

COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

BETWEEN

GSPC GAS COMPANY LIMITED

AND

GUJARAT GAS COMPANY LIMITED

AND

GUJARAT GAS FINANCIAL SERVICES LIMITED

AND

GUJARAT GAS TRADING COMPANY LIMITED

AND

GSPC DISTRIBUTION NETWORKS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS



CERTIFIED TRUE COPY

For, **GUJARAT GAS COMPANY LTD.**

Rajeshwari Sharma

**RAJESHWARI SHARMA
COMPANY SECRETARY**

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AND
GSPC DISTRIBUTION NETWORKS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTIONS 391 TO 394 READ WITH SECTION 100 TO 103 AND
OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956**

PREAMBLE

(A) DESCRIPTION OF COMPANIES:

GSPC Gas Company Limited ("GSPC Gas") is incorporated in India under the provisions of the Companies Act, 1956. GSPC Gas is engaged in the business of distribution of natural gas. GSPC Gas caters to the natural gas requirements of the retail segments, which comprises of industrial, commercial, CNG and residential customers. GSPC Gas is an unlisted company and owns 44.45% stake in GSPC Distribution Networks Limited ("GDNL"). Besides GSPC Gas, Gujarat State Petronet Limited ("GSPL") owns 38.88% in GDNL and Gujarat State Fertilizers and Chemicals Ltd ("GSFC") own the balance 16.67% in GDNL.

GDNL is incorporated in India under the provisions of the Companies Act, 1956. GDNL, an unlisted company holds 73.7 % stake in Gujarat Gas Company Limited ("GGCL").

GGCL is incorporated in India under the provisions of the Companies Act, 1956. GGCL is engaged in the business of transmission and distribution of Natural Gas. GGCL serves the entire range of the retail end of the gas value chain i.e. Residential, Industrial, CNG and Commercial. The equity shares of GGCL are listed on Bombay Stock Exchange, National Stock Exchange, Ahmedabad Stock Exchange and Vadodara Stock Exchange.



Gujarat Gas Financial Services Limited ("GFSL") is incorporated in India under the provisions of the Companies Act, 1956. GFSL is currently engaged in the business of sale of gas connections in India to its holding company i.e. GGCL and to other commercial and non commercial customers within India. GFSL is an unlisted company. GGCL holds 69.88% equity stake in GFSL.

Gujarat Gas Trading Company Limited ("GTCL") is incorporated in India under the provisions of the Companies Act, 1956. GTCL is engaged in the business of distribution of gas from sources of supply to centres of demand and/or to the end customers. GTCL is an unlisted company. GTCL is a wholly owned subsidiary of GGCL.

All the above companies are part of the Gujarat State Petroleum Corporation Group (the "GSPC Group") and are engaged in the similar line of business i.e. City Gas Distribution ("CGD"). The management of GSPC Group is now desirous of consolidating operations of these companies as they are engaged into similar businesses.

This Composite Scheme of Amalgamation and Arrangement (the "Scheme") is presented under Sections 391 to 394 read with Section 100 to 103 and other relevant provisions of the Companies Act, 1956 for the amalgamation of GSPC Gas, GGCL, GFSL and GTCL with GDNL.

(B) RATIONALE AND PURPOSE OF THE SCHEME:

Since GSPC Gas and GGCL along with its subsidiaries are engaged into similar business, GSPC Gas wanted to acquire business of GGCL including its assets and liabilities along with its subsidiaries so as to expand its business presence in the State of Gujarat. However, considering the fact that GGCL is a company listed on the stock exchanges in India; GSPC Gas along with Gujarat State Petronet Limited ("GSPL") through GDNL acquired 94,519,080 (73.70%) equity shares of GGCL as below:

- o 83,518,750 (65.12%) equity shares of GGCL were acquired on June 12, 2013 from BG Asia Pacific Holdings Pte. Ltd, as per the Share Purchase Agreement;
- o 11,000,330 (8.58%) equity shares of GGCL were acquired on March 12, 2013 under the Open Offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011.

At the time of acquisition of GGCL, all requisite approvals viz. approval from Competition Commission of India, Reserve Bank of India, etc, as may be applicable were obtained.

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As a measure to consolidate the City Gas Distribution business, GSPC Group management has decided to amalgamate the city gas distribution business of GSPC Gas, GGCL, GFSL and GTCL into GDNL by way of a Court approved Scheme of Amalgamation. The amalgamation, inter alia, would result in the following benefits:

- a) Through consolidation, the synergies that exist among the entities in terms of similar business processes and resources can be put to the best advantage for the stakeholders. Further, the proposed consolidation will provide an opportunity to better leverage the combined asset and capital base, build a stronger and sustainable business and improve the potential for further growth and expansion of the business of the merged entity;
- b) The proposed amalgamation will not only bring about operational rationalisation, organisational efficiency but also will result in multiple synergies. By pooling together various resources, administrative, managerial and other expenditures will also reduce. The proposed amalgamation will strengthen significantly the position of the combined entity in the industry in terms of asset base, revenue, business volume and market share;
- c) The amalgamated entity will benefit from improved organizational leadership, arising from the combination of people from all the companies, who have diverse skills, talent and vast experience to compete successfully in an increasingly competitive Oil & Gas industry more particular in City Gas Distribution Business;
- d) The combined entity would have greater efficiency in cash management, unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund organic and inorganic growth opportunities. It will have large net worth and borrowing capacity to expand its business at a faster rate. The combined entity will improve the potential for further expansion of the businesses by way of increased borrowing strength of the combined entity;
- e) Further, the amalgamation will result in a significant reduction in the multiplicity of legal and regulatory & other applicable compliances required at present to be carried out by all the Companies.

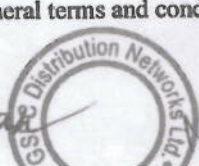
In consideration of the above mentioned business rationale and related benefits, this Scheme between GSPC Gas, GGCL, GFSL, GTCL and GDNL is being proposed in accordance with the terms set out hereunder.

The Scheme is divided into the following parts –

- PART I – Definitions and Share Capital;
- PART II – Amalgamation of GSPC Gas, GGCL, GFSL and GTCL with GDNL; and
- PART III – General terms and conditions.



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PART I: DEFINITIONS AND SHARE CAPITAL

1 DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956 and the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force. It is being clarified that as on the date of approval of this Scheme by the Board of Directors of the Transferor Companies and the Transferee Company, Section 100 to 103 and Section 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, reference in this Scheme to particular provisions of the Act are reference to the particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such reference shall, unless a different intention appears, be construed as reference to the provisions so re-enacted..
- 1.2 **“Appointed Date”** means April 1, 2013 or such other date as may be fixed or approved by the Hon’ble High Court of Gujarat at Ahmedabad or National Company Law Tribunal or any other appropriate authority.
- 1.3 **“Board of Directors”** means the Board of Directors of the GSPC Gas, GGCL, GDNL, GFSL or GTCL, as the context may require and includes committee thereof.
- 1.4 **“CENVAT”** means Central Value Added Tax.
- 1.5 **“Effective Date”** means last of the dates on which the certified true copies of the orders sanctioning this Scheme passed by the High Court of Judicature of Gujarat, or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Gujarat.
- References in this Scheme to the date of **“coming into effect of this Scheme”** or **“upon the Scheme being effective”** shall mean the Effective Date.
- 1.6 **“Eligible Employees”** means the employees of GGCL, who are entitled to ESOP established by GGCL and to whom, as on the Record Date, options of GGCL have been granted but not exercised, irrespective of whether the same are vested or not.



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- 1.7 "Employees Stock Option Plan" or "ESOP" shall mean Employees Stock Option Plan of 2008 established by GGCL as per ESOP guidelines issued by Securities and Exchange Board of India ("SEBI").
- 1.8 "ESOP Trust" means Gujarat Gas Company Limited Employees Welfare Stock Option Trust, created by GGCL and nominated for the purpose of holding shares of GGCL or Transferee Company, as the case may be, for issue / benefit of Eligible Employees of GGCL.
- 1.9 "GDNL" or the "Transferee Company" means GSPC Distribution Networks Limited, a company incorporated under the Act, having its registered office at Block No. 15, 3rd Floor, Udyog Bhavan, Sector 11, Gandhinagar - 382 001, Gujarat, India.
- 1.10 "GFSL" means Gujarat Gas Financial Services Limited, a company incorporated under the Act, having its registered office at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006, Gujarat, India.
- 1.11 "GGCL" means Gujarat Gas Company Limited, a company incorporated under the Act, having its registered office at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006, Gujarat, India.
- 1.12 "GSPC Gas" means GSPC Gas Company Limited, a company incorporated under the Act, having its registered office at 2nd Floor, Block No. 15, Udyog Bhavan, Sector 11, Gandhinagar - 382 001, Gujarat, India.
- 1.13 "GTCL" means Gujarat Gas Trading Company Limited, a company incorporated under the Act, having its registered office at 2 Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006, Gujarat, India.
- 1.14 "High Court" or "Court" means the High Court of Gujarat at Ahmedabad and shall include National Company Law Tribunal ("NCLT"), if and when applicable.
- 1.15 "New Stock Option Plan" or "New ESOP" shall mean Employees Stock Option Plan established by the Transferee Company as per ESOP guidelines issued by SEBI.
- 1.16 "Record Date" means such date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of Transferor Companies viz. GSPC Gas, GGCL, and GFSL, after the sanction of this Scheme by the High Court or such other competent authority as is empowered to sanction the Scheme, to determine the members of Transferor Companies viz. GSPC Gas, GGCL, and GFSL to whom equity shares of Transferee Company will be allotted.



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1.17 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation and Arrangement in its present form or with any modification(s) approved or imposed or directed by the High Court or NCLT, as the case may be.

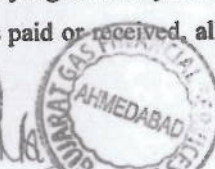
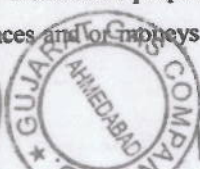
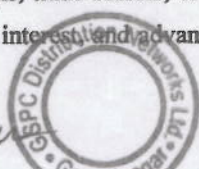
1.18 "Transferor Companies" means GSPC Gas, GGCL, GFSL and GTCL collectively.

1.19 "Undertakings" in relation to the Transferor Companies, as the context may require, shall mean whole of the undertakings and business of the Transferor Companies as a going concern, including (without limitation):

- (a) all the businesses, properties, assets and liabilities of whatsoever kind and wheresoever situated as on the Appointed Date;
- (b) without prejudice to the generality of the foregoing clause, Undertakings shall include all rights, powers, authorities, privileges, liberties and all properties and assets whether movable or immovable, tangible or intangible, current or noncurrent, freehold or leasehold, real or corporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated including, without limited to plant and machinery, office equipments, inventories, furniture and fixtures, capital work in progress, power lines, railway sidings, depots, contingent rights or benefits, benefit of any deposits, financial assets, leases and hire purchase contracts, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, assignments and grants in respect thereof, operating agreements, investment of all kinds (including investment in shares, scrips, stocks, bonds, debenture stock, units, mutual funds), sundry debtors, cash and bank balances, loans and advances, amount receivable from ESOP trust, leasehold improvements, accrued interest, vehicles, appliances, computers, software, accessories, registrations, lease, claims, allotments, approvals, consents, letters of intent, registrations, licences including licences with respect to city gas distribution business, contracts, agreements with Ministry of Petroleum and Natural Gas ("MoPNG") and / or Petroleum and Natural Gas Regulatory Board ("PNGRB") and / or with any such regulatory authority, credits, titles, interest, import quotas and other quota rights, right of user, right of way to lay pipelines, municipal permissions or powers of every kind, nature and description whatsoever in connection and all other permissions, rights (including rights under any contracts, government contracts, memoranda of understanding, etc.), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest and advances and/or moneys paid or received, all statutory



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licences, and / or permissions to carry on the operations, deferred tax benefits and any other direct / indirect tax benefits, privileges, liberties, easements, advantages, benefits, exemptions, permissions, and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Companies, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests together with all present and future liabilities (including contingent liabilities), all the provisions including provision for tax, benefits of tax relief including the Income tax Act, 1961 such as credit for advance tax, taxes deducted at source, MAT, unutilised deposits or credits, benefits under the VAT / sales tax law, sales tax credit, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / service tax credits, etc, all deposits and balances with Government, Semi Government, Local and other authorities and bodies, customers and other persons, earnest moneys and / or security deposits paid or received, all necessary books, records, files, papers, records of standard operating procedures, computer programmes along with their licences, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, all earnest monies and / or deposits, all permanent and / or temporary employees; and

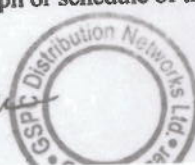
- (c) All liabilities, including, without being limited to, secured and unsecured debts (whether in Indian rupees or Foreign currency), sundry creditors, advances / deposits from customer, deferred revenues, duties and obligation and provisions of every kind, nature and description of whatsoever and howsoever arising, raised, incurred or utilized.

In this Part, unless the context otherwise requires:

- 1.19.1 the words denoting the singular shall include the plural and vice versa;
 1.19.2 headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
 1.19.3 references to the word "include" or "including" shall be construed without limitation;
 1.19.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme:



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1.19.5 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and

1.19.6 word(s) and expression(s) which are used in this Scheme and not defined in part, shall, unless repugnant or contrary to the context or meaning hereof, and as the context may require, have the same meaning ascribed to them under the Act or the Securities Contracts (Regulations) Act, 1956 or Depositories Act, 1996 or other applicable laws, rules, regulations, by-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2 SHARE CAPITAL

2.1 The share capital structure of GDNL as on March 31, 2013 was as follows:

Particulars	Amount in Rs Million
Authorised:	
1,500,000,000 Equity Shares of Rs. 10/- each	15,000
Total	15,000
Issued, Subscribed and Paid-up:	
50,000 Equity Shares of Rs. 10/- each fully paid up	0.50
Total	0.50

Between March 31, 2013 and on the date of filing of this Scheme with the Court, 900,000,000 equity shares of Rs. 10/- each have been issued. Thus, as on the date of filing of this Scheme with the Court, total issued, subscribed and paid-up capital of GDNL is Rs 9,000.5 million consisting of 900,050,000 equity shares of Rs. 10/- each. As on the date of filing of this Scheme with the Court, out of the total equity share capital, 400,050,000 equity shares are held by GSPC Gas, one of the Transferor Company.

2.2 The share capital structure of GGCL as on March 31, 2013 was as follows:

Particulars	Amount in Rs Million
Authorised:	
140,000,000 Equity Shares of Rs 2/- each	280.00
17,000,000 7.5% Redeemable Preference Shares of Rs. 10/- each	170.00



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Total	450.00
Issued, Subscribed and Paid-up:	
128,250,000 Equity Shares of Rs 2/- each fully paid-up	256.50
Total	256.50

As on the date of filing of this Scheme with the Court, out of the above total equity share capital of the GGCL, 94,519,080 equity shares are held by GDNL, the Transferee company. Subsequent to March 31, 2013, there has been no change in the share capital of GGCL.

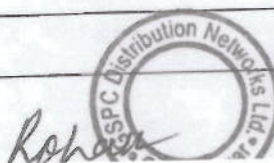
2.3 The share capital structure of GFSL as on March 31, 2013 was as follows:

Particulars	Amount in Rs Million
Authorised:	
7,000,000 Equity Shares of Rs 10/- each	70.00
5,000,000 Preference Shares of Rs. 10/- each	50.00
Total	120.00
Issued, Subscribed and Paid-up:	
2,000,000 Equity Shares of Rs 10/- each fully paid-up	20.00
Total	20.00

As on the date of filing of this Scheme with the Court, out of the above total equity share capital of the GFSL, 1,397,500 equity shares are held by GGCL, one of the Transferor company. Subsequent to March 31, 2013, there has been no change in the share capital of GFSL.

2.4 The share capital structure of GTCL as on March 31, 2013 was as follows:

Particulars	Amount in Rs Million
Authorised:	
10,000 Equity Shares of Rs 100/- each	1.00
Total	1.00



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Issued, Subscribed and Paid-up:	
9,000 Equity Shares of Rs 100/- each fully paid-up	0.90
Total	0.90

As on the date of filing of this Scheme with the Court, all the equity shares are held by GGCL and its nominees, one of the Transferor Company. Subsequent to March 31, 2013, there has been no change in the share capital of GTCL.

2.5 The share capital structure of GSPC Gas as on March 31, 2013 was as follows:

Particulars	Amount in Rs Million
Authorised:	
200,000,000 Equity Shares of Rs. 10/- each	2,000
Total	2,000
Issued, Subscribed and Paid-up:	
84,619,630 Equity Shares of Rs. 10/- each fully paid up	846.20
Total	846.20

Subsequent to March 31, 2013, there has been no change in the share capital of GSPC Gas.

3 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or directed by the High Court or NCLT or any other appropriate authority shall be effective from the Appointed Date, but shall be operative from the Effective Date.



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PART II: AMALGAMATION OF GSPC Gas, GGCL, GFSL and GTCL WITH GDNL

4 TRANSFER AND VESTING OF UNDERTAKINGS

4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, all the Undertakings shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company so as to become Undertakings of the Transferee Company by virtue of and in the manner provided in this Scheme.

Further, the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any term(s) or provision(s) of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modifications will, however, not affect the other clauses of the Scheme.

4.2 All assets, estate, rights, title, interest, etc acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date for operation of Transferor Companies or pertaining to or relating to the Transferor Companies shall also stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. The transfer and vesting of assets, estate, rights, title, interest, etc, will be treated as an acquisition of assets and liabilities i.e. acquisition of business of the Transferor Companies on and from the Appointed Date.

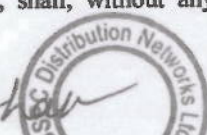
4.3 All assets of the Transferor Companies, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery, novation and / or endorsement and delivery or by operation of law, pursuant to order of the Court, shall be vested in the Transferee Company. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognised as that of the Transferee Company.

4.4 In respect of such of the assets of the Transferor Companies other than those referred to in clause 4.3 above including investment in shares, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, deposits, if any, with Government, semi-Government, local and other authorities and bodies, shall, without any further act, instrument or deed, be and stand



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transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act upon effectiveness of the Scheme. The Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.

4.5 All immovable properties of the Transferor Companies, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Companies, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Transferee Company, by operation of law pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. Such assets shall stand vested in the Transferee Company and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of law. Transferee Company shall upon the order of the Court sanctioning the Scheme and upon this Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. Upon this Scheme becoming effective and upon payment of applicable stamp duty, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar or with the relevant Government agencies shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. Transferee Company shall subsequent to scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Transferor Companies in any leasehold properties shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

4.6 Upon the Scheme coming into effect and with effect from the Appointed Date, all debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and description of the Transferor Companies shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities (including contingent liabilities), duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the



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Transferor Companies, and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

4.7 Any statutory licences, authorizations, statutory rights, permissions, approvals, tax registrations, service tax, provident fund, ESI, Reserve Bank of India, or other registrations, no objection certificates, or any consents to carry on the operations of the Transferor Companies shall stand transferred to and vested in the Transferee Company without any further act or deed and shall be appropriately mutated / facilitated by the statutory authorities concerned therewith in favour of the Transferee Company so as to empower and facilitate the continuation of the operations of the Transferee Company. In so far as the various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation Schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions as are available to Transferor Companies.

4.8 All registrations, licences, trademarks, copyrights, domain names, applications for copyrights, trade-names and trademarks, etc pertaining to the Transferor Companies, if any, shall stand vested in Transferee Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon the sanction of the Scheme and upon this Scheme becoming effective.

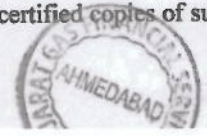
4.9 All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, etc) payable by or refundable to the Transferor Companies with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, etc as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been available to the Transferor Companies, shall pursuant to this Scheme becoming effective, be available to the Transferee Company.

4.10 Any third party or authority required to give effect to any provisions of this Scheme, shall take on record the order of the Court sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Transferee Company as successor in interest, pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective. For this purpose, the Transferee Company shall file certified copies of such High Court order and if



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required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licences (including the licences granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

4.11 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, certificates, clearances, authorities, power of attorneys given by, issued to or in favour of the Transferor Companies in relation to Undertakings shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.

4.12 Benefits of any and all corporate approvals as may have already been taken by the Transferor Companies, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 81(1A), 293(1)(a), 293(1)(d), 295, 297 and 372A, etc, of the Act, read with the rules and regulations made there under, shall stand transferred to and vested in the Transferee Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Transferee Company.

4.13 Upon this Scheme becoming effective, the secured creditors of the respective Transferor Company and/or other security holders having charge over the properties of the respective Transferor Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the respective Transferor Company, as existed immediately prior to the effectiveness of this Scheme, and the secured creditors of the Transferee Company and/or other security holders having charge over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existed immediately prior to the scheme becoming effective. It is hereby clarified that pursuant to amalgamation, the secured creditors of the respective Transferor Company and/or other security holders having charge over the properties of the respective Transferor Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and vice versa, and hence such assets of the respective Transferor Company and the Transferee Company, as the case may be, which are not currently encumbered, shall remain free and shall



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remain available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.

4.14 Transferee Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Companies have been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of Transferor Companies.

4.15 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, Schemes, arrangements, or other instrument of whatsoever nature which the Transferor Companies owns or to which the Transferor Companies are party to and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferee Company shall hold such assets, contracts, deeds, bonds, agreements, Schemes, arrangements, or other instrument of whatsoever nature in Trust for the benefit of the Transferee Company in terms of this Scheme, till such time as the transfer is affected.

5 LEGAL PROCEEDINGS

5.1 If any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of Undertakings or anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Companies, if this Scheme had not been made.

6 CONTRACTS, DEEDS, ETC.

6.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, understandings whether written or oral and other instruments, if any, of whatsoever nature to which the Transferor Companies are party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect on the Effective Date, shall without any further act, instrument or deed, be in full force and effect against or in



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favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company, as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto.

6.2 Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Undertakings occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party, to any contract or arrangement to which the Transferor Companies are parties, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Companies, and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Transferor Companies.

7 EMPLOYEES

7.1 Upon the coming into effect of this Scheme:

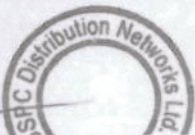
7.1.1 All the employees of the Transferor Companies as on the Effective Date shall stand transferred to the Transferee Company without any interruption in service as a result of transfer of Undertakings of the Transferor Companies to the Transferee Company. The position, rank, and designation, terms and conditions (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits) of the employees would be decided by the Board of Directors or any committee / sub-committee or person(s) so authorised by the Board of the Transferee Company.

7.1.2 The Transferee Company agrees that the services of all such employees (as mentioned in clause 7.1.1 above) with the Transferor Companies prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the Transferor Companies. It is clarified that the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous for the purpose of calculating statutory benefits, if any.



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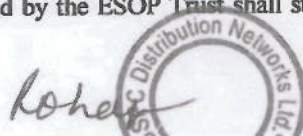
7.1.3 The existing provident fund, superannuation fund and gratuity fund, if any, of which the aforesaid employees of the Transferor Companies, being transferred under clause 7.1.1 above to the Transferee Company, are members or beneficiaries along with all accumulated contributions therein till the Effective Date, shall, with the approval of the concerned authorities, be transferred to and continued without any break. Accordingly, the provident fund, superannuation fund and gratuity fund dues, if any, of the said employees of the Transferor Companies would be continued to be deposited in the transferred provident fund, superannuation fund and gratuity fund account by the Transferee Company. In case, necessary approvals are not received by the Effective Date and there is a delay, all such amounts shall continue to be administered by the Transferee Company as trustee from the Effective Date till the date of actual transfer and, on receiving the approvals all the accumulated amounts till such date, shall be transferred to the respective funds of the Transferee Company [suo moto].

8 EMPLOYEE STOCK OPTION

8.1 Upon coming into effect of this Scheme, in respect of stock options granted by GGCL under the ESOP, the Transferee Company shall issue stock options taking into account the Share Exchange Ratio and on terms and conditions not less favorable than those provided under the ESOP. Such stock options will be issued by the Transferee Company under a New ESOP to be created by Transferee Company, inter alia, for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme;

8.2 It is hereby clarified that upon this Scheme becoming effective, options granted by GGCL to Eligible Employees under ESOP shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to Eligible Employees under ESOP, fresh options shall be granted by Transferee Company to the Eligible Employees on the basis of the Share Exchange Ratio as mentioned under clause 14.2.1 of this Scheme. The Exercise Price payable for options granted by GGCL to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the New Stock Option Plan as adjusted after taking into account the effect of the Share Exchange Ratio;

8.3 ESOP Trust currently holds sufficient shares of GGCL, which may be required, to meet obligation in respect of vested as well as unvested ESOP issued to Eligible Employees. Upon the coming into effect of this Scheme, all the shares of GGCL held by the ESOP Trust shall stand cancelled and fresh shares of the Transferee



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Company shall be issued to the ESOP Trust on the basis of the Share Exchange Ratio as mentioned under clause 14.2.1 of this Scheme. It is hereby clarified that Fractional entitlement, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be taken care as per mechanics mentioned in clause 14.2.5 of this Scheme.

- 8.4 The grant of options to the Eligible Employees pursuant to sub clause 8.2 of this Scheme shall be effected as an integral part of this Scheme and the consent of the shareholders of Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the New Stock Option Plan, without limitation, for the purpose of creating New Stock Option Plan, and all related matters. No further approval of the shareholders of Transferee Company would be required in this connection under Section 81(1A) of the Act (Corresponding notified section 62(1)(c) of the Companies Act, 2013);
- 8.5 It is hereby clarified that in relation to the options granted under New Stock Option Plan to Eligible Employees, the period during which the options granted by ESOP were held or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law or agreement or deed for stock options granted under the New Stock Option Plan;
- 8.6 The Board of Directors of GGCL and GDNL or any of the committee thereof, shall take such actions to modify and/or execute such further documents as may be necessary or desirable for the purpose of giving effect to the provision of this clause of the Scheme.

9 TAXATION MATTERS

- 9.1 It is expressly clarified that upon the Scheme becoming effective, all taxes payable by the Transferor Companies on and after the Appointed Date shall be treated as the tax liability of the Transferee Company. Similarly, all credits for taxes including but not limited to tax deduction at source of the Transferor Companies shall be treated as credits for taxes of the Transferee Company.

- 9.2 All taxes of any nature, duties, cess or any other like payment or deductions made by the Transferor Companies to any statutory authorities such as income tax, sales tax, service tax, CENVAT, etc. or any tax deduction or collection at source, relating to the period after the Appointed Date but up to the Effective Date shall be deemed to have been on account of or paid on behalf of the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the sanction of the



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Scheme and upon relevant proof and documents being provided to the said authorities.

- 9.3 Upon this Scheme becoming effective, the Transferee Company is also expressly permitted to revise its income tax, withholding tax, service tax, sales tax, value added tax and any other statutory returns and filings under the tax laws, notwithstanding that the period of filing / revising such return may have lapsed and period to claim refund / advance tax and withholding tax credit, etc, also elapsed pursuant to the provisions of this Scheme. The Transferee Company shall be entitled to refund and / or set-off all amounts paid by the Transferor Companies under income tax, value added tax, service tax, excise duty or any other tax etc or any other disputed amount under appeal, if any, upon this Scheme becoming effective.

10 SAVING OF CONCLUDED TRANSACTIONS

- 10.1 The transfer and vesting of the assets, liabilities and obligations of the Transferor Companies as per this Scheme and the continuance of the proceedings by or against the Transferee Company under clause 4 and clause 5 hereof shall not affect any transaction or proceedings already concluded by the Transferor Companies on or before the Effective Date, to that end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies as acts deeds and things done and executed by and on behalf of the Transferee Company.

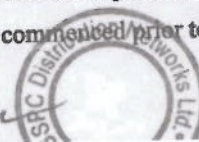
11 CONDUCT OF BUSINESS TILL EFFECTIVE DATE

- 11.1 With effect from the Appointed Date and up to and including the Effective Date, the Transferor Companies shall be deemed to have been carrying on all business on account of and in trust for the Transferee Company. All profits accruing to the Transferor Companies or losses including tax losses, arising or incurred by the Transferor Companies for the period commencing from the Appointed Date and up to and including the Effective Date shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferee Company.
- 11.2 The Transferor Companies hereby confirms that it has, and shall continue upto the Effective Date, to preserve and carry on the business with diligence, prudence and that it will not, without the prior consultation with the Transferee Company, alienate, charge or otherwise deal with or dispose off any Undertakings or any part thereof or recruit any new employees (in each case except in the ordinary course of business) or conclude settlements with unions or employees or undertake substantial expansion to the Undertakings, other than expansions which have already commenced prior to the Appointed Date.



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12 DECLARATION OF DIVIDENDS

- 12.1 The Transferor Companies shall be entitled to declare or pay dividend, whether interim or final, to their equity shareholders in respect of any accounting period prior to the Effective Date, but only consistent with past practice, or in the ordinary course. Any declaration or payment of dividend otherwise than as aforesaid, by the Transferor Companies shall be subject to the prior approval of the Board of Directors of the Transferee Company and in accordance with applicable laws.
- 12.2 For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividend, whether interim or final, to its equity shareholders as on the record date for the purpose of dividend and the shareholders of the Transferor Companies shall not be entitled to dividend, if any, declared by the Transferee Company prior to the Effective Date.
- 12.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and / or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of the Transferor Companies or the Transferee Company, as the case may be, subject to such approvals of the shareholders, as may be required.

13 ALTERATION TO MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF TRANSFEEE COMPANY

13.1 Consolidation of Authorised Share Capital of Transferor Companies

- 13.1.1 The authorised share capital of the Transferor Companies as specified in clause 2.2 to clause 2.5 aggregating to 235,100,000 shares of Rs 10 each shall stand transferred to and combined with the authorised share capital of the Transferee Company and shall be re-classified without any further act or deed. The filing fees and stamp duty already paid by the Transferor Companies on its authorised share capital shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased. The resolution approving the Scheme shall be deemed to be the approval of increase and re-classification in the authorised share capital of the Transferee Company under Section 94 of the Act (Corresponding notified Section 61 of the Companies Act, 2013) and other applicable provisions of the Act.



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Accordingly, upon sanction of this Scheme and from the date of this Scheme becoming effective, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and payment of fees payable to Registrar of Companies, by the authorised share capital of the Transferor Companies.

- 13.1.2 Clause V of the Memorandum of Association of the Transferee Company and clause 4 of Article of Association of the Transferee Company relating to authorised share capital shall respectively, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 16, 31, 94, (Corresponding notified section 13, 14 and 61 of the Companies Act, 2013) and Section 394 of the Act and other applicable provisions of the Act, as the case may be and be replaced with the following clause:

Clause V of Memorandum of Association of Transferee Company

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

Clause 4 of Articles of Association of Transferee Company

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

13.2 Amendment to Object Clause of the Transferee Company

- 13.2.1 Upon the Scheme becoming effective, the following clause shall be inserted in the Main Objects clause of the Memorandum of Association of the Transferee Company after clause 5:

6. "To carry on business of dealing with all aspects of negotiations, procurement, imports, storage, handling processing, distribution and transportation of Natural Gas, Liquefied Natural Gas ("LNG"), Coal Bed Methane ("CBM"), Naphtha, Fuel Oils, Crude Oil & other Petroleum Products, coal and any other fuels and utilization thereof.



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

13.2.2 Upon the Scheme becoming effective, it shall be deemed that the members of the Transferee Company have also resolved and accorded to relevant consents as applicable under Section 17 of the Act (Corresponding notified section 13 of the Companies Act, 2013). It is further clarified that there will be no need to pass a separate shareholders' resolution as required under Section 17 of the Act (Corresponding notified section 13 of the Companies Act, 2013) for the amendments of the Memorandum of Association of the Transferee Company as above. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Company, Gujarat, for amending the main objects in accordance with the clause 13.2.1 of this Scheme.

13.3 Alteration to the Name Clause

13.3.1 Upon the Scheme becoming effective, the name of GSPC Distribution Networks Limited shall be deemed to have been changed to GSPC Gas Limited or such other alternative name as may be permitted by Registrar of Companies, Gujarat in accordance with Section 21 (Corresponding notified section 13 of the Companies Act, 2013), and other relevant provisions of the Act.

13.3.2 It is hereby clarified that the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 21 (Corresponding notified section 13 of the Companies Act, 2013) or any other applicable provisions of the Act, would be required to be separately passed, nor any additional fees (including fees and charges to the relevant



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Registrar of Companies) or stamp duty, shall be payable by the Transferee Company.

13.4 Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alterations viz. change in the Capital Clause, Object Clause and Name Clause, referred above, shall become operative upon the Scheme becoming effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 16, 17, 21, 31, 94 (Corresponding notified section 13, 14 and 61 of the Companies Act, 2013) and Section 394 of the Act, or any other provisions of the Act, and there shall not be a requirement to pass separate resolutions as required under the Act.

14 ISSUE OF EQUITY SHARES AND REORGANIZATION OF SHARE CAPITAL

14.1 Share Swap Ratio

14.1.1 As per the share swap ratio recommended by the Valuer, M/S/ SSPA & Co., Chartered Accountants, upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Undertakings of the Transferor Companies to the Transferee Company, the shareholders of the Transferor Companies should be allotted shares of the Transferee Company as per below details:

TO THE SHAREHOLDERS OF GSPC Gas

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GSPC Gas, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 81 (eighty one) equity share of Rs.10/- each, credited as fully-paid up of the Transferee Company, for every 2 (two) equity shares of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GSPC Gas on the Record Date.

TO THE SHAREHOLDERS OF GGCL

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GGCL including ESOP Trust but excluding GDNL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every (one) equity share of Rs.2/- each held by such equity



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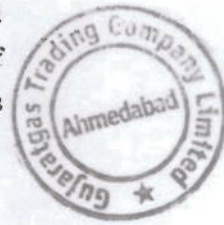
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shareholders or their respective heirs, executors or, as the case may be, successors in GGCL on the Record Date.

TO THE SHAREHOLDERS OF GFSL

Transferee Company should, without any further application, act, instrument or deed, issue to the equity shareholders of GFSL except GGCL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 38 (thirty eight) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GFSL on the Record Date.

TO THE SHAREHOLDERS OF GTCL

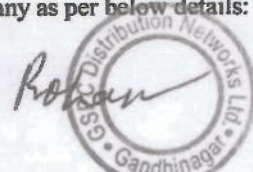
The entire issued, subscribed and paid up share capital of GTCL is held by GGCL. Upon the Scheme becoming effective, GGCL would be amalgamated with the Transferee Company from the Appointed Date and hence no shares of the Transferee Company shall be issued and allotted in consideration of the amalgamation and the share capital of GTCL shall stand cancelled.

14.1.2 If the shares are issued as per above swap ratio, the resultant shareholding pattern of the Transferee Company, upon merger would be as follows:

Name of the Shareholder	No. of shares	Resultant Shareholding (%)
Promoter and Promoter Group	2,833,842,442	54.17%
Public and Others	2,397,922,534	45.83%
Total	5,231,764,975	100%

14.2 Issuance and Allotment of Shares

14.2.1 Upon issuance of shares based on the share swap ratio as mentioned above, the Transferee Company will have an expanded capital base which may not be appropriate and required. This wide capital base will further lead to a corresponding fictitious asset which will adversely impact the Net worth and Earning per Share of the Transferee Company. In order to ensure that the Transferee Company has a serviceable equity capital base, instead of issuing shares as per above share swap ratio, the shareholders of GSPC Gas, GGCL and GFSL would be allotted proportionately lower number of shares of the Transferee Company as per below details:



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TO THE SHAREHOLDERS OF GSPC Gas

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GSPC Gas, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 81 (eighty one) equity shares of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 76 (seventy six) equity shares of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GSPC Gas on the Record Date.

TO THE SHAREHOLDERS OF GGCL

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GGCL including ESOP Trust but excluding GDNL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company for every 1 (one) equity share of Rs.2/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GGCL on the Record Date.

TO THE SHAREHOLDERS OF GFSL

The Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of GFSL except GGCL, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 1 (one) equity share of Rs.10/- each, credited as fully-paid up of Transferee Company, for every 1 (one) equity share of Rs.10/- each held by such equity shareholders or their respective heirs, executors or, as the case may be, successors in GFSL on the Record Date.

14.2.2 The equity shares of the Transferee Company to be issued to the members of the Transferor Companies in terms of clause 14.2.1 above shall be subject to the provisions of Articles of Association of the Transferee Company and shall rank pari-passu, in all respects with the existing equity shares of the Transferee Company.

14.2.3 Upon the implementation of this scheme, the paid up equity share capital of GGCL held by GDNL, the paid up equity share capital of GDNL held by GSPC Gas, and the paid up equity share capital of GGCL into GFSL and GTCL shall, *ipso facto*, without any further act or deed stand cancelled on the Effective Date, and no shares of the Transferee Company will be issued or allotted with respect to the equity shares so cancelled.



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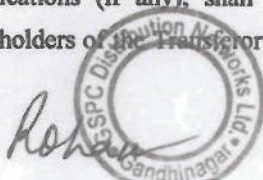


14.2.4 Since lower number of shares will be issued to the shareholders of Transferor Companies as mentioned in clause 14.2.1 above, in order to ensure that interest of none of the shareholders is jeopardised, it is decided to reduce proportionately the existing equity share capital of the Transferee Company as prescribed in clause 14.3.1. This reduction of capital will ensure that wealth of Public shareholder remains intact and their percentage holding continues to remain as mentioned in clause 14.1.2.

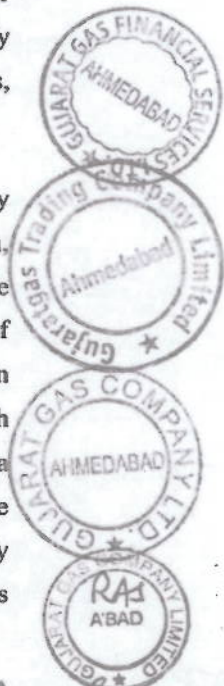
14.2.5 No fractional shares shall be issued by the Transferee Company. The Board of Directors of the Transferee Company shall consolidate all fractional entitlements, if any, arising due to issuance of shares pursuant to amalgamation of the Transferor Companies and allot new equity shares in lieu thereof, to director(s) or such other authorized representative(s) as the Board of Directors of the Transferee Company shall appoint in this behalf, who shall hold the new equity shares issued by the Transferee Company in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times (not later than 15 days from the date of listing of new equity shares of the Transferee Company) and at such price or prices and to such person or persons, as he / they may deem fit and pay to Transferee Company, the net sale proceeds thereof, whereupon Transferee Company shall distribute such net sale proceeds, subject to taxes, if any, to the said members in proportion to their respective fractional entitlements. The Board of Directors of Transferee Company, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.

14.2.6 The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 81(1A) (Corresponding notified section 62(1)(c) of the Companies Act, 2013) and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Transferee Company to the shareholders of the Transferor Companies, as provided in this Scheme.

14.2.7 The new equity shares shall be issued in dematerialized form to those equity shareholders who hold the shares of Transferor Companies in dematerialised form, provided all details relating to account with depository participant are available with the Transferee Company. All those equity shareholders who hold shares of Transferor Companies in physical form shall be issued new equity shares in Transferee Company in physical or electronic form, at the option of such shareholders to be exercised by them on or before the record date, by giving a notice in writing to the Transferee Company. Such physical equity share certifications (if any), shall be sent by Transferee Company to the equity shareholders of the Transferor Companies at their respective registered addresses



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as appearing in the register of member maintained by the Transferor Companies as of record date with respect to their shareholders (or in case of joint shareholders – to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and Transferee Company shall not be responsible for any loss in transit.

14.2.8 In the event of their being any pending share transfer, whether lodged or outstanding, of any shareholders of the Transferor Companies, the Board of Directors of the Transferee Company or any committee / person duly authorized in this regard by the Board of Directors of Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record date, to effectuate such a transfer as if changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Transferor or transferee of equity shares in the Transferor Companies, after the effectiveness of this Scheme.

14.2.9 The existing equity shares after giving effect to reduction as per clause 14.3.1 and after considering issue of new equity shares to the shareholders of the Transferor Companies as per clause 14.2.1 of this Scheme will be listed and / or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2009, as amended from time to time, on all the stock exchanges on which shares of GGCL are listed on the effective date. The Transferee Company shall enter into such arrangement and give such confirmation and/or undertakings as may be necessary in accordance with the applicable laws or regulations for the Transferee Company with the formalities of the said stock exchanges. The equity shares of the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the Stock Exchanges.

14.3 REORGANIZATION OF SHARE CAPITAL

14.3.1 In order to ensure that the interest of none of the shareholders is jeopardized as discussed in clause 14.2.4, it is decided to reduce proportionately the existing equity share capital of the Transferee Company as follows:

On the effective date and after securing necessary approvals and permissions and after cancellation of investment of Rs 4,000,500,000 divided into 400,050,000 shares of Rs 10 each held by GSPC Gas in GDNL as per clause 14.2.3, the Transferee Company shall reduce its remaining fully paid up equity share capital from Rs 5,000,000,000 divided into 500,000,000 shares of Rs 10 each to Rs 131,578,950 divided into 13,157,895 shares of Rs 10 each.



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Distribution Networks Ltd
Gandhinagar



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14.3.2 The differential amount arising upon reduction of share capital of the Transferee Company as per above clause shall be utilised in the manner specified in clause 15.5.

14.3.3 Upon issuance of shares as per clause 14.2.1 above and reduction of share capital as per clause 14.3.1 above, the resultant shareholding pattern of the Transferee Company would be as below:

Name of the Shareholder	No. of shares	Resultant Shareholding (%)
Promoter and Promoter Group	74,574,801	54.17%
Public and Others	63,103,225	45.83%
Total	137,678,026	100%

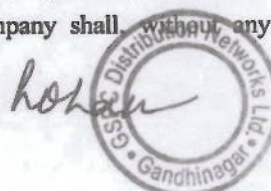
14.3.4 The reduction of share capital as contemplated in clause 14.3.1 above shall be effected as an integral part of the Scheme. The approval of the members of the Transferee Company to the proposed Scheme at the Court conveyed meeting, shall be deemed to be their approval under the provisions of Section 100 and all other applicable provisions of the Act to such reduction of capital. The Transferee Company shall not be required to undertake any separate proceedings for the same. The Order of the High Court sanctioning the Scheme shall be deemed to be an Order under section 102 of the Act. Further, since the said proposal for reduction does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholders of any paid up share capital, the procedure prescribed under section 101 shall not be required to be undertaken.

14.3.5 Notwithstanding the reduction as mentioned above, the Transferee Company shall not be required to add "and reduced" as suffix to its name and the Transferee Company shall continue in its existing name.

14.3.6 The share certificates of the Transferee Company in relation to the shares held by its equity shareholders shall, without any further application, act, instrument or deed be deemed to have been automatically cancelled pursuant to the reduction of capital

It is expressly clarified that shares issued and allotted pursuant to clause 14.2.1 above, shall not be subject to reduction proposed in clause 14.3.1 above.

14.3.7 The shares and share certificates of the Transferor Companies and / or Transferee Company held by the members of the Transferor Companies and / or Transferee Company shall, without any further application, act, instrument or deed, be



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deemed to have been automatically cancelled and non-negotiable and be of no effect on and from the Effective Date.

15 ACCOUNTING TREATMENT

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

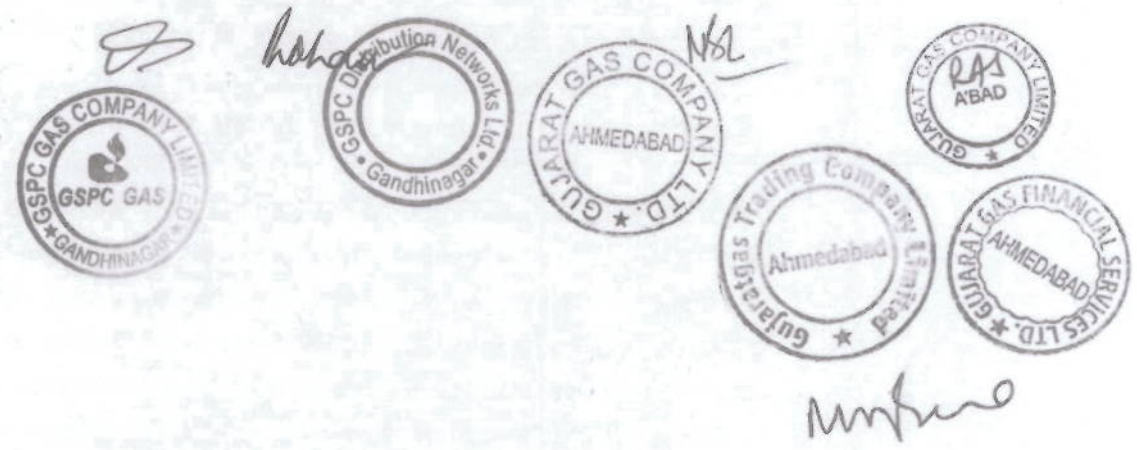
- 15.1 The assets liabilities and debts of the Transferor Companies are transferred to and vested in the Transferee Company, pursuant to the Scheme and shall be recorded by the Transferee Company, at their respective fair values, as determined by the Board, as on the Appointed Date.
- 15.2 With effect from the Appointed Date and upon the Scheme becoming effective, the investment of GSPC Gas in GDNL, the investment of GDNL in GGCL and the investment of GGCL into GFSL and GTCL shall stand cancelled.
- 15.3 Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Transferor Companies and the Transferee Company as appearing in their books of accounts, if any, shall stand cancelled.
- 15.4 The Transferee Company shall credit to the Share Capital Account in its books of account, the aggregate face value of equity shares issued to the shareholders of Transferor Companies pursuant to clause 14.2.1 of this Scheme.
- 15.5 The difference in the value of net assets of Transferor Companies to be vested in the Transferee Company as per clause 4.1 above and issue of shares as per clause 14.2.1 above, after adjustment of the cancellation of investment of GSPC Gas into GDNL, investment of GDNL into GGCL and investment of GGCL into GFSL and GTCL as per clause 14.2.3, reduction of share capital of GDNL as per clause 14.3.1 and adjustment of differential amount arising as per clause 14.3.2, shall be credited by Transferee Company to "Reserves" or debited to "Goodwill Account", as the case may be.
- 15.6 In case of any difference in accounting policy between the Transferee Company and the Transferor Companies or between Transferor Companies, the impact of the same till the Appointed Date would be adjusted in accordance with Accounting Standard - 5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" to ensure that the financial statements of the



Transferee Company reflect the financial position on the basis of consistent accounting policy.

16 DISSOLUTION OF THE TRANSFEROR COMPANIES

Upon the Scheme being effective, the Transferor Companies shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act.



PART III: GENERAL TERMS AND CONDITIONS

17 APPLICATIONS TO HIGH COURT

17.1 The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, make necessary applications/petitions to the High Court, where the registered offices of the Transferor Companies and the Transferee Company are situated, for sanctioning this Scheme and all matters ancillary or incidental thereto under Sections 391 to 394 of the Act and other applicable provisions of the Act.

18 MODIFICATIONS OR AMENDMENTS TO THE SCHEME

18.1 The Transferor Companies and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Courts or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Companies and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. In case, post approval of the Scheme by the High Court, there is any confusion in interpreting any clause of this Scheme, or otherwise, Board of Directors of the Transferee Company will have complete power to take the most sensible interpretation so as to render the Scheme operational.

18.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.



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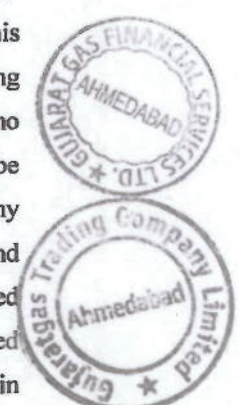
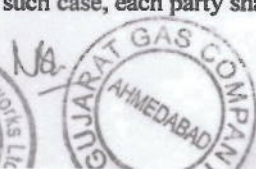
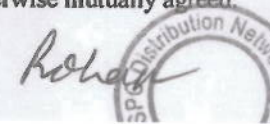
19 SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The Scheme is and shall be conditional upon and subject to the followings:

- 19.1 The requisite consent, approval or permission of any statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
- 19.2 The Scheme being approved by respective requisite majorities in numbers and value of such classes of persons including the member and creditors of the companies as may be directed by the Hon'ble High Court of Judicature of Gujarat at Ahmedabad and / or any other competent authority as may be applicable;
- 19.3 Approval and agreement by the public shareholders of GGCL through resolution passed through postal ballot and e-voting (after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution), and that the votes cast by public shareholders in favor of the proposal are more than the number of votes cast by public shareholders against it in accordance with the SEBI Circular no. CIR/CFD/DIL/5/2013 issued on February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 issued on May 21, 2013 subject to modification, if any, in accordance with any subsequent circulars and amendment that may be issued by SEBI from time to time.
- 19.4 The Scheme being sanctioned by the Hon'ble High Court of Judicature of Gujarat at Ahmedabad and / or any other competent authority, as may be applicable under Section 391 to 394 of the Act; and
- 19.5 Certified Copies of the Order of the Hon'ble High Court or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies, Gujarat.

