) Ult.		Indian Assured Lives Mortality (2006-08) Ult.		Indian Assured Lives Mortality (2006-08) Ult.	
Withdrawal rate	5% at younger age reducing to 1% at old age		5% at younger age reducing to 1% at old age		5% at younger age reducing to 1% at old age	
Retirement Age	60 years		60 years		60 years	
Discount Rate	7.40%	7.40%	8.10%	8.10%	7.80%	7.80%
Rate of Return on Plan Assets	7.40%	0.00%	8.10%	0.00%	9.00%	0.00%
Salary escalation	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

The following table sets out status of gratuity plan and leave salary as required under Indian Accounting Standard 19 on “Employee Benefit”.

Particulars	2016-17		2015-16		2014-15	
	Gratuity	Leave Salary	Gratuity	Leave Salary	Gratuity	Leave Salary
<b>Table showing change in benefit obligation</b>						
Opening defined benefit obligation	830.34	669.38	696.84	592.57	443.25	411.30
Interest Cost	65.71	53.11	53.79	45.31	39.37	30.00
Current Service Cost	104.94	46.77	95.21	46.52	80.62	36.53
Benefit Paid	70.52	(26.19)	(0.54)	(6.23)	(20.46)	(19.91)
Actuarial Loss / (gain) on Obligations	(54.29)	78.12	(14.96)	(8.79)	154.06	134.65
Liability at the end of the period	1,017.22	821.19	830.34	669.38	696.84	592.57

<b>Table showing change in fair value of Plan Assets</b>						
Fair Value of Plan Assets at the beginning	443.20	-	367.37	-	327.35	-
Adjustment to Opening fund	-	-	0.44	-	(0.96)	-
Expected Return on Plan Assets	38.60	-	36.80	-	32.59	-
Contributions	535.09	-	44.02	-	22.31	-
Benefit Paid	(47.62)	-	(0.54)	-	(11.39)	-
Actuarial gain /(loss) on Plan Assets	2.14	-	(4.89)	-	(2.53)	-
<b>Fair Value of Plan Assets at the end of the period</b>	<b>971.41</b>	<b>-</b>	<b>443.20</b>	<b>-</b>	<b>367.37</b>	<b>-</b>

(₹ in Lacs)

Particulars	2016-17		2015-16	
	Gratuity	Leave Salary	Gratuity	Leave Salary
<b>Actuarial (Gain) / loss recognized</b>				
Actuarial (gain) / loss on obligations	70.52	78.12	(14.96)	(8.79)
Actuarial (gain) / loss on Plan Assets	(2.14)	-	4.89	-
Net Actuarial (gain) / loss recognized during year	68.38	78.12	(10.07)	(8.79)
<b>Amount recognized in Balance Sheet</b>				
Liability at the end of the period	1,017.22	821.19	830.34	669.38
Fair Value of Plan Asset at the end of the period	971.41	-	443.20	-
Net Amount recognized in Balance Sheet	45.81	821.19	387.14	669.38
Expense recognized in the Statement of Profit and Loss				
Current Service cost	104.94	46.77	95.21	46.52
Interest cost	65.71	53.11	53.79	45.31
Expected return on Plan Asset	(38.60)	-	(36.80)	-
Net Actuarial Loss / (gain) to be recognized	68.38	78.12	(10.07)	(8.79)
Adjustment to Opening fund/Prior year Charges	-	-	(0.44)	-
Net Expense recognized in P&L	200.43	178.00	101.69	83.04

**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 Lacs)

Gratuity	2016-17		2015-16	
	Increase	Decrease	Increase	Decrease
Discount rate - 0.5% (PY: 0.5%)	958.44	1,081.53	772.51	869.88
Salary growth rate - 0.5% (PY: 0.5%)	1,063.27	971.27	857.59	783.45
Leave salary	2016-17		2015-16	
	Increase	Decrease	Increase	Decrease
Discount rate - 0.5% (PY: 0.5%)	768.77	878.88	627.73	715.40
Salary growth rate - 0.5% (PY: 0.5%)	878.82	768.34	715.40	627.14

## 43 EMPLOYEE STOCK OPTION PLANS

**ESOP 2010 Scheme:**

During the Financial Year 2010-11, the Company instituted ESOP-2010. The Board of Directors and the Shareholders approved the plan in the meeting held on 23<sup>rd</sup> August, 2010 and 27<sup>th</sup> October, 2010 respectively, which provides for the issue of 21,28,925 equity shares to the employees of the company. The Compensation Committee administers ESOP-2010. These ESOPs are granted at an exercise price of ₹ 75 per share to be vested over the period of five years and to be exercised within a period of ten years from the date of Grant.