20 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- 20.1 In the event of any of the said sanctions and approvals referred to in clause 19 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court and/or order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other person and save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed.



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21 COSTS

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or High Court's order including this Scheme or in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Transferee Company.

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The image contains six circular stamps from various gas companies in Gujarat. From left to right, the stamps are: 1. GSPC GAS COMPANY LIMITED, GANDHINAGAR, featuring a flame icon and the text 'GSPC GAS'. 2. GUJARAT GAS COMPANY LTD., AHMEDABAD. 3. GSPC Distribution Networks Ltd., Gandhinagar. 4. Gujarat Gas Trading Company Limited, Ahmedabad. 5. GUJARAT GAS FINANCIAL SERVICES LTD., AHMEDABAD. 6. GUJARAT GAS COMPANY LIMITED, RAS ABAD. There are handwritten signatures above the first two stamps and below the last two stamps.

CERTIFIED TRUE COPY
For, GUJARAT GAS COMPANY LTD,

Rajeshwari
RAJESHWARI SHARMA
COMPANY SECRETARY

SSPA & CO.
Chartered Accountants
1st Floor, "Arjun", Plot No. 6A,
V. P. Road, Andheri (W),
Mumbai-400 058. INDIA.
Tel. : 91 (22) 2670 4376
2670 3682
Fax : 91 (22) 2670 3916
Website : www.sspa.in

STRICTLY PRIVATE & CONFIDENTIAL

April 19, 2014

To,
The Board of Directors
GSPC Gas Company Limited
Block No. 15, 3rd Floor,
Udyog Bhavan, Sector-11,
Gandhinagar – 382 009
Gujarat

The Board of Directors
Gujarat Gas Company Limited
2, Shanti Sadan Society,
Near Parimal Garden, Ellisbridge,
Ahmedabad – 380 006
Gujarat

The Board of Directors
GSPC Distribution Networks Limited
Block No. 15, 3rd Floor,
Udyog Bhavan, Sector-11,
Gandhinagar – 382 009
Gujarat

The Board of Directors
Gujarat Gas Financial Services Limited
2, Shanti Sadan Society,
Near Parimal Garden, Ellisbridge,
Ahmedabad – 380 006
Gujarat

Re: Recommendation of fair share exchange ratio for the purpose of proposed amalgamation of Gujarat Gas Company Limited, GSPC Gas Company Limited, Gujarat Gas Financial Services Limited into GSPC Distribution Networks Limited

Dear Sir,

As requested by the Management of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and GSPC Distribution Networks Limited (hereinafter collectively referred to as the "Management"), we have carried out fair valuation of equity shares of GSPC Gas Company Limited (hereinafter referred to as "GSPC Gas"), Gujarat Gas Company Limited (hereinafter referred to as "GGCL"), Gujarat Gas Financial Services Limited (hereinafter referred to as "GFSL") and GSPC Distribution Networks Limited (hereinafter referred to as "GDNL") to recommend fair share exchange ratio for the proposed amalgamation of GSPC Gas, GGCL, and GFSL into GDNL (hereinafter collectively referred to as the "Companies").

1. PURPOSE OF VALUATION

1.1 We have been informed that the management of the Companies are considering a proposal for the amalgamation of GSPC Gas, GGCL and GFSL into GDNL (hereinafter



referred to as "amalgamation") pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "Scheme"). Subject to necessary approvals, GSPC Gas, GGCL and GFSL would be merged into GDNL with effect from the Appointed Date of April 1, 2013. In consideration for the amalgamation, equity shares of GDNL would be issued to the shareholders of GSPC Gas, GGCL and GFSL. We have been informed that, as part of the Scheme, Gujarat Gas Trading Company Limited ('GTCL') a 100% subsidiary of GGCL will also be amalgamated with GDNL for which no shares would be issued.

- 1.2 In this connection, SSPA & Co., Chartered Accountants (SSPA) has been appointed to carry out the relative valuation of equity shares of GSPC Gas, GGCL, GFSL and GDNL to recommend the fair share exchange ratio.

2 BRIEF BACKGROUND OF GSPC GAS

- 2.1 GSPC Gas, a group company of the Gujarat State Petroleum Corporation was incorporated on March 11, 1999.
- 2.2 GSPC Gas supplies natural gas to retail customers, i.e. Domestic, Commercial/Non-Commercial, SMEs and Compressed Natural Gas (CNG).
- 2.3 We have been informed that as on March 31, 2014, GSPC Gas is supplying natural gas to more than 4,92,381 domestic households, 1,884 commercial and non-commercial segments and 1,880 industrial customers. GSPC Gas also supplies natural gas in the form of Compressed Natural Gas (CNG) through 157 CNG stations across the state that caters to more than 82,000 vehicles per day.

3 BRIEF BACKGROUND OF GGCL

- 3.1 GGCL was incorporated on January 17, 1980. GGCL has evolved to become India's largest player in distribution of Natural Gas. GGCL serves the entire range of the retail end of the gas value chain – Residential, Industrial, Commercial and CNG.
- 3.2 GGCL currently operates two key industrial districts of Surat and Bharuch in Gujarat.
- 3.3 GSPC Gas through GDNL acquired majority equity stake of approximately 73.70% i.e. by way of open offer 8.58% in March 13 and 65.12% in June 2013 by acquisition of shares from BG Asia Pacific Holdings Pte. Ltd.
- 3.4 GGCL holds 100% equity stake in GTCL and 69.88% equity stake in GFSL.



3.5 The Shares of GGCL are listed on The National Stock Exchange of India Limited, BSE Limited; Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Limited.

4 BRIEF BACKGROUND OF GDNL

4.1 GDNL, a public limited company was incorporated on February 21, 2012.

4.2 GDNL acquired the shares of GGCL from BG Group by way of Share Purchase Agreement and from the public shareholders by way of an Open Offer. It holds approximately 73.70% equity stake in GGCL.

5 BRIEF BACKGROUND OF GFSL

GFSL was incorporated on April 11, 1994. The Company was set up primarily to provide financial support to customers wanting to convert to Natural Gas. GFSL provides domestic and commercial gas connections to customers of GGCL. As mentioned above, 69.88% of equity shares of GFSL are held by GGCL.

6 BRIEF BACKGROUND OF GTCL

GTCL was incorporated on December 26, 1980. It is a wholly owned subsidiary of GGCL. It acts as a licensed dealer for selling gas to bulk industrial customers.

7 EXCLUSIONS AND LIMITATIONS

7.1 Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While SSPA & Co. has provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.

7.2 Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

7.3 In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement



Public information, estimates, industry and statistical information relied in this report have been obtained from the sources considered to be reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.

- 7.4 Our recommendation is based on the estimates of future financial performance as projected by the management of the Companies, which represents their view of reasonable expectation at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- 7.5 Our work does not constitute an audit or certification of the historical financial statements / prospective results including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 7.6 A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the



Companies, subsequent to the Appointed Date for the proposed amalgamation. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

- 7.7 No investigation on the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 7.8 Any person/ party intending to provide finance / invest in the shares / business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 7.9 Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.
- 7.10 This Report is prepared only in connection with the proposed amalgamation exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- 7.11 SSPA & Co., nor its partners, managers, employees makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

8 SOURCES OF INFORMATION

For the purpose of the valuation exercise, we have relied upon the following sources of information provided by the management.

- (a) Audited financial statements of GSPC Gas for the financial year ended March 31, 2013.



- (b) Audited financial statements of GDNL for the financial year ended March 31, 2013.
- (c) Audited financial Statements of GGCL and its subsidiaries i.e. GTCL and GFSL for the financial year ended March 31, 2013.
- (d) Draft Scheme of Amalgamation u/s 391 to 394 and other applicable provisions of the Companies Act, 1956.
- (e) Financial Projections of GSPC Gas for FY 2013-14 to FY 2026-27.
- (f) Financial Projections of GGCL and GFSL for the calendar year (CY) 2014 to 2026.
- (g) Other relevant details regarding the Companies such as their history, their promoters, past and present activities, future plans and prospects, other relevant information and data including information in the public domain.
- (h) Such other information and explanations as we required and which have been provided by the Management.

9 VALUATION APPROACH

9.1 For the purpose of valuation for amalgamation, generally the following approaches are adopted:

- (a) the "underlying asset" approach;
- (b) the "income" approach; and
- (c) the "market price" approach;

9.2 GSPC Gas through its subsidiary GDNL has acquired a majority stake i.e. approximately 73.70% in GGCL in the recent past at a value higher than the net asset value. Thus net assets of GGCL do not reflect the intrinsic value of its business. Considering this and being relative valuation exercise, we have thought fit to ignore "underlying asset" approach for the present valuation exercise in case of GSPC Gas, GGCL and GFSL. Since GDNL is an investment holding company, the valuation has been carried out based on "underlying asset" approach.

9.3 Shares of GGCL are listed on the recognised stock exchanges whereas the shares of GSPC Gas, GDNL and GFSL are not listed on any stock exchanges. This being a relative valuation, "market" approach has not been considered.



10 UNDERLYING ASSET APPROACH

- 10.1 In case of the 'underlying asset' approach, the value per share is determined by dividing the net assets of the company by the number of shares. Valuation of net assets is calculated with reference to the historical cost of the assets owned by the company. Such value usually represents the minimum value or a support value of a going concern.
- 10.2 The value of GDNL has been arrived by considering value of its underlying stake in GGCL and adjusting the borrowings against the same.
- 10.3 The equity value so arrived at is divided by the diluted number of equity shares to arrive at the value per equity share.

11 INCOME APPROACH

- 11.1 Under the "income" approach, shares of GSPC Gas, GGCL and GFSL have been valued using Discounted Cash Flow (DCF) Method.
- 11.2 Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure, incremental working capital and estimated tax liability; are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.
- 11.3 The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax, (i) depreciation and amortizations (non-cash charge), (ii) interest on loans and (iii) any non-operating item. The cash flow is adjusted for outflows on account of capital expenditure, tax and change in working capital requirements.
- 11.4 WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the Company. In other words, WACC is the weighted average of the firm's cost of equity and debt. Considering an appropriate mix between debt and equity for the Company, we have arrived at the WACC to be used for discounting the Free Cash Flows of the Companies.
- 11.5 Value for equity shareholders is arrived at after making adjustment for cash & cash equivalents, loan funds, contingent liabilities adjusted for probability of devolvement, value of investment, outflow on account of Interim dividend plus dividend distribution



tax thereon and amount recoverable from trust after considering the tax impact wherever applicable.

- 11.6 The equity value so arrived at is divided by the outstanding number of equity shares to arrive at the value per equity share.

12 RECOMMENDATION OF FAIR EXCHANGE RATIO

- 12.1 The fair basis of amalgamation of the Companies would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above approaches, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single value for the shares of each company. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company. Our exercise is to work out relative value of shares of the Companies to facilitate the determination of a ratio of exchange. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.

Considering the fact that, after the amalgamation, the business of the Companies is intended to be continued on a "going concern" basis, to arrive at relative value of GSPC Gas, GGCL and GFSL, we have considered it appropriate to value the shares under the "Income" approach. Since GDNL is an investment holding company it has been valued using the "underlying asset" approach.

- 12.2 The share exchange ratio has been arrived on the basis of a relative valuation of the shares of the Companies based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the companies, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.
- 12.3 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs.



Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."

12.4 In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this report, in our opinion, a fair ratio of exchange in the event of amalgamation of GSPC Gas, GGCL, GFSL into GDNL would be as under:

81 (Eighty One) equity shares of GDNL of INR 10 each fully paid up for every 2 (Two) equity shares of GSPC Gas of INR 10 each fully paid up.

38 (Thirty Eight) equity shares of GDNL of INR 10 each fully paid up for every 1 (One) equity share of GGCL of INR 2 each fully paid up.

38 (Thirty Eight) equity shares of GDNL of INR 10 each fully paid up for every 1 (One) equity share of GFSL of INR 10 each fully paid up.

Thanking you,
Yours faithfully,

SSPA & Co.

SSPA & CO.
Chartered Accountants
Firm registration number: 128851W



Place: Ahmedabad

Date: 19/4/14



GUJARAT GAS

Report of the Audit Committee of Gujarat Gas Company Limited

Members Present:

Shri Jal Patel : Chairman
 Dr. Hasmukh Adhia, IAS : Member
 Prof. Pradip Khandwalla : Member

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In attendance:

Shri P P G Sarma : CEO
 Shri Nitesh Bhandari : Finance Controller
 Smt Rajeshwari Sharma : Company Secretary
 Shri Ahmed Khan : GM – GSPC Gas

For, GUJARAT GAS COMPANY LTD.

Rajeshwari
RAJESHWARI SHARMA
COMPANY SECRETARY

SEBI vide its circular no. CIR/CFD/DIL15/2013 dated 4th February 2013 has, amongst other requirements, sought a report from the Audit Committee of the Listed Companies recommending the Scheme of Arrangement under Chapter V of the Companies Act, 1956.

The Company placed before the Audit Committee, the draft Composite Scheme of Amalgamation and Arrangement ('Scheme') between GSPC Gas Company Limited ('GSPC Gas'), the Company, Gujarat Gas Financial Services Limited ('GFSL'), Gujarat Gas Trading Company Limited ('GTCL') and GSPC Distribution Networks Limited ('GDNL') and their respective shareholders under the provisions of Section 391 to 394 read with section 100 to 103 of the Companies Act, 1956 / relevant notified sections of Companies Act, 2013, pursuant to above SEBI Circular.

This report of the Audit Committee is made in order to comply with the requirement of the aforesaid Circular(s) after considering the following necessary documents:

- i. Copy of Note / Presentation issued by KPMG (India) on the proposed Amalgamation and Arrangement from tax and regulatory perspective;
- ii. Draft Scheme of Amalgamation and Arrangement;
- iii. Report for recommendation of share exchange ratio dated 19 April 2014, issued by Independent Valuers M/s SSPA & Co., Chartered Accountant.
- iv. Fairness Opinion dated 19 April 2014, issued by M/s SBI Capital Markets Limited, a SEBI registered Category I Merchant Banker.

1. Proposed Scheme:

The Audit Committee noted that the proposed Scheme would result in the following benefits:





- i. Garnering synergies existing amongst entities, inter-alia, by way of bringing operational rationalisation and organisational efficiency;
- ii. Strengthening the position of the combined entity in the Industry in terms of asset base, revenue, business volume and market share;
- iii. Combining people and talent to improve organisational capability and leadership;
- iv. Bringing efficiency in cash management, strengthening net worth and borrowing capacity;
- v. Reducing the multiplicity of legal and regulatory compliances.

2. Salient features of the Scheme are as under:

- i. The Appointed Date of the Scheme would be 1 April 2013;
- ii. All assets and liabilities of the Company, GFSL, GTCL and GSPC Gas ('Transferor Companies') would be transferred to GDNL;
- iii. As per the swap ratio recommended by independent valuers, SSPA & Co., in consideration of amalgamation, GDNL should issue shares to the shareholders of the Transferor Companies as per the following swap ratio:
 - 81 (eighty one) equity shares of Rs.10/- each, credited as fully-paid up of GDNL, for every 2 (two) equity shares of Rs.10/- each held by equity shareholders of GSPC Gas;
 - 38 (thirty eight) equity shares of Rs.10/- each, credited as fully-paid up of GDNL, for every 1 (one) equity share of Rs. 2/- each held by equity shareholders of the Company;
 - 38 (thirty eight) equity shares of Rs.10/- each, credited as fully-paid up of GDNL, for every 1 (one) equity share of Rs. 10/- each held by equity shareholders of GFSL;
- iv. In order to ensure that interest of none of the shareholders are jeopardised, the Committee agrees to accept the proportionate reduction in the existing equity share capital of GDNL from 5,000,000,000 divided into 500,000,000 shares of INR 10 each to 1,376,780,250 divided into 137,678,025 shares of INR 10 each.
- v. Audit Committee noted that issuance of shares based on share swap ratio recommended by the independent valuers will result into GDNL having an expanded share capital and a corresponding fictitious asset. Hence, the Audit Committee recommended to the Board to instead issue and allot the shares as per the following swap ratio:



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GUJARAT GAS

- 81 (eighty one) equity shares of Rs.10/- each, credited as fully-paid up of GDNL, for every 76 (seventy six) equity shares of Rs.10/- each held by equity shareholders of GSPC Gas;
 - 1 (one) equity share of Rs.10/- each, credited as fully-paid up of GDNL, for every 1 (one) equity share of Rs. 2/- each held by equity shareholders of the Company;
 - 1 (one) equity share of Rs.10/- each, credited as fully-paid up of GDNL, for every 1 (one) equity share of Rs. 10/- each held by equity shareholders of GFSL;
 - GSPC Gas holds 44.45% of the total issued, subscribed and paid-up share capital of GDNL which shall get extinguished;
 - The Company holds 69.88% and 100% of the total issued, subscribed and paid-up share capital of GFSL and GTCL respectively. Since the Company, GFSL and GTCL are the transferor companies, the shares held by the Company in GFSL and GTCL shall get extinguished. Accordingly, no new shares of GDNL shall be issued in lieu of such shares getting extinguished.
- vi. It has been also ensured that resultant percentage shareholding as arrived under point (iii) above would also be achieved upon implementation of point (iv) and (v) above and interest of no shareholder is prejudiced.

3. Recommendation of the Audit Committee:

The Audit Committee hereby agrees and recommends the draft Scheme of amalgamation and arrangement and share exchange ratio for favorable consideration by the Board of Directors, Stock Exchange(s), Securities and Exchange Board of India and other appropriate authorities.

For and on behalf of Audit Committee of Gujarat Gas Company Limited,

Chairman of the Committee

Date: 19 April 2014

Place: Ahmedabad



Gujarat Gas Company Limited

Fairness Opinion Certificate on the proposed amalgamation of Gujarat Gas Company Limited into GSPC Distribution Networks Limited (GDNL)

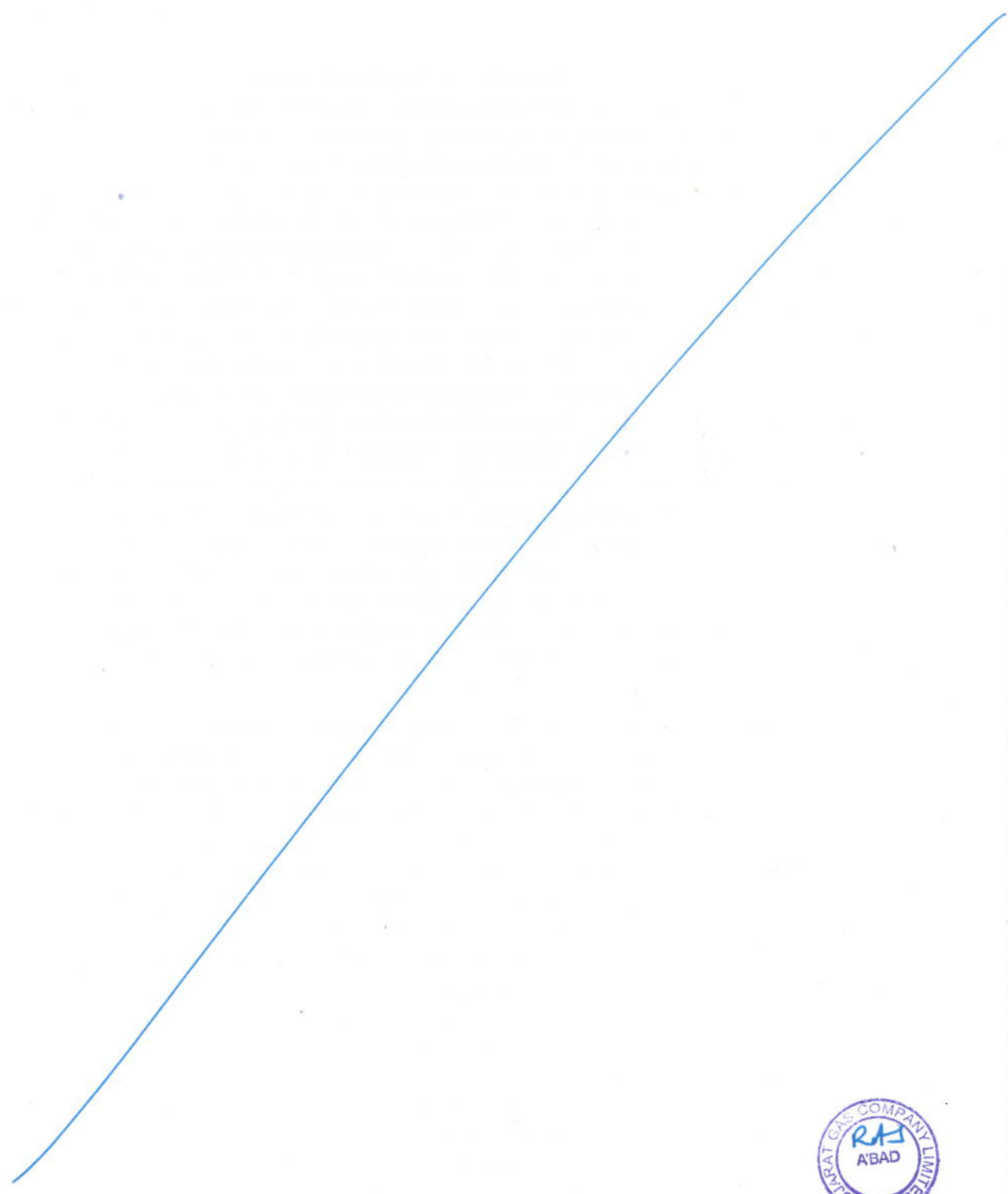


SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade, Mumbai – 400 005

April 2014



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Disclaimer

This fairness opinion certificate ("Certificate" or "This certificate" or "this certificate") contains proprietary and confidential information regarding Gujarat Gas Company Limited ("the Company" or "GGCL"). This certificate is issued for the exclusive use and benefit of the Company as per the Engagement letter. This certificate has been issued by SBI Capital Markets Limited ("SBICAP") as on April 19, 2014, on the basis of the information available in the public domain and sources believed to be reliable and the information provided by the Company and for the sole purpose to facilitate the Company to comply with clause 24(f) and 24(h) of the listing agreement and SEBI Circular No CIR/CFD/DIL/5/2013 dated 4 February 2013 and it shall not be valid for any other purpose or as at any other date. This certificate is issued by SBICAP without regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation, and should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities mentioned therein, and neither this document nor anything contained herein may form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. Nothing in these materials is intended by SBICAP to be construed as legal, accounting, technical or tax advice. Past performance is not a guide for future performance. Forward-looking statements are not predictions and may be subject to change without notice. Actual results may differ materially from these forward-looking statements due to various factors. This certificate has not been or may not be approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This certificate may not be all inclusive and may not contain all of the information that the recipient may consider material.

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For, GUJARAT GAS COMPANY LTD.



R. Sharma
RAJESHWARI SHARMA
COMPANY SECRETARY

1 Background**1.1 About Company**

GGCL was incorporated on January 17, 1980. GGCL has evolved to become India's largest player in distribution of Natural Gas. GGCL serves the entire range of the retail end of the gas value chain – Residential, Industrial, Commercial and CNG. GGCL currently operates two key industrial districts of Surat and Bharuch in Gujarat. GSPC Gas through GSPC Distribution Network Limited (GDNL) acquired majority equity stake of approximately 73.70% i.e. by way of open offer 8.58% in March 13 and 65.12% in June 2013 by acquisition of shares from BG Asia Pacific Holdings Pte. Ltd. GGCL holds 100% equity stake in Gujarat Gas Trading Company Limited (GTCL) and 69.88% equity stake in Gujarat Gas Financial Services Limited (GFSL). The Shares of GGCL are listed on The National Stock Exchange of India Limited, BSE Limited; Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Limited.

1.2 Transaction Overview

We have been informed that the management of the Companies viz. GGCL, GTCL, GFSL and GSPC Gas Limited are considering a proposal for the amalgamation of GSPC Gas, GGCL, GTCL and GFSL into GDNL (hereinafter referred to as "amalgamation") pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "Scheme"). Subject to necessary approvals, GSPC Gas, GGCL and GFSL would be merged into GDNL with effect from the Appointed Date of April 1, 2013. In consideration for the amalgamation, equity shares of GDNL would be issued to the shareholders of GSPC Gas, GGCL and GFSL.

1.3 Role of SBI Capital Markets

SBI Capital Markets Limited (SBICAP) was appointed by the GGCL to issue fairness opinion certificate as required under clause 24(f) and 24(h) of the listing agreement and SEBI Regulations, as amended. The certificate has been issued on the valuation report provided by an independent valuer, SSPA & Co; Chartered Accountants ("SSPA").





1.4 Sources of information

We have relied upon the following sources of information provided by the management.

- (a) Audited financial statements of GSPC Gas for the financial year ended March 31, 2013.
- (b) Audited financial statements of GDNL for the financial year ended March 31, 2013.
- (c) Audited financial Statements of GGCL and its subsidiaries i.e. GTCL and GFSL for the financial year ended March 31, 2013.
- (d) Draft Scheme of Amalgamation u/s 391 to 394 and other applicable provisions of the Companies Act, 1956.
- (e) Financial Projections of GSPC Gas for FY 2013-14 to FY 2026-27.
- (f) Financial Projections of GGCL and GFSL for the calendar year (CY) 2014 to 2026.
- (g) Other relevant details regarding the Companies such as their history, their promoters, past and present activities, future plans and prospects, other relevant information and data including information in the public domain.
- (h) Such other information and explanations as we required and which have been provided by the Management.

2 SBICAP view on the fairness of the transaction

SSPA has analyzed various valuation methodologies like Underlying Asset approach, Income approach and Market price approach and has used Income approach for valuing shares of GGCL. Under Income approach, Discounted Cash Flow (DCF) method has been used to value equity shares of GGCL.

Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure, incremental working capital and estimated tax liability; have been discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.





The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax, (i) depreciation and amortizations (non-cash charge), (ii) interest on loans and (iii) any non-operating item. The cash flow is adjusted for outflows on account of capital expenditure, tax and change in working capital requirements.

WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the Company. In other words, WACC is the weighted average of the firm's cost of equity and debt. Considering an appropriate mix between debt and equity for the Company, we have arrived at the WACC to be used for discounting the Free Cash Flows of the Companies.

Value for equity shareholders is arrived at after making adjustment for cash & cash equivalents, loan funds, contingent liabilities adjusted for probability of devolvement, value of investment, outflow on account of Interim dividend plus dividend distribution tax thereon and amount recoverable from trust after considering the tax impact wherever applicable.

The equity value so arrived at is divided by the outstanding number of equity shares to arrive at the value per equity share.

Considering the fact that, after the amalgamation, the business of the Companies is intended to be continued on a "going concern" basis, to arrive at relative value of GGCL, it may be considered appropriate to value the shares under the "income" approach.

Based on the facts, information and explanations given to us, we are of the opinion that the proposed merger of GGCL with GDNL at the Value ascertained is fair and reasonable to the holders of equity shares of GGCL.

In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein above, a ratio of exchange in the event of amalgamation of GGCL, GSPC Gas, GTCL and GFSL into GDNL would be as under:

38 (Thirty Eight) equity shares GDNL of INR 10 each fully paid up for every 1 (One) equity share of GGCL of INR 2 each fully paid up.

Strictly Private & Confidential





81 (Eighty One) equity shares GDNL of INR 10 each fully paid up for every 2 (Two) equity share of GSPC Gas of INR 10 each fully paid up.

38 (Thirty Eight) equity shares GDNL of INR 10 each fully paid up for every 1 (One) equity share of GFSL of INR 10 each fully paid up.

The Exchange Ratio is based on a Valuation report submitted by M/s SSPA & Co Chartered Accountants.

Based on the above, in our opinion, we consider the transaction to be fair.

Yours Sincerely

For SBI Capital Markets Limited

Name: Mr. Rajesh Agarwal

Designation: Senior Vice President, SBI capital markets Ltd

Date: 19/04/2014





(1)(a) STATEMENT SHOWING SHAREHOLDING PATTERN IN CLAUSE-35				
NAME OF THE COMPANY: GUJARAT GAS COMPANY LIMITED				
SCRIP CODE: 523477 - BOMBAY STOCK EXCHANGE LTD				
SCRIP CODE: 20860 - AHMEDABAD STOCK EXCHANGE LTD				
SCRIP CODE: 23477 - VADODARA STOCK EXCHANGE LTD				
GUJARATGAS - NATIONAL STOCK EXCHANGE OF INDIA LTD				
Class of Security:	Equity Shares	Name of the Scrip	Equity Shares of Rs. 2/- each	
QUARTER ENDED:	31-03-2014			
		As a % of total no. of partly paid-up shares	As a % of total no. of shares of the Company.	
Partly paid-up shares	No. of partly paid-up shares			
Held by promoter/promoter group	0			0
Held by Public	0			0
Total:	0			0
		As a % of total no. of outstanding convertible securities.	As a % of total no. of shares of the Company assuming full conversion of the convertible securities	
Outstanding convertible securities:	No. of outstanding securities			
Held by promoter/promoter group	0			0
Held by Public	0			0
Total:	0			0
		As a % of total no. of shares of the Company, assuming full conversion of warrants		
Warrants:	No. of warrants			
Held by promoter/promoter group	0			0
Held by Public	0			0
Total:	0			0
Total paid-up capital of the Company, assuming full conversion of warrants and convertible securities	128250000			100.00

STATEMENT SHOWING SHAREHOLDING PATTERN IN CLAUSE 35
 NAME OF THE COMPANY: GUJARAT GAS COMPANY LIMITED
 SCRIP CODE: 523477 - BOMBAY STOCK EXCHANGE LTD
 SCRIP CODE: 20860 - AHMEDABAD STOCK EXCHANGE LTD
 SCRIP CODE: 23477 - VADODARA STOCK EXCHANGE LTD
 GUJRATGAS - NATIONAL STOCK EXCHANGE OF INDIA LTD

QUARTER ENDED: 31.03.2014

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHAREHOLDERS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		SHARES PLEDGE OR OTHERWISE ENCUMBERED	
					AS a PERCENTAGE of (A+B)	As a PERCENTAGE of (A+B+C)	NUMBER OF SHARES	AS a PERCENTAGE
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	PROMOTER AND PROMOTER GROUP							
(1)	INDIAN							
(a)	Individual /HUF	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	94519080	94519080	73.70	73.70	0	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(1) :	1	94519080	94519080	73.70	73.70	0	0.00
(2)	FOREIGN							
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(2) :	0	0	0	0.00	0.00	0	0.00
	Total A=A(1)+A(2)	1	94519080	94519080	73.70	73.70	0	0.00
(B)	PUBLIC SHAREHOLDING							
(1)	INSTITUTIONS							
(a)	Mutual Funds /UTI	6	1845400	1844400	1.44	1.44		
(b)	Financial Institutions /Banks	4	141681	141681	0.11	0.11		
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		
(e)	Insurance Companies	3	1419424	1417424	1.11	1.11		
(f)	Foreign Institutional Investors	41	19418741	19418741	15.14	15.14		
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00		
(i)	Others	0	0	0	0.00	0.00		
	Sub-Total B(1) :	54	22825246	22822246	17.80	17.80		
(2)	NON-INSTITUTIONS							
(a)	Bodies Corporate	518	1330890	1322880	1.04	1.04		
(b)	Individuals							
	(i) Individuals holding nominal share capital upto Rs.1 lakh	26987	8667005	7092605	6.76	6.76		
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	4	312722	249722	0.24	0.24		
(c)	Others							
	H U F	608	244571	244571	0.19	0.19		
	NON RESIDENT INDIANS	496	258676	254176	0.20	0.20		
	OVERSEAS CORPORATE BODIES	1	4000	4000	0.00	0.00		
	CLEARING MEMBERS	125	65586	65586	0.05	0.05		
	TRUSTS	4	9224	9224	0.01	0.01		
	FOREIGN MUTUAL FUNDS	5	13000	0	0.01	0.01		
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00		
	Sub-Total B(2) :	28748	10905674	9242764	8.50	8.50		
	Total B=B(1)+B(2) :	28802	33730920	32065010	26.30	26.30		
	Total (A+B) :	28803	128250000	126584090	100.00	100.00		
(C)	Shares held by custodians, against which Depository Receipts have been issued							
(1)	Promoter and Promoter Group							
(2)	Public	0	0	0	0.00	0.00		
	GRAND TOTAL (A+B+C) :	28803	128250000	126584090	100.00	100.00	0	0.00



Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"												
Sr.No	Name of the Shareholder	Details of Shares held		Encumbered shares (*)		Details of Warrants		Details of convertible securities		Total Shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital		
		No. of Shares held (III)	As a % of grand total (A)+(B)+(C) (IV)	Pledge Shares (V)	AS a percentage (VI)=(V)/(III)*100 (VII)	AS a % of grand total (A) + (B) + (C) of sub-clause (I)(a) (VIII)	Number of warrants held (IX)	As a % total number of warrants of the same class (X)	Number of convertible securities held (XI)		As a % total number of convertible securities of the same class (XII)	
1	GSPC DISTRIBUTION NETWORKS LIMITED	94519080	73.70	0	0.00	0	0.00	0	0.00	0	0.00	73.70
	TOTAL :	94519080	73.70	0	0.00	0	0.00	0	0.00	0	0.00	73.70



(U)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares						
Sr.No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares (i.e., Grant total (A)+(B)+(C) Indicated in Statement at para (i)(a) above)	Details of warrants		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital)
				Number of warrants held	As a % total number of warrants of the same class	
				Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	ABERDEEN GLOBAL INDIAN EQUITY (MAURITIUS) LIMITED	12256000	9.56	0	0.00	9.56
2	ABERDEEN GLOBAL-ASIAN SMALLER COMPANIES FUND	2888205	2.25	0	0.00	2.25
3	ABERDEEN ASIAN SMALLER COMPANIES INVESTMENT TRUSTPLC	1468272	1.14	0	0.00	1.14
4	IDFC PREMIER EQUITY FUND	1342995	1.05	0	0.00	1.05
TOTAL :				17955472	0	14.00
					0	0.00



(1)(c)(ii)	Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company								
	Sr.No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with shares held	Number of shares held	Shares as a percentage of total number of shares (i.e., Grant total (A)+(B)+(C) Indicated in Statement at para (1)(a) above)	Details of warrants		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital)		
Number of warrants held					As a % total number of warrants of the same class	Number of convertible securities held		% w.r.t total number of convertible securities of the same class	
	1.	ABERDEEN GLOBAL INDIAN EQUITY (MAURITIUS) LIMITED	12256000	9.56	0	0.00	0	0.00	9.56
	TOTAL :		12256000	9.56	0	0.00	0	0.00	9.56



STATEMENT SHOWING DETAILS OF LOCKED-IN SHARES"			
(1)(d)			
Sr.No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a (%) percentage of total number of shares (i.e, Grand Total (A)+(B)+(C) Indicated in Statement at para (1)(a) above)
			Promoter/Promoter Group/Public
TOTAL :		0	0



STATEMENT SHOWING DETAILS OF DEPOSITORY RECEIPTS (DRS)			
(ii)(a)			
	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRS	Number of shares underlying outstanding DRS
Sr.No.			Shares underlying outstanding DRS as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at Para(i)(a) above}
		0	0
TOTAL :		0	0



Statement showing Holding of Depository Receipts (DRs), where underlying shares held by "Promoter/Promoter group" are in excess of 1% of the total number shares.				
(ii)(b)				
Sr.No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para(i)(a) above)
	TOTAL :		0	0





GUJARATGAS TRADING
COMPANY LIMITED

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Pre Merger - Shareholding Pattern of Gujarat Gas Trading Company Limited as on 31 March 2014

Sr. No.	Name of Share Holder	No. of Equity Shares	% of Holding
1	Gujarat Gas Company Limited and its nominees	9,000	100.00%
	Total Share Capital	9,000	100.00%

For Gujarat Gas Trading Company Limited

Director

Date:24/4/2014

Place:Ahmedabad





Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

Sr. No.	Name of Share Holder	No. of Equity Shares	% of Holding
1	GUJARAT GAS COMPANY LIMITED	13,97,500	69.88%
2	MEHUL THANAWALA	7,500	0.38%
3	CHHANGAWALA PRATIKSHA RAXESH	5,000	0.25%
4	INDUBEN BHAISHANKER DAVE	3,300	0.17%
5	KUNJ GIRDHARLAL SANJANWALA	2,800	0.14%
6	RANADIVE MANGAL VIJAY	2,500	0.13%
7	VAKHARWALA MOHMED ISMAIL	2,500	0.13%
8	VIRANI FATTECHAND BHAGWANDAS	2,500	0.13%
9	MONA SHAH	2,500	0.13%
10	TAMBRAPARNI SHRIDHAR VADIRAJACHAR	2,500	0.13%
11	TOGADIA MASUKH VIRJIBHAI	2,200	0.11%
12	TRUPTI AVADHUT RAVAL	2,100	0.11%
13	DARSOT SHAUKAT YUSUF	2,000	0.10%
14	MEHTA BINA DINESH	2,000	0.10%
15	VARELANI JAWAHAR K	2,000	0.10%
16	SHAH DIPAK BANSILAL	2,000	0.10%
17	PATHAK JAYESH ARVINDBHAI	2,000	0.10%
18	PATEL JITENDRA CHANDUBHAI	2,000	0.10%
19	DESAI JAYESH RAMESHBHAI	1,900	0.10%
20	DIWALIBEN MANIAR	1,600	0.08%
21	IYER HARI NATRAJAN	1,500	0.08%
22	PAREKH JAYESH HASHMUKH	1,500	0.08%
23	SINHA KRISNAPRATAP BIHARILAL	1,500	0.08%
24	SHAIKH MUKHATIYARHUSEN GULAMRASUL	1,500	0.08%
25	ALPAM KETAN BHATT	1,500	0.08%
26	KAMLESHBEN OMPRAKASH PANDEY	1,500	0.08%
27	UMA DEEPAK JAIN	1,500	0.08%
28	TOGADIA BHARATI MANSUKHBHAI	1,500	0.08%
29	REDDY RAJENDRA GUDUR	1,500	0.08%
30	RAVAL SANJAY PRAHLADBHAI	1,500	0.08%
31	PATEL PRAGNA KHUSHALBHAI	1,500	0.08%
32	POTDAR KALPESH KRUSHNARAO	1,500	0.08%
33	PATEL VIKAS ASHVINBHAI	1,500	0.08%
34	GARG OMKAR NATH VISHWA NATH	1,500	0.08%
35	GANDHI JAYESHKUMAR BABULAL	1,500	0.08%
36	DUGLA ZAKIR HUSHAIN GULAMAHMED	1,500	0.08%
37	DESAI ASHOKKUMAR MAGANLAL	1,500	0.08%
38	BHAMINI A KOTHARI	1,500	0.08%
39	BHAIMIYA KHOZEM ABBAS	1,500	0.08%
40	BHATT KETAN THAKORBHAI	1,500	0.08%
41	BHAGAT MAYURI RAVI	1,500	0.08%
42	AVASHIA RAJESH YOGESHCHANDRA	1,500	0.08%

REGISTERED OFFICE : 2, SHANTISADAN SOCIETY, NR. PARIMAL GARDEN, ELLISBRIDGE, AHMEDABAD 380 006.
 SURAT BRANCH : MAHYAVANSHI MOHALLA, ADAJAN GAM, SURAT 395 009. PHONE (0261) 273 6373.
 ANKLESHWAR BRANCH : SURATI BHAGOL, UMARWADA ROAD, ANKLESHWAR 393 001. PHONE (02646) 246121.
 BHARUCH BRANCH : SON TALAVADI, NR. ANAND MANGAL SOCIETY, BHARUCH 392 001. PHONE (02642) 243352.



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

43	MODI ALPESHKUMAR ISHWARLAL	1,500	0.08%
44	M.P. CHANDRAN	1,500	0.08%
45	GOLWALA MANISH RAMESHCHANDRA	1,500	0.08%
46	ALAPPADAN ANTU VARGHESE	1,500	0.08%
47	SINHA MITHILESHKUMAR RAMRASHIK	1,500	0.08%
48	MANKODI RASHMI KISHORRAI	1,500	0.08%
49	DAKSHA SHASHIKANT KARKHANIS	1,400	0.07%
50	JAYASREE T BARDHAN	1,300	0.07%
51	PATEL ROHITKUMAR SHANTILAL	1,200	0.06%
52	DESAI SHILPABEN ALKESH KUMAR	1,100	0.06%
53	ALMOULA KAUSHAL DILIPKUMAR	1,000	0.05%
54	AKSHI RAMESHBHAI MEHTA	1,000	0.05%
55	VYAS DIPTI DHIREN	1,000	0.05%
56	UMA DEEPAK JAIN	1,000	0.05%
57	TIWARI BASANTKUMAR CHAMPALAL	1,000	0.05%
58	SWATI HEMANT PANDYA	1,000	0.05%
59	SARASWATI NAIR	1,000	0.05%
60	SUKANYA NAIR	1,000	0.05%
61	SINHA MITHILESH KUMAR	1,000	0.05%
62	SINHA ANITA KRISHNAPRATAP	1,000	0.05%
63	SHAIKH JAVID AKHTAR ISMAIL	1,000	0.05%
64	VIRPARA KETAN SEVANTILAL	1,000	0.05%
65	RANA AJITSINH BHIKHUSINH	1,000	0.05%
66	PANDYA HEMANT INDRAVADAN	1,000	0.05%
67	PRANAV A KOTHARI	1,000	0.05%
68	PAUL SUMITKUMAR BIMALCHANDRA	1,000	0.05%
69	PATEL PRAVINBHAI SOMABHAI	1,000	0.05%
70	PATEL NAVNIT VALJIBHAI	1,000	0.05%
71	PATEL KANAIALAL PARBHUBHAI	1,000	0.05%
72	NAYAK MEENA VITTAL	1,000	0.05%
73	NAROLA VALLABHBHAI MOHANBHAI	1,000	0.05%
74	NAIR SUKANYA NARAYAN	1,000	0.05%
75	MEHTA MAYA NITINKUMAR	1,000	0.05%
76	MAYURBHAI R PATEL	1,000	0.05%
77	MISTRY UTPREXA VIREN	1,000	0.05%
78	MURARI MADAN RAGHUNANDAN	1,000	0.05%
79	LATA SHRIDHAR TAMBRAPARNI	1,000	0.05%
80	LAKDAWALA MOHMEDRAFIK ABDULAZIZ	1,000	0.05%
81	PATEL ILESH ARVINDBHAI	1,000	0.05%
82	PATEL GIRISHBHAI CHIMANBHAI	1,000	0.05%
83	PAREKH JAYESH H.	1,000	0.05%
84	PAREKH DUSHYANT INDRAVADAN	1,000	0.05%
85	OZA ARTI GUNVANT	1,000	0.05%

Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

86	NAROLA GHANSHYAMBHAI MOHANBHAI	1,000	0.05%
87	NAVIN R PATEL	1,000	0.05%
88	NARSINHBHAI MOHANLAL RATHOD	1,000	0.05%
89	KRUTI A KOTHARI	1,000	0.05%
90	KUMKUM SINGH	1,000	0.05%
91	JAGRUTIBEN RAKESH GANDHI	1,000	0.05%
92	ILA ATUL BHATT	1,000	0.05%
93	IYER HARIHARAN NATARAJAN	1,000	0.05%
94	HITESH ARVINDLAL RANGOONWALA	1,000	0.05%
95	HEMANT INDRAVADAN PANDYA	1,000	0.05%
96	GEETA DIPAK GOHEL	1,000	0.05%
97	BANSAL RAJIV SHANKERLAL	1,000	0.05%
98	ASHOK L KOTHARI	1,000	0.05%
99	AMISHA PARESH PATEL	1,000	0.05%
100	ABBAS H KAPADIA	900	0.05%
101	NAGAR HEENA JATIN	900	0.05%
102	ANIL P THAKORE	800	0.04%
103	UMA DEEPAK JAIN	800	0.04%
104	SUSHILA DINESH JAIN	800	0.04%
105	NAIK BHARTIBEN MAHENDRABHAI	800	0.04%
106	NITILA HITESHKUMAR RANGOONWALA	800	0.04%
107	SARMA PALEPU PARATPARA GOPALA	800	0.04%
108	NAFISABANU MOHAMMEDSHAKIL SHAIKH	700	0.04%
109	BHUPENDRA PATEL	700	0.04%
110	CHETAN J VYAS	700	0.04%
111	VANDANA J VARELANI	700	0.04%
112	VYAS DIPTI DHIREN	700	0.04%
113	VAISHNAV PARUL NAVNIDHAKANT	700	0.04%
114	TALATI SHILABEN YOGENDRA	700	0.04%
115	PATEL GHANSHYAMBHAI RAMANBHAI	700	0.04%
116	NAIK MAHENDRA RANCHHODJI	700	0.04%
117	KETANBHAI NANUBHAI NAIK	700	0.04%
118	HIRALAL K MODI	600	0.03%
119	NILAMBARY JITENDRA MISTRY	600	0.03%
120	BHAGOTRA RANBIRSINGH HARBANSSINGH	600	0.03%
121	BHAGOTRA BHUPINDERKOUR RANBIRSINGH	600	0.03%
122	GAJIWALA MINESH ASHVINBHAI	600	0.03%
123	MAHISURI ARUNKUMAR HASMUKHBHAI	600	0.03%
124	MISTRY JITENDRA SITARAMBHAI	600	0.03%
125	SHAIKH AYUB IQBAL	600	0.03%
126	SHAH PRERAK HARSHAD	600	0.03%
127	RASHMI KAMLESH PATEL	600	0.03%
128	PRITI AVADHUT RAVAL	600	0.03%



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Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

129	PANDYA KANAK RAY PRAHLAD BHAI	600	0.03%
130	PATEL ANJANABEN KAMLESHBHAI	600	0.03%
131	PARUL PRERAK SHAH	600	0.03%
132	PARIKH RAJENDRA HIRALAL	600	0.03%
133	PANDYA VIJAYKUMAR PRAHLADBHAI	600	0.03%
134	NAGAR JATIN VINODCHANDRA	600	0.03%
135	MANGLABEN MULJIBHAI GOHIL	600	0.03%
136	MURTAZA F TAJKHAN	600	0.03%
137	MUNSHI RAISABANU JALALUDDIN	600	0.03%
138	MUNSHI JALALUDDIN MALEKMOHAMMED	600	0.03%
139	MODI NILESHKUMAR JAYANTILAL	600	0.03%
140	MODI KANAIYALAL MULCHANDBHAI	600	0.03%
141	UMA DEEPAK JAIN	600	0.03%
142	MEHTA DINESH HANUMANTRAI	600	0.03%
143	JARIWALA REKHA HEMANTKUMAR	600	0.03%
144	GUPTA NAVEEN G.	600	0.03%
145	DESAI JAYRAM TALAJABHAI	600	0.03%
146	CHETAN M JOSHI	600	0.03%
147	CHAUDHARI JAYANTIBHAI S	600	0.03%
148	PRAGNA BHARATKUMAR SHAH	500	0.03%
149	RAMESH AMRATLAL DESAI	500	0.03%
150	MRUNAL SUDHIR VAIJANAPURKAR	500	0.03%
151	KALE MADHAVI VIJAY	500	0.03%
152	PATEL PEMILABEN MAGANBHAI	500	0.03%
153	KAGZI ABDULHAYAT ABDULKARIM	500	0.03%
154	NIRAJ ARUNBHAI DESAI	500	0.03%
155	KHYATI MAHENDRA JOSHI	500	0.03%
156	BHIKHIBEN RAMANLAL CHAUHAN	500	0.03%
157	KACHHIA JAIVIK HARISHKUMAR	500	0.03%
158	JYOTI MAHESH SHAH	500	0.03%
159	AMAR R PATEL	500	0.03%
160	ABDUL SAHID ABDUL KARIM KAGZI	500	0.03%
161	ASHOKKUMAR KANTILAL JARIWALA	500	0.03%
162	AMBALAL NARSHIDAS DHORAWALA	500	0.03%
163	ALPA DHARMENDRA MEHTA	500	0.03%
164	ABDUL MUNAF KAGZI	500	0.03%
165	ACHARYA KUSUMBEN NARENDRABHAI	500	0.03%
166	ASHWIN C SHAH	500	0.03%
167	AAMIN KAGZI	500	0.03%
168	AMINABEN HAFEJI UMARJI	500	0.03%
169	AJAY PANDYA	500	0.03%
170	ARUN B DESAI	500	0.03%
171	AMITKUMAR SUBODHCHANDRA DESAI	500	0.03%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

172	BHAVSAR GAURANG G	500	0.03%
173	BHAVSAR DIPIKA GAURANG	500	0.03%
174	BHATT TRUPTI BHAVNESH	500	0.03%
175	BHATT SHEELA JAYANT	500	0.03%
176	BHATT DEVENDRA KANTILAL	500	0.03%
177	BHATT ATUL CHANDULAL	500	0.03%
178	BHATIYA DIPAKKUMAR JAYANTILAL	500	0.03%
179	BHATIA HIMANSHUKUMAR JAGDISHCHANDRA	500	0.03%
180	BARIYA RAMESH NATHUBHAI	500	0.03%
181	BAROT KAMESH KANTILAL	500	0.03%
182	BHUPENDRA H PATEL	500	0.03%
183	BARTI VISPUTE	500	0.03%
184	BHATIYA HANSABEN JAYANTIAL	500	0.03%
185	BHATIYA JAYANTILAL CHUNILAL	500	0.03%
186	BHERSAMWALA VASANTIBEN PANKAJ	500	0.03%
187	BHERSAMWALA PANKAJ KARSANDAS	500	0.03%
188	BHAWANI SHANKAR JOSHI	500	0.03%
189	BISHWAJIT DIGAR	500	0.03%
190	BHAVNA KOTESHWAR BHORWNAI	500	0.03%
191	BASU ARJUN	500	0.03%
192	BHUMIKABEN AMITKUMAR DESAI	500	0.03%
193	BEULAH CANARA	500	0.03%
194	BENJAMIN N CANARA	500	0.03%
195	BHATT JAGRUTI DEVENDRA	500	0.03%
196	BALUBHAI THAKORBHAI SURATI	500	0.03%
197	CHAUHAN HARESH RAMANLAL	500	0.03%
198	CHAUHAN RAKESH AMBALAL	500	0.03%
199	CHAUHAN KIRITKUMAR SHANUKANT	500	0.03%
200	CHAUDHARY ASHISHKUMAR SAILESHCHANDRA	500	0.03%
201	CHANDWANI SANJAY MANOHARLAL	500	0.03%
202	CHANDA ASHOK DWIJENDRA	500	0.03%
203	CHAMPANERIYA BHARAT AMBALAL	500	0.03%
204	CHAKRABORTY SUBROTO SUBHAS	500	0.03%
205	CANARA SHEEBA BENJAMIN	500	0.03%
206	BHAVESH PARIKH	500	0.03%
207	BHAVESH R PARIKH	500	0.03%
208	BHATT MAYA RAVINDRA	500	0.03%
209	GAGVANI ANIL DAULATRAI	500	0.03%
210	FARHAT SULTANA YASIN MALIK	500	0.03%
211	DURGA TRIBHOVAN GOHEL	500	0.03%
212	DHARITI P VASAVADA	500	0.03%
213	DHARMENDRABHAI G ACHARYA	500	0.03%
214	DEDAT AIYSHA ABUBAKKAR	500	0.03%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

215	DESAI LALITABEN MAHENDRARAI	500	0.03%
216	DAVE HANSKUMAR DURGASHANKAR	500	0.03%
217	DIPA CHAUDHARY	500	0.03%
218	DINESHBHAI R MISTRY	500	0.03%
219	DAVANG C BHATTA	500	0.03%
220	DESAI RANJAN DINESH	500	0.03%
221	DAXABEN RAMESH DESAI	500	0.03%
222	DEEPAK JAIN	500	0.03%
223	DESAI HARRAI BHIKABHAI	500	0.03%
224	DHVANIL GAGVANI	500	0.03%
225	DIPIKA J RANA	500	0.03%
226	DESAI ALKA J	500	0.03%
227	DESAI NARENDRARAY D	500	0.03%
228	DUBEY VIVEKANAND SUDARSHAN	500	0.03%
229	DOSHI JAYANT N.	500	0.03%
230	DINGORIYA YOGESH JASHVANTARY	500	0.03%
231	DHARMANI SUNIL GOBINDRAM	500	0.03%
232	DESAI PRASHANT SATISHCHANDRA	500	0.03%
233	DESAI PIYUSH BHUPATRAI	500	0.03%
234	DESAI PHALGUNI DEVANG	500	0.03%
235	DESAI KISHORKUMAR BHULABHAI	500	0.03%
236	DESAI KETAN PRAVINCHANDRA	500	0.03%
237	DESAI JIGNESH MAHENDRABHAI	500	0.03%
238	DESAI JIGNESH ASHOK	500	0.03%
239	DESAI JANAK NARENDRARAI	500	0.03%
240	DESAI DINESH NANUBHAI	500	0.03%
241	DESAI DHARMESH NAVNITLAL	500	0.03%
242	DESAI DEVDATT MAHENDRARAI	500	0.03%
243	DESAI DEVANG HARRAI	500	0.03%
244	DESAI CHHAYA UMESH	500	0.03%
245	DESAI CHARULATA DEVENDRA	500	0.03%
246	DESAI ASHISH KANAIIYALAL	500	0.03%
247	DESAI AMIT CHANDRAKANTBHAI	500	0.03%
248	DAVE DEEPAK MANHARLAL	500	0.03%
249	DAVE ARCHANA HANSKUMAR	500	0.03%
250	DABHI RANVIRSINH JAVANSINH	500	0.03%
251	CHAUHAN JANAKBEN RANJITSINH	500	0.03%
252	CHAUDHARY ISWARBHAI RAMJIBHAI	500	0.03%
253	CHAMPABEN AMBALAL DHORAWALA	500	0.03%
254	CHANDWANI LEENA S	500	0.03%
255	CHAMPABEN AMBALAL DHORAWALA	500	0.03%
256	CHAUDHARY GANI BEN S	500	0.03%
257	CHAUDHARY JIVRAMBHAI S	500	0.03%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

258	CHANDA RUPAL ASHOK	500	0.03%
259	CHANDRIKABEN N PATEL	500	0.03%
260	CHAMPANERIYA DHARMISTA BHARAT	500	0.03%
261	C P SINHA	500	0.03%
262	CONTRACTOR PARVATI AJAY	500	0.03%
263	CHANDRIKABEN C BHATT	500	0.03%
264	C P SINHA	500	0.03%
265	CHAKRABORTY SUDESHNA	500	0.03%
266	CHAKRABORTY ANJALI	500	0.03%
267	CHANDRAKANTA K DIWANKATERA	500	0.03%
268	CHAUHAN JAYSHRI RAKESH	500	0.03%
269	CHANDRIKABEN P PATEL	500	0.03%
270	CHANDRIKA JITENDRA PATEL	500	0.03%
271	CHANDA RUPAL A	500	0.03%
272	CONTRACTOR AJAYKUMAR CHANDULAL	500	0.03%
273	CHHASATIA JAYADEEPSINH NARENDRASINH	500	0.03%
274	BARIA PRATAPBHAI CHHAGANBHAI	500	0.03%
275	ALPA K NAIK	500	0.03%
276	AXAYKUMAR BHUPENDRABHAI TRALSHAWALA	500	0.03%
277	AMBALAL NARSIDAS DHORAWALA	500	0.03%
278	ALKA SUVAS DALAL	500	0.03%
279	ALMOULA SAMIR SATYENDRA	500	0.03%
280	ALMOULA SAMIR SATYENDRA	500	0.03%
281	ARPIT S SHARMA	500	0.03%
282	LAD DAHYABHAI KHUSHALBHAI	500	0.03%
283	L MACARIUS	500	0.03%
284	LILY MACARIUS	500	0.03%
285	LOVE RAM LOVE GIRDHARLAL	500	0.03%
286	LAKDAWALA MOHAMED RAFIK ABDULAZIZ	500	0.03%
287	LAD DINESHCHANDRA DAHYABHAI	500	0.03%
288	KAMLESH R PATEL	500	0.03%
289	KALPESH RAMESHBHAI PATEL	500	0.03%
290	KAILASH RANI MALHOTRA	500	0.03%
291	KESHWANI JANKYBEN SEVAKRAM	500	0.03%
292	KESHWANI SEVAKRAM WADUMAL	500	0.03%
293	KAPADIA BHAVNA SUBHASUKUMAR	500	0.03%
294	KAGZI RAZIYA	500	0.03%
295	KOTHIWALA RESHMABEN JANAK	500	0.03%
296	KANOJIA ANJALIBEN B	500	0.03%
297	KANOJIA ANIL AMRUTLAL	500	0.03%
298	KANTILAL NARANBHAI PATEL	500	0.03%
299	KANUBEN CHANDRAVADAN KAPADIA	500	0.03%
300	KAPILABEN NARANBHAI PATEL	500	0.03%

Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

301	KOMAL SUNIL DHARMANI	500	0.03%
302	KHALASI KIRAN PANKAIBHAI	500	0.03%
303	KAVITA SINGHAL	500	0.03%
304	KAKADIA MANJULABEN V	500	0.03%
305	KAMLA K DIWANKATERA	500	0.03%
306	KAPADIA SNEHAL CHANDRAVADAN	500	0.03%
307	KAPADIA ANAMIKA CHANDRAVADAN	500	0.03%
308	KURIAKOSE AGNES JAMES	500	0.03%
309	KOTHIWALA JANAK JAYANTIBHAI	500	0.03%
310	KOIKALETHU LIJI ABRAHAM	500	0.03%
311	KHOJBARIA MUNAF YAKUBBHAI	500	0.03%
312	KHALASI SURAJBHAI RAMABHAI	500	0.03%
313	KHALASI PARSOTTAMBHAI BALUBHAI	500	0.03%
314	KHALASI PANKAJBHAI BALUBHAI	500	0.03%
315	KHALASI KIRANKUMAR MAGANBHAI	500	0.03%
316	KASUWALA GAMANLAL GANDABHAI	500	0.03%
317	KAPADIA RAFATBANU ABDULRAUF	500	0.03%
318	KAPADIA FIRDOSH JEANGIR	500	0.03%
319	KAPADIA DEVANG CHANDRAVADAN	500	0.03%
320	KANTHARIA RAMESHCHANDRA MULCHANDBHAI	500	0.03%
321	KANOJIA BHUPENDRA AMRUTLAL	500	0.03%
322	KAGZI SHAUKATHUSHAIN ABDULKADAR	500	0.03%
323	KAGZI MOHAMMED SHAFI GULAM HUSEIN	500	0.03%
324	KAGZI ABDULHAYAT ABDULKARIM	500	0.03%
325	KADIA VISHNU KASAWLAL	500	0.03%
326	JYOTI THAKORLAL VAIDYA	500	0.03%
327	JAGRUTI RAESH GANDHI	500	0.03%
328	JAYESH MAFATLAL GANDHI	500	0.03%
329	JAGDISH CHUNILAL RANA	500	0.03%
330	JAGADISH DESAI	500	0.03%
331	JANI PARUL JANAK RAY	500	0.03%
332	JOSHI YOGITA MAHENDRA	500	0.03%
333	JOSHI URMILABEN KIRITKUMAR	500	0.03%
334	JATIN N VYAS	500	0.03%
335	JIGNESH DEVJIBHAI PATEL	500	0.03%
336	JIGISHA S DESAI	500	0.03%
337	JOSHI ANSUYABEN SURENDRA	500	0.03%
338	JOSHI SURENDRA B	500	0.03%
339	JIGNASA U SHUKLA	500	0.03%
340	JARIWALA KIRIT SANMUKHLAL	500	0.03%
341	JARIWALA HEMANT SANMUKHLAL	500	0.03%
342	JARMIN JAGDISHBHAI DESAI	500	0.03%
343	JIGNA DEVANG DESAI	500	0.03%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

344	JAY J RANA	500	0.03%
345	JOSHI PRADIPKUMAR TICKCHANDJI	500	0.03%
346	JOSHI MANISH RASIKLAL	500	0.03%
347	JOSHI KIRITKUMAR HASMUKHLAL	500	0.03%
348	JOSHI JATINKUMAR SURENDRAPRASAD	500	0.03%
349	JOSHI BHASKER DHARMENDRA	500	0.03%
350	JHA MANOJ CHANRABALI	500	0.03%
351	JAVALI MANISHA GURUDUTT	500	0.03%
352	JANI VIJAY PRAHLADRAI	500	0.03%
353	JANI JANAKRAY JASHUBHAI	500	0.03%
354	JAISWAL SHALESH MOHANLAL	500	0.03%
355	PATEL HITESHBHAI DHIRUBHAI	500	0.03%
356	PATEL DUSHYANTBHAI KANTILAL	500	0.03%
357	PATEL DIPAKKUMAR NARENDRABHAI	500	0.03%
358	PATEL DINESH RAMANLAL	500	0.03%
359	PATEL DHIRAJBHAI BAVAJIBHAI	500	0.03%
360	PATEL DIPAK MAGANBHAI	500	0.03%
361	PATEL CHETAN LALBHAI	500	0.03%
362	PATEL CHANDULAL MAKANBHAI	500	0.03%
363	PATEL BHARATKUMAR RAJANJIBHAI	500	0.03%
364	PATEL BHARATKUMAR PRAVINCHADRA	500	0.03%
365	PATEL BADREALAM ABDULLAH	500	0.03%
366	PATEL ARVINDBHAI SHANKARBHAI	500	0.03%
367	PATEL ARVINDBHAI PARSOTTAMBHAI	500	0.03%
368	PATEL ANILKUMAR KANTILAL	500	0.03%
369	PATEL ALKESHKUMAR JAYANTILAL	500	0.03%
370	PARMAR SHILESH WILLIAM	500	0.03%
371	PARMAR MANUBHAI MADHAVBHAI	500	0.03%
372	PARMAR MAHENDRAKUMAR BAHECHARBHAI	500	0.03%
373	PARMAR LAXMAN DAYABHAI	500	0.03%
374	PARIKH BHAVESH RASIKLAL	500	0.03%
375	PANDYA ABHAY PRIYAVADAN	500	0.03%
376	PANCHAL THAKORBHAI ISHWARLAL	500	0.03%
377	PANCHAL SUBHASHCHANDRA CHIMANLAL	500	0.03%
378	PANCHAL SANJAY NATVERLAL	500	0.03%
379	PANCHAL KIRANKUMAR RATILALBHAI	500	0.03%
380	PADALIA JAYANTIBHAI POPATBHAI	500	0.03%
381	NITA BALVANT MASRANI	500	0.03%
382	NAVNILAL BABUBHAI KAUNDHAWALA	500	0.03%
383	NAIR BIJU BALAKRISHNAN	500	0.03%
384	NAIR BEENA BALAKRISHNAN	500	0.03%
385	NAIR BINDU BALAKRISHNAN	500	0.03%
386	NAIR KANTIMATI BALAKRISHNAN	500	0.03%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

387	NAVIN R PATEL	500	0.03%
388	NAFISABANU MOHD SHAKIL SHAIKH	500	0.03%
389	NARENDRA RAMANLAL CHAUHAN	500	0.03%
390	NIRMALA SUDHAKAR VISPUTE	500	0.03%
391	NAVINCHANDRA RAMANLAL DOSHI	500	0.03%
392	NAJIRUNNISA ILYAS HAFEJI	500	0.03%
393	NIRMALA NARSINHBHAI RATHOD	500	0.03%
394	NIVYA D NANAVATI	500	0.03%
395	NITU H MORAR	500	0.03%
396	NIKUM SURESHBHAI SITARAMBHAI	500	0.03%
397	NAIR RAJESH GOPINATHAN	500	0.03%
398	NAIR BALAKRISHNAN KRISHNAKUTTY	500	0.03%
399	NAIK UDAY KANTILAL	500	0.03%
400	NAIK RAHUL BABUBHAI	500	0.03%
401	NAIK ALPA UDAY	500	0.03%
402	MUKESH CHUNILAL SONAWALA	500	0.03%
403	MUKESH CHUNILAL SONAWALA	500	0.03%
404	MEENA ANIL SINGH	500	0.03%
405	MOHAMED AZIM A MAJID SHAIKH	500	0.03%
406	MOHAMMED FARUK A MAJID SHAIKH	500	0.03%
407	MUMTAZBANU M FARUK SHAIKH	500	0.03%
408	MEENA M KAPDIA	500	0.03%
409	MAHESHKUMAR AMBALAL KAPDIA	500	0.03%
410	MANHARBHAI JINABHAI RAVAL	500	0.03%
411	MAMTA V PATEL	500	0.03%
412	MURALI SRINIVAS	500	0.03%
413	MADHURIBEN DHANESHBHAI JETLY	500	0.03%
414	MEHTA KOKILABEN KANTILAL	500	0.03%
415	MEHTA MAYA NITINKUMAR	500	0.03%
416	MUNSHI ABDULSADIK MALEKMOHMED	500	0.03%
417	MITHAIWALA CHHAYABEN RAJESH	500	0.03%
418	MOHMED IQBAL A SHAIKH	500	0.03%
419	MANUBEN M PATEL	500	0.03%
420	MEHTA SURYABEN SHANTILAL	500	0.03%
421	MEHTA ALPA DHARMENDRA	500	0.03%
422	MODI SHILPABEN SUDHIRKUMAR	500	0.03%
423	MEHTA ROOPAL SALIL	500	0.03%
424	MASTER MOHMED SHAYED ISMAIL	500	0.03%
425	MEHTA DIPAKKUMAR BABUBHAI	500	0.03%
426	MEHMUDABIBI ABDUL MAJID	500	0.03%
427	MOHAMMED HUSEIN KAGZI	500	0.03%
428	PATEL THAKORBHAI	500	0.03%
429	PRASHANT M VASAVADA	500	0.03%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

430	PATEL RAXABEN KIRITKUMAR	500	0.03%
431	PATEL VITTHALBHAI MOHANBHAI	500	0.03%
432	PANCHAL KAILASHBEN THAKORBHAI	500	0.03%
433	PANCHAL SURESHCHANDRA CHIMANLAL	500	0.03%
434	PANCHAL PRATIXA SUBHASHCHANDRA	500	0.03%
435	PANKAJ SHANKARLAL RANA	500	0.03%
436	PATEL ISMAIL IBRAHIM	500	0.03%
437	PRATIMA JATIN PRAJAPATI	500	0.03%
438	PATEL MADHUBEN MANILAL	500	0.03%
439	PATEL KAMINIBEN BHARATKUMAR	500	0.03%
440	PATEL RATANJIBHAI SOMABHAI	500	0.03%
441	PATEL MAYURIBEN RAJESHBHAI	500	0.03%
442	PATEL BHAVNABEN ALKESHKUMAR	500	0.03%
443	PATEL JAYNTILAL VITTHALBHAI	500	0.03%
444	PATEL ANJNABEN JASHVANTBHAI	500	0.03%
445	PATEL JESANGBHAI LALLUBHAI	500	0.03%
446	PRABHAKARBHAI GAJENDRAPRASAD ACHARYA	500	0.03%
447	PRAVINCHANDR FULCHANDAS PATEL	500	0.03%
448	PATEL BHARATIBEN AMBELAL	500	0.03%
449	PATEL MAITRY BHARATBHAI	500	0.03%
450	PATEL BHAVANA DAHYABHAI	500	0.03%
451	PREMILABEN PRAVIN GANDHI	500	0.03%
452	POONAM DILIP MEHTA	500	0.03%
453	PATEL MAMTABEN SANJIVKUMAR	500	0.03%
454	PATEL PRAGNESH RANCHHODBHAI	500	0.03%
455	PATEL HARSHADABEN D	500	0.03%
456	PANCHAL NATVARLAL CHHAGANLAL	500	0.03%
457	PANCHAL SITABEN NATVARLAL	500	0.03%
458	PRITI PRASHANT DESAI	500	0.03%
459	PARMAR URVASHEE MAHENDRA	500	0.03%
460	PATEL PRITIBEN KIRITBHAI	500	0.03%
461	PATEL GIRISHBHAI RAMJIBHAI	500	0.03%
462	PATEL RAMJIBHAI KUBERDAS	500	0.03%
463	PATEL MANJULABEN RAMJIBHAI	500	0.03%
464	PARMAR BHAVNA SHAILESH	500	0.03%
465	PATEL SALMA UMARJI	500	0.03%
466	PATEL PRAVINABEN ARVINDBHAI	500	0.03%
467	PATEL RAMESHBHAI NARANBHAI	500	0.03%
468	PATEL MANJULABEN MOTIBHAI	500	0.03%
469	PATEL MOTIBHAI PUNJABHAI	500	0.03%
470	PATEL NEELABEN PRAFUL	500	0.03%
471	PATEL BHARATI BHARATBHAI	500	0.03%
472	PATEL PARVATIBEN SHANTILAL	500	0.03%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

473	PATEL GEETA HITESH	500	0.03%
474	PATEL SHOBHANABEN SHAILESH BHAI	500	0.03%
475	PATEL NEETA NATVARBHAI	500	0.03%
476	PATEL KALPANA KISHORBHAI	500	0.03%
477	PATEL RITA JAYESHBHAI	500	0.03%
478	PATEL DAXABEN RANJITBHAI	500	0.03%
479	PATEL INDUBEN NARRENDRABHAI	500	0.03%
480	PARIKH CHANDRAWALI R	500	0.03%
481	PATEL REKHA DINESHBHAI	500	0.03%
482	PATEL PRATIMABEN NAYAN	500	0.03%
483	PATEL NARANBHAI PIRUBHAI	500	0.03%
484	PATEL MANIBEN DURLABH BHAI	500	0.03%
485	PRAVINBHAI N PATEL	500	0.03%
486	PATEL SATISHBHAI S	500	0.03%
487	PATEL BHAVNABEN A	500	0.03%
488	PATEL BHUMISHABEN KIRITBHAI	500	0.03%
489	POONAM KISHORKUMAR UNADKAT	500	0.03%
490	PATEL KIRAN RAJIV	500	0.03%
491	PATEL AMBUBHAI MAGANBHAI	500	0.03%
492	PATEL RAMILADEVI JAYANTILAL	500	0.03%
493	PATEL NAVINCHANDRA V	500	0.03%
494	PATEL BHAVANA S	500	0.03%
495	PRASAD VINODKUMAR KISHORI	500	0.03%
496	PRAJAPATI JATINKUMAR CHHAGANBHAI	500	0.03%
497	PRAJAPATI JAGJIVANDAS GOVINDJI	500	0.03%
498	PRAJAPATI GOVIND BHIKHABHAI	500	0.03%
499	PATEL YASIN VALIBHAI	500	0.03%
500	PATEL VIMALKUMAR AMRUTLAL	500	0.03%
501	PATEL VIKASKUMAR DURLABHBHAI	500	0.03%
502	PATEL UDAY CHHOTUBHAI	500	0.03%
503	PATEL THAKORBHAI CHIMANBHAI	500	0.03%
504	PATEL SURESHBHAI VITTHALBHAI	500	0.03%
505	PATEL SHASHIKANT BALUBHAI	500	0.03%
506	PATEL SHANTILAL MANILAL	500	0.03%
507	PATEL SHAILESHKUMAR CHHIMABHAI	500	0.03%
508	PATEL SANJIVKUMAR CHHOTUBHAI	500	0.03%
509	PATEL SANJAYKUMAR NAVINCHANDRA	500	0.03%
510	PATEL RANJITBHAI BHIKHABHAI	500	0.03%
511	PATEL RAJIV HASMUKHLAL	500	0.03%
512	PATEL RAJESHBHAI SOMABHAI	500	0.03%
513	PATEL RAJESH KANTILAL	500	0.03%
514	PATEL RAJENDRA RANCHHODBHAI	500	0.03%
515	PATEL PRAVINBHAI JAYANTILAL	500	0.03%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

516	PATEL PRAFULKUMAR NARSHIBHAI	500	0.03%
517	PATEL PRADEEP MANILAL	500	0.03%
518	PATEL PRABHUBHAI NARSIHBHAI	500	0.03%
519	PATEL PARITOSH INDUBHAI	500	0.03%
520	PATEL PARESH AMBELAL	500	0.03%
521	PATEL NAYANKUMAR SURENDRABHAI	500	0.03%
522	PATEL NAVINBHAI NATHUBHAI	500	0.03%
523	PATEL NATVARBHAI ISHWAR BHAI	500	0.03%
524	PATEL NARESHBHAI NARANBHAI	500	0.03%
525	PATEL NARENDRABHAI SHANUBHAI	500	0.03%
526	PATEL MUSTAQ VALI	500	0.03%
527	PATEL MOHMED YUNUS IBRAHIMKHAN	500	0.03%
528	PATEL MANOJKUMAR NARANBHAI	500	0.03%
529	PATEL MANOJ LALLUBHAI	500	0.03%
530	PATEL MAHESHKUMAR NAGINBHAI	500	0.03%
531	PATEL KIRITKUMAR RAMESHCHANDRA	500	0.03%
532	PATEL KIRITKUMAR CHANDUBHAI	500	0.03%
533	PATEL KIRITBHAI SHANTILAL	500	0.03%
534	PATEL KIRITKUMAR BHIKHABHAI	500	0.03%
535	PATEL KHUSHALBHAI KANJIBHAI	500	0.03%
536	PATEL JIGAR THAKORBHAI	500	0.03%
537	PATEL JAYESHBHAI MITHABHAI	500	0.03%
538	PATEL JAYANTILAL CHHAGANLAL	500	0.03%
539	PATEL JASVANTBHAI JESANGBHAI	500	0.03%
540	PATEL JAGDIPBHAI NARANBHAI	500	0.03%
541	PATEL ISHVARBHAI BALUBHAI	500	0.03%
542	ZULEKHABIBI GULAM MAHIYUDDIN KHIRKIWALA	500	0.03%
543	YASIN MUSTUFA MALIK	500	0.03%
544	YOGINI CHAITANYAKUMAR HAJARIWALA	500	0.03%
545	YAGNESH RANJITBHAI DESAI	500	0.03%
546	YADAV CHHOTELAL SITARAM	500	0.03%
547	VEENA JAYESH GANDHI	500	0.03%
548	VYAS DIPTI DHIREN	500	0.03%
549	VAIDHYA SHILA KULINBHAI	500	0.03%
550	VARELANI VANDANA JAWAHAR	500	0.03%
551	VAHIDA I PATEL	500	0.03%
552	VIVEKKUMAR PARSOTTAMBHAI KHALASI	500	0.03%
553	VIMAL T JOSHI	500	0.03%
554	VAIDYA KAVITA BHADRESH	500	0.03%
555	VAPALIA JAYSHREEBEN SARJUBHAI	500	0.03%
556	VYAS KAMALABEN PURNANAND	500	0.03%
557	VYAS MEENA PIYUSH	500	0.03%
558	VIRANI VIPUL SHANKARDAS	500	0.03%

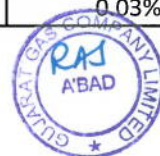


Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

559	VIRANI SHANKARDAS UMANMAL	500	0.03%
560	VIRANI JALPA RAJESH	500	0.03%
561	SIDDHARTH G PATEL	500	0.03%
562	SHILA KULIN VAIDHYA	500	0.03%
563	SANJAYKUMAR N PATEL	500	0.03%
564	SHANKARLAL BABUBHAI MODI	500	0.03%
565	SUDHABEN A JARIWALA	500	0.03%
566	SHAIKH SUHANABANU MOHAMMEDIQBAL	500	0.03%
567	SOLANKI KUSUMBEN JITENDRASINH	500	0.03%
568	SHAH KALPESH JAYANTILAL	500	0.03%
569	SHAH MOHITKUMAR KANAILAL	500	0.03%
570	S R VYAS	500	0.03%
571	SHARDABEN R VYAS	500	0.03%
572	SHAH GOVINDLAL NATHALAL	500	0.03%
573	SHAH KOKILABEN GOVINDLAL	500	0.03%
574	SHAIKH MOHAMEDAZIM ABDUL MAJID	500	0.03%
575	SHAIKH MUMTAZBANU MOHAMED FARUK	500	0.03%
576	SHAIKH YASMIN MUKHATIYAR HUSEN	500	0.03%
577	SAMBHU BHAI DESAI	500	0.03%
578	SARASWATI NARAYAN NAIR	500	0.03%
579	SURANGIBEN I PATEL	500	0.03%
580	SHAH BHAVNABEN JASHWANTLAL	500	0.03%
581	SHAH SHEETAL PINKESH	500	0.03%
582	SWETANG S SHARMA	500	0.03%
583	SHAH SAROJBEN RAMESHBHAI	500	0.03%
584	SMITA KETAN DESAI	500	0.03%
585	SHIVANI AMUL MEHTA	500	0.03%
586	SHANKARLAL PRANJIVANDAS RANA	500	0.03%
587	SHABINABIBI G SHAIKH	500	0.03%
588	SARIFABIBI A SHAIKH	500	0.03%
589	SHAIKH MOHAMMEDSABER ABDULGAFFAR	500	0.03%
590	SHAIKH MOHAMMEDHUSAIN ABDULGAFFAR	500	0.03%
591	SHEETAL A DESAI	500	0.03%
592	SUMITRA NAVINCHANDRA DOSHI	500	0.03%
593	SOLANKI AJITSINH NATVARSIKH	500	0.03%
594	SAMIR BIPINCHANDRA DESAI	500	0.03%
595	SANYUKTA P SHUKLA	500	0.03%
596	SWATI M VYAS	500	0.03%
597	SWATI SHUKLA	500	0.03%
598	SONAL DUSHYANT PATEL	500	0.03%
599	SUMANBEN CHANDULAL PATEL	500	0.03%
600	SUNIL TAILOR	500	0.03%
601	SOLANKI MADHUBEN D	500	0.03%

Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

602	SOLANKI DAHYABHAI P	500	0.03%
603	SOLANKI KANAKLATA PINAKIN	500	0.03%
604	SAROJBEN KANTILAL SHAH	500	0.03%
605	SAROJBEN ASHOKKUMAR SHAH	500	0.03%
606	SANDHYA GANDHI	500	0.03%
607	SYED JAFAR MOHMED	500	0.03%
608	SOLANKI KUSUMBEN JITENDRASINH	500	0.03%
609	SOLANKI ARCHANA JITENDRASINH	500	0.03%
610	SHETH PARULBEN YOGESHKUMAR	500	0.03%
611	SINGH RAMJI RAM PRASAD	500	0.03%
612	SWATI J RANA	500	0.03%
613	SURESH SOBHRAJ AHUJA	500	0.03%
614	SYED WASI MOHMED JAFAR MOHMED	500	0.03%
615	SURATI HARISHKUAMR THAKORBHAI	500	0.03%
616	SONAVANE CHANDRAKANT DHANJI	500	0.03%
617	SOMANI PAWANKUMAR RAMKARAN	500	0.03%
618	SOLANKI VINODBHAI CHIMANLAL	500	0.03%
619	SOLANKI VIKRAM DHIRAJLAL	500	0.03%
620	SOLANKI PINAKIN DAHYABHAI	500	0.03%
621	SOLANKI JITENDRASINH SAMARSINH	500	0.03%
622	SOLANKI DILIPBHAI BHAVANBHAI	500	0.03%
623	SINHA SUBODHKUMAR A.	500	0.03%
624	SINGHAL VIKAS RAM GOPAL	500	0.03%
625	SINGH RAM BALLABHA RAM SHANKAR	500	0.03%
626	SHUKLA PARITOSH PUSHPAKANT	500	0.03%
627	SRINIVAS JAYARALA MUNI	500	0.03%
628	SHETH YOGESH RAMANLAL	500	0.03%
629	SHASTRI JAYESH HARIHARBHAI	500	0.03%
630	SHARMA SURENDRAKUMAR RAGHUNATHPRASAD	500	0.03%
631	SHAIKH MUKHATIYARHUSEN GULAMRASUL	500	0.03%
632	SHAIKH MOHAMMEDIQBAL ABDULGAFFAR	500	0.03%
633	SHAIKH MOHAMMEDAMIN GULAMFARUK	500	0.03%
634	VANDANA GAGVANI	500	0.03%
635	VIJYABEN LALCHANDBHAI SOLANKI	500	0.03%
636	VYAS PIYUSH PURNANAND	500	0.03%
637	VYAS DHIREN KUMUDCHANDRA	500	0.03%
638	VISPUTE GIRISH KASHINATH	500	0.03%
639	VIRANI RAJESH SHANKARDAS	500	0.03%
640	VASAVADA MIHIR MAHESHBHAI	500	0.03%
641	VAPALIA SARJUBHAI BABUBHAI	500	0.03%
642	VAIDYA PRAVINCHADRA KANTILAL	500	0.03%
643	VAIDYA BHADRESH SHARADCHANDRA	500	0.03%
644	UMESHBHAI I DESAI	500	0.03%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

645	URMILABEN T JOSHI	500	0.03%
646	UPADHYAY CHHAYA VIJAY	500	0.03%
647	ULLAS P SHUKLA	500	0.03%
648	UPADHYAY RAKESH VINNODCHANDRA	500	0.03%
649	UPADHYAY PRITI ASHISH	500	0.03%
650	UMA DEEPAK JAIN	500	0.03%
651	UPADHYAY VIJAY ANILKUMAR	500	0.03%
652	UPADHYAY ASHISH VINODCHANDRA	500	0.03%
653	THAKORE MADHU KAMLESHKUMAR	500	0.03%
654	TRUPTI P DESAI	500	0.03%
655	TOKHI HARI KRISHNA	500	0.03%
656	TOKHI NIRMALA	500	0.03%
657	TRIVEDI DHAVAL KANUBHAI	500	0.03%
658	TOKHI RAJESH HARIKRISHNA	500	0.03%
659	THAKORE KAMLESHKUMAR RAVTIRAMAN	500	0.03%
660	THAKER SANJAY BALVANTRAY	500	0.03%
661	TAMAKUWALA JATIN PRAFULCHANDRA	500	0.03%
662	TAILOR SANJAY BACHUBHAI	500	0.03%
663	TAILOR ALPA SURESHBHAI	500	0.03%
664	SANJAY C CHOKSHI	500	0.03%
665	SHAIKH MOHAMEDFARUK ABDULMAJID	500	0.03%
666	SHAIKH MOHMADMIN GULAMAHMED	500	0.03%
667	SHAIKH GULAMHUSEN USMANGANI	500	0.03%
668	SHAIKH AKHTARHUSAIN USMAN	500	0.03%
669	SHAIKH ABDUL HAMID IBRAHIM	500	0.03%
670	SHAH PINKESH JASHWANTLAL	500	0.03%
671	SHAH MANISH NANDLAL	500	0.03%
672	SHAH KALPESH GOVINDLAL	500	0.03%
673	SHAH HITENDRA GHANSHYAMBHAI	500	0.03%
674	SHAH ASHOK SHANTILAL	500	0.03%
675	SHAH ASHISH HARIVADAN	500	0.03%
676	SAILOR MAHESHBHAI HARIBHAI	500	0.03%
677	SAILOR DHARMESHKUMAR ISHVERLAL	500	0.03%
678	SAHAY MANISH MADAN	500	0.03%
679	RAMESHBHAI GATULAL MEHTA	500	0.03%
680	RANA KETNA S	500	0.03%
681	RUPAL MALAYKUMAR SHAH	500	0.03%
682	RITA ARUNKUMAR JAISWAL	500	0.03%
683	RAJESH JAGJIVANDAS SHAH	500	0.03%
684	RASHMIKA MAYANK SHAH	500	0.03%
685	RATANBEN MOTIBHAI CHAUDHARY	500	0.03%
686	RAVINDRAKUMAR B GOLWALA	500	0.03%
687	RANA MAHENDRA GOPALBHAI	500	0.03%



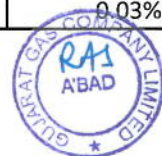
Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

688	RANJNA S SHARMA	500	0.03%
689	RAISABANU J MUNSHI	500	0.03%
690	RANJANBEN P ACHARYA	500	0.03%
691	RANA KALPANABEN P	500	0.03%
692	RAMJI M M	500	0.03%
693	RAMJI SANGEETA SANJAY	500	0.03%
694	RUPAL M BHATT	500	0.03%
695	REHANA KAGZI	500	0.03%
696	ROOMI SALIM HUSEIN	500	0.03%
697	RAZIABABI YASIN MALIK	500	0.03%
698	RENUKA RAJESH PATEL	500	0.03%
699	RAJESHKUMAR NARANBHAI PATEL	500	0.03%
700	RAXA MANHARBHAI PATEL	500	0.03%
701	RANGOONWALAL NITILA HITESH	500	0.03%
702	RATHOD RASHMIKA JITENDRAKUMAR	500	0.03%
703	RAVAL PRATIKSHA HIREN	500	0.03%
704	ROY SISIR SUKHDEO	500	0.03%
705	RAJINDER GUPTA	500	0.03%
706	RAVAL HIREN MANHARBHAI	500	0.03%
707	RANDERIA VIPUL TANSUKHLAL	500	0.03%
708	RANA SHAILESH VITTHALDAS	500	0.03%
709	RANA JAYESH SHANKARLAL	500	0.03%
710	RANA JAYENDRA ISHWARLAL	500	0.03%
711	RANA JAGDISHKUMAR CHUNILAL	500	0.03%
712	RANA BHADRESH PRANJIVANDAS	500	0.03%
713	RAMJI SANJAY MADHUSUDAN	500	0.03%
714	RAJPUT VINODKUMAR RADHESYAM SINGH	500	0.03%
715	PRAVINABEN A PATEL	500	0.03%
716	PATEL JASHVANTBHAI JESANGBHAI	500	0.03%
717	PATEL PRAVINABEN BHARATBHAI	500	0.03%
718	PATEL MINAXIBEN BHARATBHAI	500	0.03%
719	PATEL ANJNABEN JASHVANTBHAI	500	0.03%
720	PALLAVI DIPAKKUMAR VYAS	500	0.03%
721	PATEL RAJESHKUMAR AMBALAL	500	0.03%
722	PATEL LINABEN RAMESHBHAI	500	0.03%
723	PATEL HIRALAL MAGANLAL	500	0.03%
724	PATEL JASHVANT JESANGBHAI	500	0.03%
725	PATEL MANISHA MAHESHBHAI	500	0.03%
726	PATEL DHARMESH MOTIBHAI	500	0.03%
727	PATEL ANJNABEN JASHVANTBHAI	500	0.03%
728	PATEL THAKORBHAI CHIMANBHAI	500	0.03%
729	MALEK NISHAR ISMAIL	500	0.03%
730	MEHTA ALKA JAYESHKUMAR	500	0.03%



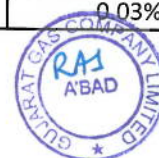
Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

731	MODI NARHARILAL NATVARLAL	500	0.03%
732	MANILAL HARGOVANDAS MODI	500	0.03%
733	MEHTA DAKSHA JAYENDRABHAI	500	0.03%
734	MANISH RAJENDRA JARIWALA	500	0.03%
735	MUKESH T VARIAWA	500	0.03%
736	MISTRY PRATIKSHABEN BHARATKUMAR	500	0.03%
737	M K MANU	500	0.03%
738	MALEK KHALEDA GULAM MOHMMED	500	0.03%
739	MALIK SHABIHA GULAM MOHMMED	500	0.03%
740	MALEK GULAM MOHMMED GULAB	500	0.03%
741	MALIK IRFANA IQBAL AHMED	500	0.03%
742	MODI VEENA NILESHKUMAR	500	0.03%
743	MISTRY MANISHA HARIVADAN	500	0.03%
744	MAHENDRA SHANUKANT CHAUHAN	500	0.03%
745	MEENABEN KIRITKUMAR CHAUHAN	500	0.03%
746	MEENAKSHI H MORAR	500	0.03%
747	MODHIA LATABEN VINODBHAI	500	0.03%
748	MODHIA UTKARSH V	500	0.03%
749	MEENA GAGVANI	500	0.03%
750	MARFATIA INDIRABEN NAVNITLAL	500	0.03%
751	MODI VINIXA BHOPENDRABHAI	500	0.03%
752	MEHTA RAMESHCHANDRA NATVERLAL	500	0.03%
753	MEHTA JYOTSNABEN RAMESHCHANDRA	500	0.03%
754	MEHTA PARUL NIMESH	500	0.03%
755	MEENA ANIL SINGH	500	0.03%
756	MEHTA ASHABEN DHIRUBHAI	500	0.03%
757	MORAR HARISHBHAI MAKANBHAI	500	0.03%
758	MODI SUDHIRKUMAR HARKISHANDAS	500	0.03%
759	MODI SANDEEP KESHAVLAL	500	0.03%
760	MODHIA VINOD CHANDULAL	500	0.03%
761	MITHAIWALA RAJESHKUMAR MANKELAL	500	0.03%
762	MISTRY VIRENDRA RAMNIKLAL	500	0.03%
763	MISTRY HARIVADAN RAMBHAI	500	0.03%
764	MISTRY BHARATKUMAR JAYANTILAL	500	0.03%
765	MISHRA AJAYKUMAR RAJDAYAL	500	0.03%
766	MERAI ALPESHKUMAR KANTILAL	500	0.03%
767	MEHTA SUSHIL RAMESHCHANDRA	500	0.03%
768	MEHTA SALIL ATINDRABHAI	500	0.03%
769	MEHTA NITIN KANTILAL	500	0.03%
770	MEHTA NITESH ISHVERLAL	500	0.03%
771	MEHTA NIMESH ARVINDBHAI	500	0.03%
772	MEHTA MARKESH VYOMESHCHANDRA	500	0.03%
773	MEHTA JAYENDRAKUMAR NAVNITLAL	500	0.03%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

774	MEHTA DILIPKUMAR KANTILAL	500	0.03%
775	MEHTA DHARMENDRA SHANTILAL	500	0.03%
776	MEHTA AMUL NIRANJAN	500	0.03%
777	MATROJA BHAVNA CHANDRASINH	500	0.03%
778	MARFATIA RAJESHKUMAR NAVNITLAL	500	0.03%
779	MANU MANVENDRA KUMAR S.	500	0.03%
780	MALIK NAZIMUDDIN YASIN	500	0.03%
781	MALIK MUJAKKIR AHMED GULAM MOHMMED	500	0.03%
782	MALIK MOHMAD SIDDIQUE GULAM RASUL	500	0.03%
783	MALIK IQBAL AHMED GULAM MOHMMED	500	0.03%
784	MALHOTRA PRAVEER VEDPRAKASH	500	0.03%
785	MAKAVANA MAHENDRASINH SOMSINH	500	0.03%
786	MAHURI SNEHKUMAR LAKHANPRASAD	500	0.03%
787	MACARIUS VIVIAN E	500	0.03%
788	LIJI KOIKALETHU ABRAHAM	500	0.03%
789	LEKHADIA SHIRISHCHANDRA HIRALAL	500	0.03%
790	LILABEN PARSOTTAMBHAI KHALASI	500	0.03%
791	LINI ABRAHAM	500	0.03%
792	LAD MEENA DINESHCHANDRA	500	0.03%
793	JAGUWALA AMITA RAMESHCHANDRA	500	0.03%
794	JADHAV VASANTBHAI RAMBHAI	500	0.03%
795	ILABEN SURESHBHAI PATEL	500	0.03%
796	HEENA M SHAH	500	0.03%
797	HETALBEN HARSHADBHAI DESAI	500	0.03%
798	HEMABEN AJITKUMAR JAISWAL	500	0.03%
799	HANSABEN KANTILAL DESAI	500	0.03%
800	HAJI ABDUL HAMID KAGZI	500	0.03%
801	HATIA GIRISH NAGINDAS	500	0.03%
802	HIRALAL VITHAL SONAR	500	0.03%
803	HATIA KISHORKUMAR NAGINDAS	500	0.03%
804	GEETA D PATEL	500	0.03%
805	GANDHI JAGRUTI R	500	0.03%
806	GEETA LAL	500	0.03%
807	GIRISHBHAI JAMNADAS TAPIAWALA	500	0.03%
808	GEETA NAIR	500	0.03%
809	GEETA NAIR	500	0.03%
810	GANDHI MAMATABEN AMUL KUMAR	500	0.03%
811	GULAM MAHIYUDDIN KHIRKIWALA	500	0.03%
812	GUPTA RAVINDRA PRAKASH	500	0.03%
813	GITABEN JAGJIVANDAS PRAJAPATI	500	0.03%
814	GAJIWALA VAISHALI MINESH	500	0.03%
815	GAGVANI DAULATRAM	500	0.03%
816	GANDHI H M	500	0.03%



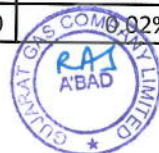
Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

817	GANDHI G H	500	0.03%
818	GANDHI J R	500	0.03%
819	GYASTELWALA BIMAL NATVARLAL	500	0.03%
820	GUPTA SEEMA RAVINDRA	500	0.03%
821	GUPTA HRIDAY NARAYAN MEWALAL	500	0.03%
822	GANDHI SANDIP GUNVANTLAL	500	0.03%
823	GANDHI RAKESH MAFATLAL	500	0.03%
824	GAJJAR BHUPENDRA NANUBHAI	500	0.03%
825	ADITYA MACARIUS	500	0.03%
826	ANSARI GYASUDDIN RAJMOHMED	500	0.03%
827	ANSARI KITABUDDIN MOHMEDKHALIL	500	0.03%
828	ALMOULA TRUPTI SAMIR	500	0.03%
829	AGNIHOTRI HEMENT BALENDRA	500	0.03%
830	ADHVARYU PANKAJ ARUNCHANDRA	500	0.03%
831	ADAJANA SADHNA KISHORKUMAR	500	0.03%
832	BHANDARI CHANDRIKABEN MAGANBHAI	500	0.03%
833	BHANDARI CHANDRIKABEN MAGANBHAI	500	0.03%
834	GAURANG G BHAVSAR	500	0.03%
835	HANSHABEN GAMANLAL KASUWALA	500	0.03%
836	MODI SUDHIRKUMAR HARKISANDAS	500	0.03%
837	RIPUL NIRANJAN MODI	400	0.02%
838	BODAWALA BINDU VIJAYKUMAR	400	0.02%
839	BODAWALA RAMESHCHANDRA NANABHAI	400	0.02%
840	BHARATKUMAR TULSIDAS LUNGIWALA	400	0.02%
841	USHA ANIL THAKORE	400	0.02%
842	UAPDHYAY S R	400	0.02%
843	USHABEN JANARDEN VAIDYA	400	0.02%
844	UPADHYAY RUCHIR BHUPENDRA	400	0.02%
845	TUSHAR GHANSHYAMBHAI SHAH	400	0.02%
846	THAKORE ANIL PRATAPSIKH	400	0.02%
847	SONI DIPIKA RAJESH KUMAR	400	0.02%
848	SANDHYA K RUWALA	400	0.02%
849	SNEHLATABEN M SHAH	400	0.02%
850	VISVAS J PATEL	400	0.02%
851	VAIDHYA BHARAT PRAMOD,	400	0.02%
852	SHAIKH MO RAZA A GAFUR	400	0.02%
853	SURTI ANILKUMAR CHHAGANLAL	400	0.02%
854	RANGOONWALA HITESH ARVINDLAL	400	0.02%
855	PRADEEP MANILAL PATEL	400	0.02%
856	PRATAPSIKH G THAKORE	400	0.02%
857	PUROHIT DIPIKA NILKANTH	400	0.02%
858	PUROHIT RADHA DEVDATT	400	0.02%
859	MUKESHBHAI CHHIBABHAI PATEL	400	0.02%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