Set out below is a summary of options granted under the plan:

Particulars	31 <sup>st</sup> March, 2017		31 <sup>st</sup> March, 2016	
	Avg Exercise Price per share option (₹)	Number of options	Avg Exercise Price per share option (₹)	Number of options
Opening Balance	75.00	8,83,894	75.00	10,52,384
Granted during the year	75.00	-	75.00	3,40,404
Exercised during the year	75.00	(2,47,668)	75.00	(3,60,084)
Lapsed/cancelled during the year	75.00	-	75.00	(1,48,810)
<b>Closing balance</b>		<b>6,36,226</b>		<b>8,83,894</b>

### Fair value of options granted

The fair value at grant date of options granted during the year ended 31<sup>st</sup> March 2017 was ₹ 72.45 per option (31 March 2016 - ₹ 72.45). The fair value at grant date is determined using the Binomial Model which takes into account the exercise price, the terms of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

### Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in the statement of profit and loss as part of employee benefit expenses were as follows:

(₹ in Lacs)		
Particulars	31-Mar-17	31-Mar-16
Employee option plan	-	(67.25)

- 44 The Company has maintained a separate escrow account as per PNGRB guidelines for modalities of maintaining and operation of escrow account for charges towards system indiscipline in terms of positive or negative imbalance or overruns. In this regard, since financial year 2011-12, amount recovered from customers is deposited in the said bank account and the amount invoiced (net of taxes) is recognized as liability.
- 45 As at the balance sheet date, Company has reviewed the carrying amounts of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss has been provided.
- 46 Amount due for credit to Investor Education and Protection Fund is NIL (Previous year NIL).
- 47 In continuation to the disclosure made in the Notes to Accounts in the Annual Report of FY 2015-16 regarding the status of tariff proposal submitted to PNGRB for calculation of revised tariff pursuant to APTEL ruling in its judgment dated 25-November-2014 and 28-November-2014 allowing GSPL appeals and asking PNGRB to reconsider the tariff proposal to be submitted by GSPL based on relevant data and other submissions made by the appellant in this regard, GSPL had submitted the revised tariff proposals for consideration of PNGRB and the PNGRB Tariff order is awaited. The implementation of the order shall be done once the PNGRB Order is issued.
- 48 In the opinion of management, any of the assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

## 49 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹ in Lacs)			
Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	34,500.00	30,365.00	64,865.00
(+) Permitted receipts		4,65,000.00	4,65,000.00
(-) Permitted Payments		4,31,162.00	4,31,162.00
(-) Amount deposited in Banks	34,500.00	-	34,500.00
<b>Closing cash in hand as on December 30, 2016</b>	<b>-</b>	<b>64,203.00</b>	<b>64,203.00</b>

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8<sup>th</sup> November, 2016.

## 50. EXPLANATION OF TRANSITION TO IND AS

"These are the Company's first standalone financial statements prepared in accordance with Ind ASs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31<sup>st</sup> March, 2017, the comparative information presented in these financial statements for the year ended 31<sup>st</sup> March, 2016 and in the preparation of an opening Ind AS balance sheet at 1<sup>st</sup> April, 2015 (the Company's date of transition).

In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables and notes:"

### Exemption and exception applied

In preparing these financial statements, the Company has applied the below optional exemptions and mandatory exceptions in line with principles of Ind AS 101.

**Optional exemptions****1. Property, Plant and Equipment (PPE)**

“Ind AS 101 provides the below options with respect to the items of PPE and intangible assets:

- Carry forward the previous GAAP net carrying values as at the transition date as “deemed cost” under Ind AS, provided there is no change in functional currency.
- Fair value the items of PPE as at the transition date and use this as the “deemed cost” under Ind AS.
- Restate the carrying values of PPE retrospectively as at the transition date based on Ind AS 16.

The Company has opted to measure all the items of PPE and intangible assets at the previous GAAP net carrying values as at the transition date.”

**2. Decommissioning liabilities included in the cost of PPE**

“A first-time adopter need not to comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind ASs. If a first-time adopter uses this exemption, it shall:

- Measure the liability at the transition date in accordance with Ind AS 37;
- Using the historical risk adjusted discount rate, determine the amount which would have been capitalised when the liability first arose; and
- Compute the amount of depreciation based on the estimated useful life.

Accordingly, the Company has elected to apply the exemption for the obligations arising on account of decommissioning cost.

**3. Determining whether an arrangement contains a lease**

“As per Appendix C to Ind AS 17, at the inception, an assessment is to be made whether an arrangement contains a lease or not. Ind AS 101 permits an entity to make an assessment based on the facts and circumstances existing as at the transition date.

Based on the exemption, the Company has opted not to apply the requirements retrospectively. Assessment of whether an arrangement contains a lease or not has been made on the basis of facts and circumstances existing as at the transition date. Further, lease classification i.e. operating or finance lease is made at the inception of lease.”

**4. Accounting for certain equity investments**

“Ind AS 101 permits designation of equity investments in certain entities (other than subsidiaries, associates and joint arrangements) as instruments fair valued through the other comprehensive income (FVOCI).

Accordingly, the Company has opted to designate certain equity investments as FVOCI on the transition date.”

**5. Deemed cost for investments in equity shares of subsidiaries, associates and joint arrangements**

“Under, Ind AS 101 an entity can determine the value of investment in a subsidiary, associate or joint arrangement as either of the below:

- Cost determined in accordance with Ind AS 27 (i.e. retrospective application of Ind AS 27)
- Fair value at the entity’s date of transition to Ind AS
- Previous GAAP carrying amount

Accordingly, if an entity chooses to measure its investment at fair value at the date of transition then that is deemed to be cost of such investment for the company and, therefore, it shall carry its investment at that amount (i.e. fair value at the date of transition) after the date of transition.