860	MANGLIK ANURAG VINODKUMAR	400	0.02%
861	KADAM RAJU CHINTAMANI	400	0.02%
862	JAYPRAKASH G PANICKER	400	0.02%
863	JATIN M SHAH	400	0.02%
864	JITENDRA CHANDUBHAI PATEL	400	0.02%
865	GAJIWALA ROHIT HIRALAL	400	0.02%
866	GUPTA PUSHPALATA HRIDAYNARAYAN	400	0.02%
867	GOHIL KALPESHKUMAR MULJIBHAI	400	0.02%
868	PATHAK JAGDISHCHANDRA CHUNILAL	400	0.02%
869	PRAJAPATI SHIVBADAN SHIVRAJ	400	0.02%
870	PATHAN IMTIYAZKHAN FARIDKHAN	400	0.02%
871	PATHAK MAHESHKUMAR CHUNILAL	400	0.02%
872	PATEL CHHOTUBHAI BHANABHAI	400	0.02%
873	PANDYA NILESH ANIRUDH	400	0.02%
874	NAYAN S PATEL	400	0.02%
875	NAIK JAYESH NANUBHAI	400	0.02%
876	MANISH N SHAH	400	0.02%
877	PUSHPA MANGLIK	400	0.02%
878	PATEL JAGDISHBHAI RAMJIBHAI	400	0.02%
879	PATEL NAYNABEN JAGDISHBHAI	400	0.02%
880	PATEL HEMLATTA C	400	0.02%
881	PATEL SUJIT C	400	0.02%
882	PARMAR REKHA LAXMAN	400	0.02%
883	PATEL RAMESHCHANDRA MULJIBHAI	400	0.02%
884	PATEL HARISHCHANDRA RAGHABHAI	400	0.02%
885	PATEL RAJESH CHANDUBHAI	400	0.02%
886	GANDHI RAJIV KRISHNAKANT	400	0.02%
887	DAVE MANDAKINI D	400	0.02%
888	DESAI BHAKTIBEN K	400	0.02%
889	DESAI PARTHIV K	400	0.02%
890	DESAI PRAGNESH INDRAVADAN	400	0.02%
891	DESAI KETANKUMAR NAVNITRAI	400	0.02%
892	DESAI ALKESHKUMAR PRABODHCHANDRA	400	0.02%
893	CHAUHAN SANJAY VASANTRAO	400	0.02%
894	KADAM SITABEN CHINTAMANI	400	0.02%
895	KIRAN SHIVKUMAR MEHTA	400	0.02%
896	KALABEN G SHAH	400	0.02%
897	ILABEN RAMESHCHANDRA PRAJAPATI	400	0.02%
898	GEETA J PANICKER	400	0.02%
899	BHAVIN JAYANTILAL BHATIYA	400	0.02%
900	BODAWALA DAMYANTIBEN RAMESHCHANDRA	400	0.02%
901	BHAIMIYA NISRIN KHOZEM	400	0.02%
902	CHANDRESH HIRALAL MODI	400	0.02%



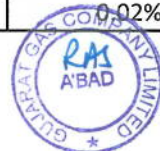
Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

903	ANURADHA MANGLIK	400	0.02%
904	BHATT RIKESH HIRALAL	400	0.02%
905	AKSHAY JAGDISHBHAI PANDYA	400	0.02%
906	DIMPLE VIPAL SHAH	300	0.02%
907	YOGESH R SHETH	300	0.02%
908	YOGESH ARUNCHANDRA JARIWALA	300	0.02%
909	VINOD KUMAR MANGLIK	300	0.02%
910	VAIDYA KULIN KUMAR JANARDEN	300	0.02%
911	VIPAL BHADRAYU SHAH	300	0.02%
912	VAIDYA PRATIK JITENDRA	300	0.02%
913	TUSHAR SHAH	300	0.02%
914	TALATI KASHMIRA V	300	0.02%
915	STANISLAUS PETER FERNANDES	300	0.02%
916	SANKUTLABEN NATHALAL BAROT	300	0.02%
917	SURTI CHHAGANLAL D	300	0.02%
918	SURANGA A SHAH	300	0.02%
919	SANDIP H SHAH	300	0.02%
920	SAROJBEN ANIRUDH PANDYA	300	0.02%
921	SHAH HITESH MANHARLAL	300	0.02%
922	RAJESH BALUBHAI CHHODWADIA	300	0.02%
923	RANA SHAILESH VITTHALDAS	300	0.02%
924	RANA DIPIKA J	300	0.02%
925	ROY AKASH CHANDRA SUKHDEV	300	0.02%
926	RANA SUNIL DAHYABHAI	300	0.02%
927	PATEL PUSHPABEN KIRITBHAI	300	0.02%
928	PATEL MINAXIBEN BHARATBHAI	300	0.02%
929	PRITI ASHISH UPADHYAY	300	0.02%
930	PATEL NAVINBHAI RAVJIBHAI	300	0.02%
931	PATEL JAMUBHAI CHHITUBHAI	300	0.02%
932	PATEL MAGANBHAI RAMJIBHAI	300	0.02%
933	PATEL NAYANKUMAR SURENDRABHAI	300	0.02%
934	PRADEEP MANILAL PATEL	300	0.02%
935	PATEL MANOJKUMAR DAHYABHAI	300	0.02%
936	PATEL RAMESHBHAI PARSHOTAMBHAI	300	0.02%
937	PATEL HANSABEN NIRANJAN	300	0.02%
938	PARUL NACHIKET UPADHYAYA	300	0.02%
939	PATEL HEMANTIBEN KISHORBHAI	300	0.02%
940	PATEL KISHORE MITHABHAI	300	0.02%
941	PUROHIT DEVADATT PADMAKANT	300	0.02%
942	PATEL KISHORBHAI BHANABHAI	300	0.02%
943	NAYANABEN S KAPADIA	300	0.02%
944	NACHIKET B UPADHYAYA	300	0.02%
945	NEETA MANOJ CHAUHAN	300	0.02%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

946	NENSI KULIN VAIDYA	300	0.02%
947	NIRLEP R DESAI	300	0.02%
948	NAIK NAMRATA JAYESH	300	0.02%
949	NAIK KISHORBHAI BHIMBHAI	300	0.02%
950	MOHMED RAFIK A SHAIKH	300	0.02%
951	MEHTA KIRANKUMAR BABUBHAI	300	0.02%
952	MODI PUSHPA NIRANJANBHAI	300	0.02%
953	MEHUL SUNIL DHARMANI	300	0.02%
954	MANJU RAMESH PITHAWALA	300	0.02%
955	MODI VIPULKUMAR JAYANTILAL	300	0.02%
956	MANISHA PRAGNESH DESAI	300	0.02%
957	KOSHALI ANKUR MEHTA	300	0.02%
958	KADIA VEENABEN VISHNUBHAI	300	0.02%
959	KISHORBHAI MANIBHAI DESAI	300	0.02%
960	KANTHARIA MUKESHBHAI CHHAGANLAL	300	0.02%
961	KHALIFA ALTAFHUSAIN ANWARHUSAIN	300	0.02%
962	JAGDISHCHANDRA N PANDYA	300	0.02%
963	JAGDISH MEHTA	300	0.02%
964	J V PARMAR	300	0.02%
965	JAYANA HITESH SHAH	300	0.02%
966	JAY SHIRISH DESAI	300	0.02%
967	DHORAWALA DHANGAURIBEN CHANDULAL	300	0.02%
968	DESAI KINNARI J	300	0.02%
969	DHORAWALA DINESHCHANDRA CHANDULAL	300	0.02%
970	DESAI JIGNASHA NILAY	300	0.02%
971	C P SINHA	300	0.02%
972	BHRUGANG B JHA	300	0.02%
973	BODHANIA PANKAJ HAREKISHANBHAI	300	0.02%
974	BODAWALA VIJAY RAMESHCHANDRA	300	0.02%
975	ASHOKKUMAR DEVAJIBHAI PATEL	300	0.02%
976	INDIRA P DESAI	300	0.02%
977	HALDARIA PARULBEN YAXESHKUMAR	300	0.02%
978	HALDARIA HIMANSHIBEN PRAVINCHANDRA	300	0.02%
979	HALDARIA LILAVATIBEN PRAVINCHANDRA	300	0.02%
980	HALDARIA PRAVINCHANDRA DAHYABHAI	300	0.02%
981	HALDARIA YAXESHKUMAR PRAVINCHANDRA	300	0.02%
982	GANDHI PRAMODINIBEN KRISHNAKANT	300	0.02%
983	GANDHI ISHITABEN RAJIV	300	0.02%
984	DIPTI DHIREN VYAS	300	0.02%
985	DIPTI K ADHVARYU	300	0.02%
986	DIPAK PRAVINCHANDRA SHAH	300	0.02%
987	DHORAWALA SANGITABEN UPENDRAKUMAR	300	0.02%
988	DHORAWALA CHANDULAL RAMANLAL	300	0.02%



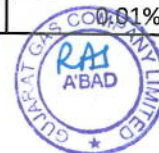
Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

989	DHORAWALA BHAVNABEN DINESHCHANDRA	300	0.02%
990	ARUNKUMAR C PATEL	300	0.02%
991	AKSHAY ARVINDBHAI NAIK	300	0.02%
992	ACHARYA SHUVENDU	300	0.02%
993	NIRANJAN KANTILAL MODI	300	0.02%
994	SAROJBEN ANIRUDH PANDYA	300	0.02%
995	HETALBEN H DESAI	200	0.01%
996	ABDUL MUNAF KAGZI	200	0.01%
997	AJAY U SHAH	200	0.01%
998	DHARAMPALSINGH BANSRAJSINGH RAJPUT	200	0.01%
999	DESAI HARENDRA BALVANTRAI	200	0.01%
1000	DESAI JAGRUTI HEMANTKUMAR	200	0.01%
1001	DESAI SANJEEV HARSHADRAI	200	0.01%
1002	DESAI HEMENTKUMAR MANVASHRAI	200	0.01%
1003	CHUNILAL HARGOVANDAS MODI	200	0.01%
1004	CHAMPABEN JAYANTILAL SARANG	200	0.01%
1005	CHINTAN N GANDHI	200	0.01%
1006	CHAUHAN MANOJKUMAR MAHESHCHANDRA	200	0.01%
1007	ZULEKHABIBI GULAM MAHIYUDDIN KHIRKIWALA	200	0.01%
1008	ZINABHAI JOGIBHAI PRAJAPATI	200	0.01%
1009	URVISH BHUPENDRABHAI PANDYA	200	0.01%
1010	UNADKAT KISHORKUMAR RATILAL	200	0.01%
1011	THAKORE JEEVAN RADHUJI	200	0.01%
1012	TALATI VIVEK RAJNIKANT	200	0.01%
1013	SEJAL R NAIK	200	0.01%
1014	SURESHKUMAR VADILAL DOSHI	200	0.01%
1015	SHAIKH MOHAMMED RAFIK ABDULMAJID	200	0.01%
1016	SIMA SAHA	200	0.01%
1017	SUBHASHCHANDRA J JARIWALA	200	0.01%
1018	SHARMA BELA KETAN	200	0.01%
1019	SOBHA RAMESHCHANDRA CALCUTTAWALA	200	0.01%
1020	SHAIKH MAHEBOOBHUSAIN GULAM MAHIYUDDIN	200	0.01%
1021	SANGITA R PATEL	200	0.01%
1022	SURTI ARVIND BABULAL	200	0.01%
1023	SHUKLA UMESH VINAYKANT	200	0.01%
1024	SHARMA LEENA DIVYANSHU	200	0.01%
1025	SHAIKH SIRAJ USMANGANI	200	0.01%
1026	SHAIKH AYUB IQBAL	200	0.01%
1027	RANA AMBALAL CHHOTALAL	200	0.01%
1028	RAKESH M GANDHI	200	0.01%
1029	RAJ JALALUDIN CHANDUBHA	200	0.01%
1030	PATEL KIRITKUMAR CHANDUBHAI	200	0.01%
1031	PATEL PURVESH BABUBHAI	200	0.01%



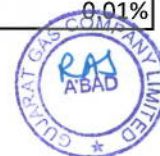
Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

1032	PATEL ANJNABEN JASHVANTBHAI	200	0.01%
1033	PATEL GEETABEN DHARMESHBHAI	200	0.01%
1034	PATEL NAVINBHAI RAVAJIBHAI	200	0.01%
1035	PATEL DHARMESH MOTIBHAI	200	0.01%
1036	PATEL MAHENDRA ISHAWARBHAI	200	0.01%
1037	PATEL NAVINBHAI RAVAJIBHAI	200	0.01%
1038	PANDIT CHIRAG BHALCHANDRA	200	0.01%
1039	PATEL RAMESHBHAI GOVINDBHAI	200	0.01%
1040	PATEL SANJAYKUMAR BABUBHAI	200	0.01%
1041	PATEL PRAVINBHAI GANDABHAI	200	0.01%
1042	PATEL JAYANTILAL DAHYABHAI	200	0.01%
1043	PATEL ISHVERLAL NARANBHAI	200	0.01%
1044	PATEL DINESHBHAI SHIVABHAI	200	0.01%
1045	PARMAR PANKAJBHAI JAYKISHNDAS	200	0.01%
1046	VELIL ANTONY JACOB	200	0.01%
1047	NAINESH HARIHAR BHATT	200	0.01%
1048	NARESH CHANDRA THAKORLAL	200	0.01%
1049	PATEL HITESH DHIRUBHAI	200	0.01%
1050	PANCHAL SUBHASHCHANDRA CHIMANLAL	200	0.01%
1051	PANKAJ PRUTHU DESAI	200	0.01%
1052	PANDYA HITESHBHAI VINAYAKBHAI	200	0.01%
1053	PRAVIN PARBHUBHAI PATEL	200	0.01%
1054	PATEL SURESHKUMAR DAHYABHAI	200	0.01%
1055	NILAY P DESAI	200	0.01%
1056	NAIK PRAKASH NANUBHAI	200	0.01%
1057	NANAVATI DISHANT AJITRAI	200	0.01%
1058	NAIR RAGHUNATH KUMARAN	200	0.01%
1059	MODI DIMPLE SANDEEP	200	0.01%
1060	MILAN DAHYALAL SHAH	200	0.01%
1061	KAMLESH R PATEL	200	0.01%
1062	KHALEDA BANU KAPADIA	200	0.01%
1063	KANTILAL THAKORLAL DADHALWALA	200	0.01%
1064	KHOJA ALAUDDIN GULAMALI	200	0.01%
1065	JAYAPRAKASH GOPAL PANICKER	200	0.01%
1066	JITEN JAYANTILAL BHATIA	200	0.01%
1067	JARIWALA SANMUKHLAL DAHYABHAI	200	0.01%
1068	JHA BHRUGANG BANSILAL	200	0.01%
1069	JARIWALA KETAN GIRISHCHANDRA	200	0.01%
1070	GEETA JAYAPRAKASH PANICKER	200	0.01%
1071	MOHAMED NASIM USMAN GANI TAILOR	200	0.01%
1072	MEGHALI JAYANTI NAIK	200	0.01%
1073	MEHTA BHAVNA B	200	0.01%
1074	KAMESH K BAROT	200	0.01%



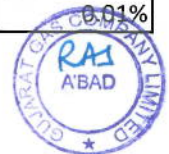
Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

1075	KRINA H SHAH	200	0.01%
1076	GANDHI USHABEN M	200	0.01%
1077	GUPTA SWETA HRIDAY NARAYAN	200	0.01%
1078	GIRASE RAMESH CHATURSINGH	200	0.01%
1079	GANGULY PARTH RAJENDRANATH	200	0.01%
1080	DIMPLE S MODI	200	0.01%
1081	DIPA BIMAL DESAI	200	0.01%
1082	DIPTI KETANKUMAR ADHVARYU	200	0.01%
1083	DIPAK J VYAS	200	0.01%
1084	HEMANTBHAI CHANDUBHAI PATEL	200	0.01%
1085	HAFIZABANU ABDULGAFFAR SHAIKH	200	0.01%
1086	HASHMUKHBHAI VALJIBHAI PATEL	200	0.01%
1087	H G SHAH	200	0.01%
1088	HAJARIWALA CHAITANYAKUMAR JAYSUKHLAL	200	0.01%
1089	BHATIA BHAVIN JAYANTILAL	200	0.01%
1090	BHARAT CHUNILAL MODI	200	0.01%
1091	BRAHMBHATT JITENDRAKUMAR KANTILAL	200	0.01%
1092	ANIL KUMAR O SHAH	200	0.01%
1093	KHEDUT HEERABEN HARIBHAI	200	0.01%
1094	PRAGAYADEVI VIMLESHKUMAR MEHTA	200	0.01%
1095	BHAVANA SUNIL MODI	100	0.01%
1096	BHARATKUMAR RAJMAL SHAH	100	0.01%
1097	PATEL MOHANBHAI DAHYABHAI	100	0.01%
1098	PATEL NARESH KRISHNALAL	100	0.01%
1099	PATHAN FARIDKHAN HAMIDKHAN	100	0.01%
1100	PATEL NIRANJAN LALJIBHAI	100	0.01%
1101	PANDYA URVISHKUMAR BHUPATRAY	100	0.01%
1102	NILA CHIRAG PANDIT	100	0.01%
1103	NAGJIBHAI LALJIBHAI SHETA	100	0.01%
1104	KARAMSHIBHAI LALJIBHAI SHETA	100	0.01%
1105	KAILASHBEN ASHOKUMAR SADADIWALA	100	0.01%
1106	KALAVATI GOVINDJI PRAJAPATI	100	0.01%
1107	JYOTIKA L SHAH	100	0.01%
1108	JAGRUTI R GANDHI	100	0.01%
1109	JAYESH MEHTA	100	0.01%
1110	JAYESHKUMAR GOVINDJI PRAJAPATI	100	0.01%
1111	JARIWALA JASHVANTIBEN SANMUKHLAL	100	0.01%
1112	GOVINDJI PREMABHAI PRAJAPATI	100	0.01%
1113	PARSHOTAMBHAI LALJIBHAI SHETA	100	0.01%
1114	PRAVINA RAMESH MODI	100	0.01%
1115	PARIKH CHANDRAWALI R	100	0.01%
1116	PATEL DHARMESH MOTIBHAI	100	0.01%
1117	MEHMUDABIBI ABDUL MAJID	100	0.01%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

1118	LALIT SHANTILAL SHAH	100	0.01%
1119	KAPILABEN D MEHTA	100	0.01%
1120	KANTIBHAI L LIMBACHIYA	100	0.01%
1121	KALPNA JAYESH RANA	100	0.01%
1122	SHETH DINESH RAMANLAL	100	0.01%
1123	SHETH DIPAK RAMANLAL	100	0.01%
1124	SHAIKH VAKARUN NISHA J SHAIKH	100	0.01%
1125	SHILPA PRASAD	100	0.01%
1126	SAROJBEN R MODI	100	0.01%
1127	SAYED NILOFAR	100	0.01%
1128	SARADABEN G PRAJAPATI	100	0.01%
1129	SHAIKH MOHD SHAKIL A M	100	0.01%
1130	SHEELA SABU	100	0.01%
1131	ZUBEDA A KAPADIA	100	0.01%
1132	VARELANI JAWAHAR K	100	0.01%
1133	VENILAL GOLWALA	100	0.01%
1134	VALLABHBHAI LAJIBHAI SHETA	100	0.01%
1135	URVISH B PANDYA	100	0.01%
1136	T LOKESWARA REDDY	100	0.01%
1137	SAUKAT HUSEIN KAGZI	100	0.01%
1138	SHAIKH MOHAMMEDRAFIK ABDULMAJID	100	0.01%
1139	SHAIKH MOHAMMEDSHAKIL ABDULMAJID	100	0.01%
1140	RAXABEN A DESAI	100	0.01%
1141	RAMESH RATILAL MODI	100	0.01%
1142	RAJESH CHUNILAL MODI	100	0.01%
1143	RANJITBHAI NARANBHAI PATEL	100	0.01%
1144	RANGOONWALA HITESH ARVINDLAL	100	0.01%
1145	DHARMESH PATEL	100	0.01%
1146	DHIRAJLAL LAJIBHAI SHETA	100	0.01%
1147	CHAMPABEN KANTIBHAI LIMBACHIYA	100	0.01%
1148	CHAUHAN HARESH R	100	0.01%
1149	CHETAN ASHOKUMAR SADADIWALA	100	0.01%
1150	CHUNILAL HARGOVANDAS MODI	100	0.01%
1151	CHAUHAN RANJIT PRATAPSIKH	100	0.01%
1152	BHARATKUMAR RAJMAL SHAH	100	0.01%
1153	HITESH ARVINDLAL RANGOONWALA	100	0.01%
1154	HEENA LALIT SHAH	100	0.01%
1155	HEENA J NAGAR	100	0.01%
1156	HETAL JAYANTI NAIK	100	0.01%
1157	HAJI ABDUL HAMID KAGZI	100	0.01%
1158	GULAM MAHIYUDDIN KHIRKIWALA	100	0.01%
1159	GITA RAJENDRA MODI	100	0.01%
1160	BHARAT AMBALAL CHAMPANERIYA	100	0.01%



Pre Merger - Shareholding Pattern of Gujarat Gas Financial Services Limited as on 31 March 2014

1161	BANSILAL TRIKAMLAL JHA	100	0.01%
1162	ANITA MAHESHWARI	100	0.01%
1163	ANVAR ISMAIL KAPADIA	100	0.01%
1164	ASHOKUMAR RANCHODAS SADADIWALA	100	0.01%
1165	GEETA JAYPRAKASH PANICKER	100	0.01%
1166	AKSHAY DAHYABHAI PATEL	100	0.01%
	Total Share Capital	20,00,000	100%

For Gujarat Gas Financial Services Limited



Director

Date:24/4/2014

Place:Ahmedabad





GSPC GAS
GSPC GAS COMPANY LIMITED

Pre Merger - Shareholding Pattern of GSPC Gas Company Limited

Sr. No.	Name of Share Holder	No. of Equity Shares of Rs. 10 each	% of Holding
1	Gujarat Narmada Vally Fertilizers and Chemicals Ltd	50,000	0.06%
2	Gujarat Power Corporation Limited	2,50,000	0.30%
3	CLP India Private Limited	50,000	0.06%
4	Gujarat Industries Power Company Limited	1,00,000	0.12%
5	Gujarat State Fertilizers and Chemicals Limited	51,00,000	6.03%
6	Gujarat Urja Vikas Nigam Limited	50,000	0.06%
7	Gujarat State Energy Generation Limited	2,50,000	0.30%
8	Gujarat State Petroleum Corporation Limited	3,66,92,358	43.36%
9	Gujarat State Petronet Limited	2,46,37,085	29.12%
10	Gujarat Industrial Development Corporation	50,00,000	5.91%
11	Gujarat Alkalies & Chemicals Limited	40,00,000	4.73%
12	Government of Gujarat	84,40,187	9.97%
Total Share Capital (No. of Equity shares)		8,46,19,630	100.00%
Total Paid Up Share Capital (INR)		84,61,96,300	

For, GSPC Gas Company Limited

Ahmed Khan
Company Secretary



Date: 21-04-2014
Place: Gandhinagar



CIN No. : U23100GJ1999SGC035573

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GSPC DISTRIBUTION NETWORKS LIMITED

Registered Office:

Block No: 15, 3rd Floor, Udyog Bhavan,
Sector-11, Gandhinagar-382011,
Gujarat, INDIA

Phone No. +91-79-66737400 Fax No. +91-79-66737456

Email Id: csgdnl@gspc.in

CIN-U40200GJ2012SGC069118

Pre Merger - Shareholding Pattern of GSPC Distribution Networks Limited

Sr. No.	Name of Share Holder	No. of Equity Shares of Rs. 10 each	% of Holding
1	GSPC Gas Company Limited	40,00,50,000	44.45%
2	Gujarat State Petronet Limited	35,00,00,000	38.89%
3	Gujarat State Fertilizers and Chemicals Limited	15,00,00,000	16.67%
Total Share Capital (No. of Equity shares)		90,00,50,000	100.00%
Total Paid Up Share Capital (INR)		9,00,05,00,000	

For, GSPC Distribution Networks Limited

Rohan Sampat
Rohan Sampat
Company Secretary



Date: 21-04-2014
Place: Gandhinagar



GSPC DISTRIBUTION NETWORKS LIMITED

Registered Office:

Block No: 15, 3rd Floor, Udyog Bhavan,
Sector-11, Gandhinagar-382011,
Gujarat, INDIA

Phone No. +91-79-66737400 Fax No. +91-79-66737456

Email Id: csgdnl@gspc.in

CIN-U40200GJ2012SGC069118

STATEMENT SHOWING SHAREHOLDING PATTERN IN CLAUSE-35 - (1)(a)

NAME OF THE COMPANY: GSPC DISTRIBUTION NETWORKS LIMITED				
Name of the Exchange:	BSE	NSE	VSE	ASE
SCRIP CODE:				
Name of the Scrip:				
Class of Security:	EQUITY			
QUARTER ENDED:	31-Mar-14			
Partly paid-up shares	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the Company.	
Held by promoter/promoter group	NIL	Not Applicable	Not Applicable	
Held by Public	NIL	Not Applicable	Not Applicable	
Total:	0	0	0	
Outstanding convertible securities:	No. of outstanding securities	As a % of total no. of outstanding convertible securities.	As a % of total no. of shares of the Company assuming full conversion of the convertible securities	
Held by promoter/promoter group	NIL	Not Applicable	Not Applicable	
Held by Public	NIL	Not Applicable	Not Applicable	
Total:	0	0	0	
Warrants:	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the Company, assuming full conversion of warrants	
Held by promoter/promoter group	NIL	Not Applicable	Not Applicable	
Held by Public	NIL	Not Applicable	Not Applicable	
Total:	0	0	0	
Total paid-up capital of the Company, assuming full conversion of warrants and convertible securities				13,76,78,025

For, GSPC Distribution Networks Limited

Rohan Sampat
Rohan Sampat
Company Secretary



Date: 21-04-2014
Place: Gandhinagar



Statement Showing Shareholding Pattern
Table (I)(a)

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHAREHOLDERS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES			SHARES PLEDGE OR OTHERWISE ENCUMBERED
					AS a PERCENTAGE of (A+B) (VI)	As a PERCENTAGE of (A+B+C) (VII)	NUMBER OF SHARES (VIII)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	PROMOTER AND PROMOTER GROUP							
(1)	INDIAN							
(a)	Individual /HUF				0.00%	0.00%	0	0.00
(b)	Central Government/State Government(s)				0.00%	0.00%	0	0.00
(c)	Bodies Corporate	2	7,45,74,801	7,45,74,801	54.17%	54.17%	0	0.00
(d)	Financial Institutions / Banks				0.00%	0.00%	0	0.00
(e)	Others						0	0.00
	Sub-Total A(1) :	2	7,45,74,801	7,45,74,801	54.17%	54.17%	0	0.00
(2)	FOREIGN							
(a)	Individuals (NRIs/Foreign Individuals)	0	-	-	0.00%	0.00%	0	0.00
(b)	Bodies Corporate	0	-	-	0.00%	0.00%	0	0.00
(c)	Institutions	0	-	-	0.00%	0.00%	0	0.00
(d)	Qualified Foreign Investor	0	-	-	0.00%	0.00%	0	0.00
(e)	Others	0	-	-	0.00%	0.00%	0	0.00
	Sub-Total A(2) :	0	-	-	0.00%	0.00%	0	0.00
	Total A=A(1)+A(2)	2	7,45,74,801	7,45,74,801	54.17%	54.17%	0	0.00
(B)	PUBLIC SHAREHOLDING							
(1)	INSTITUTIONS							
(a)	Mutual Funds /UTI	6	18,45,400	18,44,400	1.34%	1.34%	0	0
(b)	Financial Institutions /Banks	4	1,41,681	1,41,681	0.10%	0.10%	0	0
(c)	Insurance Companies	3	14,19,424	14,17,424	1.03%	1.03%	0	0
(d)	Foreign Institutional Investors	41	1,94,18,741	1,94,18,741	14.10%	14.10%	0	0
	Sub-Total B(1) :	54	2,28,25,246	2,28,22,246	16.58%	16.58%	0	0



For, GSPC Distribution Networks Limited

Ashar

Company Secretary

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHAREHOLDERS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL SHAREHOLDING AS A %		SHARES PLEDGE OR OTHERWISE ENCUMBERED	
					AS a PERCENTAGE of (A+B)	As a PERCENTAGE of (A+B+C)	NUMBER OF SHARES	AS a PERCENTAGE
					(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(1)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(2)	NON-INSTITUTIONS							
(a)	Bodies Corporate & State Government	528	3,01,00,694	2,85,60,435	21.86%	21.86%	0	0
(b)	Individuals							
	(i) Individuals holding nominal share capital upto Rs.1 lakh	28152	92,69,505	76,95,105	6.73%	6.73%	0	0
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	4	3,12,722	2,49,722	0.23%	0.23%	0	0
(c)	Others							
	Trust	4	9,224	9,224	0.01%	0.01%		
	Non resident Indians	496	2,58,676	2,54,176	0.19%	0.19%		
	Foreign Mutual Fund	5	13,000	-	0.01%	0.01%		
	Hindu Undivided Families	608	2,44,571	2,44,571	0.18%	0.18%	0	0
	Clearing Members	125	65,586	65,586	0.05%	0.05%	0	0
	Overseas Corporate Bodies	1	4,000	4,000	0.00%	0.00%	0	0
	Sub Total B(2) :	29923	4,02,77,978	3,70,82,819	29.26%			
(d)	Qualified Foreign Investor					0.00%	0	0
	Sub-Total B:	29977	6,31,03,224	5,99,05,065	45.83%	45.83%	0.00	0.00
	Total (A+B) :	29979	13,76,78,025	13,44,79,866	100%	100.00%		
(C)	Shares held by custodians, against which Depository Receipts have been issued							
(1)	Promoter and Promoter Group	0	-	-	0	0.00%	0.00	0.00
(2)	Public	0	-	-	0	0.00%	0.00	0.00
	Total (C) :	0	-	-	0	0.00%		
	GRAND TOTAL (A+B+C) :	29979	13,76,78,025	13,44,79,866	100.00%	100.00%	0	0



Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"													
(I)(b)	Sr.No	Name of the Shareholder	Details of Shares held			Encumbered shares (*)			Details of Warrants		Details of convertible securities		Total Shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
			No. of Shares held	As a % of grand total (A)+(B)+(C)	Pledge Shares	AS a percentage AS (V)/(III)*100	AS a % of grand total (A) + (B) + (C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class		
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)*100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)		
1	Gujarat State Petroleum Corporation Limited	3,91,06,329	28.40%	0	0.00	0.00	0	0.00	0	0.00	0	28.40%	
2	Gujarat State Petronet Limited	3,54,68,472	25.76%	0	0.00	0.00	0	0.00	0	0.00	0	25.76%	
TOTAL :		7,45,74,801	54.17%	0	0.00	0.00	0	0.00	0	0.00	0	54.17%	



Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares									
Sr.No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares {i.e., Grant total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital)	
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class		
1	Gujarat State Fertilizers and Chemicals Limited	93,82,894	6.82%	0	0.00	0.00	0.00	93,82,894	
2	Gujarat Industrial Development Corporation	53,28,947	3.87%	0	0.00	0.00	0.00	53,28,947	
3	Gujarat Alkalies & Chemicals Limited	42,63,158	3.10%	0	0.00	0.00	0.00	42,63,158	
4	Government of Gujarat	89,95,462	6.53%	0	0.00	0.00	0.00	89,95,462	
5	Aberdeen Global Indian Equity Mauritius Ltd	1,22,56,000	8.90%	0	0.00	0.00	0.00	1,22,56,000	
6	Aberdeen Global - Asian Smaller Companies Fund	28,88,205	2.10%	0	0.00	0.00	0.00	28,88,205	
7	Aberdeen Asian Smaller Companies Investment Trust PLC	14,68,272	1.07%	0	0.00	0.00	0.00	14,68,272	
TOTAL :		4,45,82,939	32.38%	0	0.00	0	0.00	4,45,82,939	



Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company									
(1)(c)(ii)									
Sr.No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares held	Shares as a percentage of total number of shares {i.e., Grant total (A)+(B)+(C) indicated in Statement at para (1)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital)	
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class		
1	Gujarat State Fertilizers and Chemicals Limited	93,82,894	6.82%	0	0.00	0.00	0.00	93,82,894	
2	Government of Gujarat	89,95,462	6.53%	0	0.00	0.00	0.00	89,95,462	
3	Aberdeen Global Indian Equity Mauritius Ltd	1,22,56,000	8.90%	0	0.00	0.00	0.00	1,22,56,000	
	TOTAL :	2,12,51,462	22.25%	0	0	0	0	3,06,34,357	



STATEMENT SHOWING DETAILS OF LOCKED-IN SHARES"				
(D)(d)				
Sr.No.	Name of the shareholder	Number of locked in shares	Locked-in shares as a (%) percentage of total number of shares {i.e, Grand Total (A)+(B)+(C) Indicated in Statement at para (D)(a) above}	Promoter/Promoter Group/Public
1	Gujarat State Petroleum Corporation Limited	1,44,39,414	10.49%	Promoter
2	Gujarat State Petronet Limited	1,30,96,191	9.51%	Promoter
	TOTAL :	2,75,35,605	20.00%	



STATEMENT SHOWING DETAILS OF DEPOSITORY RECEIPTS (DRS)				
(II)(a)				
Sr.No.	Type of outstanding DR (ADRs,GDRs,SDRs,etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at Para(I)(a) above}
	-NIL-			
	TOTAL :	0	0	0



Statement showing Holding of Depository Receipts (DRs), where underlying shares held by "Promoter/Promoter group" are in excess of 1% of the total number shares.				
(II)(b)				
Sr.No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SD Rs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para(I)(a) above}
	-NIL-			
			0	0
	TOTAL :			0



(III)(a)	Statement showing Voting Pattern of Shareholders, if more than one class of shares / securities is issued by the issuer			
	Not Applicable			



Annexure – I

The financial details of the Transferor Company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: Gujarat Gas Company Limited

(Rs. in Crores)

	As per latest Limited Review Year to Date	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	Dec 13	FY 2012	FY 2011	FY 2010
Equity Paid up Capital	25.65	25.65	25.65	25.65
Reserves and surplus	1,150.53	916.25	739.47	794.96
Carry forward losses	-	-	-	-
Net Worth	1,173.55	938.91	760.27	816.81
Miscellaneous Expenditure	-	-	-	-
Secured Loans	-	-	-	-
Unsecured Loans	-	-	-	-
Fixed Assets	948.87	903.27	783.98	763.78
Income from Operations	3,129.63	3,092.13	2,415.94	1,846.03
Total Income	3,194.77	3,157.56	2,470.44	1,867.69
Total Expenditure	2,657.83	2,752.73	2,080.26	1,486.59
Profit before Tax	536.94	404.83	390.18	381.11
Profit after Tax	370.46	286.65	273.88	258.73
Cash profit	446.68	352.01	333.21	311.79
EPS (in Rs.)	28.89	22.33	21.26	20.08
Book value	91.50	73.21	59.28	63.69

Note:

- Reserves and Surplus figure for 2013, 2012 and 2011 taken as per the published balance sheets under revised Schedule VI of the Companies Act. The Reserves & Surplus figure for 2010 includes amount of “Stock Options Outstanding Account” (Rs. 3.80 crores), to align with the presentation for other years.
- For the above purpose, “Net Worth” means the sum total of the paid-up equity share capital and free reserves after deducting the provisions or expenses as may be prescribed. “Free reserves” means all reserves created out of the profits and securities premium account but does not include reserves created out of revaluation of assets, write back of depreciation provision and amalgamation.
- Cash profit is Profit after tax plus depreciation

FOR GUJARAT GAS COMPANY LIMITED

Bhulaji

Rajhans

FINANCIAL CONTROLLER / COMPANY SECRETARY





GUJARAT GAS TRADING COMPANY LIMITED

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Annexure – I

The financial details of the Transferor Company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: Gujarat Gas Trading Company Limited

(Rs. in Crores)

	As per latest Audited Year to Date	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	Dec 13	FY 2012	FY 2011	FY 2010
Equity Paid up Capital	0.09	0.09	0.09	0.09
Reserves and surplus	14.09	13.29	12.29	11.30
Carry forward losses	-	-	-	-
Net Worth	14.18	13.38	12.38	11.39
Miscellaneous Expenditure	-	-	-	-
Secured Loans	-	-	-	-
Unsecured Loans	-	-	-	-
Fixed Assets	-	-	-	-
Income from Operations	34.36	115.37	132.67	173.03
Total Income	35.28	116.36	133.64	173.66
Total Expenditure	34.48	115.36	132.64	172.96
Profit before Tax	0.80	1.00	1.00	0.70
Profit after Tax	0.80	1.00	0.99	0.62
Cash profit	0.80	1.00	0.99	0.62
EPS (in Rs.)	890.56	1,111.44	1,101.44	683.33
Book value	15,759.33	14,868.78	13,757.33	12,655.89

Note:

- For the above purpose, "Net Worth" means the sum total of the paid-up equity share capital and free reserves after deducting the provisions or expenses as may be prescribed. "Free reserves" means all reserves created out of the profits and securities premium account but do not include reserves created out of revaluation of assets, write back of depreciation provision and amalgamation.
- Cash profit is Profit after tax plus depreciation

FOR GUJARAT GAS TRADING COMPANY LIMITED

DIRECTOR / AUTHORISED SIGNATORY





Annexure – I

The financial details of the Transferor Company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: Gujarat Gas Financial Services Limited

(Rs. in Crores)

	As per latest Audited Year to Date Dec13	As per last Audited Financial Year FY2012	1 year prior to the last Audited Financial Year FY2011	2 years prior to the last Audited Financial Year FY2010
	Equity Paid up Capital	2.00	2.00	2.00
Reserves and surplus	32.22	28.40	22.70	18.92
Carry forward losses	NIL	NIL	NIL	NIL
Net Worth	34.22	30.40	24.70	12.13
RBI Special Reserve	Nil	Nil	Nil	8.78
Miscellaneous Expenditure	NIL	NIL	NIL	NIL
Secured Loans	NIL	NIL	NIL	NIL
Unsecured Loans	NIL	NIL	NIL	NIL
Fixed Assets	NIL	NIL	NIL	0.03
Income from Operations	47.40	33.72	28.74	28.04
Total Income	48.19	34.90	30.03	28.27
Total Expenditure	42.52	25.42	23.14	21.68
Profit before Tax	5.67	9.48	6.89	6.59
Profit after Tax	3.83	6.40	4.47	4.21
Cash profit	3.83	6.40	4.47	4.21
EPS (in Rs.)	19.16	31.99	22.37	21.07
Book value	171.13	151.99	123.49	104.60

FOR GUJARAT GAS FINANCIAL SERVICES LIMITED

DIRECTOR / AUTHORISED SIGNAORY





GSPC GAS
GSPC GAS COMPANY LIMITED

Annexure – I

The financial details of the Transferor Company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: GSPC Gas Company Limited

(Rs. in Crores)

	Audited for the period of 9 Months ended on	As per the last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	31 st Dec. 13	FY 2012-13	FY 2011-12	FY 2010-11
Equity Paid up Capital	84.62	84.62	59.21	59.21
Reserves and surplus	523.23	578.17	397.18	298.00
Carry forward losses	-	-	-	-
Net Worth	607.85	662.79	456.39	357.21
Miscellaneous Expenditure	-	-	-	-
Secured Loans	888.84	344.86	328.69	362.50
Unsecured Loans	300.40	664.16	224.99	81.67
Fixed Assets (incl.CWIP)	1753.64	1,707.99	1,418.09	1,133.14
Income from Operations	2825.08	4,211.68	3,235.41	1,861.81
Total Income	2,828.78	4,220.24	3,237.46	1,906.97
Total Expenditure	2,895.88	4,122.12	3,062.87	1,645.34
Profit /(Loss) before Tax	(67.22)	97.93	174.07	219.08
Profit /(Loss) after Tax	(54.87)	40.20	106.06	147.15
Cash profit /(Loss)	(14.38)	99.60	154.35	189.51
EPS (in Rs.)	(6.48)	6.54	17.91	24.85
Book value (in Rs.)	71.83	78.32	77.08	60.33

For, GSPC GAS Company Limited.

Ahmed Khan
Company Secretary



Date 21-04-2014 Place : Gandhinagar

CIN No. : U23100GJ1999SGC035573

Corporate Office : 301-304, Third Floor, IT Tower-1, Infocity, Gandhinagar - 382 009. Phone : +91-79-66737400 Fax : +91-79-66737456
Registered Office : Block No. 15, 2nd Floor, Udyog Bhavan, Sector-11, Gandhinagar-382 011, Gujarat (INDIA). Website : www.gspcgas.com

GSPC DISTRIBUTION NETWORKS LIMITED

Registered Office:

Block No: 15, 3rd Floor, Udyog Bhavan,
Sector-11, Gandhinagar-382011,
Gujarat, INDIA

Phone No. +91-79-66737400 Fax No. +91-79-66737456


Email Id: csgdnl@gspc.in
CIN-U40200GJ2012SGC069118**Annexure – I**

The financial details of the Transferee Company since incorporation as per the audited statement of Accounts:

Name of the Company: **GSPC Distribution Networks Limited.**

	(Rs. in Crores)			
	Audited for the period of 9 Months ended on 31 st Dec. 13	As per last Audited Financial Year FY 2012-13	1 year prior to the last Audited Financial Year FY 2011-12	2 years prior to the last Audited Financial Year FY 2010-11
Equity Paid up Capital	900.05	0.05	N.A.	N.A.
Reserves and surplus	(30.05)	(3.86)	N.A.	N.A.
Carry forward losses	-	-	N.A.	N.A.
Net Worth	870	(3.81)	N.A.	N.A.
Miscellaneous Expenditure	Nil	Nil	N.A.	N.A.
Secured Loans	Nil	Nil	N.A.	N.A.
Unsecured Loans	2000	1,500	N.A.	N.A.
Fixed Assets	Nil	Nil	N.A.	N.A.
Income from Operations	Nil	Nil	N.A.	N.A.
Total Income	118.66	2.27	N.A.	N.A.
Total Expenditure	144.66	5.45	N.A.	N.A.
Profit //(loss) before Tax	(26)	(3.18)	N.A.	N.A.
Profit //(loss) after Tax	(26.19)	(3.86)	N.A.	N.A.
Cash profit //(loss)	(26.19)	(3.86)	N.A.	N.A.
EPS (in Rs.)	(0.47)	(1,106.21)	N.A.	N.A.
Book value	9.67	(76.28)	N.A.	N.A.

FOR, GSPC Distribution Networks Limited


PPG Sarma
Director


Rohan Sampat
Company Secretary

Date 21-04-2014 Place : Gandhinagar





GSPC GAS

GSPC GAS COMPANY LIMITED

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AUDIT REPORT

FOR THE FINANCIAL YEAR

ENDED ON 31st MARCH, 2011



GSPC GAS COMPANY LIMITED

CONTENTS

- 1) Director's Report
- 2) Auditor's Report
- 3) Annexure to the Auditor's Report
- 4) Balance Sheet as at 31st March, 2011
- 5) Profit and Loss Account for the Year ended on 31st March, 2011
- 6) Cash Flow Statement for the Year ended on 31st March, 2011
- 7) Schedules to the Balance Sheet
- 8) Schedules to the Profit and Loss Account
- 9) Significant Accounting Policies and Notes to Accounts
- 10) Balance Sheet Abstract and Company's General Business Profile

GSPC GAS COMPANY LIMITED

12th Annual Report 2010-2011

Board of Directors:

Shri D. J. Pandian, IAS	Chairman
Shri Tapan Ray, IAS	Director
Shri K. D. Chatterjee	Director
Shri Atanu Chakraborty, IAS	Director (w.e.f. 06.09.2011)
Shri L. Chuaungo, IAS	Director (up to 29.08.2011)
Shri H. V. Patel, IAS	Director (up to 19.07.2011)
Shri C. L. Meena, IAS	Director (up to 25.07.2011)

Chief Executive Officer :

Shri P. P. G. Sarma

Company Secretary:

Shri Ahmed Khan

Bankers:

State Bank of India	Bank of Maharashtra
State Bank of Mysore	Corporation Bank
Dena Bank	Union Bank of India
Axis Bank Limited	Bank of Baroda
IDBI Bank Limited	Kotak Mahindra Bank Limited
Bank of India	ICICI Bank Limited
Oriental Bank of Commerce	HDFC Bank Limited
The Kalupur Commercial Co-Operative Bank Limited.	Standard Chartered Bank
	Gujarat State Financial Services Limited.

Statutory Auditors:

Jain Seth & Co.
Chartered Accountants
Ahmedabad.

Internal Auditors:

Ashok Chhajed & Associates.
Chartered Accountants
Ahmedabad.

Corporate and Registered office:

Block No.: 15, 3rd Floor,
Udhyog Bhavan, Sector-11,
Gandhinagar- 382 009.

DIRECTORS' REPORT

To
The Members,
GSPC GAS COMPANY LTD.
Gandhinagar.

Your Directors have pleasure in presenting the 12th Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2011

FINANCIAL RESULTS:

(Amt.in Lacs)

Particulars	For the year ended on 31 st March, 2011	For the Year ended on 31 st March, 2010
Sales	186181.15	119215.58
Other Income	4516.11	4492.74
Total Income	190697.26	123708.33
Less: Expenditure	164534.09	114791.23
Net Profit Before Depreciation and Taxes	26163.16	8917.09
Less: Depreciation and Amortization	4236.61	2512.65
Less :Prior Period Items	17.97	19.56
Profit before Taxes (PBT)	21908.59	6384.88
Less: Taxation (including FBT and Deferred Taxes)	7193.22	2989.89
Profit after Taxes (PAT)	14715.37	3394.98
Add/ Less : Balance Brought Forward	12539.29	9834.74
Amount Available for Appropriations	27254.66	13229.72
Less : Appropriations :		
Proposed Dividend	740.11	592.09
Tax on Proposed Dividend	120.07	98.34
Transferred to General Reserve	367.88	---
Profit (Loss) Carried to the Balance sheet	26026.60	12539.29

The Financial Year 2010-11 was celebrated as "Swarnim Gujarat" upon culmination of 50 years of the Statehood of Gujarat. The year elapsed was full of significant developments of Company's business. The two main parameters indicating Company's growth namely Sales Turnover and the Profit After Tax (PAT) gives an immediate insight in to the Company's functioning.



This Financial Year 2010-11 witnessed Sales Turnover growth of 56% on YOY basis upon increase in Sales from Rs. 1,19,215.58 Lacs in Financial Year 2009-10 to Rs. 1,86,181.15 Lacs. Similarly, PAT also showed satisfactory growth of 333% upon increase in PAT from Rs. 3,394.98 Lacs to Rs. 14,715.37 Lacs .

DIVIDEND:

The members of the Board are pleased to recommend the Dividend of Rs. 1.25/- per Equity Share i.e. 12.50% of the Paid Up Capital of the Company. The total payout in respect of dividend for the year 2010-2011 would be Rs. 860.18 Lacs with dividend distribution tax.

BUSINESS AND OPERATIONAL OVERVIEW:-

The Management of the Company was committed to increase its reach during Swarnim Gujarat Celebrations. The results were very encouraging. At the beginning of the calendar year 2010 nearly 68 villages of the Gujarat were covered by CNG /PNG net work of the Company which has now been increased to 137 villages/locations. The CNG/PNG network has further reached to new locations namely Kheda, Mehemedavad, Petlad, Umernagar, Bhilad and Sanjan.

Similar to the last Financial Year, this year also has been active in terms of the operations of the Company. With the overwhelming support and dedication of the Company's employees, consultants, contractors the Company could achieve Swarnim Goals as desired by the Government of Gujarat.

The constraints, reasons and the circumstances leading to a frequent Gas price hike is now being gradually known to the end users. Also the Company is constantly persuading to get a share in Domestic Gas Allocation which is being allotted by the Central Government. Procurement of Gas at reasonable price and increasing its reach to the every corner of the State are the Key future challenges for the Company.

During the Financial Year, Your Company has also implemented successfully all modules of SAP-ERP including ISU for billing and have also prepared the ground work for IFRS implementation.



↔ **CNG SEGMENT:**

To make Swarnim Celebrations memorable the Company had set a target to increase the number of CNG Stations to 110 at various locations in Gujarat. The Management is pleased to inform that Company fulfilled this goal and has established 110 CNG Stations as on 31-03-2011. The updated Zone wise CNG Station presence is given hereunder

Progressive growth in the Sale of CNG through these CNG Gas Stations in last three Financial Years have been shown in tabular form as under:

Zones	Mother Station/Online Stations	Daughter Stations	Total
Saurashtra	12	24	36
Central	20	22	42
North	0	5	05
South	9	18	27
Total	41	69	110

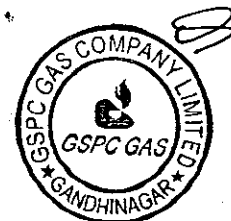
Financial Year	No. of CNG Gas Stations	Sales Volume in (Kg.)
2008-09	25	286,85,054
2009-10	72	569,09,533
2010-11	110	875,33,136

↔ **DOMESTIC SEGMENT:**

In PNG segment also Company achieved the Swarnim Goals by spreading its network presence in newer locations namely Kheda, Mehemdabad, Petlad, Umergam, Bhilad, Sanjan etc. As a result the domestic customer base at the end of this Financial Year has reached to 2,40,976. The enthusiasm and overwhelming response for the domestic PNG customers is continued to be high across Gujarat. The same can be witnessed in terms of figures as given here under:

DOMESTIC Customers:

Domestic Customers	2008-09	2009-10	2010-11
No of Registrations	78,013	2,08,996	2,88,148
No of Connections	46,889	1,27,830	2,40,976



INDUSTRIAL SEGMENT:

Demand for green gas is increasing at a fast pace in Gujarat. Gujarat being an Industrial State its Business community spread across states is raising their voice for CGD Network for areas where GSPC GAS has not reached. This Financial year company`s Industrial Customers have reached to 1192 as against 882 last year, resulting in to a Daily Consumption of industrial volume at 2.7 MMSCMD by the end of FY & Company flowed average 3.2 MMSCMD of gas through its network. As on date, the Company is flowing average volume of 3.8 MMSCMD, out of which 3.2 MMSCMD is of Industrial segment. Year on Year comparison, the industrial volume grew from 3.16 MMSCMD by end of 31st March 2010 to 3.8 MMSCMD by end of 31st March 2011.

CHALLENGES:

Like any other business, your company also faces constrains and challenges. Following are the key challenges and constrains dealt by the Company.

- Infrastructure development for CNG station is a long process with many Statutory permissions from Railway, NHAI, Forest Departments, Irrigation Department, Pollution Control Board etc. (including Petroleum and Explosive Safety Organization (PESO))
- As per PNGRB Act 2006, your company is now required to seek authorization from PNGRB prior to start the Operations of your Company in the new locations where GSPC Gas is not present. PNGR Board is in the process of processing the Company`s authorization applications for existing locations.
- Increased Land prices in City area is making our owned CNG Stations not very lucrative business propositions.

FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposits from Public pursuant to the provisions of Section 58A of the Companies Act-1956.



DIRECTORS:

Consequent to the Transfer your Directors viz Shri H.V.Patel, IAS and Shri C.L.Meena ,IAS tendered their resignation from the Directorship of the Company vide their communication received on 19.07.2011 and 25.07.2011 respectively . Later Shri L.Chuaungo, IAS also tendered his resignation vide his communication received on 29.08.2011 from the Board.

The Board wishes to place on record its sincere appreciation for H.V.Patel, IAS and Shri C. L. Meena, IAS and Shri L.Chuaungo, IAS for their valuable contribution made for the Company during their tenure.

Further, In accordance with the Companies Act, 1956 and pursuant to the Articles of Association of the Company, one of your Director viz. Shri Tapan Ray, IAS, retires by rotation at this ensuing Annual General Meeting. He, however, being eligible offers himself for re-appointment.

AUDIT COMMITTEE:

During the Financial year, the Audit Committee met 2 (Two) times on 21.08.2010 and on 29.03.2011. The terms of the reference of the Audit Committee are as provided in the Companies Act, 1956.Upon resignation tendered by Shri C.L. Meena ,IAS he ceased to be the member of the Audit Committee w.e.f. 25.07.2011. Presently, the Audit Committee comprises of Shri Tapan Ray, IAS, Shri K.D. Chatterjee and Shri Atanu Chakraborty, IAS.

AUDITORS:

Being a Government company, the Statutory Auditor is appointed by the Comptroller and Auditor General of India (C&AG) for the financial year 2010-11. The Comptroller and Auditor General of India (C&AG) appointed M/s Jain Seth & Co., Chartered Accountants, Ahmedabad as an Auditor to carryout statutory audit of the Company for the financial year 2010-11.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. that in the preparation of the annual accounts, the applicable



accounting standards had been followed along with proper explanation relating to material departures;

- b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at 31st March, 2011 being the end of the financial year 2010-11 and of the profit or loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. that the directors had prepared the annual accounts on a going concern basis.

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

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

PERSONNEL AND HUMAN RESOURCES:

The Board acknowledges and appreciates the valuable contribution made by all the Employees, Contractors, Consultants of the Company and look forward mutual rewarding association in future too.

HEALTH, SAFETY AND ENVIRONMENT (HSE) :

Continuing the Industrial Practice world over a health, safety and environment committee has been formed which shall interalia implement monitor HSE Policy, environment audit, monitor and ensure the prime standards of environmental, health and safety norms and compliance with applicable environmental and pollution laws at all locations of the Company. This HSE Committee meets once a month to review all the issues relating to the H.S.E. Shri PPG Sarma, CEO of the Company heads this committee and monitors the performance.



SOCIAL RESPONSIBILITY:

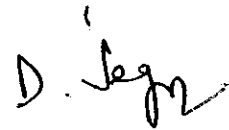
Your company has been continuously working towards the environment clean up through reduction in vehicular and industrial pollution by providing eco-friendly fuel to the consumers in State of Gujarat.

The Company is also providing cheaper environment friendly fuel to household consumers in form of Piped Natural Gas and has constantly aimed for achieving improved customer service by supplying uninterrupted, economic and environment friendly fuel to its valued customers

ACKNOWLEDGEMENT:

The Directors are extremely grateful for the all support given by Government of Gujarat at all levels, all Bankers, lenders and shareholders of the Company, Govt Authorities, Statutory Bodies etc. The directors convey their sincere appreciation of the valuable services rendered by employees at all levels without whose valuable contributions the excellent performance and growth of the company would not have been possible.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



D.J. Pandian, IAS
Chairman

Date : 06-09-2011

Place: Gandhinagar.

Registered Office:
Block No.15,3rd Floor,
Udyog Bhavan,
Sector :11, Gandhinagar : 382011



ANNEXURE TO THE DIRECTORS' REPORT
ANNEXURE 'A' *

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

I) CONSERVATION OF ENERGY:

Where ever possible, Company is using Energy efficient electrical devises. (* Details required under prescribed Form A is not applicable for the Company's business.)

II) TECHNOLOGY ABSORPTION: Company is exploring various possibilities to incorporate possible technology as applicable to the industry.

III) FOREIGN EXCHANGE EARNING AND OUTGO:

A) Earnings in Foreign Currency: Nil (P.Y. Nil)

B) Expenditure in Foreign Currency

1. Value of Imports on CIF basis in respect of:

Particulars	Year ended 31st March, 2011 (Rupees)	Year ended 31st March, 2010 (Rupees)
Raw Materials	-	--
Components and Spare Parts	-	--
Capital goods	-	--

2. Expenditure in Foreign Currency

Particulars	Year ended 31st March, 2011 (Rupees)	Year ended 31st March, 2010 (Rupees)
Travelling Expenses	55,723	---
Sponsorship Expenses (Traning)	85,402	-
Know -how, Royalty, Professional Consultancy Fees etc.	-	-



ANNEXURE TO THE DIRECTORS REPORT(F.Y 2010-11)

ANNEXURE 'B'

A. Information as per section 217 (2A) of the Companies Act-1956 and Companies (Particulars of Employees) Rules ,1975

Sr. No.	Name	Age (Yrs)	Designation	Gross Remunerati on	Qualification	Date of Joining	Previous Employment
1.	Shri PPG Sarma	49	Chief Executive Officer	Rs 54.84 Lacs (annually).	B.E. (Mechanical)	Vide Contract Dated 24th April,2006 and renewed vide contract dt.25.04.2009	BG(India) Ltd. Ltd.,



JAIN SETH & Co.

Chartered Accountants

A-201, "PREMIUM HOUSE", NEAR GANDHIGRAM RAILWAY STATION,
BEHIND HANDLOOM HOUSE, OFF ASHRAM ROAD, NAVRANGPURA,
AHMEDABAD - 380 009.

PHONE - 079 - 30086627, FAX - 079 - 30086626

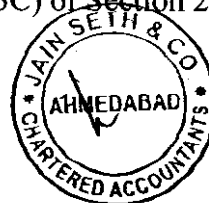
AUDITORS' REPORT

To,
The Members
GSPC Gas Company Limited.

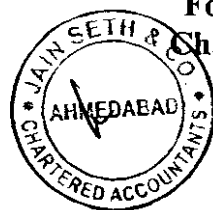
1. We have audited the attached Balance Sheet of GSPC Gas Company Limited as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended by Companies Auditors' Report (amendment) Order, 2004) issued by the Central Government of India in terms of sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4 Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;



- (e) Since the Company is a Government Company, as per Notification No.: G.S.R. 829 (E) dated October 21, 2003 of Ministry of Finance (Department of Company Affairs) provisions of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956 are not applicable to the Company;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon and the statement on significant accounting polices give the information required by the Companies Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India:
- (i) in the case of the Balance Sheet of the state of affairs of the Company as at **31st March, 2011** ; and
- (ii) in the case of Profit and Loss account, of the **profit** of the company for the year ended on that date; and
- (iii) in the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.



For, Jain Seth & Co.
Chartered Accountants
FRN. 002069W

Vasudev Upadhyay
CA. Vasudev Upadhyay
Partner
M. No. 048175

Place : Ahmedabad.
Date : 06-09-2011

GSPC GAS COMPANY LIMITED

ANNEXURE TO AUDITORS' REPORT

[Referred to paragraph 3 of our report of even date
on the financial statements for the year ended on 31st March, 2011]

1. In respect of its fixed assets:

The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets.

As explained to us, all the fixed assets have been verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of assets. No material discrepancies were noticed on such verification.

In our opinion, the Company has not disposed of substantial part of fixed assets during the year.

2. In respect of its inventories:

As explained to us during the year, the management has physically verified the inventories at reasonable interval. In our opinion, the frequency of the verification is reasonable.

In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

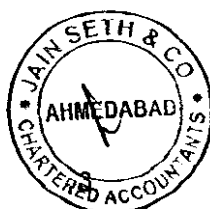
The company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stock and book stocks were not material and the same have been properly dealt with in the books of accounts.

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

According to the information and the explanations given to us, the company has not granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Consequently requirements of clauses (iii) (a) to (iii) (g) of paragraph 4 of the Order are not applicable to the Company.

4. In respect of internal control

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and also for sale of goods. During the course of our audit, we have not observed, any continuing failure to correct major weaknesses in internal controls.



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

The information and explanation given to us, there were no contracts/ arrangements that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956.

6. In respect of Deposit from Public.

As per the information and explanations given to us, the company has not accepted any deposits from the public during the year within the meaning of sections 58A, 58AA or any other relevant provisions of The Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975. We are informed that, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

7. In respect of Internal Audit System.

The internal audit during the year was carried out by the firm of Chartered Accountants. In our opinion the same is adequate commensurate with the size of the Company and nature of its business.

8. In respect of maintenance of cost records.

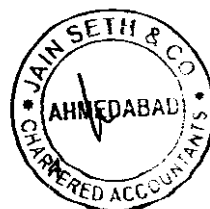
The company has maintained the cost records prescribed under section 209(1) (d) of the companies Act, 1956.

9. In respect of statutory dues.

According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income tax, value added tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other material statutory dues applicable to it. As informed to us, provisions of employees' state insurance act are not applicable to the company.

According to the information and explanations given to us and the records of the company examined by us, no undisputed amounts payable in respect of value added tax, income tax, wealth tax, customs duty, excise duty, value added tax, sales tax, service tax and cess, were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.

According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income tax, value added tax, sales tax, custom duty, wealth tax, service tax and excise duty / cess which have not been deposited on account of any dispute pending except as under :



Sr. No.	Name of the Statute	Nature of Dispute	Amount in Rupees.	Period to which the amount relates	Forum where dispute is Pending
1	Custom, Excise and Service Tax	Excise exemption related to SSI units	23,65,736	F.Y. 2003-2004	Custom, Excise and Service Tax Appellate Tribunal
2	Income Tax Act, 1961	Income Tax Assessment order under section 143(3) of the Income Tax	59,59,740	F.Y. 2006-2007	Income Tax Appellate Tribunal (ITAT), Ahmedabad
3	Income Tax Act, 1961	Income Tax Assessment order under section 143(3) of the Income Tax	8,45,41,610	F.Y. 2007-2008	Commissioner of Income Tax (Appeals), Gandhinagar

10. In respect of accumulated losses and cash losses

The company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.

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

Based on our audit procedures and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to banks and financial institution.

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

According to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In respect of provisions applicable to Chit fund

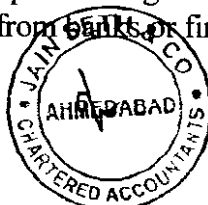
The Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.

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

As the company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

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

According to the information and explanation given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.



16. In respect of application of term loans

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

17. In respect of funds used

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

18. In respect of preferential allotment of shares

During the year, the Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and therefore clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable.

19. In respect of securities created for debentures

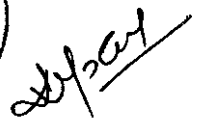
According to the records of the company the Company has not issued any debentures during the year and hence clause 4(ixx) of the Companies (Auditor's Report) Order, 2003 is not applicable.

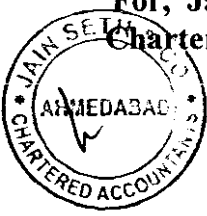
20. In respect of end use of money raised by public issues

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

21. In respect of fraud

According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For, Jain Seth & Co.
Chartered Accountants
FRN. 002069W

CA. Vasudev Upadhyay
Partner
M. No. 048175



Place : Ahmedabad.

Date : 06-09-2011

GSPC GAS COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rupees)

PARTICULARS	SCHEDULES	As At 31st March, 2011	As At 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	59,20,90,240	59,20,90,240
Reserves and Surplus	B	2,98,00,19,470	1,59,45,00,442
Share Application Money		1,26,02,43,751	98,42,00,000
Loan Funds			
Secured Loans	C	3,62,49,90,693	3,28,97,84,015
Unsecured Loans	D	81,66,66,667	62,00,26,301
Deposits from Customers		57,81,98,058	22,18,80,873
Deferred Tax Liability		66,20,76,553	39,36,25,983
Total		10,51,42,85,432	7,69,61,07,854
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	10,25,47,75,425	6,61,99,32,066
Less: Depreciation and Amortisation		97,24,50,978	54,87,90,283
Net Block		9,28,23,24,447	6,07,11,41,782
Capital Work-in-Progress	F	2,04,91,37,713	1,83,42,53,546
Investments	G	17,55,000	17,50,000
Current Assets, Loans and Advances			
Current Assets			
Inventories	H	2,06,96,339	7,95,19,572
Sundry Debtors		1,35,51,64,285	87,05,20,158
Cash and Bank Balances		8,36,76,746	34,60,27,073
Loans and Advances	I	9,45,45,676	5,45,65,707
Other Current Assets	J	6,15,03,326	7,65,01,813
Sub-Total (i)		1,61,55,86,372	1,42,71,34,383
Less : Current Liabilities and Provisions			
Liabilities	K	2,22,09,00,637	1,53,58,84,972
Provisions		21,36,17,463	10,22,86,884
Sub-Total (ii)		2,43,45,18,100	1,63,81,71,856
Net Current Assets (i-ii)		(81,89,31,728)	(21,10,37,473)
Miscellaneous Expenditure (To the extent not written off or adjusted)		-	-
Total		10,51,42,85,432	7,69,61,07,854
Significant Accounting Policies and Notes on Accounts	S		

The Schedules referred to above are integral part of the Balance Sheet.

As per our report even date attached.

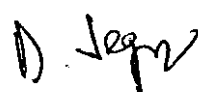
 For, Jain Seth & Co.
Chartered Accountants
FRN. 002069W



 CA. Vasudev Upadhyay
Partner
M. No. 048175

 Place : Ahmedabad
Date : 06-09-2011

For and on behalf of Board of Directors


D. J. Pandian, IAS
Chairman


Tapan Ray, IAS
Director


P P G Sarma
Chief Executive Officer


Ahmed Khan
DGM (Finance) &
Company Secretary

 Place: Gandhinagar
Date: 06-09-2011


GSPC GAS COMPANY LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011**

(Amount in Rupees)

PARTICULARS	SCHEDULES	For the Year ended	For the Year ended
		on 31st March, 2011	on 31st March, 2010
INCOME			
Sales of Natural Gas	L	18,92,06,29,493	12,09,47,62,501
Less : Excise Duty		30,25,14,145	17,32,03,515
Net Turnover		18,61,81,15,348	11,92,15,58,986
Other Income	M	45,16,11,171	44,92,74,205
		19,06,97,26,519	12,37,08,33,191
EXPENDITURE			
Consumption of Natural Gas	N	13,36,12,63,791	9,12,10,93,406
Gas Transportation Charges		1,80,44,29,913	1,45,73,41,807
Operation and Maintenance Expenses	O	45,46,79,138	30,85,00,838
Payments to and Provisions for Employees	P	14,97,35,392	10,36,24,226
Administrative and Other Expenses	Q	24,62,73,946	17,40,76,064
Interest and Financial Charges	R	36,70,27,700	26,42,87,438
Donation		7,00,00,000	5,02,00,000
		16,45,34,09,880	11,47,91,23,778
Profit Before Depreciation and Tax		2,61,63,16,639	89,17,09,413
Depreciation and Amortisation		42,36,60,694	25,12,65,118
Profit Before Prior Period items and Tax		2,19,26,55,945	64,04,44,295
Prior Period Items		17,96,641	19,56,388
Profit Before Tax		2,19,08,59,304	63,84,87,907
Provision for Taxation			
Current Income Tax		44,84,95,625	10,86,69,744
Deferred Tax		26,84,50,570	18,94,16,778
Short / (Excess) Provision of Tax made in earlier years		23,76,321	9,03,199
Profit After Tax		1,47,15,36,788	33,94,98,186
Balance Brought Forward		1,25,39,29,572	98,34,74,288
Amount available for Appropriations		2,72,54,66,360	1,32,29,72,475
Proposed Dividend		7,40,11,280	5,92,09,024
Corporate Dividend Tax on Proposed Dividend		1,20,06,480	98,33,879
Transferred to General Reserve		3,67,88,420	-
Balance Carried to Balance Sheet		2,60,26,60,180	1,25,39,29,572
Earning per Share (Basic and Diluted)		24.85	5.73
Face Value per share		10.00	10.00
Significant Accounting Policies and Notes on Accounts	S		

The Schedules referred to above are integral part of the Profit and Loss Account.
As per our report of even date attached.

For, Jain Seth & Co.
Chartered Accountants
FRN. 002069W

Vasudev Upadhyay



CA. Vasudev Upadhyay
Partner
M. No. 048175

Place : Ahmedabad
Date : 06-09-2011

For and on behalf of Board of Directors

D. J. Pandian

D. J. Pandian, IAS
Chairman

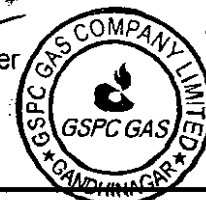
Tapan Ray

Tapan Ray, IAS
Director

P P G Sarma
P P G Sarma
Chief Executive Officer

Ahmed Khan
Ahmed Khan
DGM (Finance) &
Company Secretary

Place: Gandhinagar
Date: 06-09-2011

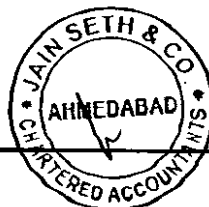


GSPC Gas Company Limited

Schedules Forming part of the Balance Sheet

(Amount in Rupees)

PARTICULARS	As At 31st March, 2011	As At 31st March, 2010
SCHEDULE - A		
SHARE CAPITAL		
Authorized		
20,00,00,000 (Previous Year 10,00,00,000) Equity Shares of Rs.10 each	2,00,00,00,000	1,00,00,00,000
Issued, Subscribed and Paid up		
59,209,024 Equity Shares of Rs.10 each fully paid up (Previous Year : 59,209,024 Equity Shares of Rs.10 each fully paid up)	59,20,90,240	59,20,90,240
Of the above Equity Shares,		
(i) 36,692,358 (Previous Year 36,692,358) Equity Shares of Rs. 10 each fully paid up are held by the holding company, Gujarat State Petroleum Corporation Limited , out of which 13,760,842 Equity Shares of Rs. 10 each fully paid up have been allotted to Gujarat State Petroleum Corporation Limited pursuant to the scheme of demerger of CNG - PNG business.		
(ii) 21,666,666 (Previous Year 21,666,666) Equity shares of Rs. 10 each fully paid up are held by Gujarat State Petronet Limited, a Company which has significant influence over the Company.		
Total	59,20,90,240	59,20,90,240
SCHEDULE - B		
RESERVES AND SURPLUS		
Security Premium Account		
Opening Balance	34,05,70,870	34,05,70,870
Add : Received during the year	-	-
Closing Balance	34,05,70,870	34,05,70,870
General Reserve		
Opening Balance	-	-
Add : Transferred from Profit and Loss Account during the year	3,67,88,420	-
Closing Balance	3,67,88,420	-
Profit and Loss Account	2,60,26,60,180	1,25,39,29,572
Total	2,98,00,19,470	1,59,45,00,442
SCHEDULE - C		
SECURED LOANS		
Term Loans from Banks		
Axis Bank Ltd.	25,98,16,888	25,98,28,917
Bank of India	14,15,59,427	19,92,49,897
Dena Bank .	82,47,54,170	69,01,76,680
IDBI Bank	22,16,31,922	30,78,62,722
State Bank of India	54,63,77,483	76,89,67,530
State Bank of Mysore	27,31,16,243	38,44,53,389
The Kalupur Co Op Comm Bank Ltd	18,40,71,643	22,92,21,495
Oriental Bank of Commerce	53,62,11,530	45,00,23,385
Bank of Maharastra	36,24,70,639	-
Corporation Bank	12,24,83,882	-
UCO Bank	15,24,96,866	-
Total	3,62,49,90,693	3,28,97,84,015
Notes :		
1. The Loans from above bankers are secured by :		
(a) first ranking pari-passu charge on all the present and future fixed assets of the company.		
(b) second ranking pari-passu charges on all present and future current assets of the company.		
2. Repayable within one year Rs. 82,26,47,764 (Previous year Rs. 63,03,92,376).		
SCHEDULE - D		
UNSECURED LOANS		
Short Term Loans from Banks and Financial Institutions		
Karur Vysya Bank	-	20,00,00,000
Gujarat State Financial Services Ltd	81,66,66,667	30,00,00,000
Syndicate Bank	-	12,00,26,301
Total	81,66,66,667	62,00,26,301



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GSPC GAS COMPANY LIMITED

Schedules forming part of Balance Sheet

SCHEDULE - E	GROSS BLOCK						DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 1, 2010	Additions during the current period	Deductions during the current period	As at March 31, 2011	As at April 1, 2010	For the Current period	Deductions	As at March 31, 2011	As at March 31, 2010	As at March 31, 2011	As at March 31, 2010	
FIXED ASSETS (At Cost)												
TANGIBLE ASSETS :												
Lease hold Land	8,91,77,760	10,64,650	-	9,02,42,410	24,54,380	21,40,360	-	45,94,740	-	8,56,47,670	8,67,23,380	
Freehold Land	20,67,06,322	2,71,50,608	-	23,38,56,930	-	-	-	-	-	23,38,56,930	20,67,06,322	
Buildings	14,37,63,084	18,65,32,997	-	33,62,96,091	87,20,680	43,27,747	-	1,30,48,427	-	32,32,47,663	14,10,42,414	
Plant and Machinery	5,55,79,06,691	3,06,23,20,036	-	8,62,02,26,727	47,00,25,082	36,36,16,967	-	83,36,42,049	-	7,78,65,84,676	5,08,78,81,608	
Furniture and Fixture	3,33,66,718	84,38,777	-	4,18,25,495	31,29,899	24,20,373	-	55,50,272	-	3,62,75,223	3,02,56,819	
Computer Equipments	2,21,82,410	5,22,27,880	-	7,44,10,090	66,55,964	51,51,669	-	1,18,07,633	-	6,26,02,458	1,55,26,446	
Office Equipments	3,56,66,906	87,80,354	-	4,44,47,260	51,19,409	19,08,342	-	70,27,751	-	3,74,19,509	3,05,47,497	
Vehicles	2,63,47,250	58,47,760	-	3,21,95,010	58,81,968	34,41,588	-	93,23,566	-	2,28,71,454	2,04,65,282	
Sub Total (A)	6,12,11,37,151	3,35,23,62,861	-	9,47,35,00,012	50,19,87,382	38,30,07,045	-	88,49,94,428	-	8,68,85,05,585	5,61,91,49,768	
INTANGIBLE ASSETS :												
ROU Permissions	40,84,59,482	14,55,18,356	-	55,39,77,838	3,64,19,223	2,44,85,676	-	6,09,04,899	-	49,30,72,939	37,20,40,259	
ROU	2,95,34,298	65,27,810	-	3,60,62,108	-	-	-	-	-	3,60,62,108	2,95,34,298	
Software and other Intangibles	6,08,01,135	13,04,34,331	-	19,12,35,466	1,03,83,678	1,61,67,973	-	2,65,51,651	-	16,46,83,815	5,04,17,457	
Sub Total (B)	49,87,94,915	28,24,80,497	-	78,12,75,412	4,68,02,901	4,06,53,649	-	8,74,56,550	-	69,38,18,862	45,19,92,014	
TOTAL (A+B)	6,61,99,32,066	3,63,48,43,359	-	10,25,47,75,425	54,87,90,283	42,36,60,694	-	97,24,50,978	-	9,28,23,24,447	6,07,11,41,782	
Previous Year	3,80,21,36,918	2,82,24,05,939	46,10,782	6,61,99,32,066	29,93,16,561	25,12,65,118	17,91,397	54,87,90,283	6,07,11,41,782	3,50,28,20,356		

Notes-

- (1) Additions to the fixed Assets during the current period includes borrowing costs capitalized Rs. 8,67,93,994 (Previous year Rs. 7,38,76,123) pertaining to borrowings for qualifying assets as per the requirements of AS-16 "Borrowing Costs" issued by the Institute of Chartered Accountants of India.
- (2) Buildings have been constructed on Free hold Land as well as Lease hold land acquired on lease.



GSPC Gas Company Limited

Schedules Forming part of the Balance Sheet

(Amount in Rupees)

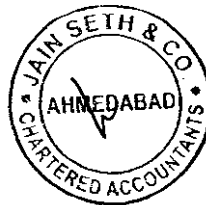
PARTICULARS	As At 31st March, 2011	As At 31st March, 2010
SCHEDULE - F		
CAPITAL WORK - IN - PROGRESS		
Capital Work in Progress - CNG and PNG Projects (includes Rs. 5,65,57,023 (Previous year Rs. 8,55,48,781) of borrowing cost capitalised pertaining to borrowings for qualifying assets as per AS-16.)	1,94,67,46,457	1,79,09,31,290
Advances paid towards Capital Expenditure	7,09,70,200	94,73,518
Loan Syndication Expenses	3,14,21,056	2,93,92,656
Software GIS Development Project	-	44,56,082
Total	2,04,91,37,713	1,83,42,53,546
SCHEDULE - G		
INVESTMENTS (AT COST)		
Long Term Investments (Unquoted) :		
Fully paid up Equity Shares of Guj Info Petro Limited. of Rs. 10 each (Previous Year 25,000 Shares)	No. of Shares 25,000	2,50,000 2,50,000
Fully paid up Equity Shares of Krishna Godavari Gas Network Limited. of Rs. 10 each (Previous Year 150,000 Shares)	1,50,000	15,00,000 15,00,000
Fully paid up Equity Shares of The Kalupur Co Op Comm Bank Ltd. of Rs. 25 each (Previous Year NIL Shares)	200	5,000 -
- Aggregate Book Value of Unquoted Investment Rs. 17,55,000 (Previous Year Rs. 17,50,000)		
- Aggregate Market Value of Unquoted Investment Rs. N.A (Previous Year Rs. N.A)		
Total	17,55,000	17,50,000
SCHEDULE - H		
CURRENT ASSETS		
INVENTORIES		
Natural Gas in Pipeline (Linepack) (Refer Note No. 3 of Schedule S(B))	-	6,39,93,408
Stores, Spares and Consumables	2,06,96,339	1,55,26,164
Sub Total (i)	2,06,96,339	7,95,19,572
SUNDRY DEBTORS		
(Unsecured, Considered good)		
- Outstanding for more than Six Months	37,62,503	12,97,449
- Others	31,21,62,233	21,19,22,215
(Secured by Bank Guarantee and Deposits)		
- Outstanding for more than Six Months	3,32,854	5,24,573
- Others	1,03,89,06,695	65,67,75,921
Sub Total (ii)	1,35,51,64,285	87,05,20,158
CASH AND BANK BALANCES		
Cash on Hand	73,65,282	35,09,656
Balances with Scheduled Banks		
- In Current Accounts (including Swip In facility Accounts)	7,61,21,464	34,23,27,416
- In Fixed Deposits	1,90,000	1,90,000
Sub Total (iii)	8,36,76,746	34,60,27,073
Total (i) to (iii)	1,45,95,37,370	1,29,60,66,802
SCHEDULE - I		
LOANS AND ADVANCES		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances Recoverable in cash or in kind or for value to be received	20,51,966	-
Staff Advance	8,11,833	10,61,890
Sundry Deposits	9,05,15,249	5,25,89,281
Advance Tax and TDS (Net of Provision)	11,66,628	9,14,596
Total	9,45,45,676	5,45,65,767



GSPC Gas Company Limited
Schedules Forming part of the Balance Sheet

(Amount in Rupees)

PARTICULARS	As At 31st March, 2011	As At 31st March, 2010
SCHEDULE - J		
OTHER CURRENT ASSETS		
Interest Accrued but not due	13,68,556	6,66,432
Pre Paid Expenses	1,36,53,441	58,98,555
Other Current Assets	-	19,46,704
Duties and Taxes		
CENVAT Credit Account	4,62,75,330	6,68,52,803
Balances with Central Excise Authorities (PLA)	2,05,999	11,37,319
Total	6,15,03,326	7,65,01,813
SCHEDULE - K		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
SUNDRY CREDITORS		
- Creditors for Capital Goods and Services	87,33,28,403	59,10,34,070
- Creditors for Gas Purchase, Transmission and Others	95,70,04,097	65,44,39,035
<i>(Creditors for Micro, Small and Medium Enterprises -Refer note no. 6 of schedule S(B))</i>	1,83,03,32,500	1,24,54,73,105
Interest Payable (Accrued)	1,41,61,595	12,47,429
Other Liabilities	1,48,93,035	43,35,000
Duties and Taxes	11,33,99,495	8,93,15,936
Advances Received from Customers	24,81,14,012	19,55,13,502
Sub Total (i)	2,22,09,00,637	1,53,58,84,972
PROVISIONS		
Provision for Taxation	44,84,95,625	10,86,69,744
Less : Advance Income Tax and TDS	36,69,72,089	8,28,00,663
Net Provision of Taxation	8,15,23,536	2,58,69,081
Provision for Employee Benefits	95,57,059	61,87,706
Provision for Proposed Dividend	7,40,11,280	5,92,09,024
Provision for Dividend Distribution Tax	1,20,06,480	98,33,879
Provision for Expenses	3,65,19,108	11,87,194
Sub Total (ii)	21,36,17,463	10,22,86,884
Total (i) and (ii)	2,43,45,18,100	1,63,81,71,856

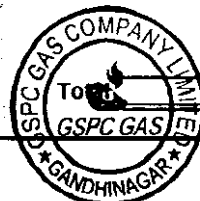
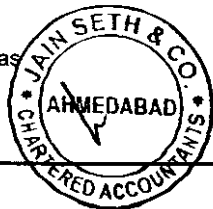


GSPC Gas Company Limited

Schedules to Profit and Loss Account

(Amount in Rupees)

PARTICULARS	For the Year ended on 31st March, 2011	For the Year ended on 31st March, 2010
SCHEDULE - L		
SALES OF NATURAL GAS		
Compressed Natural Gas (CNG)		
Sale of CNG	2,46,04,79,641	1,39,51,38,315
Less : Excise Duty on Sale of CNG	30,25,14,145	17,32,03,515
Sub Total (i)	2,15,79,65,496	1,22,19,34,800
Piped Natural Gas (PNG)		
	16,46,01,49,852	10,69,96,24,186
Sub Total (ii)	16,46,01,49,852	10,69,96,24,186
Total (i) to (ii)	18,61,81,15,348	11,92,15,58,986
SCHEDULE - M		
OTHER INCOME		
INCOME FROM OPERATIONS		
Registration Charges Income from Domestic Connections	18,35,96,206	24,05,41,749
Contract Renewal Charges Income	2,99,28,443	1,65,16,475
Late Payment Charges Income (TDS Rs.3,23,407 (Previous Year Rs. 7,60,856))	1,30,54,042	78,18,742
Take or Pay Charges Income	59,86,797	22,42,097
Alteration, Modification and Extra Connection Charges Income	42,46,497	39,32,250
Miscellaneous Operating Income	21,07,899	13,03,709
Sub Total (i)	23,89,19,884	27,23,55,022
INITIAL CONNECTION CHARGES INCOME		
Initial Connection Charges Income (TDS Rs. 13,57,201 (Previous year Rs. 5,42,804)) (Refer Note 5 of Schedule S(B))	17,85,44,334	16,20,51,323
Sub Total (ii)	17,85,44,334	16,20,51,323
OTHER MISCELLANEOUS INCOME		
Liquidated Damages Income	2,16,41,315	67,64,096
Interest Income (TDS Rs. 7,26,122 (Previous year Rs. 3,82,412))	84,78,269	31,71,420
Tender / EOI Fees Income	6,49,500	13,39,525
Profit on Sale of Assets	-	79,588
Commission Income (TDS Rs. 15,720 (Previous year Rs.16,783))	1,44,351	1,57,637
Income from Sale of Dairy Products	33,878	-
Miscellaneous Income (TDS Rs. 10,000 (Previous year Rs. 44,000))	31,99,640	33,55,594
Sub Total (iii)	3,41,46,953	1,48,67,860
Total (i) to (iii)	45,16,11,171	44,92,74,205
SCHEDULE - N		
CONSUMPTION OF NATURAL GAS		
Purchase of Natural Gas	13,29,72,70,383	9,12,10,93,406
Consumption of Linepack of Natural Gas (Refer Note No. 3 of Schedule S(B))	6,39,93,408	-
Total	13,36,12,63,791	9,12,10,93,406



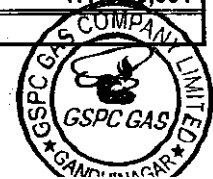
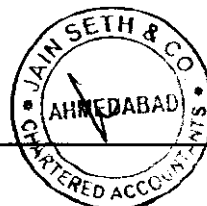
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GSPC Gas Company Limited

Schedules to Profit and Loss Account

(Amount in Rupees)

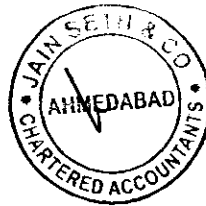
PARTICULARS	For the Year ended on 31st March, 2011	For the Year ended on 31st March, 2010
SCHEDULE - O		
OPERATION AND MAINTENANCE EXPENSES		
(i) CNG		
Operation and Maintenance Expenses	8,46,45,216	4,29,48,418
CNG-Daughter Station Exp.	-	8,33,216
LCV / HCV Hiring, Operating and Maintaing Charges	7,97,45,224	5,74,40,562
Lease (Wet) Machinery Exp.	20,85,134	-
Electricity Expenses - CNG Stations	9,15,33,800	7,37,16,793
Excise Duty - Daughter Station Expenses	6,38,87,522	3,20,59,679
Repairs and Maintenance - CNG Machinery	92,54,109	46,66,788
Stores and Consumables-CNG	44,85,825	69,61,247
Sub Total (i)	33,56,36,830	21,86,26,703
(ii) PNG		
Operation and Maintenance Expenses	8,52,40,042	5,91,22,933
Electricity Expenses - Site Offices and Store Yards	39,27,914	27,68,383
Repairs and Maintenance - PNG Machinery	77,20,435	20,42,353
Stores and Consumables PNG	2,21,53,917	2,07,53,157
Re-adjusted Take or Pay Charges	-	51,87,309
Sub Total (ii)	11,90,42,308	8,98,74,134
Total (i) and (ii)	45,46,79,138	30,85,00,838
SCHEDULE - P		
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages and Allowances	13,16,13,438	9,00,21,385
Contribution to Provident and Other Funds	1,27,47,947	92,48,715
Staff Welfare Expenses	53,74,007	43,54,126
Total	14,97,35,392	10,36,24,226
SCHEDULE - Q		
ADMINISTRATIVE AND OTHER EXPENSES		
Electricity Exp.	34,95,608	16,53,709
Repairs and Maintenance Exp. - Building	9,04,382	9,09,661
Repairs and Maintenance Exp. - Others	84,58,898	17,14,433
Software Operation and Maintance Charges	2,15,88,851	89,18,684
Business Promotion and Marketing Exp.	54,20,226	1,52,35,261
Franchisee, Agent Commission and Profit Margin Exp.	3,80,76,704	2,49,61,424
Advertisement and Publicity	79,02,707	55,99,611
Legal, Professional and Technical Consultancy Exp.	3,24,21,415	2,26,69,605
Insurance Exp.	1,05,52,793	67,24,479
Rent, Rates and Maintenance Exp.	2,37,29,223	1,84,65,036
Administration and Establishment Exp.	7,92,878	8,23,516
Office Expenses	85,90,940	70,70,020
Safety and Enviornment Expenses	37,96,530	31,43,496
Director Sitting Fees and out of pocket Exp.	12,000	17,250
Security Service Exp.	2,21,90,791	1,57,57,768
Stationery and Printing Exp.	1,18,76,677	77,41,602
Telephone and Communication Exp.	1,28,99,985	80,58,612
Conveyance and Travelling Exp	54,14,279	43,04,969
Vehicle Hiring and Running Expenses	1,89,55,381	1,46,99,248
Audit Fees	3,86,050	3,98,238
Loss on Sale / Discarding of Assets	-	8,90,255
Rate, Taxes and Duties paid	61,57,812	13,16,644
Miscellaneous Expenses	26,49,816	30,02,543
Total	24,62,73,946	17,40,76,064



GSPC Gas Company Limited**Schedules to Profit and Loss Account**

(Amount in Rupees)

PARTICULARS	For the Year ended on 31st March, 2011	For the Year ended on 31st March, 2010
SCHEDULE - R		
INTEREST AND FINANCIAL CHARGES		
INTEREST		
Interest on Term Loan	33,79,87,350	30,87,09,744
Interest - Others	8,39,14,608	3,89,26,082
Interest and Penalties Charges	7,12,670	72,570
	42,26,14,628	34,77,08,396
Bank Charges	22,15,308	21,80,434
	42,48,29,936	34,98,88,830
Less : Interest Capitalised during the period pertaining to borrowings for qualifying assets as per AS-16.)	5,78,02,236	8,56,01,392
Total	36,70,27,700	26,42,87,438

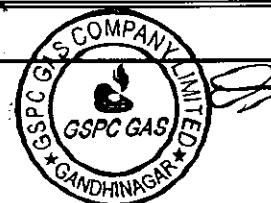


GSPC GAS COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011

(Amount in Rupees)

Particulars	For the Year ended on 31st March, 2011	For the Year ended on 31st March, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	2,19,08,59,304	63,84,87,907
Adjustments for:		
Depreciation	42,36,60,694	25,12,65,118
Loss on sale of Fixed Assets	-	8,90,255
Profit on sale of Fixed Assets	-	(79,588)
Prior period adjustment account	-	(14,833)
Interest Expense	36,48,12,392	26,21,07,004
Interest Income	(84,78,269)	(31,71,420)
Operating Profit before Working Capital Changes	2,97,08,54,122	1,14,94,84,443
Adjustments for changes in Working Capital		
(Increase)/Decrease in Sundry Debtors	(48,46,44,127)	(38,91,83,621)
(Increase)/Decrease in Loan and Advances	(3,97,27,877)	56,12,33,684
(Increase)/Decrease in Other Current Assets	1,49,98,487	2,11,62,732
(Increase)/Decrease in Inventories	5,88,23,233	(75,36,167)
Changes in Trade and Other Receivables	(45,05,50,284)	18,56,76,627
Increase/(Decrease) in Current Liabilities	40,27,21,332	39,01,22,210
Increase/(Decrease) in Provisions	3,87,01,267	10,49,633
Changes in Trade and Other Payables	44,14,22,599	39,11,71,843
Cash Generated from Operations	2,96,17,26,438	1,72,63,32,914
Taxes Paid	(39,54,69,522)	(15,80,80,210)
Net Cash from Operating Activities	2,56,62,56,915	1,56,82,52,704
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital work in progress	(3,33,35,87,207)	(2,85,21,98,368)
Investment in shares	(5,000)	-
Interest Received	84,78,269	31,71,420
Sale / Transfer of Fixed Assets	-	53,96,959
Net Cash used in Investing Activities	(3,32,51,13,938)	(2,84,36,29,989)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital /Share Application Money	10,00,00,000	88,42,00,000
Proceeds from Long-term borrowings	1,08,00,00,000	1,16,49,96,000
Proceeds from Short-term borrowings	70,00,00,000	1,44,40,26,301
Repayment of Long-term borrowings	(74,47,93,322)	(67,96,02,213)
Repayment of Short-term borrowings	(50,33,59,634)	(1,02,40,00,000)
Deposits from Customers	35,63,17,184	20,11,58,873
Interest Paid	(42,26,14,628)	(34,77,08,396)
Dividend Paid (including tax thereon)	(6,90,42,903)	(6,92,71,598)
Net Cash from Financing Activities	49,65,06,697	1,57,37,98,968
NET INCREASE IN CASH AND CASH EQUIVALENTS	(26,23,50,327)	29,84,21,683
Cash and Cash Equivalents at the beginning of the year	34,60,27,073	4,76,05,390
Cash and Cash Equivalents at the end of the year	8,36,76,746	34,60,27,073
Closing Cash and Cash Equivalents comprise:		
Cash in hand	73,65,282	35,09,656
Balances with Scheduled Banks	7,63,11,464	34,25,17,416



Notes to Cash Flow Statement:

- a. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- b. Purchase of fixed asset are stated inclusive of movements of capital work in progress.
- c. Previous year figures have been regrouped and reclassified where-ever considered necessary to conform to the current year's figures.
- d. Figures in bracket indicate Cashoutflow.

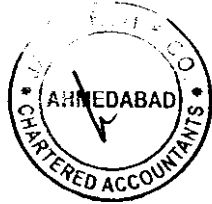
As per our report of even date attached.

For, Jain Seth & Co.
Chartered Accountants
FRN. 002069W



CA. Vasudev Upadhyay
Partner
M. No. 048175

Place : Ahmedabad
Date : 06-09-2011



For and on behalf of Board of Directors

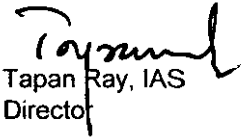


D. J. Pandian, IAS
Chairman



P P G Sarma
Chief Executive Officer

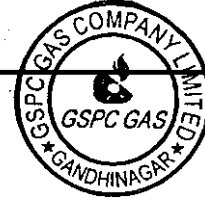
Place: Gandhinagar
Date: 06-09-2011



Tapan Ray, IAS
Director



Ahmed Khan
DGM (Finance) &
Company Secretary



GSPC GAS COMPANY LIMITED

SCHEDULE – S

Significant Accounting Policies and Notes on Accounts

A. Significant Accounting Policies

1. Basis of Preparation and Presentation of Financial Statements

The financial statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The financial statements have been prepared and presented to comply in all material aspects with the Generally Accepted Accounting Principles (Indian GAAP) in India and the Accounting Standards issued by the Institute of Chartered Accountants of India, as notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and the relevant provisions of the Companies Act, 1956. The company has consistently applied the accounting principles and policies; and accounting policies not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (Indian GAAP) in India requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which they are materialized.

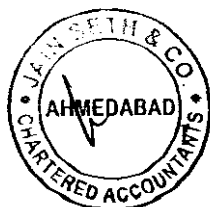
3. Fixed Assets and Capital Work in Progress

(a) Fixed Assets (Tangible)

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

The Company capitalizes to project assets all the cost directly attributable to completing the project. These costs include expenditure of pipelines, plant and machinery, cost of laying of pipeline, cost of survey, commissioning and testing charge, detailed engineering and interest on borrowings attributable to acquisition of such assets. The PNG projects' assets are capitalized at the end of the month in which the asset is put to use / commissioned and CNG projects' assets are capitalized at the date of its commissioning and consequently the borrowing cost attributable to PNG / CNG Projects' assets is added to the capital cost up to their respective date of capitalization.

The gas distribution systems are treated as commissioned when supply of gas commences to the customer(s).



GSPC GAS COMPANY LIMITED

(b) Intangible Assets

Intangible Assets includes amount paid towards obtaining the Right of Use (ROU) of land and Right of Way (ROW) permissions for laying the Gas Pipeline Network, cost of developing software for internal use and corporate club membership. The Company capitalizes software as Intangible Assets in terms of Accounting Standard -26 "Intangible Assets" where it is reasonably estimated that the software has an enduring useful life.

(c) Capital Work In Progress

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

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

4. Depreciation and Amortization

Depreciation on fixed assets is provided as per Straight Line Method (SLM) at the rates specified and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except for cost of mobile phones, which are expensed off in the year of purchase.

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 Rs. 5000/- are depreciated fully in the year of purchase / capitalization.

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

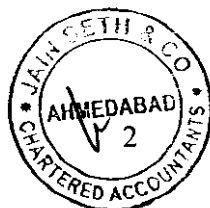
Intangible assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the company for its intended use. The useful lives as estimated by the management for the intangible assets are as follows:

Right of Way (ROW) Permissions	19 Years
Software and other Intangibles	5 Years

No Depreciation is being charged on Right of Use (RoU) of Land being perpetual in nature.

5. Impairment of Assets

In accordance with Accounting Standard 28 on "Impairment of Assets" when at the balance sheet date, Fixed Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is then recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. The impairment loss, if any, recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.



GSPC GAS COMPANY LIMITED

6. Revenue Recognition

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

Initial Connection Charges and deposit from customers:

- a) The amounts collected towards initial connection charges from industrial customers and Commercial-non commercial customers are in the nature of installation fees and for providing, the infrastructure to facilitate the supply of gas and are recognized as revenue only when such infrastructure is laid by the Company and accepted by the customers and supply of gas commences to the customer(s).
- b) The amounts collected towards "registration and connection charges" from certain domestic customers are in the nature of "non-refundable charges" to avail the gas connection. Accordingly, the same are recognized as revenue as and when the Company commences the supply of gas to the customers and such amount charged to customers. Until then, the amounts so collected are shown as "Advances received from customers" in the balance sheet. The company has provided the installments facility to the domestic customers towards "connection charges" are in the nature of non-refundable charges, the total amount of such installments are recognized revenue as and when the company commences the supply of gas to the customers.
- c) The "registration and connection amounts" collected from certain domestic customers are in the nature of "refundable" to avail the gas connection. Accordingly, the same are recognized as a liability under head "Deposit from Customers" in the balance sheet as and when the Company commences the supply of gas to the customers. Until then, the amounts so collected are shown as advances received from customers in the balance sheet. The company has provided the installments facility to the domestic customers towards "connection amount" are in the nature of refundable, the same are recognized as a liability under head "Deposit from Customers" in the balance sheet as and when the recovered. The difference between the amounts charged from customers for gas connections and amounts of registration and connection" in the nature of refundable, is disclosed as revenue as and when the company commences the supply of gas to the customers.
- d) The amounts collected towards extra charges, modification charges and alteration charges from domestic customers are in the nature of non-refundable charges to avail the extra facility for gas connection. Accordingly, the same are recognized as revenue as and when the company complete such installations and the customers accept such installations. Until then, the amounts so collected are shown as "Advances received from customers" in the balance sheet.
- e) The amounts collected towards "Security Deposit" from industrial customers, Commercial-non commercial customers and domestic customers are in the nature of refundable to secure the gas usage bills. Accordingly, the same are recognized as liability under head "Deposit from Customers" in the balance sheet as and when the recovered.



GSPC GAS COMPANY LIMITED

Revenue in respect of interest on delayed realizations from customers, if any, is recognized on grounds of prudence, as and when recovered and on the basis of certainty of collection, is accounted for on availability of documentary evidence that the customer has accepted the liability.

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

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

Expenditure charged to profit and loss account is provided for the period for which the expenditure is incurred. Adequate provisions are made for all known expenses and liabilities.