The Company has elected to carry forward the previous GAAP amounts as the deemed cost for investment in equity shares of subsidiary, associates and joint arrangements in the standalone financial statements.”

**6. First time consolidation of a subsidiary**

Ind AS 101 permits a first time adopter to consolidate an associate that was not required to be consolidated under the previous GAAP based on carrying amounts of the associate’s assets and liabilities restated under Ind AS as on the transition date. Accordingly, the Company has accounted for this exemption for consolidation of the Sabarmati Gas Limited using the equity accounting method as on the transition date.

Mandatory exceptions

Below are the key mandatory exceptions used in preparation of these financial statements:

**1. Estimates**

“Under Ind AS 101, an entity’s estimates in accordance with Ind AS at ‘the date of transition to Ind AS’ or ‘the end of the comparative period presented in the entity’s first Ind AS financial statements’, as the case may be, should be consistent with estimates made for the same date in accordance with previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

The Company’s Ind AS estimates as on the transition date are consistent with the estimates made under previous GAAP as on this date. Key estimates considered in preparation of these financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Discounted value of liability on account of decommissioning cost.”

## 2. Classification and measurement of financial assets

“Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.”

## 51. INTEREST IN ASSOCIATES AND JOINT VENTURES

Set out below are the associates and joint ventures of the Company as at 31<sup>st</sup> March, 2017 which, in the opinion of the directors, are material to the Company. The entities listed below have 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 Lacs)

Name of Entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amount		
					31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
Gujarat Gas Limited (1)	India	25.76%	Associate	Equity Method	42,860.78	39,242.76	37,344.45
Sabarmati Gas Limited (2)	India	27.47%	Associate	Equity Method	8,580.62	7,478.58	3,818.22
GSPL India Gasnet Limited (3)	India	52.00%	Joint Venture	Equity Method	14,701.20	11,265.19	9,908.49
GSPL India Transco Limited (4)	India	52.00%	Joint Venture	Equity Method	10,956.39	8,828.67	7,488.12
<b>Total equity accounted investments</b>					<b>77,099.00</b>	<b>66,815.20</b>	<b>58,559.28</b>

(₹ in Lacs)

Name of Entity	Place of business	% of ownership interest	Relationship	Accounting method	Quoted fair values		
					31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
Gujarat Gas Limited (1)	India	25.76%	Associate	Equity Method	2,72,663.87	1,95,785.96	-
Sabarmati Gas Limited (2)	India	27.47%	Associate	Equity Method	*	*	*
GSPL India Gasnet Limited (3)	India	52.00%	Joint Venture	Equity Method	*	*	*
GSPL India Transco Limited (4)	India	52.00%	Joint Venture	Equity Method	*	*	*
<b>Total equity accounted investments</b>					<b>2,72,663.87</b>	<b>1,95,785.96</b>	<b>-</b>

\* Unlisted entity - no quoted price available

- Gujarat Gas Limited is a Government Company u/s 2(45) of Companies Act 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in Natural Gas Business in Gujarat. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. Refer note 6 for scheme of amalgamation and arrangement.
- Sabarmati Gas Limited is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a Joint Venture Company (JVC) promoted by Gujarat State Petroleum Corporation Ltd. (GSPC), Gujarat State Petronet Ltd. (GSPL) and Bharat Petroleum Corporation Ltd. (BPCL), with its main objects, inter alia, to procure, transmit and sell Natural Gas, CNG, PNG and other gaseous fuels in the districts of Gandhinagar, Mehsana and Sabarkantha.
- GSPL India Gasnet Limited was incorporated on 13<sup>th</sup> October, 2011 under the Companies Act as a joint venture of Gujarat State Petronet Limited (GSPL). On 30<sup>th</sup> April, 2012, a joint venture agreement was executed between Gujarat State Petronet Limited (GSPL), Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL). The shareholding pattern is GSPL(52%), IOCL(26%), BPCL(11%) and HPCL (11%). The Company is developing a natural gas pipeline for transmission of natural gas from Mehsana in Gujarat to Bhatinda in Punjab and Srinagar in Jammu & Kashmir.
- GSPL India Transco Limited was incorporated on 13<sup>th</sup> October, 2011 under the Companies Act, 1956 as a joint venture of Gujarat State Petronet Limited (GSPL). On 30<sup>th</sup> April, 2012, a Joint Venture Agreement was executed between Gujarat State Petronet Ltd. (GSPL), Indian Oil Corporation Ltd. (IOCL), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd.(HPCL). The share holding pattern is GSPL(52%), IOCL(26%), BPCL(11%) and HPCL(11%). The Company is developing a natural gas pipeline for transmission of natural gas from Mallavarm in Andhra Pradesh to Bhilwara in Rajasthan.