7. Borrowing Costs

Interest and other costs in connection with the borrowing of funds to the extent they relate to the acquisition / construction of qualifying fixed assets as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such assets up to the date of commissioning. The Expenses incurred in connection with the arrangement of borrowings are capitalized over the period of the borrowing and every year; such cost is apportioned to assets based on the actual amount borrowed during the year. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the profit and loss account.

8. Investments

Investments are classified as long or current term in accordance with Accounting Standard 13 on "Accounting for Investments"

Long term Investments are stated at cost. Provision, if any, is made to recognize any diminution in value of investments, other than that of a temporary nature.

Current Investment are stated at lower of cost and fair value. Any reduction in carrying amount and any reversals of such reductions are charged or credited to the profit and loss account.

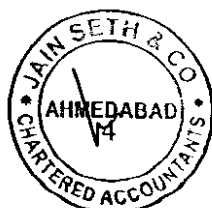
9. Inventories

Natural Gas in distribution networks being technically not feasible to be quantified due to operational constraints, hence not valued as inventory and not accounted.

Stock of Natural Gas in transporter pipelines is valued at initial purchase cost of gas (refer note No. 3 of B – note to Accounts of Schedule S).

Stores, spares and consumables are valued at cost on moving weighted average basis.

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



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10. Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.

Monetary items (assets and liabilities) denominated in foreign currencies at the period-end are reported at the exchange rate prevailing on the balance sheet date.

Non-monetary foreign currency items are carried at cost using the exchange rates on the date of transaction.

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

11. Employee Benefits

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

Gratuity and Leave Encashment:

The liability in respect of gratuity benefits and leave encashment 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 charged to the profit and loss account for the period.

Provident Fund:

Retirement benefits in the form of provident fund and family pension fund, which are defined contribution schemes, are accrued in accordance with statutes and deposited with the Regional Provident Fund Commissioner (RPFC) and charged to the profit and loss account for the period, in which the contributions to the respective funds accrue.

Short-term employee benefits are recognized as an expense in the profit and loss account for the year in which related services are rendered.

12. Preliminary Expenditure

Preliminary expenditure is expensed out in the year in which the expenditure is incurred in line with the provisions of Accounting Standard - 26 on "Intangible Assets".

13. Taxes on Income

Tax provision for the reporting period, comprises of current tax and deferred tax.

Tax provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws that have been enacted as on balance sheet date. Current Tax represents amount of income tax payable in respect of the taxable income for the reporting period.



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Deferred tax liability and assets is computed as per Accounting Standard (AS-22) on "Accounting for Taxes on Income". Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

14. Leases

The Company's significant license arrangements are in respect of operating license for office premises and project offices. The leave and license arrangements range between 11 months to six years, and are renewable by mutual consent on agreed terms and conditions. The aggregate rentals payable are charged as rent expenses in the profit and loss account for the relevant period.

15. Earnings per Share

The Company reports earnings per share (EPS) in accordance with Accounting Standards - 20 on "Earnings per Share". The earnings considered in ascertaining the Company's EPS comprises of the net profit after tax. Basic EPS is computed by dividing the net profit for the current period by the weighted average number of Equity shares outstanding as on the balance sheet date.

16. Cash Flow Statement

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

17. Prior Period Adjustments

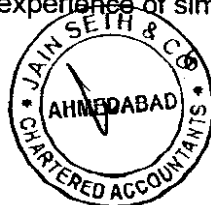
In respect of the transactions pertaining to the one or more prior periods, the expenditure / (income) relating to prior period as a result of errors or omission in the preparation of financial statements, is shown under the head "Prior Period Adjustments Account" in the profit and loss accounts as per the provisions of Accounting Standard 5 on "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies".

18. Proposed Dividend

The Dividend as proposed by the board of directors, including tax thereon is provided in the books of account pending approval at the Annual General Meeting.

19. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provision for contractual obligation has been disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.



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Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets", if any, are not recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty but are disclosed in the notes to accounts.

Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

20. Event Occurring after Balance Sheet Date

Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non adjusting events (that are 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 reports of the board of directors.

21. Changes in Accounting Policies :

During the year, the operating accounting system has been changed to SAP ERP system. Consequent to implementation of SAP system w.e.f. 01.02.2011 and accounting policies in respect following items has been changed as noted below:

I. Inventories

A) Stores, Spares and Consumables

Up to the period ended January 31, 2011, the Company had been valuing inventories stores, spares and consumables, at Cost on FIFO basis.

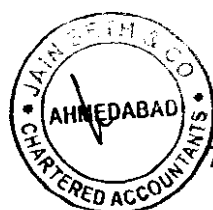
W.e.f. 01.02.2011, the Company has revised its accounting policy for inventory valuation for inventories stores, spares and consumables from at cost on FIFO basis to at cost on moving weighted average.

B) Capital Project Inventory

Up to the period ended January 31, 2011, the Company had been valuing inventories of project material (Capital Inventory) represents the items of capital nature, at Cost on FIFO basis.

W.e.f. 01.02.2011, the Company has revised its accounting policy for inventory valuation for inventories of Project materials (Capital Inventory) from at cost on FIFO basis to at cost moving weighted average basis.

In the opinion of the management, the impact of the above para A and B, on the Profit & Loss Account and Balance Sheet though not quantifiable, will not be material.



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II. Revenue Recognition

Consequent to implementation of SAP system w.e.f. 1.2.2011 and accounting policies in respect following items has been changed for uploaded open items in SAP system as on 31.01.2011 as noted below :

A) **Registration Charges from Domestic Customers**

Up to the period ended January 31, 2011, the amounts collected in installments towards registration charges from domestic customers are in the nature of non-refundable charges to avail the gas connection. Accordingly, the same are recognized as revenue as and when the Company commences the supply of gas to the customers and receipt of instalments on collection basis.

As on 31.01.2011, the Company has revised the accounting policy for amounts collected in Installments towards registration charges from domestic customers are in the nature of non-refundable charges are recognized as revenue as and when the such amount charged to customers.

As a result of the above changes, the sundry debtors as on 31.01.2011 would have been higher by Rs. 2,38,66,750. The net charge of Rs. 2,38,66,750 arising out of change in recognition of amounts collected towards registration charges has been recognised in the profit and loss account as on 31.01.2011

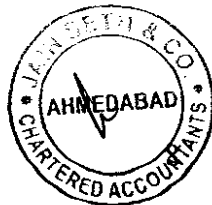
B) **Interest on Delayed Realizations from customers**

Up to the period ended January 31, 2011, the revenue in respect of interest on delayed realizations from customers, if any, is recognized on the ground of prudence, as and when recovered and on the basis of certainty of collection.

As on 31.01.2011, the Company has changed the accounting policy for amounts in respect of interest on delayed realizations from domestic customers are recognized as a revenue on the basis of outstanding amount of late payment charges as on 31.01.2011 which was charged to customers in Gas bills.

From 01.02.2011, the Company has adopted the accounting policy for amounts in respect of interest on delayed realizations from domestic customers are recognized as a revenue as and when recovered and on the basis of certainty of collection.

As a result of the above changes, the sundry debtors as on 31.01.2011 would have been higher by Rs. 10,35,756. The net charge of Rs. 10,35,756 arising out of change in recognition of interest on delayed realizations from domestic customers has been recognised in the profit and loss account as on 31.01.2011



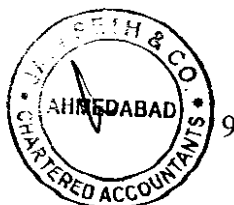
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B. Notes on Accounts for the year ended on 31st March, 2011

1. Contingent liabilities not provided for in respect of :

Sr. No.	Particulars	As at 31 st March, 2011 (Rupees)	As at 31 st March, 2010 (Rupees)
1	Claims against the Co. not acknowledged as debts	9,29,585	9,55,588
2	Bank Guarantees issued by banks on behalf of the company	11,41,99,500	79,71,125
3	Disputed statutory claims in respect of Appeals filed against / by company :		
	(a) Excise Duty - related to the financial year 2003-2004 on account of appeal filed by the Commissioner of Central Excise and Customs, Surat with Custom, Excise and Service Tax Appellate Tribunal.	23,65,736	23,65,736
	(b) Income Tax – related to the financial year 2006-2007 on account of assessment order u/s.143 (3) of the Income Tax Act and appeal has been filed with ITAT, Ahmedabad.	59,59,740	—
	(c) Income Tax – related to the financial year 2007-2008 on account of assessment order u/s.143 (3) of the Income Tax Act and appeal is pending before CIT(Appeals).	8,45,41,610	—
4	Civil Petition applications filed before the District Consumer Forum against Co. alleging damages as a result of physical and mental injury from pipeline laid and delay in giving Gas connection. They have prayed for compensation.	8,32,000	4,50,000

2. Estimated amount of contracts remaining to be executed on capital account and not provided for as at the balance sheet date, is Rs. 78,71,87,448/- (Previous year Rs. 124,54,10,884/-).
3. There was a line pack of Natural Gas (Qty. 64,81,513 SCM and Rs. 6,39,93,408) in the transmission line of Transporter (GSPL) in the financial year 2006-2007. The Company has option either to receive the quantity of the said line pack of Natural Gas or receive the value thereof on return it back to the Transporter at the end of the agreement as per the clause of Gas Transmission Agreement (GTA). This Line pack of Natural Gas in pipelines of Transporter was valued at initial purchase cost of gas and the same is shown under the head "Inventories" in the balance sheet at every year-end subsequent to the financial year 2006-2007. Now, GSPL (Transporter), vide its letter (Ref. GSPL/COMM/2011) dated 22nd March 2011, duly counter signed by GSPC Gas, has returned the aforesaid Line Pack Natural Gas of Qty 64,81,513 SCM to GSPC Gas (Shipper). Accordingly GSPC Gas has used/sold quantity of Qty 64,81,513 SCM returned by GSPL and is being provided in the profit and loss account in the financial year 2010-11 and such line pack stock has been reduces by this quantity.



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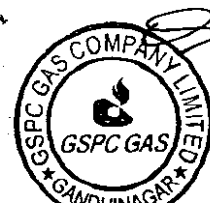
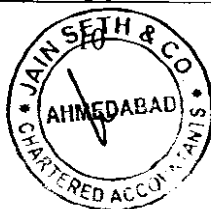
4. Deferred Taxes :

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

Component	Deferred Tax Asset as on 31.03.2011 (Rupees)	Deferred Tax Liability as on 31.03.2011 (Rupees)	Deferred Tax Asset as on 31.03.2010 (Rupees)	Deferred Tax Liability as on 31.03.2010 (Rupees)
Depreciation	-	66,54,15,174	-	39,60,21,296
Expenditure disallowed U/s. 43 B of the Income Tax Act 1961	33,38,621	-	23,95,313	-
TOTAL	33,38,621	66,54,15,174	23,95,313	39,60,21,296
Net amount recognised in the Balance sheet		66,20,76,553		39,36,25,983
Increasing /(Decreasing) during the year and recognised in profit and loss account		26,84,50,570		18,94,16,778

5. The Company has been advised by its counsel, that since the company does not pass-on any ownership or other right in the pipeline in favour of the customer, the amounts received by the company as Initial Connection Charges from the Industrial, Comm-non Commercial Customers and the Registration Charges from Domestic Customers are not in the nature of remission of the cost of the pipeline and hence the same needs to be accounted for as income. In view of the advice, the company accounts for the same as its income in the profit and loss account.
6. **Information in respect of Micro, Small and Medium Enterprises Development Act, 2006:**
The Company had sought confirmation from the vendors whether they fall in the category of Micro, Small and Medium Enterprises and claiming their status as Micro, Small and Medium Enterprises. Based on the information available with the company, the required disclosures are given below:

Sr. No.	Particulars	As at 31 st March, 2011 (Rupees)	As at 31 st March, 2010 (Rupees)
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	4,65,69,601	14,07,67,202
(ii)	the amount of interest paid by the company in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year,	NIL	NIL
(iii)	the amount of 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 MSMED Act, 2006;	NIL	NIL
(iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year;	NIL	NIL



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(v)	the amount of further interest remaining due and payable even in the succeeding years, until such dated when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23."	NIL	NIL
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7. Based on the Accounting Standard – 17 on "Segment Reporting" (AS-17), issued by the Institute of Chartered Accountants of India, business segment of the company is the primary segment comprising of 'Supply of Natural Gas'. As the company operates only in a single primary business segment, therefore the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not applicable to the Company.
8. The Company has taken certain premises for office use and store yards under license agreements and land for setting up CNG Stations. The total rentals recognized as expense for the financial year ended on 31st March, 2011 under the above license agreements aggregate to Rs. 2,24,50,499/- (Previous year Rs. 1,84,65,036). The future minimum lease payment obligations are as under:

Future Minimum Lease Payments	As at 31 st March, 2011 (Rupees)	As at 31 st March, 2010 (Rupees)
Not Later than one year	1,46,87,794	20,909,425
Later than One year and not later than five year	1,94,63,733	24,732,141
More than five years	1,53,85,067	9,207,425

9. There is no impairment of any assets in terms of Accounting Standard - 28 (AS-28) on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of assets.
10. **Employee Benefits:**

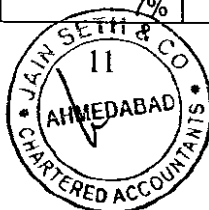
The Company has implemented Accounting Standard - 15 (AS-15) (Revised 2005) on "Employee Benefits", issued by the Institute of Chartered Accountants of India.

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

All employees are entitled to provident fund benefits and amount charged to profit and loss account during the period is Rs. 76,04,476/- (Previous year Rs. 50,40,523/-).

- (b) **Gratuity and Leave Encashment - Defined Benefit Plans (payable in future) -** Provision has been made for gratuity and leave encashment as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

A. Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	For the year ended at 31 st March, 2011	For the year ended at 31 st March, 2011	For the Year ended at 31 st March, 2010	For the Year ended at 31 st March, 2010
Discount rate	8.50%	8.50%	8.28%	8.28%
Rate of return on plan assets	N.A.	N.A.	0%	0%
Salary Escalation	7%	7%	7%	7%



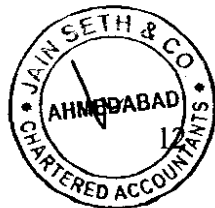
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	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
B. <u>Change in Defined Benefit Obligations</u>				
Liability at the beginning of the period	4,14,463	57,73,243	2,11,309	27,40,724
Interest Cost	34,318	4,78,025	17,496	2,26,932
Current Service Cost	1,32,205	22,56,846	1,10,077	32,21,872
Benefits Paid	0	(6,28,154)	0	(3,44,837)
Actuarial (gain) / Loss on obligations	10,944	10,85,170	75581	(71,448)
Liability at the end of the period	5,91,929	89,65,130	4,14,463	57,73,243
C. <u>Expenses Recognised in the Profit and Loss Account</u>				
Current Service Cost	1,32,205	22,56,846	1,10,077	32,21,872
Interest Cost	34,318	4,78,025	17,496	2,26,932
Actuarial (gain) / Loss	10,944	10,85,170	75,581	(71,448)
Expenses charged to Profit and Loss Account	1,77,466	38,20,041	2,03,154	33,77,356
D. <u>Balance Sheet Reconciliation</u>				
Opening Net Liability	4,14,463	57,73,243	2,11,309	27,40,724
Expenses Charged to Profit and Loss Account	1,77,466	38,20,041	2,03,154	33,77,356
Benefits Paid	0	(6,28,154)	0	(3,44,837)
Closing Liability	5,91,929	89,65,130	4,14,463	57,73,243

Notes :

The estimates of future salary increase, considered in the actuarial valuation takes into account inflation, promotion and other relevant factors, such as supply and demand in the employment market. Future separation and mortality rates are obtained from relevant data of Life Insurance Corporation of India.

11. The balances of some of the parties of debtors / creditors for the amount due to them/ amount due from them are subject to reconciliation. Necessary adjustments, if any, will be made when the accounts are settled after the confirmation is received.
12. The balances of various types of advances received from customers are subject to confirmation and reconciliation.
13. In the opinion of management, the current assets including loan and advances, debtors and other current assets are recoverable at the value stated in the balance sheet in ordinary course of business.
14. Deposits received from domestic, commercial, non-commercial and industrial customers have been considered as a source of long-term funds as the amount of deposits are refundable only on termination of gas connection by the customers.



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15. Earnings Per Share (EPS):

Basic EPS		For the Year ended 31 st March, 2011	For the Year ended 31 st March, 2010
Profit attributable to equity shareholders	Rs.	147,15,36,788	33,94,98,186
Weighted average number of ordinary equity shares for Basic EPS	Nos.	59,209,024	59,209,024
Nominal Value of equity share	Rs.	10	10
Basic EPS	Rs.	24.85	5.73

The Company does not have any outstanding dilutive potential equity shares, as contingently issuable ordinary shares (share application money received by the company) are not included, as the condition of issue price is not met. Consequently, the basic and diluted earnings per share of the company has remained the same.

16. Additional information pursuant to the provisions of Clause 3, 4, 4B, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956.

(A) Auditors' Remuneration:

Particulars	For the Year ended 31 st March, 2011 (Rupees)	For the Year ended 31 st March, 2010 (Rupees)
Audit Fees (including Service Tax)	3,86,050	3,86,050
Out of Pocket Expenses	-	12,188
Other Fees (including Service Tax)	1,43,390	1,43,390
Total	5,29,440	5,41,628

(B) Directors' Remuneration:

Particulars	For the Year ended 31 st March, 2011 (Rupees)	For the Year ended 31 st March, 2010 (Rupees)
Managerial Remuneration	-	-
Director's Sitting Fees	2,500	4,000
Out of Pocket Expenses	9,500	13,250

(C) Licensed Capacity, Installed Capacity and Actual Production :

I. CNG :

Particulars	For the Year ended 31 st March, 2011	For the Year ended 31 st March, 2010
Licensed Capacity	Not Applicable	Not Applicable
CNG : Installed Capacity in SCM**	213,890,000	153,884,000
CNG : Actual Production in Kgs.	87,533,136	56,909,533



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** Installed Capacity is working out on 16 hours continuous operations of CNG compressors for 365 days based on SCM capacity of the compressor while actual production is for actual no. of hours and days operated during the current period, hence, practically both the figures are not comparable.

II. PNG :

The Company is operating on the basis of commitment made for gas purchase by its customers and sales by the suppliers under the agreements, hence it has no relevance for capacity in respect thereof.

(D) Opening Stock, Production, Sales and closing stock of Goods Produced :

Particulars	For the Year ended 31 st March, 2011	For the Year ended 31 st March, 2010
Opening Stock of CNG	0 Kg.	0 Kg.
Production of CNG	87,533,136 Kg.	56,909,533 Kg.
Sales of CNG	87,533,136 Kg.	56,909,533 Kg.
Closing Stock of CNG	0 Kg.	0 Kg.

(E) Sales Turnover and Purchase :

Particulars	For the Year ended 31 st March, 2011		For the Year ended 31 st March, 2010	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Purchase of Natural Gas (Qty. in SCM at various Calorific value)	10,66,301,100	1329,72,70,383	789,361,047	9,121,093,406
Return of Line-pack of Natural Gas from Transporter (PNG) (Qty. in SCM)	64,81,513	6,39,93,408	---	---
Sale of Natural Gas (PNG) (Qty. in SCM)	99,98,35,319	1646,01,49,852	725,361,904	10,699,624,186
Sale of Natural Gas (CNG) (Qty. in Kgs)	87,533,136	215,79,65,496	56,909,533	1,221,934,800

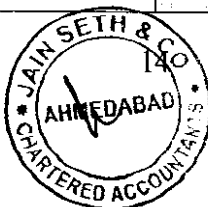
Notes:

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

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

(F) Value of Imports on CIF basis in respect of:

Particulars	For the Year ended 31 st March, 2011 (Rupees)	For the Year ended 31 st March, 2010 (Rupees)
Raw Materials	-	-
Components and Spare Parts	-	-
Capital goods	-	-



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(G) Expenditure in Foreign Currency:

Particulars	For the Year ended 31 st March, 2011 (Rupees)	For the Year ended 31st March, 2010 (Rupees)
Travelling Expenses	55,723	-
Sponsorship Expenses (Training)	85,402	-
Know -how, Royalty, Professional Consultancy Fees etc.	-	-

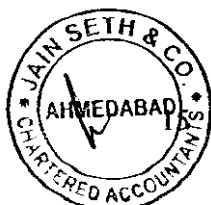
(H) Earnings in Foreign Currency:

Particulars	For the Year ended 31 st March, 2011 (Rupees)	For the Year ended 31st March, 2010 (Rupees)
Export of Goods	-	-
Interest and Dividends	-	-
Know -how, Royalty, Professional Consultancy Fees	-	-
Other Income, if any	-	-

17. Prior Period items:

The Details of Prior Period items, Income /Expenses (net) included in profit and loss account is as under:

Particulars	For the Year ended 31 st March, 2011 (Rupees)	For the Year ended 31 st March, 2010 (Rupees)
Legal, Professional and Consultancy Fees	-	47,491
Administrative and Establishment Expenses	64,447	-
Operational and Maintenance Exp CNG	81,611	9,33,718
Operational and Maintenance Exp PNG	12,67,899	4,37,299
Depreciation	-	(14,833)
Interest Expenses	2,571	1,826
Other Expenses	30,900	73,520
Agency Commission to DMA - PNG	2,74,206	94,567
Rent Expenses	1,78,785	1,16,779
Security Expenses	-	2,51,938
Repair and Maintenance Exp.	6,000	(4,519)
Salary, Allowance and Contribution to funds	-	24,252
Rent Income	(1,09,778)	-
Interest Income	-	(5,650)
Total	17,96,641	19,56,388



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18. The Company has given refundable security deposit in form of fixed deposit (FDR) to various project authorities and it will be refunded after satisfactory completion of work. The company has shown these fixed deposits (FDR) amounting Rs. 1,28,53,803/-, till the same are in custody with project authorities as "Sundry Deposits" under the schedule, "Loans and Advances" in the balance sheet.
19. The Company has constructed / installed CNG stations building and machinery on land leased from various lessees under lease deed for periods ranging from 35 years to 99 years. However, assets constructed / installed on such land has been depreciated at the rates specified in Schedule XIV to the Companies Act, 1956, as the management does not foresee non-renewal of the above lease arrangements by the lessees.

Capital assets installed at the consumer premises on the land of the customers, have been depreciated at the rates specified in schedule XIV of the Company's Act, 1956.

20. Related Party Disclosures:

Related party disclosures as required by Accounting Standard – 18 issued by the Institute of Chartered Accountants of India are as under:

(a) List of Related Parties and Relationship:

Sr. No.	Name of Related Parties	Relationship
1	Gujarat State Petroleum Corporation Ltd (GSPC)	Holding Company
2	Gujarat State Petro net Limited (GSPL)	Associate Company
3	Gujarat State Energy Generation Limited (GSEG)	Associate Company
4	GSPC Pipavav Power Company Ltd. (GPPC)	Associate Company
5	GSPC LNG Limited (GLL)	Associate Company
6	Sabarmati Gas Limited (SGL)	Associate Company
7	Guj Info Petro Limited (GIPL)	Associate Company

Key Management Personnel:

Sr. No.	Name of Personnel	Designation
1	Mr. Tapan Ray, IAS	Director
2	Mr. PPG Sarma	Chief Executive Officer

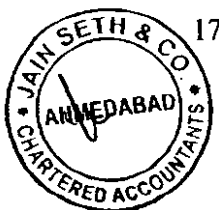


GSPC GAS COMPANY LIMITED

(b) Transactions with related parties:

Sr. No.	Nature of Transactions (Significant Influence)	Transactions with Holding Company		Transactions with Associates		Key Management Personnel		Value of Total Transactions **	
		For the Year ended 31st March 2011	For the Year ended 31st March 2010	For the Year ended 31st March 2011	For the Year ended 31st March 2010	For the Year ended 31st March 2011	For the Year ended 31st March 2010	For the Year ended 31st March 2011	For the Year ended 31st March 2010
1	Gujarat State Petroleum Corporation Limited (Holding Company)								
	Purchase of Natural Gas								
	1) GSPC	14,98,46,12,633	9,59,97,46,203					14,98,46,12,633	9,59,97,46,203
	2) GSPC NIKO JV	20,38,96,638	83,61,14,822					20,38,96,638	83,61,14,822
	Salary and Allowances Paid	-	7,99,929					-	7,99,929
	Assets Purchase / (sale)	66,60,962	(3,97,880)					66,60,962	(3,97,880)
	Software Maintenance Exp.	-	11,45,243					-	11,45,243
	Business Promosion Exp	-	2,95,971					-	2,95,971
	Advance payment for purchase of Land	-	93,93,664					-	93,93,664
	Staff Welfare and Other Exp	-	9,25,144					-	9,25,144
	Salary and Allow. Recovered	1,01,427	15,28,770					1,01,427	15,28,770
Administration Expenses	3,24,147	-					3,24,147	-	
2	Gujarat State Petronet Limited (Associate)								
	Gas Transportation Charges Exp.			1,81,46,62,434	1,46,38,48,480			1,81,46,62,434	1,46,38,48,480
	Interest paid on Share Application Money			1,78,39,169	95,00,000			1,78,39,169	95,00,000
	Supervision Charges			13,43,276	17,61,140			13,43,276	17,61,140
	Purchase of Capital Goods			16,13,210	17,67,727			16,13,210	17,67,727
	Salary and Allowances Paid			1,29,415	1,57,337			1,29,415	1,57,337
	Bank Guarantee Given			7,92,00,000	5,00,00,000			7,92,00,000	5,00,00,000
	Deposit Given (Assets)			24,00,000	32,00,000			24,00,000	32,00,000
	Rent Paid			25,25,154	11,27,915			25,25,154	11,27,915
	Share Application Money Received			17,60,43,761	-			17,60,43,761	-
	Asset Purchased			18,45,79,819	-			18,45,79,819	-
3	Sabarmati Gas Limited (Associate)								
	Gas Transportation Charges			27,22,719	27,06,798			27,22,719	27,06,798
	Supervision Charges			-	2,00,000			-	2,00,000
	Software GIS charges Recovered			-	47,35,384			-	47,35,384
	Deposit (Assets)			-	2,00,000			-	2,00,000
	Customer Settlement			2,71,000	-			2,71,000	-
	Consultancy & Technical Fees Received			6,41,679	-			6,41,679	-
4	Guj Info Petro Limited (Associates)								
	Bandwidth Charges			6,53,527	11,62,747			6,53,527	11,62,747
	Outsource Service Exps			34,81,498	3,35,521			34,81,498	3,35,521
	Consultancy Fees			11,03,000	57,519			11,03,000	57,519
	Computer Exps			13,842	2,84,023			13,842	2,84,023
	Software Maintenance			55,150	15,442			55,150	15,442
	Rent paid			50,000	82,725			50,000	82,725
	Recruitment Exps			2,00,273	1,37,875			2,00,273	1,37,875
	GPS Software Charges			3,33,347	38,98,993			3,33,347	38,98,993
	Assets Purchased			1,50,039	-			1,50,039	-
5	Gujarat State Energy Generation Limited (Associate)								
	Supervision Charges Received			-	4,00,000			-	4,00,000
	Repair Vehicle OYVS Charges			-	5,408			-	5,408
	Deposit (Assets)			-	8,00,000			-	8,00,000
6	GSPC LNG Limited (Associate)								
Assets Purchased			42,489	-			42,489	-	
7	Key Management Personnel								
	Shri PPG Sarna Remuneration Paid					54,84,692	51,11,299	54,84,692	51,11,299
Total Transactions **		15,19,55,94,707	10,44,85,51,866	2,29,00,54,791	1,54,63,85,034	54,84,692	51,11,299	17,49,11,34,190	12,00,00,48,199

** The above transactions are inclusive of all taxes like VAT, Service Tax, and Royalty etc.



GSPC GAS COMPANY LIMITED

Sr. No.	Nature of Transactions (Significant Influence)	Balances outstanding with Holding Company		Balances outstanding with Associates		Balances outstanding with Key Management Personnel		Total Outstanding	
		As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
	Balance outstanding -								
1	Gujarat State Petroleum Corporation Limited (Holding Company)								
	Accounts Payable	86,30,16,376	52,08,90,660					86,30,16,376	52,08,90,660
	Accounts Receivable	-	-					-	-
	Advance for purchase of land	93,93,664	93,93,664					93,93,664	93,93,664
2	Gujarat State Petronet Limited (Associate)								
	Accounts Payable			7,90,20,678	6,89,09,130			7,90,20,678	6,89,09,130
	Accounts Receivable				19,864				19,864
	Deposits (Assets)			68,00,000	60,00,000			68,00,000	60,00,000
	Share Application Money			27,60,43,761	10,00,00,000			27,60,43,761	10,00,00,000
3	Sabarmati Gas Limited (Associate)								
	Accounts Payable			3,73,114	9,87,483			3,73,114	9,87,483
	Accounts Receivable								
4	Guj Info Petro Limited (Associate)								
	Accounts Payable			13,92,814	99,233			13,92,814	99,233
	Accounts Receivable								
6	Gujarat State Energy Generation Limited (Associate)								
	Accounts Payable			80,00,000	8,00,000			80,00,000	8,00,000
	Accounts Receivable			19,773	19,773			19,773	19,773
6	GSPC LNG Limited (Associate)								
	Accounts Payable			42,489				42,489	
	Accounts Receivable								
7	Key Management Personnel								
	Accounts Payable						1,96,989		1,96,989
	Accounts Receivable								

21. The Company has received the share application money from the following applicants:

Sr. No.	Name of applicants	Amount in Rs.
1	Gujarat State Fertilizers and Chemicals Limited.	250,000,000
2	Gujarat State Petronet Limited **	276,043,751
3	Government of Gujarat	284,200,000
4	Gujarat Industrial Development Corporation	250,000,000
5	Gujarat Alkalies and Chemicals Limited	200,000,000
	Total	1260,243,751

** The Company has acquired assets of Rs. 17,60,43,751/- consisting of Steel Pipelines situated in the State of Gujarat from Gujarat State Petronet Limited (GSPL) with effect from 01.10.2010 through executing the Sale Deed dated 29th October, 2010. In pursuance of the sale deed, consideration for purchase of such assets, will be paid by the allotment of fully paid up Equity Shares of the aggregate value of Rs. 17,60,43,751/-.

22. As per the understanding between the company and its promoter group company (i.e. GSPC and GSPL), the company pays interest on share application money received from GSPL @ 9.50% p.a. till the date of allotment of shares.



GSPC GAS COMPANY LIMITED

23. During the year under review, for initial uploading of inventory in new SAP system, the Company had reconciled the inventory of project material (Capital Inventory) and store, spares and consumables as on 31.01.2011. The company had passed the accounting entry of Rs. 5,10,74,702/- towards inventory value of quantity mismatch (Shortage) between physical list and financial books of accounts as on 31.01.2011. Thereafter a reconciliation activity is undertaken by the company which is still in progress, however, the shortage value of inventory as on 31.03.2011 has been reduced to Rs. 3,41,29,706/-.

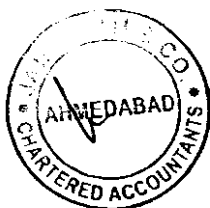
The management, as remedial measure has undertaken the reconciliation, which is still in progress with contractors for allowing the construction allowance as per tender clause and recovery from contractors towards shortfall of materials. Once such activity is completed, the balance amount of shortage, if any, the decision is to be taken for write-off of such difference to Profit and Loss account. Till the time, amount of shortage of Rs. 3,41,29,706/- is shown as 'Inventory under Reconciliation Account' under Capital Inventory – Capital Work in Progress in the Balance sheet.

24. During the year, the operating accounting system has been changed to SAP ERP system. Due to this migration of data to SAP ERP system, cheques amounting to Rs. 10,86,718/- are pending for realization in Bank on balance sheet date though the validity of cheques has expired and the same amount is still outstanding in books of accounts.
25. Corresponding figures of the previous year have been re-grouped and re-classified wherever necessary to confirm to the current reporting period figures.

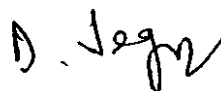
For, Jain Seth & Co.
Chartered Accountants
FRN. 002069W



CA. Vasudev Upadhyay
Partner
M. No. 048175



For and on behalf of Board of Directors



D.J. Pandian, IAS
Chairman



Tapan Ray, IAS
Director



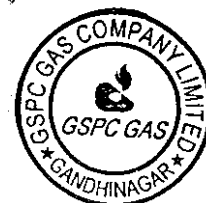
P. P. G. Sarma
Chief Executive Officer



Ahmed Khan
DGM (Finance) &
Company Secretary

Place : Ahmedabad
Date : 06-09-2011

Place : Gandhinagar
Date : 06-09-2011



GSPC GAS COMPANY LIMITED

Balance Sheet Abstract and Company's General Business Profile as per

Part IV of Schedule VI to the Companies Act, 1956

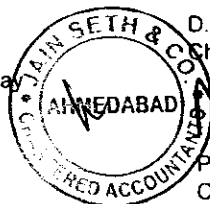
		(Rs in '000)
I.	Registration Details	
	Registration No.	04-35573
	State Code	4
	CIN No.	U23100GJ1999SGC035573
	Balance Sheet Date	31-Mar-11
II	Capital Raised During The Year	
	Public Issues	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
III	Position of Mobilisation and Deployment of Funds:	
	Total Liabilities	1,05,14,285
	Total Assets	1,05,14,285
	Source of Funds	
	Paid up Capital	5,92,090
	Share Application Money	12,60,244
	Reserves and Surplus	29,80,018
	Secured Loans	36,24,991
	Un-Secured Loans	8,16,667
	Deposits from Customers	5,78,198
	Deferred Tax Liability (Net)	6,62,077
	Application of Funds	
	Net Fixed Assets	92,82,324
	Capital Work in Progress	20,49,138
	Investment	1,755
	Net Current Assets	(8,18,932)
	Miscellaneous Expenditure	0
	Accumulated losses	0
IV	Performance of the Company	
	Total Income	1,90,69,727
	Total Expenditure	1,68,78,868
	Profit / (loss) Before Tax	21,90,859
	Profit (Loss) After Tax	14,71,537
	Earnings Per Share (Rs.)	24.85
	Dividend Rate (%)	12.50%
	<u>Generic Names of Principal Products/Services of the Company (As per Monetary Terms)</u>	
	Item Code No.	27112100
	Product Description	NATURAL GAS
	Item Code No.	N.A.
	Product Description	N.A.

As per our report of even date attached.

For and on behalf of Board of Directors

For Jain Seth & Co.
Chartered Accountants
FRN: 002069W

CA. Vasudev Upadhyay
Partner
M. No. 048175



D. J. Pandian, IAS
Chairman

P. P. G. Sarma
Chief Executive Officer

Tapan Ray, IAS
Director

Ahmed Khan
DGM (F) & CS

Place: Ahmedabad
Date: 06-09-2011

Place: Gandhinagar
Date: 06-09-2011





GSPC GAS COMPANY LIMITED



**13th ANNUAL REPORT
2011-2012**



GSPC GAS COMPANY LIMITED

13th Annual Report 2011-2012

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GSPC GAS COMPANY LIMITED

13th Annual Report 2011-2012

Board of Directors:

Shri D. J. Pandian, IAS	Chairman
Shri Tapan Ray, IAS	Director
Shri Atanu Chakraborty, IAS	Director (w.e.f. 06.09.2011)
MS. S. Aparna, IAS	Director (w.e.f. 28.11.2011)
Shri K. D. Chatterjee	Director
Shri L. Chuaungo, IAS	Director (up to 29.08.2011)
Shri H. V. Patel, IAS	Director (up to 19.07.2011)
Shri C. L. Meena, IAS	Director (up to 25.07.2011)

Chief Executive Officer :

Shri P. P. G. Sarma

Company Secretary:

Shri Ahmed Khan

Bankers:

State Bank of India	Gujarat State Financial Services Limited.
Dena Bank	Union Bank of India
Oriental Bank of Commerce	IDBI Bank Limited
UCO Bank	Kotak Mahindra Bank Limited
Corporation Bank	ICICI Bank Limited
Bank of Maharashtra	Axis Bank Limited
The Kalupur Commercial Co-Operative Bank Limited.	Bank of Baroda
	Standard Chartered Bank
	YES Bank

Statutory Auditors:

A.R. Sulakhe & Co.
Chartered Accountants
Pune.

Internal Auditors:

Ashok Chhajed & Associates.
Chartered Accountants
Ahmedabad.

Registered office:

Block No.: 15, 3rd Floor,
Udhyog Bhavan, Sector-11,
Gandhinagar- 382 009.

Corporate office:

101-106, IT Tower-1
Infocity, Gandhinagar - 38 2009

DIRECTORS' REPORT

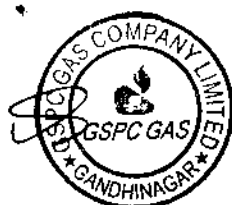
To
The Members,
GSPC GAS COMPANY LIMITED.

Your Directors have pleasure in presenting the 13th Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2012.

FINANCIAL HIGHLIGHTS:

(Amt. in Lacs)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Revenue from operations (Net)	323,541.19	189,716.92
Other income	205.21	341.47
Total Revenue	323,746.40	190,058.39
Expenses:		
Cost of materials consumed	32,859.84	16,829.23
Purchases of Stock-in-Trade	251,979.33	134,187.77
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	639.93
Employee benefits expense	2,182.75	1,497.35
Finance costs	4,765.99	3,773.34
Depreciation and amortization expense	4,828.30	4,236.61
Other expenses	9,670.93	7,085.96
Total expenses	306,287.14	168,250.20
Profit before exceptional and extraordinary items and tax	17,459.27	21,808.19
Less : (a) Prior Period Items	29.65	17.97
(b) Exceptional items	21.97	-
Profit before extraordinary items and tax	17,407.65	21,790.23
Extraordinary Items	-	-
Profit Before Tax (PBT)	17,407.65	21,790.23
Tax expense:		
(1) Current tax	3,491.01	4,390.35
(2) Deferred tax	3,310.24	2,684.51
Profit (Loss) for the period from continuing operations (PAT)	10,606.40	14,715.37



The Financial Year 2011-2012 was full of significant developments of Company's business. The two main parameters indicating Company's growth namely Sales Turnover and the Profit After Tax (PAT) gives an immediate insight in to the Company's functioning and performance of the Company is summarized as follows:

- Total Revenue / Income increased from Rs. **1,90,058.39 Lacs** in previous year 2010-2011 to Rs. **3,23,746.40 Lacs** in current year 2011-2012, recording an increase of **70.34%**.
- Profit Before Tax (PBT) decreased from Rs. **21,790.23 Lacs** in previous year 2010-2011 to Rs. **17,407.65 Lacs** in current year 2011-2012, a decrease of **20.11%**.
- Profit After Tax (PAT) decreased from Rs. **14,715.37 Lacs** in previous year 2010-2011 to Rs. **10,606.40 Lacs** in current year 2011-2012, a decrease of **27.92%**.

SHARE CAPITAL AND SHARE APPLICATION MONEY:

During the year, the share application money pending for allotment of the company has increased from Rs. 126.02 crore to Rs. 176.02 crore on account of receipt of Rs. 50/- Crores from Government of Gujarat. During the year, the Company has not allotted any equity shares to any share applicants.

DIVIDEND:

The members of the Board are pleased to recommend the Dividend of Rs. 1/- per Equity Share i.e. 10% of the Paid Up Capital of the Company. The total payout in respect of dividend for the year 2011-2012 would be Rs. 688.14 Lacs with dividend distribution tax.

BUSINESS AND OPERATIONAL OVERVIEW:-

The Management of the Company was committed to increase its reach during Swarnim Gujarat Celebrations. The results were very encouraging, at the beginning of the calendar year 2011 nearly 130 villages of the Gujarat were covered by CNG /PNG Network of the Company which has now been increased to 284 villages/locations.

Similar to the last Financial Year, this year also has been active in terms of the operations of the Company. With the overwhelming support and dedication of the Company's employees, consultants, contractors the Company could achieve Swarnim Goals as decided by the Government of Gujarat.



The constraints, reasons and the circumstances leading to a frequent Gas price hike is now been gradually known to the end users. Also the Company is constantly pursuing to get a share in Domestic Gas Allocation which is being allotted by the Central Government. Procurement of Gas at reasonable price and increasing its reach to the every corner of the State are the Key future challenges for the Company.

❖ **CNG Segment:**

To make Swarnim Celebrations memorable the Company had set a target to increase the number of CNG Stations to 135 at various locations in Gujarat. The Management is pleased to inform that Company fulfilled this goal and has established 135 CNG Stations as on 31-03-2012. The updated Zone wise CNG Station presence is given hereunder:

Zones	Mother Station/Online Stations	Daughter Stations	Total
Saurashtra	16	26	42
Central	24	33	57
North	0	6	06
South	11	19	30
Total	51	84	135

Progressive growth in the Sale of CNG through these CNG Gas Stations in last three Financial Years have been shown in tabular form as under:

Financial Year	No. of CNG Gas Stations	Sales Volume in (Kg.)
2008-09	25	286,85,054
2009-10	72	569,09,533
2010-11	110	875,33,136
2011-12	135	1,231,98,680

❖ **DOMESTIC SEGMENT:**

In PNG segment also Company achieved the Swarnim Goals by spreading its network presence in newer locations. As a result the domestic customer base at the end of this Financial Year (March-2012) has reached to 3,28,348. The enthusiasm and overwhelming response for the domestic PNG customers is continued to be high across Gujarat. The same can be witnessed in terms of figures as given here under:



DOMESTIC Customers:

Year	2008-09	2009-10	2010-11	2011-12
No. of Domestic Connections-cumulative	46,889	1,27,830	2,40,976	3,28,348

❖ INDUSTRIAL SEGMENT:

Demand for green gas is increasing at a fast pace in Gujarat. Gujarat being an Industrial State its Business community spread across states is raising their voice for CGD Network for areas where GSPC GAS has not reached. This Financial year 2011-2012 company's Industrial Customers have reached to 1547 as against 1119 last financial year 2010-2011. The Company's flowing volume as on 31st March 2012 was 4.099 MMSCMD out of which 3.43 MMSCMD volume sales was achieved in the Industrial segment.

CHALLENGES:

Like any other business, your company also faces constrains and challenges. Following are the key challenges and constrains dealt by the Company.

- Infrastructure development for CNG station is a long process with many Statutory permissions from Railway, NHAI, Forest Departments, Irrigation Department, Pollution Control Board etc. (including Petroleum and Explosive Safety Organization (PESO)).
- As per PNGRB Act 2006, your company is now required to seek authorization from PNGRB prior to start the Operations of your Company in the new locations where GSPC Gas is not present. PNGR Board is in the process of processing the Company's authorization applications for existing locations. Out of 10 GAs applied to PNGRB by the Board, 2 GAs namely Halol and Khambat has not been considered, for that your Company is in discussion with PNGR Board.
- Increased Land prices in City area making difficult to purchase owned land plot or locate land at strategic places. Company is exploring developing new CNG stations on the Franchisee route.
- Availability of cheaper domestic gas from Govt. of India; Company needs allotment of domestic gas to supply the natural gas to customers in affordable manner.



FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposits from Public pursuant to the provisions of Section 58A of the Companies Act-1956.

DIRECTORS:

Consequent to the Transfer your Directors viz Shri H.V.Patel, IAS and Shri C. L. Meena, IAS tendered their resignation from the Directorship of the Company vide their communication received on 19.07.2011 and 25.07.2011 respectively. Later Shri L. Chuaungo, IAS also tendered his resignation vide his communication received on 29.08.2011 from the Board.

Pursuant to the Direction of Finance Department, Government of Gujarat, Ms. S. Aparna, IAS was appointed as Director on 28.11.2011 as representative of Finance Department of the Government of Gujarat. Members may note that the Government of Gujarat had nominated Ms. S. Aparna, IAS on the Board of Directors of the Company.

The Board wishes to place on record its sincere appreciation for Shri H.V.Patel, IAS and Shri C.L.Meena, IAS and Shri L.Chuaungo, IAS for their valuable contribution made for the Company during their tenure.

Further, in accordance with the Companies Act, 1956 and pursuant to the Articles of Association of the Company, one of your Director viz. Shri K. D. Chatterjee, retires by rotation at this ensuing Annual General Meeting. He, however, being eligible offers himself for re-appointment. Your directors recommend his reappointment.

AUDIT COMMITTEE:

During the Financial year the Audit Committee met 2 times on 06.09.2011 and 28.11.2011. Audit Committee has approved and recommended the Annual Accounts for the year ended on 31st March, 2012 for approval of the Board in the meeting held on 17.05.2012.

The terms of the reference of the Audit Committee are as provided in the Companies Act, 1956. Upon resignation tendered by Shri C. L. Meena, IAS, he ceased to be the member of the Audit Committee w.e.f. 25.07.2011. Presently, the Audit Committee comprises of Shri Tapan Ray, IAS, Shri Atanu Chakraborty, IAS and Shri K. D. Chatterjee.



AUDITORS:

Your company being a Government company, the Statutory Auditor is appointed by the Comptroller and Auditor General of India (C&AG) for the financial year 2011-2012. Accordingly, the Comptroller and Auditor General of India (C&AG) appointed **M/s. A. R. Sulakhe & Associates, Chartered Accountants, Pune** as an Auditor to carry out statutory audit of the Company for the financial year 2011-2012.

STATUTORY AUDITOR'S REPORT:

In respect of the observations contained in the report of Statutory Auditors as annexed (Refer point no. (4)(a) of audit report and point no. (ii)(a) and (c) of annexure to the auditors' report), which have no financial impact and applicable disclosures have been made in the 'notes forming part of the financial statements' are self explanatory and therefore, do not call for any further comments.

COST ACCOUNTING RECORDS:

The company has maintained cost records as required by Cost Accounting Records (Petroleum Industry) Rules, 2002.

COST AUDITORS:

The Cost Accounting Reports (Petroleum Industries) Rules, 2002 is applicable to the company and is require to get its Cost Account records audited by Cost Accountant with effect from the financial year 2011-2012. Accordingly, the Company has appointed M/s. N.D. Birla & Co., Cost Accountants as a Cost Auditors for conducting cost audit for the Financial Year 2011-2012.

INTERNAL CONTROL SYSTEM:

The Company has well established and efficient internal control system and procedure commensurate with its size. Further the Company has implemented SAP system for integration of various business processes across the organization.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



- b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at 31st March, 2012 being the end of the financial year 2011-2012 and of the profit or loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. that the directors had prepared the annual accounts on a going concern basis.

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

Pursuant to the compliance of the provisions of Sec.217(1)(e) a statement containing the information as per Section 217(1)(e) of the Companies Act read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is appended herewith as **Annexure - A**.

PARTICULARS OF EMPLOYEES

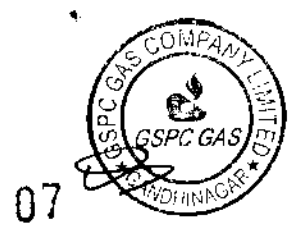
Particulars of the employees of the Company drawing remuneration, which require disclosure under Section 217 (2A) of the Companies Act, 1956, as amended, read with the Companies (Particulars of Employees) Rules, 1975 are set out in **Annexure – B** attached herewith.

PERSONNEL AND HUMAN RESOURCES:

The Board acknowledges and appreciates the valuable contribution made by all the Employees, Contractors, Consultants of the Company and look forward mutual rewarding association in future too.

HEALTH, SAFETY AND ENVIRONMENT (HSE):

Continuing the Industrial Practice world over a health, safety and environment committee has been formed which shall interalia implement monitor HSE Policy, environment audit, monitor and ensure the prime standards of environmental, health and safety norms and compliance with applicable environmental and pollution laws at all locations of the Company. This HSE Committee meets once a month to review all the



issues relating to the H.S.E. Shri PPG Sarma, CEO of the Company heads this committee and monitors the performance.

SOCIAL RESPONSIBILITY:

Your company has been continuously working towards the environment clean up through reduction in vehicular and industrial pollution by providing eco-friendly fuel to the consumers in State of Gujarat.

The Company is also providing cheaper environment friendly fuel to household consumers in form of Piped Natural Gas and has constantly aimed for achieving improved customer service by supplying uninterrupted, economic and environment friendly fuel to its valued customers

ACKNOWLEDGEMENT:

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

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 city gas distribution network.

The Directors also wish to place on record the sincere thanks to various regulatory authorities for the continuous support extended to the Company.


The directors convey their sincere appreciation of the valuable services rendered by employees at all levels without whose valuable contributions the excellent performance and growth of the company would not have been possible.