Commitments and contingent liabilities in respect of associates and joint ventures				(₹ in Lacs)
Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015	
Commitments - joint ventures	58,156.40	10,381.30	10,222.22	
Commitments - associates	27,918.59	19,756.12	15,725.92	
Contingent liabilities - joint ventures	3,704.20	3,260.31	3,175.08	
Contingent liabilities - associates	9,836.21	18,079.18	5,864.87	
<b>Total commitments and contingent liabilities</b>	<b>99,615.41</b>	<b>51,476.91</b>	<b>34,988.09</b>	

#### Summarised financial information for associate and joint ventures

The tables below provide summarised financial information for those joint ventures and associates that are material to the Company. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not GSPL'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 Lacs)
Summarised balance sheet as at 1 <sup>st</sup> April, 2015	GGL	SGL	GIGL	GITL	
<b>Current Assets</b>					
Cash and cash equivalents	*	*	1,758.24	1,347.55	
Other assets	*	*	112.79	109.92	
<b>Total current assets</b>	<b>1,67,133.00</b>	<b>18,398.69</b>	<b>1,871.03</b>	<b>1,457.47</b>	
<b>Total non-current assets</b>	<b>5,27,421.00</b>	<b>38,336.73</b>	<b>17,733.00</b>	<b>13,492.40</b>	
<b>Current liabilities</b>					
Financial liabilities (excluding trade payables)	*	*	423.87	446.57	
Other liabilities	*	*	71.04	47.71	
<b>Total current liabilities</b>	<b>2,99,669.00</b>	<b>11,045.00</b>	<b>494.91</b>	<b>494.27</b>	
<b>Non-current liabilities</b>					
Financial liabilities (excluding trade payables)	*	*	-	-	
Other liabilities	*	*	54.34	55.37	
<b>Total non-current liabilities</b>	<b>2,49,925.00</b>	<b>17,921.52</b>	<b>54.34</b>	<b>55.37</b>	
<b>Net Assets</b>	<b>1,44,960.00</b>	<b>27,768.90</b>	<b>19,054.78</b>	<b>14,400.23</b>	

\* Indicates disclosures that are not required for investments in associates

Summarised balance sheet as at 31 <sup>st</sup> March, 2016	GGL	SGL	GIGL	GITL	
<b>Current Assets</b>					
Cash and cash equivalents	*	*	1,544.70	97.12	
Other assets	*	*	957.33	793.04	
<b>Total current assets</b>	<b>46,638.00</b>	<b>12,895.29</b>	<b>2,502.03</b>	<b>890.17</b>	
<b>Total non-current assets</b>	<b>5,60,285.00</b>	<b>40,044.26</b>	<b>19,728.58</b>	<b>16,549.83</b>	
<b>Current liabilities</b>					
Financial liabilities (excluding trade payables)	*	*	404.63	321.75	
Other liabilities	*	*	82.42	57.59	
<b>Total current liabilities</b>	<b>1,82,313.00</b>	<b>15,393.72</b>	<b>487.05</b>	<b>379.35</b>	
<b>Non-current liabilities</b>					
Financial liabilities (excluding trade payables)	*	*	-	-	
Other liabilities	*	*	79.74	82.43	
<b>Total non-current liabilities</b>	<b>2,72,281.00</b>	<b>10,316.68</b>	<b>79.74</b>	<b>82.43</b>	
<b>Net Assets</b>	<b>1,52,329.00</b>	<b>27,229.16</b>	<b>21,663.82</b>	<b>16,978.21</b>	

\* Indicates disclosures that are not required for investments in associates



(₹ in Lacs)

Summarised balance sheet as at 31 <sup>st</sup> March, 2017	GGL	SGL	GIGL	GITL
<b>Current Assets</b>				
Cash and cash equivalents	*	*	1,101.87	1,388.15
Other assets	*	*	1,591.36	942.76
<b>Total current assets</b>	<b>52,710.00</b>	<b>12,929.92</b>	<b>2,693.23</b>	<b>2,330.91</b>
<b>Total non-current assets</b>	<b>5,84,830.00</b>	<b>41,846.89</b>	<b>26,453.62</b>	<b>19,300.99</b>
<b>Current liabilities</b>				
Financial liabilities (excluding trade payables)	*	*	629.38	364.40
Other liabilities	*	*	117.85	66.57
<b>Total current liabilities</b>	<b>1,39,982.00</b>	<b>12,831.60</b>	<b>747.23</b>	<b>430.97</b>
<b>Non-current liabilities</b>				
Financial liabilities (excluding trade payables)	*	*	-	-
Other liabilities	*	*	128.09	130.94
<b>Total non-current liabilities</b>	<b>3,31,186.00</b>	<b>10,703.57</b>	<b>128.09</b>	<b>130.94</b>
<b>Net Assets</b>	<b>1,66,372.00</b>	<b>31,241.63</b>	<b>28,271.53</b>	<b>21,070.00</b>

\* Indicates disclosures that are not required for investments in associates

Reconciliation to carrying amounts	GGL	SGL	GIGL	GITL
<b>Particulars</b>				
Net assets as on 1 <sup>st</sup> April, 2015	1,44,960.00	27,768.90	19,054.78	14,400.23
Company's Share in %	25.76%	13.75%	52.00%	52.00%
Company's Share in INR	37,344.45	3,818.22	9,908.49	7,488.12
Goodwill	-	-	-	-
<b>Carrying amount as on 1<sup>st</sup> April, 2015</b>	<b>37,344.45</b>	<b>3,818.22</b>	<b>9,908.49</b>	<b>7,488.12</b>
Net assets as on 31 <sup>st</sup> March, 2016	1,52,329.00	27,229.16	21,663.82	16,978.21
Company's Share in %	25.76%	27.47%	52.00%	52.00%
Company's Share in INR	39,242.84	7,478.58	11,265.19	8,828.67
Goodwill	-	-	-	-
<b>Carrying amount as on 31<sup>st</sup> March, 2016</b>	<b>39,242.84</b>	<b>7,478.58</b>	<b>11,265.19</b>	<b>8,828.67</b>
Net assets as on 31 <sup>st</sup> March, 2017	1,66,372.00	31,241.63	28,271.53	21,070.00
Company's Share in %	25.76%	27.47%	52.00%	52.00%
Company's Share in INR	42,860.58	8,580.62	14,701.20	10,956.40
Goodwill/Capital Reserve	-	-	-	-
<b>Carrying amount as on 31<sup>st</sup> March, 2017</b>	<b>42,860.58</b>	<b>8,580.62</b>	<b>14,701.20</b>	<b>10,956.40</b>

Summarised statement of profit and loss for the year ended on 31<sup>st</sup> March, 2016 (₹ in Lacs)

Particulars	GGL	SGL	GIGL	GITL
Revenue	6,28,999.00	76,528.48	-	-
Interest income	*	*	173.71	130.41
Income tax expenses	*	*	(53.86)	(38.52)
<b>Profit for the year</b>	<b>19,004.00</b>	<b>63.74</b>	<b>109.04</b>	<b>77.98</b>
Other comprehensive income	(3,394.00)	(1.69)	-	-
<b>Total comprehensive income</b>	<b>15,610.00</b>	<b>62.05</b>	<b>109.04</b>	<b>77.98</b>
Dividend received	1,773.45	68.72	-	-

\* Indicates disclosures that are not required for investments in associates

**Summarised statement of profit and loss for the year ended on 31<sup>st</sup> March, 2017**

Particulars	GGL	SGL	GIGL	GITL
Revenue	5,26,421.00	69,750.95	-	-
Interest income	*	*	178.42	153.66
Income tax expenses	*	*	(53.20)	(45.33)
<b>Profit for the year</b>	<b>22,060.00</b>	<b>4,526.23</b>	<b>107.70</b>	<b>91.77</b>
Other comprehensive income	(4,269.00)	(3.04)	-	-
<b>Total comprehensive income</b>	<b>17,791.00</b>	<b>4,523.19</b>	<b>107.70</b>	<b>91.77</b>
Dividend received	886.71	123.66	-	-

\* Indicates disclosures that are not required for investments in associates

**52. ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III**

(₹ in Lacs)

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 consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
<b>Gujarat State Petronet Limited</b>								
31 <sup>st</sup> March, 2017	82.66%	3,67,451.37	87.45%	47,125.71	2.03%	(22.78)	0.89	47,102.92
31 <sup>st</sup> March, 2016	83.24%	3,31,828.83	90.05%	41,895.48	-7.31%	59.57	0.92	41,955.06
Associates (Investments as per the equity method)								
Indian								
<b>Gujarat Gas Limited</b>								
31 <sup>st</sup> March, 2017	9.64%	42,860.78	10.21%	5,502.50	97.90%	(1,099.78)	0.08	4,402.72
31 <sup>st</sup> March, 2016	9.84%	39,242.76	9.75%	4,534.85	107.28%	(874.10)	0.08	3,660.75
<b>Sabarmati Gas Limited</b>								
31 <sup>st</sup> March, 2017	1.93%	8,580.62	2.15%	1,157.81	0.07%	(0.84)	0.02	1,156.97
31 <sup>st</sup> March, 2016	1.88%	7,478.58	-0.01%	(4.23)	0.03%	(0.26)	(0.00)	(4.49)
Joint Ventures (Investments as per the equity method)								
Indian								
<b>GSPL India Gasnet Limited</b>								
31 <sup>st</sup> March, 2017	3.31%	14,701.20	0.10%	56.01	0.00%	-	0.00	56.01
31 <sup>st</sup> March, 2016	2.83%	11,265.19	0.12%	56.70	0.00%	-	0.00	56.70
<b>GSPL India Transco Limited</b>								
31 <sup>st</sup> March, 2017	2.46%	10,956.39	0.09%	47.72	0.00%	-	0.00	47.72
31 <sup>st</sup> March, 2016	2.21%	8,828.67	0.09%	40.55	0.00%	-	0.00	40.55
<b>Total</b>								
31 <sup>st</sup> March, 2017	100.00%	4,44,550.36	100.00%	53,889.74	100.00%	(1,123.39)	1.00	52,766.34
31 <sup>st</sup> March, 2016	100.00%	3,98,644.03	100.00%	46,523.37	100.00%	(814.79)	1.00	45,708.58