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

Registered Office:

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


D.J. Pandian, IAS
Chairman

Date : 23-05-2012
Place: Gandhinagar.



ANNEXURE 'A' *

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

I) CONSERVATION OF ENERGY:

Where ever possible, Company is using Energy efficient electrical devises.

(* Details required under prescribed Form A is not applicable for the Company's business.)

II) TECHNOLOGY ABSORPTION:

Company is exploring various possibilities to incorporate possible technology as applicable to the industry.

III) FOREIGN EXCHANGE EARNING AND OUTGO:

A) Earnings in Foreign Currency: Nil (Previous year: Nil)

B) Expenditure in Foreign Currency :

1. Value of Imports on CIF basis in respect of:

Particulars	Year ended 31st March, 2012 (Rupees)	Year ended 31st March, 2011 (Rupees)
Raw Materials	-	-
Components and Spare Parts	-	-
Capital goods	-	-

2. Expenditure in Foreign Currency

Particulars	Year ended 31st March, 2012 (Rupees)	Year ended 31st March, 2011 (Rupees)
Travelling Expenses	85,500	55,723
Sponsorship Expenses (Training)	1,26,370	85,402
Know -how, Royalty, Professional Consultancy Fees etc.	3,00,410	-



ANNEXURE 'B'

Information as per section 217 (2A) of the Companies Act-1956 and Companies (Particulars of Employees) Rules, 1975

Sr. No.	Name	Age (Yrs)	Designation	Gross Remuneration	Qualification	Date of Joining	Previous Employment
1.	Shri PPG Sarma	50	Chief Executive Officer	Rs. 60.52 Lacs (annually).	B.E. (Mechanical)	24 th April 2006	BG (India) Ltd.



AUDITOR'S REPORT

The Members of
GSPC GAS COMPANY LIMITED
Block No. 15, 3rd floor,
Udyog Bhavan,
Sector 11,
Gandhinagar-382011.

1. We have audited the attached Balance Sheet of **GSPC GAS COMPANY LIMITED** as at March 31, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto.. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended by Companies Auditors' Report (amendment order 2004)) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit, *without qualifying our opinion we invite attention to note no. 9, 17.3 and 14 of Notes to Financial Statements, the balances mentioned thereat are subject to confirmation.*
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books.

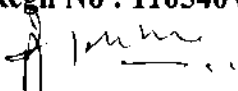


- c) The Balance Sheet , Statement of Profit and Loss and Cash Flow Statement dealt with by this report ,are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) Since the Company is a Government company, as per Notification No. GSR 829(E) dated October 21, 2003 of Ministry of finance Department of Company Affairs), Provisions of clause (9) of sub section (1) of section 274 of the Companies Act, 1956 are not applicable to the Company.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon and the statement on significant accounting policies give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view in conformity with accounting principles generally accepted in india:

In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012; and

- ii) In the case of the Statement of Profit and Loss of the Profit of the company for the year ended on that date ; and
- iii) In the case of Cash Flow Statement, of the Cash Flows of the company for the year ended on that date.

FOR A.R.SULAKHE & CO.,
CHARTERED ACCOUNTANTS
Firm Regn No : 110540W


ANAND SULAKHE
PARTNER

MEem. No. 33451

PLACE: *Gandhinagar*

DATED: *May 23, 2012*

23 MAY 2012



Annexure to the Auditors' Report

(Referred to in Paragraph 3 of our report of even date on the financial statement for the year ended on March 31, 2012)

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India on the basis of such checks as we considered appropriate and to the best of our information and according to the explanations given to us, we further state that:

- i. (a) The Company is maintaining cost centerwise records of its fixed assets, showing particulars including quantitative details. We have been provided letters specifying that all major fixed assets have been verified at the end of the year and no material discrepancies were noticed on the said verification.
- (b) In our opinion, the company has not disposed off a substantial part of fixed assets during the year and therefore paragraph 4 (i) (c) of the Company's auditors report order, 2004 is not applicable.
- ii. (a) We have been informed that *except project Inventory issued to projects or to the contractor(s) storage capital inventory*; all other items of the inventory have been physically verified by the Management at the end of the year.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory *except inventory under reconciliation as specified in note no. 12.10 of notes to financial statements* and as explained to us, except above there were no material discrepancies noticed on physical verification of the inventory.
- iii. The Company has neither granted not taken any loans to/from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Consequently requirements of clauses (iii) a to (iii) g of paragraph 4 of the order are not applicable to the Company.
- iv. In our opinion there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. We have neither come across nor have we been informed of any major weaknesses in the internal control system.
- v. As per the information and explanations given to us, there were no contracts/agreements that needed to be entered in the register in pursuance of section 301 of the Companies Act, 1956.



- vi. In our opinion and according to the information and explanation given to us, the company has not accepted deposits from public to which the provisions of section 58 A and 58 AA of the companies act 1956 and the rules framed their under are applicable, and therefore paragraph 4 (vi) of the order is not applicable.
- vii. The Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the /company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. (a) The Company is generally regular in depositing undisputed dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Excise Duty, Custom Duty with appropriate authorities. As informed to us, provisions of Employees State Insurance Act are not applicable to the Company.
- (b) According to the information and explanations given to us and records of the Company examined by us, no undisputed amounts payable in respect of value added tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty, Sales Tax, Service Tax were outstanding as at March 31, 2012 for a period of more than six months from the date they became payable
- (c) According to the in formations and explanations given to us and the records of the company examined by us, there are no dues of Income Tax, Value added tax, Custom Duty, Wealth Tax, Service tax and excise duty which have not been deposited on account of any dispute pending except as follows :-

Sr No.	Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (net off amount deposited with Court) (Rs. in lacs)
1.	Custom, Excise and Service Tax	Excise exemption related to SSI units	Custom, Excise and Service Tax Appellate Tribunal.	F.Y. 2003-2004	23.66
2.	Income Tax Act,1961	Income Tax Assessment order under section 143(3) of the Income Tax Act.	Income Tax Appellate Tribunal(ITAT), Ahmedabad.	F.Y. 2006-2007	59.60




Sr No.	Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (net off amount deposited with Court) (Rs. in lacs)
3.	Income Tax Act,1961	Income Tax Assessment order under section 143(3) of the Income Tax Act.	Commissioner of Income Tax (Appeals), Gandhinagar.	F.Y. 2007-2008	845.42
4.	Income Tax Act,1961	Income Tax Assessment order under section 143(3) of the Income Tax Act	Commissioner of Income Tax (Appeals)	F.Y. 2008-2009	857.27

- x. The Company has not incurred any cash losses in the financial year ended on March 31,2012 and in the immediately preceding financial year. The Company does not have accumulated losses at the end of the financial year.
- xi. The Company has not defaulted in repayment of dues to any financial institution or bank during the year ended on March 31, 2012.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore paragraph 4 (xii) of the order is not applicable.
- xiii. The provisions of any special statute applicable to chit fund and nidhi or mutual benefit fund / society are not applicable to the company and therefore paragraph 4 (xiii) of the order is not applicable.
- xiv. The company is not dealing or trading in shares, securities, debentures and other investments and therefore paragraph 4 (xiv) of the order is not applicable.
- xv. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions and therefore paragraph 4 (xv) of the order is not applicable.
- xvi. The term loans availed by the Company were applied for the purpose for which the said loans were obtained.



- xvii. According to the information and explanations given to us and on an overall examination of the Balancesheet of the company, we are of the opinion that funds raised on short Term basis have prima facie, not been used for long Term Investment.
- xviii. During the year, the company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act 1956 and therefore clause 4(xviii) of the Companies' (Auditors Report) order 2003 is not applicable
- xix. According to the records of the Compnay, no debentures have been issued by the company during the year and hence clause (xvii) of the Companies (Auditor's Report) order 2003is not applicable.
- xx. .According to the information and explanation given to us, the Company has not raised any money by public issue, during the period covered by our audit.
- xxi. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year under audit

**FOR A.R.SULAKHE & CO.,
CHARTERED ACCOUNTANTS
Firm Regn No : 110540W**


**ANAND SULAKHE
PARTNER
Mem No. 33451**



PLACE: Gandhinagar
DATED: May 23, 2012 .

23 MAY 2012

GSPC GAS COMPANY LIMITED
BALANCE SHEET AS AT 31.03.2012

(Amounts in Rupees)

	Note No.	31-03-2012	31-03-2011
I. EQUITY AND LIABILITIES			
I Shareholders' funds			
(a) Share capital	2	59,20,90,240	59,20,90,240
(b) Reserves and surplus	3	3,97,18,45,078	2,98,00,19,471
(c) Money received against share warrants		-	-
2 Share application money pending allotment	4	1,76,02,43,751	1,26,02,43,751
3 Non-current liabilities			
(a) Long-term borrowings	5	3,90,85,21,570	3,28,56,76,264
(b) Deferred tax liabilities (Net)	6	99,31,01,029	66,20,76,553
(b) Other Long term liabilities		-	-
(d) Long-term provisions	7	1,55,45,384	92,57,286
4 Current liabilities			
(a) Short-term borrowings	8	-	-
(b) Trade payables	9	1,71,96,60,345	98,93,56,160
(c) Other current liabilities	10	3,59,65,40,217	2,96,57,23,630
(d) Short-term provisions	11	26,80,05,010	20,43,60,177
TOTAL		16,82,55,52,625	12,94,88,03,532
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	12		
(i) Tangible assets		10,57,10,66,578	8,58,85,05,585
(ii) Intangible assets		79,36,48,181	69,38,18,862
(iii) Capital work-in-progress		2,81,42,00,986	1,97,64,96,205
(iv) Intangible assets under development		20,24,268	16,71,308
(b) Non-current investments	13	10,80,000	17,55,000
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	14	21,72,85,907	16,82,41,117
(e) Other non-current assets	15	1,90,000	1,90,000
2 Current assets			
(a) Current investments		-	-
(b) Inventories	16	3,10,20,588	2,06,96,339
(c) Trade receivables	17	2,06,05,45,560	1,33,27,08,906
(d) Cash and Bank Balances	18	14,69,48,210	8,34,86,746
(e) Short-term loans and advances	19	8,51,44,422	5,74,09,529
(f) Other current assets	20	10,23,97,927	2,38,23,934
TOTAL		16,82,55,52,625	12,94,88,03,532
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 46		

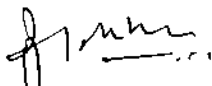
The Accompanying Notes are an integral part of the financial Statements.

As per our report of even date attached.

For, A. R. Sulakhe & Co.

Chartered Accountants

Firm Regn. No. : 110540V



Anand Sulakhe

Partner

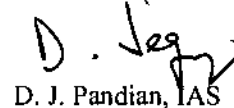
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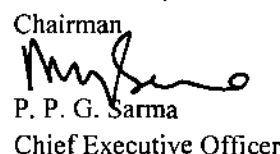
Place : Gandhinagar

Date : 23-05-2012

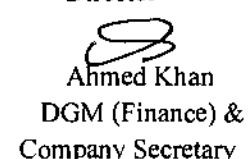


For and on behalf of Board of Directors


D. J. Pandian, IAS
Chairman


P. P. G. Sarma
Chief Executive Officer


Tapan Ray, IAS
Director


Ahmed Khan
DGM (Finance) &
Company Secretary

Place: Gandhinagar

Date: 23-05-2012

GSPC GAS COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED ON 31.03.2012

(Amounts in Rupees)

Particulars		Note No.	31-03-2012	31-03-2011
1		2	3	4
I.	Revenue from operations (Gross)	21	32,88,03,24,652	19,27,42,06,189
	Less: Excise Duty		52,62,05,353	30,25,14,145
	Revenue from operations (Net)		32,35,41,19,300	18,97,16,92,044
II.	Other income	22	2,05,21,164	3,41,46,953
III.	Total Revenue (I + II)		32,37,46,40,463	19,00,58,38,997
IV.	Expenses:			
	Cost of materials consumed	23	3,28,59,84,114	1,68,29,23,095
	Purchases of Stock-in-Trade	24	25,19,79,32,960	13,41,87,77,201
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	25	-	6,39,93,408
	Employee benefits expense	26	21,82,74,548	14,97,35,392
	Finance costs	27	47,65,99,123	37,73,33,527
	Depreciation and amortization expense	12	48,28,30,087	42,36,60,694
	Other expenses	28	96,70,92,820	70,85,96,244
	Total expenses		30,62,87,13,653	16,82,50,19,562
V.	Profit before exceptional and extraordinary items and tax (III-IV)		1,74,59,26,811	2,18,08,19,435
VI.	(a) Prior Period Items	29	29,64,844	17,96,641
	(b) Exceptional items	30	21,96,801	-
VII.	Profit before extraordinary items and tax (V - VI)		1,74,07,65,166	2,17,90,22,794
VIII.	Extraordinary Items		-	-
IX.	Profit Before Tax (PBT) (VII- VIII)		1,74,07,65,166	2,17,90,22,794
X	Tax expense:			
	(1) Current tax	31	34,91,00,873	43,90,35,436
	(2) Deferred tax	7	33,10,24,476	26,84,50,570
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		1,06,06,39,817	1,47,15,36,788
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit (Loss) for the period (XI + XIV)		1,06,06,39,817	1,47,15,36,788
XVI	Earnings per equity share:			
	(1) Basic	32	17.91	24.85
	(2) Diluted	32	17.91	24.85
XVII	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 46		

The Accompanying Notes are integral part of the financial Statements.

As per our report of even date attached.

For, A. R. Sulakhe & Co.

Chartered Accountants

Firm Regn. No. : 110540W

Anand Sulakhe



Anand Sulakhe

Partner

M. No. : 33451

Place : Gandhinagar

Date : 23-05-2012

For and on behalf of Board of Directors

D. J. Pandian

D. J. Pandian, IAS

Chairman

Tapan Ray

Tapan Ray, IAS

Director

P. P. G. Sarma

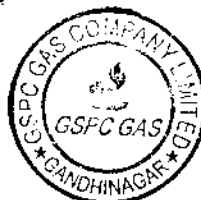
P. P. G. Sarma

Chief Executive Officer

Ahmed Khan

Ahmed Khan

DGM (Finance) &
Company Secretary



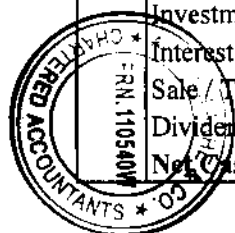
Place: Gandhinagar

Date: 23-05-2012

GSPC GAS COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2012

(Amounts in Rupees)

Particulars	31-03-2012	31-03-2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	1,74,07,65,166	2,17,90,22,794
Adjustments for:		
Depreciation	48,28,30,087	42,36,60,694
Loss on sale of Fixed Assets	4,70,339	-
Profit on sale of Fixed Assets	(3,90,515)	-
Loss of Material (Capital Inventory)	20,99,370	-
Prior period adjustment account	(1,04,746)	-
Provision for Wealth Tax	24,550	-
Provision Diminution in Investment	6,75,000	-
Doubtful Debts (Trade Receivables)	7,21,766	-
Doubtful Advances	16,984	-
Interest Expense on payment of Income tax	18,88,627	1,18,36,510
Interest Expense	47,46,68,652	36,40,99,721
Dividend Income	(100)	-
Interest Income	(94,82,204)	(84,78,269)
Operating Profit before Working Capital Changes	2,69,41,82,975	2,97,01,41,451
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(72,85,58,419)	(46,21,88,749)
(Increase)/Decrease in Security Deposit	(4,62,40,550)	(3,79,25,968)
(Increase)/Decrease in Staff Loan and Advance	(15,26,996)	2,50,057
(Increase)/Decrease in Advance against Exp.	(2,21,62,516)	(1,05,262)
(Increase)/Decrease in Pre-paid Exp.	(57,83,977)	(77,54,886)
(Increase)/Decrease in Cenvat Rece & PLA A/c.	1,14,33,314	2,15,08,793
(Increase)/Decrease in Balance with Govt. Authorities	(5,99,844)	-
(Increase)/Decrease in Claim Recoverable A/c.	(18,51,190)	-
(Increase)/Decrease in Other Current Assets	(3,37,66,907)	(2,24,55,378)
(Increase)/Decrease in Inventories	(1,03,24,248)	5,88,23,233
Changes in Trade and Other Receivables	(83,93,81,334)	(44,98,48,160)
Increase/(Decrease) in Trade Payables	73,03,04,185	33,49,17,125
Increase/(Decrease) in Duties and Taxes	25,93,905	2,52,94,057
Increase/(Decrease) in Advance from Customers	(6,32,12,564)	5,26,00,510
Increase/(Decrease) in Deposit from Suppliers	19,96,765	1,05,58,035
Increase/(Decrease) in Deposits from Customers	45,70,36,415	35,63,17,185
Increase/(Decrease) in Employee Benefit Provisions	64,70,664	33,69,353
Increase/(Decrease) in Provision for Expenses	34,54,011	87,35,730
Changes in Trade and Other Payables	1,13,86,43,380	79,17,91,995
Cash Generated from Operations	2,99,34,45,022	3,31,20,85,285
Extra Ordinary Items and Other Adjustments	-	-
Taxes Refund	-	-
Taxes Paid	(43,81,78,094)	(39,54,69,522)
Net Cash from Operating Activities	2,55,52,66,928	2,91,66,15,763
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital work in progress and capital advances.	(3,49,16,02,587)	(3,35,01,67,053)
Investment in shares	-	(5,000)
Interest Received	77,51,410	77,76,145
Sale/Transfer of Fixed Assets	1,41,56,157	-
Dividend Income	100	-
Net Cash used in Investing Activities	(3,46,96,94,920)	(3,34,23,95,908)



(Amounts in Rupees)

	31-03-2012	31-03-2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital /Share Application Money	50,00,00,000	10,00,00,000
Proceeds from Long-term borrowings	1,35,35,00,000	1,08,00,00,000
Proceeds from Short-term borrowings	2,09,99,99,897	70,00,00,000
Repayment of Long-term borrowings	(1,69,15,97,875)	(74,47,93,322)
Repayment of Short-term borrowings	(66,66,66,667)	(50,33,59,634)
Deposits from Customers	-	-
Interest Paid	(53,13,28,139)	(39,93,74,322)
Dividend Paid (including tax thereon)	(8,60,17,760)	(6,90,42,903)
Net Cash from Financing Activities	97,78,89,456	16,34,29,818
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,34,61,464	(26,23,50,327)
Cash and Cash Equivalents at the beginning of the year	8,34,86,746	34,58,37,073
Cash and Cash Equivalents at the end of the year	14,69,48,210	8,34,86,746
Closing Cash and Cash Equivalents comprise:		
Cash in hand	78,17,048	73,65,282
Balances with Scheduled Banks	8,91,31,162	7,61,21,464
Balances in Fixed Deposits	5,00,00,000	-

Notes to Cash Flow Statement:

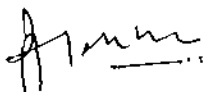
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Purchase of fixed asset are stated inclusive of movements of capital work in progress, Assets under development and capital advances.
- Previous year figures have been regrouped and reclassified where-ever considered necessary to conform to the current year's figures.
- Figures in bracket indicate Cashoutflow.

As per our report of even date attached.

For, A. R. Sulakhe & Co.

Chartered Accountants

Firm Regn. No. : 110540W



Anand Sulakhe

Partner

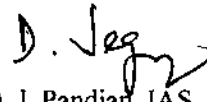
M. No. : 33451



Place : Gandhinagar

Date : 23-05-2012

For and on behalf of Board of Directors



D. J. Pandian, IAS

Chairman



P. P. G. Sarma

Chief Executive Officer

Place: Gandhinagar

Date: 23-05-2012



Tapan Ray, IAS

Director



Ahmed Khan

DGM (Finance) &
Company Secretary

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

NOTE No. 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

GSPC GAS COMPANY LIMITED is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the City Gas Distribution (CGD) business to provide Natural Gas (PNG) to retail, various Industrial, Commercial and Domestic Residential segments' customers. It is also engaged in the business of distribution of CNG Gas to Transport segments' customers through CNG Filling Stations at major cities / towns of the Gujarat state.

1.2 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation and Presentation of Financial Statements

The financial statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The financial statements have been prepared and presented to comply in all material aspects with the Generally Accepted Accounting Principles (Indian GAAP) in India and the Accounting Standards issued by the Institute of Chartered Accountants of India, as notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and the relevant provisions of the Companies Act, 1956. The company has consistently applied the accounting principles and policies; and accounting polices not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (Indian GAAP) in India requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which they are materialized.

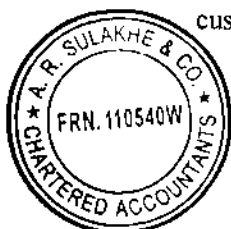
c. Fixed Assets and Capital Work in Progress

(i) Fixed Assets (Tangible)

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

The Company capitalizes to project assets all the cost directly attributable to completing the project. These costs include expenditure of pipelines, plant and machinery, cost of laying of pipeline, cost of survey, commissioning and testing charge, detailed engineering and interest on borrowings attributable to acquisition of such assets. The PNG projects' assets are capitalized at the end of the month in which the asset is put to use / commissioned and CNG projects' assets are capitalized at the date of its commissioning and consequently the borrowing cost attributable to PNG / CNG Projects' assets is added to the capital cost up to their respective date of capitalization.

The gas distribution networks are treated as commissioned when supply of gas commences to the customer(s).



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

(ii) Intangible Assets

Intangible Assets includes amount paid towards obtaining the Right of Use (ROU) of land and Right of Way (ROW) permissions for laying the Gas Pipeline Network, cost of developing software for internal use and corporate club membership. The Company capitalizes software as Intangible Assets in terms of Accounting Standard -26 "Intangible Assets" where it is reasonably estimated that the software has an enduring useful life.

(iii) Capital Work In Progress

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

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

d. Depreciation and Amortization

Depreciation on fixed assets is provided as per Straight Line Method (SLM) at the rates specified and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except as under:

- i. Depreciation on Plant and Machinery - pipelines (Steel and MDPE) is provided at 3.17 % on Straight-Line Method (SLM) considering useful life of thirty years. The company has changed the depreciation rate on natural gas pipelines from 5.28% per annum on SLM basis as per schedule XIV to 3.17% per annum on SLM basis w.e.f. 1st April, 2011 in terms of approval of Ministry of Corporate Affairs (MCA) vide its letter no. 45/2/2011-CL-III dated 1st September, 2011.
- ii. Cost of mobile phones, which are expensed off in the year of purchase.

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 Rs. 5000/- are depreciated fully in the year of purchase / capitalization.

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

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

Right of Way (ROW) Permissions	30 Years
Software and other Intangibles	5 Years

The persuasive evidence exists to the affect that useful life of an intangible asset - Right of Way (ROW) Permission exceeds ten years as against the rebuttable presumption that the useful life of an intangible asset will not exceed ten years. The company amortizes the intangible asset over the best estimate of its useful life. The useful lives of ROW Permission are inextricably linked with the pipeline networks being laid, which corresponds with the useful life of 30 years of Plant and machinery -



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Pipelines for which the Right of Way (ROW) Permission has been obtained. The Useful life of 30 years of the Right of Way (ROW) Permissions is dependent on the useful life of Plant and machinery - Pipelines i.e. Pipeline network of the company.

No Depreciation is being charged on Right of Use (RoU) of Land being perpetual in nature.

e. Impairment of Assets

In accordance with Accounting Standard 28 on "Impairment of Assets" when at the balance sheet date, Fixed Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is then recognized in the Profit and loss statement for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. The impairment loss, if any, recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

f. Revenue Recognition

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

Initial Connection Charges and deposit from customers:

- (i) The amounts collected towards initial connection charges from industrial customers and Commercial-non commercial customers are in the nature of installation fees and for providing, the infrastructure to facilitate the supply of gas and are recognized as revenue only when such infrastructure is laid by the Company and accepted by the customers and supply of gas commences to the customer(s).
- (ii) The amounts collected towards "registration and connection charges" from certain domestic customers are in the nature of "non-refundable charges" to avail the gas connection. Accordingly, the same are recognized as revenue as and when the Company commences the supply of gas to the customers and such amount charged to customers. Until then, the amounts so collected are shown as "Advances received from customers" in the balance sheet. The company has provided the installments facility to the domestic customers towards "connection charges" are in the nature of non-refundable charges, the total amount of such installments are recognized revenue as and when the company commences the supply of gas to the customers.
- (iii) The "registration and connection amounts" collected from certain domestic customers are in the nature of "refundable" to avail the gas connection. Accordingly, the same are recognized as a liability under head "Deposit from Customers" in the balance sheet as and when the Company commences the supply of gas to the customers. Until then, the amounts so collected are shown as advances received from customers in the balance sheet. The company has provided the installments facility to the domestic customers towards "connection amount" are in the nature of refundable, the same are recognized as a liability under head "Deposit from Customers" in the balance sheet as and when the recovered. The difference between the amounts charged from customers for gas connections and amounts of registration and connection" in the nature of refundable, is disclosed as revenue as and when the company commences the supply of gas to the customers.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

(iv) The amounts collected towards extra charges, modification charges and alteration charges from domestic customers are in the nature of non-refundable charges to avail the extra facility for gas connection. Accordingly, the same are recognized as revenue as and when the company complete such installations and the customers accept such installations. Until then, the amounts so collected are shown as "Advances received from customers" in the balance sheet.

(v) The amounts collected towards "Security Deposit" from industrial customers, Commercial-non commercial customers and domestic customers are in the nature of refundable to secure the gas usage bills. Accordingly, the same are recognized as liability under head "Deposit from Customers" in the balance sheet as and when the recovered.

Revenue in respect of interest/ late payment charges on delayed realizations from customers, if any, is recognized on grounds of prudence, as and when recovered and on the basis of certainty of collection, is accounted for on availability of documentary evidence that the customer has accepted the liability.

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

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

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

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

Expenditure charged to profit and loss statement is provided for the period for which the expenditure is incurred. Adequate provisions are made for all known expenses and liabilities.

g. Borrowing Costs

Interest and other costs in connection with the borrowing of funds to the extent they relate to the acquisition / construction of qualifying fixed assets as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such assets up to the date of commissioning. The Expenses incurred in connection with the arrangement of borrowings are capitalized over the period of the borrowing and every year; such cost is apportioned to assets based on the actual amount borrowed during the year. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the profit and loss statement.

h. Investments

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

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



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

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

i. Inventories

Natural Gas in distribution networks being technically not feasible to be quantified due to operational constraints, hence not valued as inventory and not accounted.

Stock of Natural Gas in transporter pipelines is valued at initial purchase cost of gas (refer note No. 25.1 of Notes to Financial Statements).

Stores, spares and consumables are valued at cost on moving weighted average basis.

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

j. Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.

Monetary items (assets and liabilities) denominated in foreign currencies at the period-end are reported at the exchange rate prevailing on the balance sheet date.

Non-monetary foreign currency items are carried at cost using the exchange rates on the date of transaction.

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

k. Employee Benefits

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

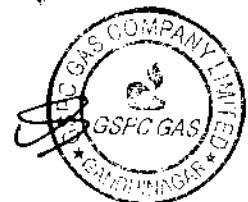
Gratuity and Leave Encashment:

The liability in respect of gratuity benefits and leave encashment 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 charged to the profit and loss statement for the period.

Provident Fund:

Retirement benefits in the form of provident fund and family pension fund, which are defined contribution schemes, are accrued in accordance with statutes and deposited with the Regional Provident Fund Commissioner (RPFC) and charged to the profit and loss statement for the period, in which the contributions to the respective funds accrue.

Short-term employee benefits are recognized as an expense in the profit and loss statement for the year in which related services are rendered.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

l. Preliminary Expenditure

Preliminary expenditure is expensed out in the year in which the expenditure is incurred in line with the provisions of Accounting Standard - 26 on "Intangible Assets".

m. Taxes on Income

Tax provision for the reporting period, comprises of current tax and deferred tax.

Tax provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws that have been enacted as on balance sheet date. Current Tax represents amount of income tax payable in respect of the taxable income for the reporting period.

Deferred tax liability and assets is computed as per Accounting Standard (AS-22) on "Accounting for Taxes on Income". Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

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

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

n. Leases

The Company's significant license arrangements are in respect of operating license for office premises and project offices. The leave and license arrangements range between 11 months to six years, and are renewable by mutual consent on agreed terms and conditions. The aggregate rentals payable are charged as rent expenses in the profit and loss statement for the relevant period.

o. Earnings per Share

The Company reports earnings per share (EPS) in accordance with Accounting Standards - 20 on "Earnings per Share". The earnings considered in ascertaining the Company's EPS comprises of the net profit after tax. Basic earnings per share (BEPS) is computed by dividing the net profit for the current period by the weighted average number of Equity shares outstanding as on the balance sheet date..

The number of shares used in computing diluted earnings per share (DEPS) comprises the weighted average number of Equity Shares considered for deriving basic earnings per share (BEPS), and the weighted average number of Equity Shares that could have been issued on the conversion of all dilutive potential Equity Shares.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

p. Cash Flow Statement

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

q. Prior Period Adjustments

In respect of the transactions pertaining to the one or more prior periods, the expenditure / (income) relating to prior period as a result of errors or omission in the preparation of financial statements, is shown under the head "Prior Period Adjustments Account" in the profit and loss statements as per the provisions of Accounting Standard 5 on "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies".

r. Proposed Dividend

The Dividend as proposed by the board of directors, including tax thereon is provided in the books of account pending approval at the Annual General Meeting.

s. Insurance Claims

The company accounts for insurance claims when there is certainty that the claims are realizable and acknowledge by insurance company and amount recognized in books of accounts is as under :

In case of loss of asset /goods by transferring, either the carrying cost of the relevant asset / goods or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance". In case insurance claim is, less than carrying cost the difference is charged to Profit and Loss statement.

As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

t. Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets", if any, are not recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty but are disclosed in the Notes to Financial Statements.

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

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



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

u. Event Occurring after Balance Sheet Date

Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non adjusting events (that are 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 reports of the board of directors.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 2 SHARE CAPITAL

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

Share Capital	As at 31 March 2012		As at 31 March 2011	
	No. of Shares	(Rupees)	No. of Shares	(Rupees)
Authorised Share capital				
Equity Shares of Rs.10 each	20,00,00,000	2,00,00,00,000	20,00,00,000	2,00,00,00,000
Issued Share capital				
Equity Shares of Rs.10 each	5,92,09,024	59,20,90,240	5,92,09,024	59,20,90,240
Subscribed Share capital				
Equity Shares of Rs.10 each	5,92,09,024	59,20,90,240	5,92,09,024	59,20,90,240
Fully Paid up Share Capital				
Equity Shares of Rs.10 each fully paid	5,92,09,024	59,20,90,240	5,92,09,024	59,20,90,240
Total	5,92,09,024	59,20,90,240	5,92,09,024	59,20,90,240

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

Particulars	As at 31 March 2012		As at 31 March 2011	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid	
	No. of Shares	(Rupees)	No. of Shares	(Rupees)
Shares outstanding at the beginning of the period	5,92,09,024	59,20,90,240	5,92,09,024	59,20,90,240
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the period	5,92,09,024	59,20,90,240	5,92,09,024	59,20,90,240

2.3 TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

2.4 PROPOSED DIVIDEND

(Disclosure pursuant to Note no. 6(U) of Part I of Schedule VI to the Companies Act, 1956)

Particulars	As at 31 March 2012		As at 31 March 2011	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid	
	No. of Shares	(Rupees)	No. of Shares	(Rupees)
Dividends proposed to be distributed to equity shareholders	5,92,09,024	5,92,09,024	5,92,09,024	7,40,11,280
Amount per share dividend distributed to equity shareholders		1.00		1.25

2.5 SHARE HOLDING BY PRESCRIBED ENTITIES

(Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956)

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

Share Holder	Nature of Relationship	As at 31 March 2012		As at 31 March 2011	
		Equity Shares of Rs. 10 each fully paid (Number)	(Rupees)	Equity Shares of Rs. 10 each fully paid (Number)	(Rupees)
Gujarat State Petroleum Corporation Limited	Holding Company	3,66,92,358	36,69,23,580	3,66,92,358	36,69,23,580
Gujarat State Petronet Limited	Subsidiary Company of Holding Company	2,16,66,666	21,66,66,660	2,16,66,666	21,66,66,660
Gujarat State Energy Generation Limited	Associate Company of Holding Company	2,50,000	25,00,000	2,50,000	25,00,000

2.6 SHAREHOLDERS HOLDING MORE THAN 5% OF TDTAL SHARE CAPITAL

(Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956)

NAME of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs. 10 each fully paid				
Gujarat State Petroleum Corporation Limited, (Holding Company)	3,66,92,358	61.97%	3,66,92,358	61.97%
Gujarat State Petronet Limited, (Subsidiary Company of Holding Company)	2,16,66,666	36.59%	2,16,66,666	36.59%



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

2.7 ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH, BONUS SHARES AND BUYBACK OF SHARES

(Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956)

Particulars	Year (Aggregate No. of Shares)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Equity Shares:					
Equity Shares of Rs. 10 each fully paid pursuant to contract(s) without payment being received in cash <i>(Refer sub note 2.7.1 below)</i>	-	1,37,60,842	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

2.7.1 Fully paid up pursuant to the Scheme of Demerger of CNG PNG Business of Gujarat State Petroleum Corporation Limited (GSPC) and allotted the following shares without payment being received in cash (other than Cash)

Name of allottee	No of shares (Fully Paid up Equity share)	Fully Paid up Share capital @ Rs.10 per share	Premium @ Rs. 5 per Share	Total Consideration	Date of allotment
Gujarat State Petroleum Corporation Limited (Holding Company)	1,37,60,842	13,76,08,420	6,88,04,210	20,64,12,630	05-03-2008

2.8 CALLS UNPAID BY DIRECTORS AND OFFICERS

(Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956)

Particulars	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	(Rupees)	No. of Shares held	(Rupees)
By Directors	-	-	-	-
By Officers	-	-	-	-

2.9 FORFEITED SHARES

(Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956)

Particulars	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	(Rupees)	No. of Shares held	(Rupees)
Forfeited Shares	-	-	-	-
Originally Paid up	-	-	-	-



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 3 RESERVES AND SURPLUS

Reserve and Surplus	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011	As at 31 March 2011
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
a. Securities Premium Account				
Opening Balance		34,05,70,870		34,05,70,870
Add : Securities premium credited on Share issue		-		-
Less : Premium Utilised for various reasons		-		-
Premium on Redemption of Debentures For Issuing Bonus Shares				
Closing Balance	-	34,05,70,870	-	34,05,70,870
b. General Reserve				
Opening Balance		3,67,88,420		-
(+) Current Year Transfer		-		3,67,88,420
(-) Written Back in Current Year		-		-
Closing Balance	-	3,67,88,420	-	3,67,88,420
c. Surplus in Statement of Profit and Loss				
Opening balance		2,60,26,60,181		1,25,39,29,572
(+) Net Profit/(Net Loss) For the current year		1,06,06,39,817		1,47,15,36,788
(+) Transfer from Reserves		-		-
Less : Appropriations:				
(-) Proposed Dividends	5,92,09,024		7,40,11,280	
(-) Corporate Dividends Tax on Dividend	96,05,185		1,20,06,480	
(-) Interim Dividends	-	6,88,14,209	-	8,60,17,760
(-) Transfer to General Reserves	-	-	3,67,88,420	3,67,88,420
Total Appropriations	6,88,14,209		12,28,06,180	
Closing Balance		3,59,44,85,788		2,60,26,60,181
Total		3,97,18,45,078		2,98,00,19,471

Note 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

4.1 The Company has received the share application money from the following applicants:

S. No.	Name of Applicant	As at 31 March 2012 (in Rupees)	As at 31 March 2011 (in Rupees)
1	Gujarat State Fertilizers and Chemicals Limited.	25,00,00,000	25,00,00,000
2	Gujarat State Petronet Limited (Refer Note 4.1.1 and 4.1.2 below)	27,60,43,751	27,60,43,751
3	Government of Gujarat	78,42,00,000	28,42,00,000
4	Gujarat Industrial Development Corporation	25,00,00,000	25,00,00,000
5	Gujarat Alkalies and Chemicals Limited	20,00,00,000	20,00,00,000
	Total	1,76,02,43,751	1,26,02,43,751

4.1.1 The Company has acquired assets of Rs. 17,60,43,751/- consisting of Steel Pipelines situated in the State of Gujarat from Gujarat State Petronet Limited (GSPL) with effect from 01.10.2010 through executing the Sale Deed dated 29th October, 2010. In pursuance of the sale deed, consideration for purchase of such assets, will be paid by the allotment of fully paid up Equity Shares of the aggregate value of Rs. 17,60,43,751/-.

4.1.2 As per the understanding between the company and its promoter group company (i.e. GSPC and GSPL), the company pays interest on share application money received from GSPL @ 9.50% p.a. till the date of allotment of shares.

4.2 Terms and Conditions

The Company does not have any share agreement or term sheet with Share Applicant(s).



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

4.3 Authorised Share Capital

At present, the Authorised share capital of the company is Rs. 200,00,00,000/- divided into 20,00,00,000 equity shares of Rs. 10/- each. The proposed issue of Equity Shares will be made considering the premium amount. In the opinion of the management, the Company has sufficient authorised share capital to cover the share capital amount on allotment of shares out of share application money received.

4.4 Interest Accrued on Amount due for refund

Not applicable as there is no amount to be refunded to share applicant(s).

4.5 Period for Allotment

The period of allotment is not fixed as there is no agreement or term sheet or Share application form or any conditions at the time of acceptance of the share application amount.

Note 5 LONG TERM BORROWINGS

<u>Long Term Borrowings</u>	As at 31 March 2012 (Rupees)	As at 31 March 2011 (Rupees)
<u>LONG TERM LOAN</u>		
<u>Secured</u>		
(a) Term loans		
from banks	2,65,85,21,674	2,80,23,42,929
<i>(Refer detailed Note 5.1 below)</i>		
<u>Unsecured</u>		
(a) Term loans		
from other parties	-	-
	2,65,85,21,674	2,80,23,42,929
In case of continuing default as on the balance sheet date in repayment of loans and interest		
<i>The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.</i>		
1. Period of default	-	-
2. Amount of Loan	-	-
3. Amount of Interest	-	-
Total - [A]	2,65,85,21,674	2,80,23,42,929
<u>MEDIUM TERM LOAN</u>		
<u>Unsecured</u>		
(a) Term loans		
from banks	9,99,99,897	-
<i>(Refer detailed Note 5.2 below)</i>		
<u>Unsecured</u>		
(a) Term loans		
from other parties	1,14,99,99,999	48,33,33,335
<i>(Refer detailed Note 5.2 below)</i>		
	1,24,99,99,896	48,33,33,335
In case of continuing default as on the balance sheet date in repayment of loans and interest		
<i>The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.</i>		
1. Period of default	-	-
2. Amount of Loan	-	-
3. Amount of Interest	-	-
Total - [B]	1,24,99,99,896	48,33,33,335
Total - [A + B]	3,90,85,21,570	3,28,56,76,264



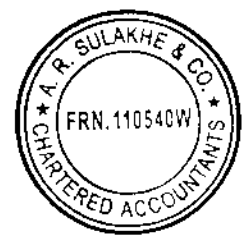
GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

SECURED LOANS	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2012	Terms of repayment of term loans	Repayment Terms & Conditions				Amount of Instalment within 31.03.2012 from 31.03.2012	Number of Instalments	Period of maturity with respect to 31.03.2012	Total Number of Instalments	Percentage of amount due within 31.03.2012	Amount due on 31.03.2012			
			Monthly instalment along with interest from December 2010 or after moratorium period of one year from the date of loan	May-17	62	12							11.75%	2,791,61,346	
Bank of Maharashtra	59,92,82,455	Quarterly Installment from December 2012	36,24,70,639	28	28	2	2	Sep-19	28	12.20%	55,64,25,313	36,24,70,639	4,28,57,142	-	-
Corporation Bank	24,21,17,142	Quarterly Installment from December 2012	12,24,83,882	28	28	2	2	Sep-19	28	12.40%	22,47,95,718	12,24,83,882	1,73,21,424	-	-
UCO Bank	34,06,79,826	Quarterly Installment from December 2012	15,24,96,866	28	28	2	2	Sep-19	28	12.25%	31,63,22,682	15,24,96,866	2,43,57,144	-	-
Total	3,28,68,92,818		3,62,49,90,693								2,65,85,21,674	2,80,23,42,929	62,83,71,144	82,26,47,764	
The above amount includes :															
Secured Borrowings											2,65,85,21,674	2,80,23,42,929	62,83,71,144	82,26,47,764	
Un Secured Borrowings											-	-	-	-	
** Less : Amount disclosed under the head "other Current Liabilities" (Note No. 10)											-	-	-	-	
Net Amount											2,65,85,21,674	2,80,23,42,929	62,83,71,144	82,26,47,764	

The detail of security given and other information for all loans is as under :

Security *	As at 31 March 2012	As at 31 March 2011
Secured and Unsecured	Secured	Secured
Nature of Security (Assets against which it is secured)	First pari - passu charge on Present & Future Fixed Assets (Movable & Immovable) of the Company Second pari - passu charge on Present & Future Current Assets of the Company	First pari - passu charge on Present & Future Fixed Assets (Movable & Immovable) of the Company Second pari - passu charge on Present & Future Current Assets of the Company
Guaranteee by Directors or others.	None of the loan has been guaranteed by the directors or others.	None of the loan has been guaranteed by the directors or others.
Loan from related party	None of the loan has been taken from the related party(ies).	None of the loan has been taken from the related party(ies).



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

5.2 MEDIUM TERM LOAN BORROWINGS

UNSECURED LOANS	TOTAL OUTSTANDING AMOUNTS IN Rupees	TOTAL OUTSTANDING AMOUNTS IN Rupees	Repayment Terms				Rate of interest on 31.03.2012	Amount of Rupees	As at 31.03.2012
			Terms of payment of term	Period of maturity with respect to instalments along with interest	Total Number of instalments payable within the year from 31.03.2011	Number of instalments payable within the year from 31.03.2011			
Medium Term Loans from Financial Institutions									
Gujarat State Financial Services Ltd	18,33,33,333	36,66,66,667	In 6 Equal Half Yearly Instalments along with interest	Mar-13	6	2	9.25%	18,33,33,335	
Gujarat State Financial Services Ltd II	30,00,00,000	45,00,00,000	In 6 Equal Half Yearly Instalments along with interest	Oct-13	6	2	9.25%	30,00,00,000	
Gujarat State Financial Services Ltd III	1,66,66,66,667	-	In 6 Equal Half Yearly Instalments along with interest	Jul-14	6	2	9.25%	66,66,66,668	
Total (A)	2,15,00,00,000	81,66,66,667						48,33,33,335	
Medium Term Loans from Banks									
Dena Bank	9,99,99,897	-	Bullet Payment from first Disbursement not exceeding 18 Months from the date of first disbursement	Sep-13	1	-	10.70%	9,99,99,897	
Total (B)	9,99,99,897	-						-	
Total (A+B)	2,24,99,99,897	81,66,66,667						48,33,33,335	
The above amount of unsecured medium term loan borrowings includes :									
** Less : Amount disclosed under the head "other Current Liabilities" (Note No. 10)									
Net Amount									
								1,00,00,00,001	
								1,00,00,00,001	
								33,33,33,332	

The detail of security given and other information for all loans is as under :

Security	AS AT 31 MARCH 2012	AS AT 31 MARCH 2011
Secured and Unsecured Nature of Security	Un-Secured Demand Promissory Note and Post dated cheques for repayment of principal and interest	Un-Secured Demand Promissory Note and Post dated cheques for repayment of principal and interest
Guaranteee by Directors or others.	Name of the loan has been guaranteed by the directors or others.	None of the loan has been guaranteed by the directors or others.
Loan from related party	Name of the loan has been taken from the related party(ies).	Name of the loan has been taken from the related party(ies).



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 6 DEFERRED TAX LIABILITY (NET)

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

Component	Deferred Tax Asset as on 31/03/2012 (Rupees)	Deferred Tax Liability as on 31/03/2012 (Rupees)	Deferred Tax Asset as on 31/03/2011 (Rupees)	Deferred Tax Liability as on 31/03/2011 (Rupees)
Depreciation	-	99,89,36,237	-	66,54,15,174
Expenditure Disallowed U/s. 43B of the Income Tax Act, 1961	58,35,208		33,38,621	-
TOTAL	58,35,208	99,89,36,237	33,38,621	66,54,15,174
Net Amount Recognised in the Balance sheet		99,31,01,029		66,20,76,553
Increasing/(Decreasing) during the year and recognised in Profit and Loss Statement		33,10,24,476		26,84,50,570

Note 7 LONG TERM PROVISIONS

Long term provisions	As at 31 March 2012 (Rupees)	As at 31 March 2011 (Rupees)
Provision for employee benefits		
(a) Gratuity (unfunded) (Refer note 7.1)	14,08,679	5,74,057
(b) Leave Encashment (unfunded) (Refer note 7.1)	1,41,36,705	86,83,229
(c) Other Provisions	-	-
Total	1,55,45,384	92,57,286

7.1 The Company has implemented Accounting Standard - 15 (AS-15) (Revised 2005) on "Employee Benefits", issued by the Institute of Chartered Accountants of India.

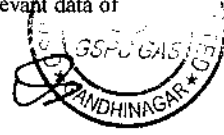
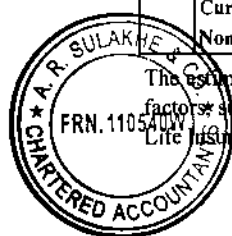
(a) **Provident Fund** - Defined Contribution Plan

All employees are entitled to provident fund benefits and amount charged to profit and loss account during the period is Rs. 1,05,86,442 /- (Previous year Rs. 76,04,476/-).

(b) **Gratuity and Leave Encashment** - Defined Benefit Plans (payable in future) - Provision has been made for gratuity and leave encashment as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

A. Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	For the year ended at 31 st March, 2012	For the year ended at 31 st March, 2012	For the year ended at 31 st March, 2011	For the year ended at 31 st March, 2011
Discount rate	8.50%	8.50%	8.50%	8.50%
Rate of return on plan assets	N.A.	N.A.	N.A.	N.A.
Salary Escalation	7%	7%	7%	7%
B. Change in Defined Benefit Obligations	Amount in Rs	Amount in Rs	Amount in Rs	Amount in Rs
Liability at the beginning of the period	5,91,929	89,65,130	4,14,463	57,73,243
Interest Cost	50,314	7,62,036	34,318	4,78,025
Current Service Cost	2,33,174	31,88,950	1,32,205	22,56,846
Benefits Paid	(2,75,394)	(22,66,125)	-	(6,28,154)
Actuarial (gain) / Loss on obligations	8,41,119	39,36,590	10,944	10,85,170
Liability at the end of the period	14,41,142	1,45,86,581	5,91,929	89,65,130
C. Expenses Recognised in the Profit and Loss Statement				
Current Service Cost	2,33,174	31,88,950	1,32,205	22,56,846
Interest Cost	50,314	7,62,036	34,318	4,78,025
Actuarial (gain) / Loss	8,41,119	39,36,590	10,944	10,85,170
Expenses charged to Profit and Loss Statement	11,24,607	78,87,576	1,77,466	38,20,041
D. Balance Sheet Reconciliation				
Opening Net Liability	5,91,929	89,65,130	4,14,463	57,73,243
Expenses Charged to Profit and Loss Statement	11,24,607	78,87,576	1,77,466	38,20,041
Benefits Paid	(2,75,394)	(22,66,125)	-	(6,28,154)
Closing Liability	14,41,142	1,45,86,581	5,91,929	89,65,130
E. Current/Non-Current Liability :				
Current	32,463	4,49,876	17,872	2,81,901
Non-Current	14,08,679	1,41,36,705	5,74,057	86,83,229

The estimates of future salary increase, considered in the actuarial valuation takes into account inflation, promotion and other relevant factors such as supply and demand in the employment market. Future separation and mortality rates are obtained from relevant data of Life Insurance Corporation of India.