Reconciliation of total equity as at 31 <sup>st</sup> March, 2016 and 1 <sup>st</sup> April, 2015			(₹ in Lacs)
Particulars	Footnote Ref	31-Mar-16	01-Apr-15
<b>Total equity as per previous GAAP</b>		<b>3,99,578.64</b>	<b>3,77,998.47</b>
<b>Adjustments:</b>			
Impact of accounting security deposits at amortised cost	1	144.68	99.58
Proposed dividend (including dividend distribution tax)	2	10,170.34	8,169.41
Financial liabilities at amortised cost	3	473.85	607.69
Decommissioning liability and unwinding of discount	4	(158.68)	(127.68)
Straightlining of operation and maintenance charges	5	(708.75)	(850.50)
Fair valuation of certain equity investments designated at FVOCI	6	5.09	5.09
Right of Use Amortisation Reversal	7	71.18	-
Prior period adjustments	8	(131.65)	(122.78)
Impact of consolidation of equity accounted investees	10	(3,523.68)	(16,499.53)
Tax effects of adjustments	12	(7,277.00)	(6,519.19)
<b>Total equity as per Ind AS</b>		<b>3,98,644.03</b>	<b>3,62,760.57</b>

Reconciliation of total comprehensive income for the year ended 31 <sup>st</sup> March, 2016			(₹ in Lacs)
Particulars	Footnote Ref	31-Mar-16	
<b>Profit after tax as per previous GAAP</b>		<b>46,466.94</b>	
Impact of accounting security deposits at amortised cost	1	45.10	
Financial liabilities at amortised cost	3	(133.84)	
Decommissioning liability and unwinding of discount	4	(30.99)	
Straightlining of operation and maintenance charges	5	141.75	
Right of Use Amortisation Reversal	7	71.18	
Prior period adjustments	8	(8.87)	
Employee stock option expenses recognised based on fair value method	9	23.58	
Remeasurement of post-employment benefit obligations	11	(10.07)	
Impact of consolidation of equity accounted investees	10	765.91	
Tax effects of adjustments	12	(807.32)	
<b>Total Adjustments</b>		<b>56.42</b>	
<b>Profit after tax as per Ind AS</b>		<b>46,523.36</b>	
Other comprehensive income	6, 11	10.07	
Tax effects of adjustments	11	49.50	
Share of associate in OCI (Net of Tax)	10	(874.36)	
<b>Total comprehensive income as per Ind AS</b>		<b>45,708.58</b>	

### 1. Impact of accounting security deposits at amortised cost

Under previous GAAP, the Company accounted for refundable interest free security deposits received at historical cost. Under Ind AS, these deposits have been accounted at amortised cost determined using the appropriate market rate. This resulted in increase in equity as on transition date by ₹ 99.58 Lac and as on 31<sup>st</sup> March, 2016 by ₹ 144.68 Lac. The impact of deferred tax provided in note number 11.

### 2. Proposed dividend and dividend distribution tax

Under previous GAAP, the Company used to provide for proposed dividend including dividend distribution tax as and when the same is declared by the Board of Directors considering the same as adjusting event. Under Ind AS, declaration of dividend by Board of Directors would be considered as non-adjusting event and the same would be provided once it is approved by the shareholders in their general meeting. As a result, the Company recorded an increase of ₹ 8,169.41 lac in equity as on the transition date and ₹ 2,000.93 Lac as on 31<sup>st</sup> March, 2016 i.e. amount provided for dividend is ₹ 8,169.41 Lac and amount reversed for dividend declared by Board of directors is ₹ 10,170.34 Lac.

### 3. Financial liabilities at amortised cost

Under previous GAAP, transaction charges directly attributable to borrowings where either expensed or capitalised as appropriate. Under Ind AS, these have been considered to determine the amortised cost of the respective borrowings using the effective interest rate method. This resulted in increase in equity as on transition date by ₹ 607.69 Lac and as on 31<sup>st</sup> March, 2016 by ₹ 473.85 Lac. The impact of deferred tax provided in note number 11.

### 4. Decommissioning liability

Under the previous GAAP, estimated obligation of restoration of wind mills were not accounted. On transition to Ind AS, the Company has estimated the present value of the decommissioning cost on these assets. Based on provisions of Ind AS 101 as discussed earlier in

this note, the decommissioning cost pertaining to the windmills has been accounted through the equity. Consequently, the equity as on transition date as well as 31<sup>st</sup> March, 2016 reduced by ₹ 127.68 Lacs and ₹ 158.68 Lacs. The impact of deferred tax provided in note number 11.

#### 5. Operation and maintenance (O & M) expenses

Under previous GAAP, such expenses were accounted as and when incurred. No expense was recorded during the free period of O & M contract. Under Ind AS, such expenses have been straight lined over the contract tenure including the free period. This has decreased the equity on the transition date by ₹ 850.50 Lacs and as on 31<sup>st</sup> March, 2016 by ₹ 708.75 Lacs. The impact of deferred tax provided in note number 11.

#### 6. Fair valuation of certain equity investments designated at FVOCI

Under previous GAAP, the Company used to carry the investments in companies other than investments in subsidiaries, associates, joint ventures at cost. Under Ind AS, the Company elected to fair value the same through the other comprehensive income. As a result, the Company recorded upward fair valuation of ₹ 5.09 Lac as on the transition date. During 2015-16, the impact for the same is nil as there was no change in the fair value of the said investments since the date of transition date.

#### 7. Right of Use amortisation

Right of Use is considered to have indefinite life. However, under previous GAAP, the Company used to claim amortisation on Right of Use based on EAC opinion using 99 years as useful life. Under Ind AS, an intangible asset having indefinite life needs not to be amortised but tested for impairment at each reporting date. As a result, the Company reversed the ROU amortisation amounting to ₹ 71.18 Lac during 2015-16. There will be no impact as on the transition date as the Company has claimed deemed cost exemption for the items of PPE and intangible assets.

#### 8. Prior period adjustments

Under previous GAAP, the Company used to account for the prior period items in the period in which the same arose. Under Ind AS, based on requirements of Ind AS 8, the Company has accounted for the same retrospectively by restating the comparative amounts to which the same relates. Since certain periods were prior to the transition date, the impact has been considered in preparation of the opening balance sheet. Consequently, this has decreased the equity on the transition date by ₹ 122.78 Lakh and reduced the equity as on 31<sup>st</sup> March, 2016 by ₹ 131.65 Lakh.

#### 9. Employee stock options

Under previous GAAP, the Company used to follow intrinsic value based approach to value the outstanding ESOP options. Under Ind AS, the Company is required to follow fair value based approach. As a result, the Company recorded decrease in ESOP compensation expenses amounting to ₹ 23.04 Lac during 2015-16.

#### 10. Impact of consolidation of equity accounted investees

Under previous GAAP, the Company has not considered the potential voting rights to assess the classification of investments in equity instruments of Sabarmati Gas Limited (SGL). Under Ind AS, the Company has accounted this investments using equity method (considering the same as associate) as on the transition date. Further, under previous GAAP, the Company is not required to provide for deferred tax on undistributed reserves of associates. Under Ind AS, the Company has provided for the same. Further, pursuant to the scheme of amalgamation and arrangement sanctioned by the Hon'ble Gujarat High Court, inter-alia, GSPC Gas Company Limited and Gujarat Gas Company Limited have amalgamated with Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited). The schemes of amalgamation become effective on 14<sup>th</sup> May, 2015 with appointed date of 1<sup>st</sup> April, 2013. The shares of Gujarat Gas Limited have been listed on Bombay Stock Exchange and National Stock Exchange on 15<sup>th</sup> September, 2015. On account of all consolidation Ind AS adjustments, the equity of the Company has decreased by ₹ 16,499.53 Lac as on the transition date and by ₹ 3,523.68 Lac as on 31<sup>st</sup> March, 2016.

#### 11. Remeasurement of post-employment benefit obligations

Under Ind AS, the Company's accounting policy is to recognise actuarial gains and losses pertaining to post employment benefit obligations in other comprehensive income. Under previous GAAP, the Company recognised such actuarial gains and losses in the profit or loss. However, this has no impact on the total equity as on 1<sup>st</sup> April, 2015 as well as 31<sup>st</sup> March, 2016. During 2015-16, the Company recognised ₹ 10.07 Lac in the other comprehensive income.

**12. Deferred Tax expenses**

The above changes decreased/ (increased) the deferred tax liability as follows:

Particulars	Footnote Ref	31-Mar-16	01-Apr-15
Impact of accounting security deposits at amortised cost	1	(50.07)	(34.46)
Financial liabilities at amortised cost	3	(163.99)	(210.31)
Decommissioning liability and unwinding of discount	4	54.91	44.19
Straightlining of operation and maintenance charges	5	245.28	294.34
Fair valuation of certain equity investments designated at FVOCI	6	152.67	99.68
Prior period adjustments	8	(31.59)	(25.95)
Impact of consolidation of equity accounted investees	10	(7,484.21)	(6,686.67)
		<b>(7,277.00)</b>	<b>(6,519.19)</b>

**As per our Report attached**

**For V.V. Patel & Co**  
Chartered Accountants  
Firm Regn. No. 118124W

**Swapnil K Bhatt**  
Partner  
Membership No.128864

Place : Ahmedabad  
Date : 25<sup>th</sup> May, 2017

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

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Dr. J N Singh, IAS**  
Managing Director  
DIN : 00955107

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 25<sup>th</sup> May, 2017

## FORM AOC – 1

[Pursuant to first proviso to sub-Section (3) of Section 129 read with Rule 5 of The Companies (Accounts) Rules, 2014]

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures.

### Part - B: Associates and Joint Ventures

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

(₹ in Lacs)

Sr. No.	Particulars	GSPL India Gasnet Limited*	GSPL India Transco Limited*	Gujarat Gas Limited	Sabarmati Gas Limited
1	Latest Audited Balance Sheet Date	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2017
2	Shares of Associate/Joint Ventures held by the company on the year end (in No.)	14,40,50,060	10,66,00,000	3,54,68,471	54,93,070
3	Amount of Investment in Associates/Joint Venture	14,405.01	10,660.00	41,260.44	6,739.70
4	Extent of Holding %	52.00%	52.00%	25.76%	27.47%
5	Description of how there is significant influence	Joint Venture	Joint Venture	Contribution to capital fund	Contribution to capital fund
6	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA
7	Networth attributable to Shareholding as per latest audited Balance Sheet	14,701.20	10,956.39	42,860.78	8580.62
8	Total Comprehensive Income for the Year	107.70	91.77	17791.00	4523.19
	i. Considered in Consolidation	56.01	47.72	4402.72	1156.97
	ii. Not Considered in Consolidation	51.69	44.05	13388.28	3366.22

\* Though as per provision of Section 2 (87) (ii) of the Companies Act 2013, GSPL India Gasnet Limited (GIGL) and GSPL India Transco Limited (GITL) fall within the meaning of subsidiary company; as per guidance of Indian Accounting Standard GIGL and GITL fall within criteria of Joint Venture and accordingly they have been considered as Joint Venture for the purpose of disclosures and compliances.

1. Name of associates or joint ventures which are yet to commence operations:

- a. GSPL India Gasnet Limited
- b. GSPL India Transco Limited

2. Names of associates or joint ventures which have been liquidated or sold during the year: NA

**For V.V. Patel & Co**  
Chartered Accountants  
Firm Regn. No. 118124W

**Swapnil K Bhatt**  
Partner  
Membership No. 128864

Place : Ahmedabad  
Date : 25<sup>th</sup> May, 2017

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

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Dr. J N Singh, IAS**  
Managing Director  
DIN : 00955107

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 25<sup>th</sup> May, 2017,



NOTES

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**ATTENDANCE SLIP****GUJARAT STATE PETRONET LIMITED**

(CIN: L40200GJ1998SGC035188)

Registered Office: GSPC Bhavan, Sector - 11, Gandhinagar - 382010.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP Id*	Master Folio No.
Client Id*	No of Shares held

*\* Applicable for the investors holding Shares in the Demat Form***NAME AND ADDRESS OF THE SHAREHOLDER**


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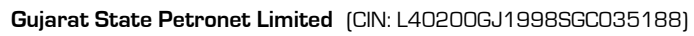


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I hereby record my presence at the **19<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company held on Thursday, the 28<sup>th</sup> September, 2017 at 3.30 p.m. at Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382 010.

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**Signature of the Shareholder or Proxy**

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**PROXY FORM MGT – 11****GUJARAT STATE PETRONET LIMITED**

(CIN: L40200GJ1998SGC035188)

Registered Office: GSPC Bhavan, Sector -11, Gandhinagar - 382 010.

**[PURSUANT TO SECTION 105(6) OF THE COMPANIES ACT, 2013 AND RULE 19 (3) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]**

Name of the Member (s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

Email ID : \_\_\_\_\_

Folio No./Client ID No.: \_\_\_\_\_ DP ID No.: \_\_\_\_\_

I/We, being the Member (s), holding of \_\_\_\_\_ Shares of the above named Company, hereby appoint:

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19<sup>TH</sup> ANNUAL GENERAL MEETING of the Company, to be held on Thursday, the 28<sup>th</sup> September, 2017 at 3.30 p.m. at Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector – 11, Gandhinagar – 382 010 and at any adjournment thereof in respect of such Resolutions as are indicated below:

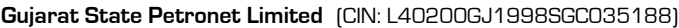
Resolution No.	Resolutions
<b>Ordinary Business</b>	
1	To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the Financial Year ended 31 <sup>st</sup> March, 2017 and the Reports of the Board of Directors and Auditors thereon.
2	To declare Dividend on Equity Shares.
3	To appoint a Director in place of Shri M M Srivastava, IAS (Retd.) [DIN: 02190050], who retires by rotation and being eligible, offers himself for re-appointment.
4	To fix remuneration of Statutory Auditors of the Company in terms of the provisions of Section 142 of the Companies Act, 2013.
<b>Special Business</b>	
5	To regularize appointment of Shri Anil Mukim, IAS [DIN: 02842064] as a Director of the Company, liable to retire by rotation.
6	To approve appointment of Shri Bimal N Patel [DIN: 03006605] as an Independent Director of the Company w.e.f. 29th December, 2016.
7	To fix remuneration of M/s N D Birla & Co., Cost Auditor of the Company in terms of the provisions of Section 148 of the Companies Act, 2013 for the Financial Year 2017 – 2018.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Signature of Shareholder(s) \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp**NOTE:**

1. This form of Proxy in order to be effective should be duly completed and deposited at the Corporate Office of the Company, not less than 48 hours before the commencement of the Meeting.



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## NOTES

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Gujarat State Petronet Limited

(Corporate Identity Number : L40200GJ1998SGC035188)

**Corporate Office :** GSPL Bhavan, E-18, GIDC Electronics Estate, Sector - 26 , Gandhinagar - 382028.  
Tel. : 079 - 23268500/600 • Fax : 079 -23268506 • **Email :** [investors.gspl@gspc.in](mailto:investors.gspl@gspc.in)

**Website :** [www.gspcgroup.com](http://www.gspcgroup.com)

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