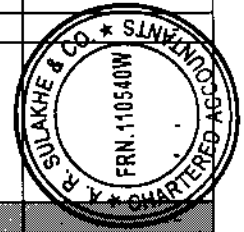


GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 8 SHORT TERM BORROWINGS

Short Term Borrowings	As at 31 March 2012 (Rupees)	As at 31 March 2011 (Rupees)
Unsecured		
(a) Loans repayable on demand from banks	-	-
In case of continuing default as on the balance sheet date in repayment of loans and interest		
1. Period of default		
2. Amount		
3. Amount of Interest		
Total	-	-



Note 9 TRADE PAYABLES

Trade Payables	As at 31 March 2012 (Rupees)	As at 31 March 2011 (Rupees)
a. Sundry Creditors - Gas Purchase / Transmission	1,64,91,21,558	91,94,24,887
b. Sundry Creditors - Others <i>(Refer Note 10.1 for details of dues to micro and small enterprises)</i>	7,05,38,787	6,99,31,273
Total	1,71,96,60,345	98,93,56,160

9.1 The balances of some of the parties of Trade payables for the amount due to them are subject to confirmation. Necessary adjustments, if any, will be made when the accounts are settled after the confirmation is received.

Note 10 OTHER CURRENT LIABILITIES

Other Current Liabilities	As at 31 March 2012 (Rupees)	As at 31 March 2012 (Rupees)	As at 31 March 2011 (Rupees)	As at 31 March 2011 (Rupees)
Other Current liabilities :				
(a) Current maturities of long-term debt (Term Loans)				
From Bank (Secured)	62,83,71,144		82,26,47,764	
From Other Parties (Unsecured) <i>(Refer Note No. 5.1 and 6.1)</i>	1,00,00,00,001	1,62,83,71,145	33,33,33,332	1,15,59,81,096
(b) Interest accrued but not due on borrowings		4,27,78,082		1,34,09,590
(c) Interest accrued and due on deposits from Customers		-		7,52,005
(d) Interest accrued and due on Share Application Money		1,77,66,054		96,13,470
Others Payable :				
(e) Sundry Creditors for Capital Goods and Services <i>(Refer Note 10.1 for details of dues to micro and small enterprises)</i>		55,33,95,318		83,01,52,372
(f) PF Payable		-		12,10,497
(g) Duties and Taxes		11,72,03,897		11,33,99,495
(h) Advances Received from Customers		18,49,01,448		24,81,14,012
(i) Security Deposit received from Suppliers		1,68,89,800		1,48,93,035
(j) Security Deposits received from Customers		1,03,52,34,473		57,81,98,058
(k) Unpaid Dividends		-		-
Total		3,59,65,40,217		2,96,57,33,630



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

10.1 Information in respect of Micro, Small and Medium Enterprises Development Act, 2006:

The Company had sought confirmation from the vendors whether they fall in the category of Micro, Small and Medium Enterprises and claiming their status as Micro, Small and Medium Enterprises. Based on the information available with the company, in absence of confirmation from the vendors during the year company has not shown the same, however last year detail has been disclosed in financial statements are given below:

No.	Particulars	As at 31st March, 2012 (Rupees)	As at 31st March, 2011 (Rupees)
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	4,65,69,601
(ii)	the amount of interest paid by the company in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year,	-	-
(iii)	the amount of 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 MSMED Act, 2006;	-	-
(iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
(v)	the amount of further interest remaining due and payable even in the succeeding years, until such dated when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23."	-	-

Note 11 SHORT TERM PROVISIONS

(Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956)

Short Term Provision	As at 31 March 2012 (Rupees)	As at 31 March 2012 (Rupees)	As at 31 March 2011 (Rupees)	As at 31 March 2011 (Rupees)
(a) Provision for Income Tax				
Total Income Tax Payable	34,91,20,437		45,19,76,743	
Less: MAT Credit Utilization	-		1,53,17,628	
Less: Advance Tax Paid and TDS	34,15,01,141		36,69,72,089	
Net Provision for Income Tax		76,19,296		6,96,87,026
(b) Provision for Interest on Income Tax		18,88,627		1,18,36,510
(c) Provision for Wealth Tax		24,550		-
(d) Provision for Proposed Dividend	5,92,09,024		7,40,11,280	
(e) Provision for Dividend Distribution Tax	96,05,185	6,88,14,209	1,20,06,480	8,60,17,760
(f) Provision for Expenditures				
For Revenue Expenditures	1,33,76,935		99,22,924	
For Capital Expenditures	17,57,99,054	18,91,75,989	2,65,96,184	3,65,19,108
(g) Provision for employee benefits				
Gratuity (unfunded)	32,463		17,872	
Leave Encashment (unfunded)	4,49,876	4,82,339	2,81,901	2,99,773
<i>(Refer note no. : 8.1)</i>				
Total		26,80,05,010		26,43,60,177



GSPC GAS COMPANY LIMITED

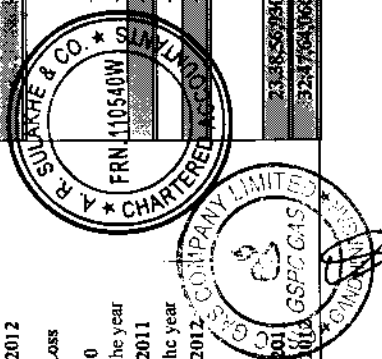
Notes to financial statements for the year ended 31 March 2012

Note 12 FIXED ASSETS

(Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J and Note no. L of Part I of Schedule VI to the Companies Act, 1956)

12.1 TANGIBLE ASSETS

	(Amount in Lakhs)																			
	Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipments	Freehold	Leasehold	Gravel										
I																				
Cost or valuation																				
At 1 April 2010	20,67,06,322	14,97,63,094	5,55,79,06,691	3,33,86,718	2,63,47,250	3,56,66,906	2,21,82,410	6,03,19,59,391	8,91,77,760	6,12,11,37,151										
(a) Additions	2,71,50,608	15,84,21,467	3,00,56,32,300	84,38,777	58,47,760	87,80,334	5,22,27,680	3,26,64,98,945	10,64,650	3,26,75,63,595										
(b) Disposals	-	-	-	-	-	-	-	-	-	-										
(c) Transfer to assets held for sale (discontinuing operation)	-	-	-	-	-	-	-	-	-	-										
(d) Other adjustments	-	-	-	-	-	-	-	-	-	-										
(e) Borrowing costs	-	2,81,11,530	5,66,87,736	-	-	-	-	-	-	-										
At 31 March 2011	23,38,56,930	30,81,84,591	8,56,35,387	4,18,25,495	2,19,95,010	4,44,47,240	7,44,10,090	9,29,84,58,336	10,24,410	9,38,77,046										
(a) Additions	9,09,07,136	10,98,70,159	2,10,74,74,501	1,05,75,515	2,67,03,903	77,02,508	1,37,86,704	2,36,70,20,425	93,93,664	2,37,64,14,089										
(b) Acquired through business combinations	-	-	-	-	-	-	-	-	-	-										
(c) Disposals	-	-	14,91,778	3,86,712	14,61,481	90,510	-	34,30,481	1,24,75,050	1,59,05,531										
(d) Other adjustments	-	-	(57,18,104)	-	-	-	-	(57,18,104)	-	(57,18,104)										
(e) Borrowing costs	-	47,02,005	4,58,06,070	-	-	-	-	5,05,08,075	-	5,05,08,075										
At 31 March 2012	32,47,64,066	41,80,56,554	10,76,62,97,815	5,20,14,298	3,57,43,432	5,20,59,738	8,81,96,794	11,79,16,37,512	11,75,162	12,94,27,541										
II																				
Depreciation																				
At 1 April 2010	-	24,54,380	47,00,25,082	31,29,899	58,81,968	51,19,409	66,55,964	49,95,33,002	24,54,380	50,19,87,382										
(a) Charge for the year	-	21,40,360	36,36,16,967	24,20,373	34,41,588	19,08,342	51,51,669	38,08,66,685	21,40,360	38,30,07,045										
(b) Disposals	-	-	-	-	-	-	-	-	-	-										
(c) Transfer to assets held for sale (discontinuing operation)	-	-	-	-	-	-	-	-	-	-										
At 31 March 2011	-	45,94,740	83,36,42,049	55,50,272	93,23,556	70,27,751	1,18,07,633	88,03,99,687	45,94,740	88,49,94,427										
(a) Charge for the year	-	18,18,763	39,27,99,737	31,83,767	48,86,038	23,80,310	1,27,62,869	42,24,76,844	18,18,763	42,42,95,607										
(b) Disposals	-	-	3,74,616	1,01,437	5,59,446	11,403	-	10,46,902	5,11,168	15,58,070										
At 31 March 2012	-	64,135,503	1,22,60,67,170	86,51,709	1,56,60,148	93,66,638	1,45,70,502	1,30,18,79,530	64,135,503	1,30,18,79,530										
III																				
Impairment Loss																				
At 1 April 2010	-	-	-	-	-	-	-	-	-	-										
Charge for the year	-	-	-	-	-	-	-	-	-	-										
At 31 March 2011	-	-	-	-	-	-	-	-	-	-										
Charge for the year	-	-	-	-	-	-	-	-	-	-										
At 31 March 2012	-	-	-	-	-	-	-	-	-	-										
IV																				
Net Block																				
At 31 March 2011	23,38,56,930	30,81,84,591	7,78,65,04,677	3,62,75,223	2,28,71,454	3,74,18,499	6,76,02,458	8,40,03,67,936	8,56,47,670	8,38,57,65,835										
At 31 March 2012	32,47,64,066	41,80,56,554	9,54,02,30,246	4,33,81,696	4,27,87,284	4,26,92,600	6,36,24,293	10,48,98,07,982	10,10,27,246	10,68,05,518										



GSPC GAS COMPANY LIMITED

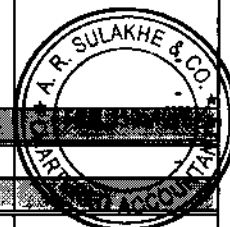
Notes to financial statements for the year ended 31 March 2012

Note 12 FIXED ASSETS

(Disclosure pursuant to Nate no. I (i), (ii), (iii); Nate na. J (i),(ii); Nate na. J and Nate na. L of Part I of Schedule VI to the Companies Act, 1956)

12.2 INTANGIBLE ASSETS

Particulars	ROW	ROU	Software and other Intangibles	Total
	Permissions			
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
	(1)	(2)	(3)	(4)=(1)+(2)+(3)
I Gross Block				
At 1 April 2010	40,84,59,482	2,95,34,298	6,08,01,135	49,87,94,915
(a) Purchase	13,61,24,692	64,64,908	13,04,07,026	27,29,96,626
(b) Disposals	-	-	-	-
(c) Internal Development	-	-	-	-
(d) Other adjustments	-	-	-	-
(e) Borrowing costs	93,93,664	62,902	27,305	94,83,871
At 31 March 2011	55,39,77,838	3,60,62,108	19,12,35,466	78,12,75,412
(a) Purchase	11,08,25,447	1,27,08,042	3,51,61,223	15,86,94,711
(b) Acquired through business combinations	-	-	-	-
(c) Disposals	11,91,900	-	-	11,91,900
(d) Other adjustments	-	-	-	-
(e) Borrowing costs	7,74,760	15,172	-	7,89,932
At 31 March 2012	66,43,86,145	4,87,85,322	22,63,96,689	93,95,68,156
II Amortization				
At 1 April 2010	3,64,19,223	-	1,03,83,678	4,68,02,901
(a) Charge for the year	2,44,85,676	-	1,61,67,973	4,06,53,649
(b) Disposals	-	-	-	-
At 31 March 2011	6,09,04,899	-	2,65,51,651	8,74,56,550
(a) Charge for the year (Refer Note no. 12.14 Below)	2,01,54,879	-	3,83,79,601	5,85,34,480
(b) Disposals	71,055	-	-	71,055
At 31 March 2012	8,09,88,723	-	6,49,31,252	14,59,19,975
III Impairment Loss				
At 1 April 2010	-	-	-	-
Charge for the year	-	-	-	-
At 31 March 2011	-	-	-	-
Charge for the year	-	-	-	-
At 31 March 2012	-	-	-	-
IV Net Block				
At 31 March 2011	49,30,73,939	3,60,62,108	16,46,33,815	69,37,69,862
At 31 March 2012	58,33,97,422	4,87,85,322	16,14,65,437	79,36,48,181



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

12.3 CAPITAL WORK IN PROGRESS

Sr. No.	Capital Work-in-Progress	As at 31 March 2012	As at 31 March 2011
		(in Rupees)	(in Rupees)
1	Capital Inventory (CNG and PNG Projects) (Refer Note No. 12.10 below)	1,08,88,98,983	1,19,11,65,564
2	Capital Work-in-Progress (CNG and PNG Projects)	1,59,51,93,372	69,73,52,562
3	Interest During the construction period	9,86,87,575	5,65,57,023
4	Loan Syndication Expense	3,14,21,056	3,14,21,056
	Total	2,81,42,00,986	1,97,64,96,205

12.4 INTANGIBLE ASSETS UNDER DEVELOPMENT

Sr. No.	Intangible Assets under development	As at 31 March 2012	As at 31 March 2011
		(in Rupees)	(in Rupees)
1	Software Assets under Development	20,24,268	16,71,308
	Total	20,24,268	16,71,308

12.5 IMPAIRMENT OR REVALUATION

Disclosure pursuant to Note no. 1 (iv) and J (iii) of Part 1 of Schedule VI to the Companies Act, 1956

The following disclosure is for each class of asset :

Particulars	Financial Year				
	2007-08	2008-09	2009-10	2010-11-2011	2011-12
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Asset details:					
Balance as at 1 April	-	-	-	-	-
a. Impairment	-	-	-	-	-
b. Revaluation	-	-	-	-	-
Balance as at 31 March	-	-	-	-	-

12.6 There is no impairment of any assets in terms of Accounting Standard - 28 (AS-28) on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of assets.

12.7 The Company has constructed / installed CNG stations building and machinery on land taken on leased from various lessees under lease deed for periods ranging from 35 years to 99 years. However, assets constructed / installed on such land has been depreciated at the rates specified in Schedule XIV to the Companies Act, 1956, as the management does not foresee non-renewal of the above lease arrangements by the lessees.

Capital assets installed at the consumer premises on the land of the customers, have been depreciated at the rates specified in schedule XIV of the Company's Act, 1956.

12.8 Capital Work in Progress includes Rs. 9,86,87,575/- (Previous year Rs. 5,65,57,023/-) of borrowing cost capitalised pertaining to borrowings for qualifying assets as per AS-16.)

12.9 Additions to the fixed Assets during the current period includes borrowing costs capitalized Rs. 5,12,98,007/- (Previous year Rs. 8,67,93,994) pertaining to borrowings for qualifying assets as per the requirements of AS-16 "Borrowing Costs" issued by the Institute of Chartered Accountants of India.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

12.10 At the end of the previous financial year 2010-11, for initial uploading of inventory in new SAP system, the Company had reconciled the inventory of project material (Capital Inventory) and store, spares and consumables as on 31.01.2011. The company had passed the accounting entry towards inventory value of quantity mismatch (Shortage) between physical list and financial books of accounts as on 31.01.2011 and at the close of Financial Year 2010-2011 in the Books of accounts of the Company, a shortage of Rs 3,41,29,706/- was shown under a "Inventory under Reconciliation Account" under Capital Inventory – Capital Work in Progress in the Balance sheet.

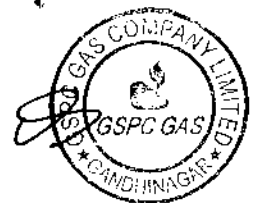
The management, as remedial measure has undertaken the reconciliation during Financial Year 2011-12 as well, and all the capital inventory (of the Company including the inventory issued to the contractors) was verified by independent agency except project inventory which was either issued to the project or contractor(s) storage capital inventory which was in the process of various stages of the project execution. The outcome of the exercise resulted into the excess inventory balance of Rs 70,31,886/-. The reason of excess inventory balance can only be ascertained when the project capital inventory under various stages of project is verified till then the Company has not passed any debit/credit entry into Profit and Loss statement of the Company. Once such activity is completed, the balance amount of shortage/excess , if any, shall be provided in the Profit and Loss account in next year. Till the time, amount of excess inventory of Rs. 70,31,886/- is shown as "Inventory under Reconciliation Account" under Capital Inventory – Capital Work in Progress in the Balance sheet, and not dealt in Profit and Loss statement for the current year.

12.11 Leasehold Land disclosed under Tangible assets includes land in respect of certain projects for which execution of lease/conveyance deeds are in process or yet to be executed or registered on 31st March, 2012.

12.12 Buildings have been constructed on Free hold Land as well as Lease hold land acquired on lease.

12.13 Depreciation on Plant and Machinery - Gas pipelines (Steel and MDPE) is provided at 3.17 % on Straight-Line Method (SLM) considering useful life of thirty years. The company has changed the depreciation rate on natural gas pipelines from 5.28% per annum on SLM basis as per schedule XIV to 3.17% per annum on SLM basis w.e.f. 1st April, 2011 in terms of approval of Ministry of Corporate Affairs (MCA) vide its letter no. 45/2/2011-CL-III dated 1st September, 2011. Due to change in depreciation rate, there is a reduction in depreciation charged to Profit and Loss Statement amounting to Rs. 10,47,78,173/- with consequent increase in Profit Before Tax (PBT) and Net block of Tangible Fixed Assets.

12.14 Amortization on Right of Way permissions (ROW) is provided on Straight-Line Method (SLM) considering useful life of 19 years. The company has changed the depreciation rate on natural gas pipelines from 5.28% per annum on SLM basis as per schedule XIV to 3.17% per annum on SLM basis w.e.f. 1st April, 2011 in terms of approval of Ministry of Corporate Affairs (MCA) vide its letter no. 45/2/2011-CL-III dated 1st September, 2011. Due to change in depreciation rate, The useful life of the ROW has been changed from 19 years to 30 years as the useful lives of ROW is dependent on the useful life of Pipeline - Plant and machinery. Due to change in amortization period, there is a reduction in amortization of assets charged to Profit and Loss Statement amounting to Rs. 1,16,85,927/-with consequent increase in Profit Before Tax (PBT) and Net block of Intangible Fixed Assets.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 13 NON-CURRENT INVESTMENTS

(Disclosure pursuant to Note no. K (i) of Part I of Schedule VI to the Companies Act, 1956)

Non-Current Investments	As at 31 March 2012	As at 31 March 2011
	(Rupees)	(Rupees)
Other Investments		
Investment in Equity instruments <i>(Refer Note 13.2 below)</i>	17,55,000	17,55,000
Total	17,55,000	17,55,000
Less : Aggregate Provision for diminution in the value of Investments (Krishna Godavari Gas Network Limited)	6,75,000	-
Total	10,80,000	17,55,000

13.1 AGGREGATE AMOUNT OF QUOTED AND UNQUOTED

(Disclosure pursuant to Note no. K (iii)(a) and K(iii)(b) of Part I of Schedule VI to the Companies Act, 1956)

Particulars	As at 31 March 2012	As at 31 March 2011
	(Rupees)	(Rupees)
Aggregate amount of quoted investments (Market value of Rs. N.A. (Previous Year Rs. N.A.))	-	-
Aggregate amount of unquoted investments	17,55,000	17,55,000
Aggregate amount of Provision for diminution in the value of Investments	6,75,000	-



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Notes to financial statements for the year ended 31 March 2012

13.2 Details of Other Investments

Investment in Equity instruments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)	Amount (Rupees)	Whether stated at Cost / Yes / No	Refer to Column 10		
(1)	(2)	(3)	(4) As at 31 March 2012	(5) As at 31 March 2011	(6)	(7)	(8) As at 31 March 2012	(9) As at 31 March 2011	(10) As at 31 March 2012	(11) As at 31 March 2011	(12)
(a)	Investment in Equity Instruments										
1	Guj Info Petro Limited	Associate Company	25,000	25,000	Unquoted	Equity Shares of Rs.10 each fully paid	49.94%	49.94%	2,50,000	2,50,000	Yes
2	Krishna Godavari Gas Network Limited	Other	1,50,000	1,50,000	Unquoted	Equity Shares of Rs.10 each fully paid	3.00%	3.00%	15,00,000	15,00,000	Yes
3	The Kalapur Co Op Comm Bank Ltd	Other	200	200	Unquoted	Equity Shares of Rs.25 each fully paid	0.001%	0.001%	5,000	5,000	Yes
	Total								17,55,000	17,55,000	



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Notes to financial statements for the year ended 31 March 2012

Note 14 LONG TERM LOANS AND ADVANCES - NON CURRENT ASSETS

Long Term Loans and Advances	As at 31 March 2012		As at 31 March 2011	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
a. Capital Advances				
To Others [Unsecured, considered good]	6,77,13,318		6,15,76,536	
To related parties [Unsecured, considered good]	-		93,93,664	
Less: Provision for doubtful advances		6,77,13,318	-	7,09,70,200
b. Security Deposits				
To Others [Unsecured, considered good]	12,65,55,799		8,37,15,249	
To related parties [Unsecured, considered good]	1,02,00,000		68,00,000	
Less: Provision for doubtful deposits (Refer Note No. 14.3)		13,67,55,799	-	9,05,15,249
c. Loan to Employees				
To Employees [Unsecured, considered good]	15,14,645		27,770	
Less: Provision for doubtful Loan	-	15,14,645	-	27,770
d. Prepaid Expenses				
For Rent CPRS/MRS	54,80,597		48,22,362	
Less: Provision for doubtful	-	54,80,597	-	48,22,362
e. Advance against Expenses				
For Advance against Expenses [Unsecured, considered good]	18,06,128		18,06,128	
Less: Provision for doubtful	-	18,06,128	-	18,06,128
f. CENVAT Credit				
CENVAT Credit Account	40,15,420		99,408	
Less: Provision for doubtful	-	40,15,420	-	99,408
Total		21,72,85,907		16,82,41,117

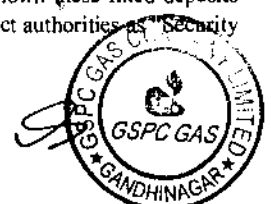
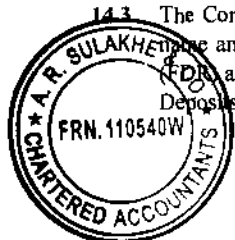
14.1 Loans and advances to related parties pertain to:

Particulars	As at 31 March 2012	As at 31 March 2011
	(Rupees)	(Rupees)
Gujarat State Petroleum Corporation Limited (Holding Company)	-	93,93,664
Gujarat State Petronet Limited (Subsidiary Company of Holding Company)	98,00,000	68,00,000
Gujarat State Energy Generation Limited (Associate Company of Holding Company)	4,00,000	-
Total	1,02,00,000	1,61,93,664

14.2 Disclosure pursuant to Note no. L (iv) of Part I of Schedule VI to the Companies Act, 1956

Particulars	As at 31 March 2012	As at 31 March 2011
	(Rupees)	(Rupees)
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total		

14.3 The Company has given refundable security deposit in form of fixed deposit (FDR) to various project authorities to be held in their name and custody. It will be refunded after satisfactory completion of work. The company has therefore shown these fixed deposits (FDR) amounting Rs. 3,06,90,694/- (Previous Year Rs. 1,28,53,803/-), till the same are in custody with project authorities as "Security Deposits" under the schedule, "Long term Loans and Advances" in the balance sheet.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 15 OTHER NON-CURRENT ASSETS

Other non-current assets	As at 31 March 2012	As at 31 March 2011
	(Rupees)	(Rupees)
Non-Current Bank Balances	1,90,000	1,90,000
Total	1,90,000	1,90,000

Note 16 INVENTORIES

(Disclosure pursuant to Note no. O (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956)

Inventories	As at 31 March 2012		As at 31 March 2011	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
(a) Stores and spares <i>(Valued at Cost on moving weighted average basis)</i>	3,10,20,588		2,06,96,339	
(b) Goods-in transit		3,10,20,588		2,06,96,339
Total		3,10,20,588		2,06,96,339

Note 17 TRADE RECEIVABLES - CURRENT ASSETS

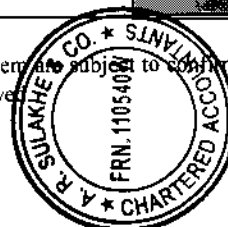
Trade Receivables	As at 31 March 2012	As at 31 March 2011
	(Rupees)	(Rupees)
Trade receivables outstanding for a period less than six months from the date they are due for payment (Refer Note 17.1)		
Secured, considered good	1,62,95,61,243	1,03,89,06,695
Unsecured, considered good	40,68,04,580	29,02,51,630
Doubtful	-	-
	2,03,63,65,823	1,32,91,58,325
Trade receivables outstanding for a period exceeding six months from the date they are due for payment (Refer Note 17.1)		
Secured, considered good	3,76,263	3,32,854
Unsecured, considered good	2,45,25,240	32,17,728
Doubtful	-	-
	2,49,01,503	35,50,582
Total	2,06,12,67,326	1,33,27,08,906
<i>Less: Provision for doubtful debts</i>	7,21,766	-
Total	2,06,05,45,560	1,33,27,08,906

17.1 Trade receivables of Rs.162,99,37,506/- (Previous year Rs.1,03,92,39,549) are backed by security in form of Bank Guarantee.

17.2 Trade Receivable stated above include debts due by:

Particulars	As at 31 March 2012	As at 31 March 2011
	(Rupees)	(Rupees)
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total	-	-

17.3 The balances of some of the parties of trade receivables for amount due from them are subject to confirmation. Necessary adjustments, if any, will be made when the accounts are settled after the confirmation is received.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 18 CASH AND BANK BALANCES

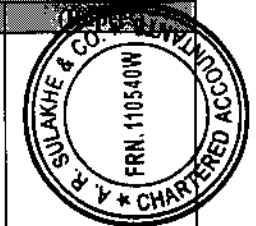
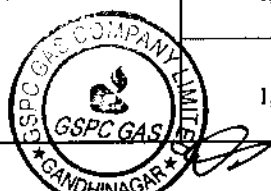
(Disclosure pursuant to Note no. Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956)

Cash and cash equivalents	As at 31 March 2012		As at 31 March 2011	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Cash and cash equivalents				
I. Balances with banks				
(a) On Current Accounts - including Sweep-in facility Accounts (Refer note no. 18.1 below)	8,91,31,162		7,61,21,464	
(b) Deposits with Original Maturity less than three months	5,00,00,000		-	
(c) On unpaid Dividend Account	-		-	
II. Cheques/Drafts on Hand	-		-	
III. Unpaid Matured Deposits	-		-	
IV. Cash on Hand	78,17,048	14,69,48,210	73,65,282	8,34,86,746
Other Bank Balances				
I. Deposits with original maturity for more than three months but less than twelve	-		-	
II. Deposits with original maturity for more than twelve months	90,000		90,000	
III. Margin Money Deposit	1,00,000		1,00,000	
	1,90,000		1,90,000	
Less : Non-current Deposits with original maturity for more than twelve months (Disclosed under other non-current assets)	1,90,000	-	1,90,000	-
Total		14,69,48,210		8,34,86,746

18.1 Last the year ended on 31.03.2011, the operating accounting system has been changed to SAP ERP system. Due to this migration of data to SAP ERP system, cheques amounting to Rs. 10,86,718/- were pending for realization in Bank on 31.03.2011 though the validity of cheques has expired and the same amount were still outstanding in books of accounts. During the year ended on 31.03.2012, there is no outstanding of cheques for which the validity has expired.

Note 19 SHORT TERM LOANS AND ADVANCES

Short term loans and advances	As at 31 March 2012		As at 31 March 2011	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
a. Loans and advances to related parties (refer notes 19.1 and 41.1)				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful	-		-	
b. Advance Against Expenses				
Unsecured, considered good	2,24,08,354		2,45,838	
Less: Provision for doubtful	-	2,24,08,354	-	2,45,838
d. Loan To Employees				
Unsecured, considered good	5,38,818		2,12,152	
Less: Provision for doubtful	-	5,38,818	-	2,12,152
e. Staff Advance				
Unsecured, considered good	2,85,365		5,71,911	
Less: Provision for doubtful	16,984	2,68,381	-	5,71,911
f. Advance Tax and TDS				
Unsecured, considered good	1,63,39,608		11,66,628	
Less: Provision for doubtful	-	1,63,39,608	-	11,66,628
g. Pre Paid Expenses				
Unsecured, considered good	1,39,56,821		88,31,079	
Less: Provision for doubtful	-	1,39,56,821	-	88,31,079



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Notes to financial statements for the year ended 31 March 2012

h. CENVAT Credit Account				
Unsecured, considered good	2,97,39,282		4,61,75,922	
Less: Provision for doubtful	-	2,97,39,282	-	4,61,75,922
i. Balances with PLA Account				
Unsecured, considered good	12,93,312		2,05,999	
Less: Provision for doubtful	-	12,93,312	-	2,05,999
j. Balances with Stamp Duty Authorities				
Unsecured, considered good	3,22,400		-	
Less: Provision for doubtful	-	3,22,400	-	-
j. Balances with PF Account				
Unsecured, considered good	2,77,444		-	
Less: Provision for doubtful	-	2,77,444	-	-
Total		8,51,44,422		5,74,09,529

19.1 Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956

Particulars	As at 31 March 2012	As at 31 March 2011
	(Rupees)	(Rupees)
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total		

Note 20 OTHER CURRENT ASSETS

Other current assets	As at 31 March 2012	As at 31 March 2011
	(Rupees)	(Rupees)
(a) Interest Accrued But Not Due Receivable on Fixed Deposit	23,35,572	8,84,055
(b) Interest Accrued And Not Due Receivable on Security Deposit	7,63,778	4,84,501
(c) Unbilled Revenue	5,62,22,285	2,24,55,378
(d) Claims Recoverable - Insurance (Refer Note 20.1 and 20.2 below)	4,30,76,292	-
Total	10,23,97,927	2,38,23,934

20.1 The fire incident which took place in warehouse / store yard on 24.3.2012, wherein capital inventory of Rs. 4,19,87,401/- and Spare parts inventory of Rs. 19,48,620/- was damaged and for which the company has already filed a claim of fire incident with Insurance company and survey has been taken place. The carrying cost of the relevant goods (both capital and spare) of Rs. 4,39,36,021/- or insurance value (subject to deductibles of 5% of claim) of Rs. 4,17,39,221/-, whichever is lower is transferred under the head "Claims Recoverable-Insurance" in balance sheet and balance amount to the extent of deductibles of 5% of claim amount is charged under the head Loss of Material to the Profit and Loss statement. The management expects that loss of inventory is fully recoverable from the insurer (after deduction of 5% deductible of claim amount).

20.2 The fire incident which took place at CNG Station on 13.3.2012, wherein assets of Rs. 9,72,689/- (Book value) was damaged and for which the company has already filed a claim of fire incident with Insurance company and survey has been taken place. The carrying cost of the relevant of Rs. 9,72,689/- is transferred under the head "Claims Recoverable-Insurance" in balance sheet and the management has expect to receive the same amount of claim from Insurance company.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 21 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Sale of products				
- Finished Goods (CNG)	4,16,91,87,685		2,39,65,92,119	
- Traded Goods (CNG)	15,64,92,630		-	
- Traded Goods (PNG)	28,05,34,77,078	32,37,91,57,393	16,46,01,49,852	18,85,67,41,971
Sale of services		-		-
Other operating revenues				
Initial Connection Charges Income (Refer sub-Note 21.1)	26,30,39,877		17,85,44,334	
Registration Charges Income from Domestic, Commercial Non Commercial Connections (Refer sub-Note 21.1)	8,34,96,113		18,35,96,206	
Contract Renewal Charges Income	4,63,56,438		2,99,28,443	
Late Payment Charges Income	4,04,33,673		1,30,54,042	
Take or Pay Charges Income	1,62,76,218		59,86,797	
Alteration, Modification and Extra Connection Charges Income	4,93,66,981		42,46,497	
Other Operating Income	21,97,959	50,11,67,259	21,07,899	41,74,64,218
Revenue from Operations (Gross)		32,88,03,24,652		19,27,42,06,189
Less:				
Excise duty		52,62,05,353		30,25,14,145
Revenue from Operations (Net)		32,35,41,19,300		18,97,27,92,044

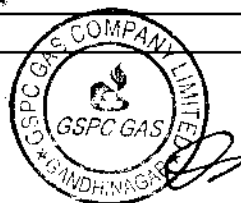
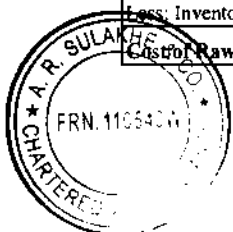
21.1 The Company has been advised by its counsel, that since the company does not pass-on any ownership or other right in the pipeline and equipments in favour of the customer, the amounts received by the company as Initial Connection Charges from the Industrial, Commercial-non Commercial Customers and the Registration / Connection Charges from Domestic Customers are not in the nature of remission of the cost of the pipeline and equipments and hence the same needs to be accounted for as income. In view of the advice, the company accounts for the same as its income in the profit and loss statement.

Note 22 OTHER INCOME

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	(Rupees)	(Rupees)
Interest Income	94,82,204	84,78,269
Dividend Income	100	-
Liquidated Damages Income	52,31,802	2,16,41,315
Foreign Exchange Gain Income	1,134	-
Profit on sale of Assets	3,90,515	-
Commission Income	2,50,288	1,44,351
Tender / EDI Income	1,41,800	6,49,500
Provision Liability No Longer Required	5,75,000	-
Other non-operating income (net of expenses directly attributable to such income)	44,48,320	32,33,518
Total	2,05,21,154	1,146,953

Note 23 COST OF MATERIAL CONSUMED

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	(Rupees)	(Rupees)
Inventory at the beginning of the year	-	-
Add: Purchases of Natural Gas	3,10,19,78,210	1,50,43,11,961
Add: Gas Transportation Charges	18,40,05,904	17,86,11,134
	3,28,59,84,114	1,68,29,23,095
Less: Inventory at the end of year	-	-
Cost of Raw Material Consumed	3,28,59,84,114	1,68,29,23,095



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 24 PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	(Rupees)	(Rupees)
Purchases of Natural Gas	22,98,17,06,165	11,79,29,58,422
Add: Gas Transportation Charges	2,05,24,53,252	1,62,58,18,779
	25,03,41,59,417	13,41,87,77,201
Purchases of CNG	16,37,73,543	-
Total	25,19,79,32,960	13,41,87,77,201

Note 25 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	(Rupees)	(Rupees)
Stock-in-Trade		
Natural Gas in Pipeline (Line pack)		
Inventory at the beginning of the year (Refer Note No. 25.1 below)	-	6,39,93,408
Less: Inventory at the end of year	-	-
Changes in Inventories - (-)Increase/(+)Decrease		6,39,93,408

25.1 There was a line pack of Natural Gas (Qty. 64,81,513 SCM and Rs. 6,39,93,408) in the transmission line of Transporter (GSPL) in the financial year 2006-2007. The Company has option either to receive the quantity of the said line pack of Natural Gas or receive the value thereof on return it back to the Transporter at the end of the agreement as per the clause of Gas Transmission Agreement (GTA). This Line pack of Natural Gas in pipelines of Transporter was valued at initial purchase cost of gas and the same is shown under the head "Inventories" in the balance sheet at every year-end subsequent to the financial year 2006-2007. Last year 2010-2011, GSPL (Transporter), vide its letter (Ref. GSPL/COMM/2011) dated 22nd March 2011, duly counter signed by GSPC Gas, has returned the aforesaid Line Pack Natural Gas of Qty 64,81,513 SCM to GSPC Gas (Shipper). Accordingly GSPC Gas has used/sold quantity of Qty 64,81,513 SCM returned by GSPL and is being provided in the profit and loss account in the financial year 2010-11 and such line pack stock has been reduced by this quantity.

Note 26 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	(Rupees)	(Rupees)
(a) Salaries and incentives	18,90,22,706	13,16,13,438
(b) Contributions to -		
(i) Provident fund	1,05,86,442	76,04,476
(ii) Leave Encashment	95,20,906	49,66,005
(c) Gratuity fund contributions	11,24,607	1,77,466
(f) Staff welfare expenses	80,19,887	53,74,007
Total	21,82,74,548	14,97,35,392

Note 27 FINANCE COSTS

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	(Rupees)	(Rupees)
I. Interest expense		
Interest on Term Loan	53,15,76,450	39,98,70,665
Interest on Share Application Money	2,62,78,139	1,78,39,169
Interest on Working capital Loan	35,31,425	4,14,091
Interest on Security Deposits	48,22,570	37,78,033
(a) Total Interest Expense	56,62,08,584	42,19,01,958
<i>(b) Less: Interest Capitalised as per AS 16</i>	<i>9,34,28,559</i>	<i>5,78,02,236</i>
Net Interest Expense [(a)-(b)]	47,27,80,825	36,40,99,721
II. Interest on current income tax (under section 234B and 234C of the Income Tax)	18,88,627	1,18,36,510
III. Other borrowing costs	19,30,471	13,97,295
IV. Applicable net gain/loss on foreign currency transactions and translation	-	-
Total	47,65,99,923	37,79,33,527



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 28 OTHER EXPENSES

	For the year ended 31 March 2012		For the year ended 31 March 2011	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Consumption of Stores and Spare Parts		3,93,27,000		2,66,39,742
Power and Fuel				
Electricity Expenses - CNG Stations	14,09,17,257		9,15,33,800	
Electricity Expenses - PNG	44,54,092		39,27,914	
Electricity Expenses - Others	31,00,366	14,84,71,715	34,95,608	9,89,57,322
Rent				
Rent - Office / Store	2,68,97,459		2,37,29,223	
Rent - Govt. Authorities (Refer Note 28.1 below)	1,94,39,156	4,63,36,615	-	2,37,29,223
Repair and Maintenance Expenses				
Repairs to Buildings	11,98,319		9,04,382	
Repairs to Machinery - CNG	69,98,105		73,70,284	
Repairs to Machinery - PNG	92,44,141		77,20,435	
Repairs and Maintenance Others	90,67,702	2,65,08,268	84,58,898	2,44,53,998
Operation and Maintenance Expense				
Operation and Maintenance Expense - CNG	12,74,67,981		8,46,45,216	
Operation and Maintenance Expense - PNG	16,11,40,248	28,86,08,229	8,52,40,042	16,98,85,258
LCV/HCV Hiring, Operating and Maintenance Charges		15,17,16,316		7,97,45,224
Lease (Wet) Machinery Expense		87,43,155		20,85,134
Instrument Testing Expenses		60,71,482		18,83,825
Franchisee, Commission and Profit Margin Exp.				
DMA Agency Commission Expenses	1,92,17,406		2,12,17,639	
Franchisee Commission and Profit Margin Exp.	2,04,29,141	3,96,46,548	1,68,59,065	3,80,76,704
Software Operation and Maintenance Charges		4,18,07,228		2,15,88,851
Business Promotion and Marketing Expenses		16,33,057		54,20,226
Advertisement and Publicity		1,10,67,452		79,02,707
Legal, Professional and Technical Consultancy Exp.		2,49,53,157		3,24,21,415
Insurance		1,46,93,447		1,05,52,793
Rates and Taxes (Excluding taxes on Incomes)				
Rate, taxes and duties Expenses	25,07,649		61,57,812	
Provision for Wealth Tax	24,550	25,32,199	-	61,57,812
Administration and Establishment Expenses				
Office Expenses		7,67,093		7,92,878
Safety and Environment Expenses		85,66,709		85,90,940
Director Sitting Fees and out of pocket Expenses		52,26,626		37,96,530
Security Service Expenses		23,500		12,000
Stationery and Printing Expenses		2,83,55,056		2,21,90,791
Telephone and Communication Expenses		1,20,36,979		1,18,76,677
Mobile Instrument Exp.		1,86,49,990		1,14,55,493
Conveyance and Travelling Expenses		11,54,444		14,44,492
Vehicle Hiring and Running Expenses		64,13,772		54,14,279
Audit Fees (Refer Note 28.2 below)		2,07,76,332		1,89,55,381
Cost Audit Fees		5,05,620		3,86,050
Donations		1,12,360		-
Penalties		-		7,00,00,000
Bank Charges		20,000		80,178
Loss of sale of Assets		26,28,046		14,50,505
Doubtful Debts (Trade Receivables)		4,70,339		-
Doubtful Advances		7,21,766		-
Provision Diminution in investment		16,984		-
Miscellaneous Expenses		6,75,000		-
		78,56,336		26,49,816
Total		96,70,92,820		70,85,96,244

28.1 The Rent - Govt. Authorities Expenses, if any is recognized as an expenses at the time of receipt of demand note from the concerned govt. authorities like Municipal Corporation, Nagarpalika, Gram Panchayat etc. and the joint measurement is settled and approved by the Management.

28.2 PAYMENTS TO AUDITORS

Payments to the Auditor(s)	For the year ended	For the year ended
	31 March 2012	31 March 2011
	(Rupees)	(Rupees)
a. For audit	5,05,620	3,86,050
b. For taxation matters	-	-
c. For company law matters	-	-
d. For management services	-	-
e. For other services	-	1,43,390
f. Reimbursement of expenses	-	-
Total	5,05,620	5,29,440



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 29 PRIOR PERIOD ITEMS

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	(Rupees)	(Rupees)
Administrative and Establishment Expense	-	64,447
Operational and Maintenance Expense - CNG	-	81,611
Operational and Maintenance Expense - PNG	9,924	12,67,899
Interest Expense	-	2,571
Other Expenses	-	30,900
Agency Commission to DMA - PNG	-	2,74,206
Rent Expenses	-	1,78,785
Repairs and Maintenance Expense	6,872	6,000
Rent Income	-	-1,09,778
Legal, Professional and Technical Consultancy Expenses	5,11,919	-
Telephone and Communication Expenses	10,330	-
LCV / HCV Hiring, Operating and Maintenance Charges	4,27,136	-
Rates and Taxes (Excluding taxes on Incomes)	-10,463	-
Salary Exps.	-61,085	-
Sale of PNG(Traded)	22,20,071	-
Store and Consumables	-21,606	-
Conveyance and Travelling Expenses	-23,508	-
Depreciation	-1,04,746	-
Total	22,67,844	17,96,641

Note 30 EXCEPTIONAL ITEMS

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	(Rupees)	(Rupees)
Loss of Material (Refer Note 30.1 below)	21,96,801	-
Total	21,96,801	-

30.1 The fire incident which took place in warehouse / store yard on 24.3.2012, wherein capital inventory of Rs. 4,19,87,401/- and Spare parts inventory of Rs. 19,48,620/- was damaged and for which the company has already filed a claim with Insurer and survey has taken place. The carrying cost of the relevant goods (capital and spare) of Rs. 4,39,36,021/- or insurance value (subject to deductibles of 5% of claim) of Rs. 4,17,39,221/-, whichever is lower is transferred under the head "Claims Recoverable-Insurance" in balance sheet and balance amount to the extent of deductibles of 5% of claim amount is charged under the head Loss of Material to the Profit and Loss statement. The management expects that loss of inventory is recoverable from the insurer (after deduction of 5% deductible of claim amount).

Note 31 CURRENT TAX

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	(Rupees)	(Rupees)
Current Tax Payable including Interest on such tax	35,10,09,064	46,38,13,253
Less: Interest on Tax Payable	18,88,627	1,18,36,510
Current Tax Payable	34,91,20,437	45,19,76,743
Less: MAT Credit entitlement	-	1,53,17,628
Net Current Tax Liability for the year	34,91,20,437	43,66,59,115
Add: Short / (Excess) Provision of Tax made in earlier years	-19,564	23,76,321
Net Current Tax Liability	34,91,00,873	43,90,35,436

Note 32 EARNINGS PER SHARE (EPS):

Particulars	Rs.	For the year ended 31 March 2012	For the year ended 31 March 2011
Profit attributable to equity shareholders	Rs.	1,06,06,39,817	1,47,15,36,788
Weighted average number of ordinary equity shares for Basic EPS	Nos.	5,92,09,024	5,92,09,024
Nominal Value of equity share	Rs.	10	10
Basic EPS	Rs.	17.91	24.85
Diluted EPS	Rs.	17.91	24.85

The Company does not have any outstanding dilutive potential equity shares, as contingently issuable ordinary shares, share application money received by the company are not included, as the condition of issue price is not met. Consequently, the basic and diluted earnings per share of the Company has remained the same.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 33 IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2011
	% of Total Consumption	(Rupees)	% of Total Consumption
Raw Materials			
Natural Gas			
- Imported	-	-	-
- Indigenously obtained	11.52%	3,28,59,84,114	11.12%
Purchase of stock in Trade			
- Imported	-	-	-
- Indigenously obtained	88.34%	25,19,79,32,960	88.70%
Stores and Spare Parts			
- Imported	-	-	-
- Indigenously obtained	0.14%	3,93,27,000	0.18%
Total	100%	28,52,44,075	100%

Note 34 DETAILS OF MANUFACTURED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

34.1 MANUFACTURED GOODS

Particulars	Sales for the year ended 31 March 2012	Sales for the year ended 31 March 2011	Closing Inventory as on 31 March 2012	Opening Inventory as on 31 March 2011	Opening Inventory as on 1st April 2011	Opening Inventory as on 1st April 2010
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Manufactured Goods						
- Compressed Natural Gas* (CNG)	3,64,29,82,332	2,09,40,77,974	-	-	-	-
- Other	-	-	-	-	-	-
Total	3,64,29,82,332	2,09,40,77,974				

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

34.2 TRADED GOODS

Particulars	Sales for the year ended 31 March 2012	Sales for the year ended 31 March 2011	Closing Inventory as on 31 March 2012	Closing Inventory as on 31 March 2011	Opening Inventory as on 1st April 2011	Opening Inventory as on 1st April 2010
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Traded Goods						
- Natural Gas (PNG)	28,05,34,77,078	16,46,01,49,852	-	-	-	6,39,93,408
- CNG	15,64,92,630	-	-	-	-	-
Total	28,20,99,69,708	16,46,01,49,852				6,39,93,408

34.3 WORK IN PROGRESS

Particulars	At the end of year on 31 March 2012	At the end of year on 31 March 2011
	(Rupees)	(Rupees)
Work-in-progress		
- Natural Gas	-	-
- Other	-	-
Total		

34.4 QUANTITATIVE DETAILS

Particulars	Unit of Measurement	For the year ended on 31 March 2012	Total year ended on 31 March 2011
Purchase Goods			
Purchase of Natural Gas	SCM at various Calorific value	1,32,46,18,052	1,06,63,01,100
Purchase of CNG	KGS	43,57,086	-
Return of Line-pack of Natural Gas from Transporter	SCM	-	64,81,513
Traded Goods (PNG)			
Sale of Natural Gas - PNG	SCM	1,21,71,10,742	99,98,35,319
Sale of CNG	KGS	43,57,086	-
Manufactured Goods (CNG)			
Sale of Natural Gas - CNG	KGS	11,88,41,594	8,75,33,136



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

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

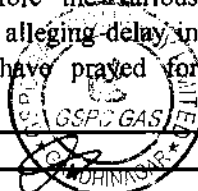
Note 35 CONTINGENT LIABILITIES

(Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956)

Contingent liabilities and commitments to the extent not provided for	As at 31 March 2012	As at 31 March 2011
	(Rupees)	(Rupees)
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	6,53,835	9,29,585
(b) Guarantees	61,00,000	11,41,99,500
(c) Other money for which the company is contingently liable (Refer Note 35.1 Below)	17,93,68,656	9,36,99,086
	18,61,22,491	20,88,28,171
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	3,45,68,32,730	78,71,87,448
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for	1,40,44,01,625	-
(c) Uncalled liability on shares and other investments partly paid	-	-
(d) Other commitments (specify nature) The Company has committed to pay Rs. 5,00,000/- toward investments in Equity shares in GSPC Distribution Networks Limited (GDNL).	5,00,000	-
	4,86,17,34,354	78,71,87,448
TOTAL	5,04,78,56,845	99,60,15,619

35.1 Other Money for which Company is contingently liable

Sr. No.	Particulars	As at 31 March 2012	As at 31 March 2011
1	Disputed statutory claims in respect of Appeals filed (a) Excise Duty - related to the financial year 2003-2004 on account of appeal filed by the Commissioner of Central Excise and Customs, Surat with Custom, Excise and Service Tax Appellate Tribunal. (b) Income Tax – related to the financial year 2006-2007 on account of assessment order u/s.143 (3) of the Income Tax Act and appeal has been filed with ITAT, Ahmedabad. (c) Income Tax – related to the financial year 2007-2008 on account of assessment order u/s.143 (3) of the Income Tax Act and appeal is pending before CIT (Appeals). (d) Income Tax – related to the financial year 2008-2009 on account of assessment order u/s.143 (3) of the Income Tax Act and appeal is pending before CIT (Appeals).	23,65,736 59,59,740 8,45,41,610 8,57,26,570	23,65,736 59,59,740 8,45,41,610 -
2	Civil Petition applications filed before the various District Consumer Forum against Co. alleging delay in giving Gas connection etc.. They have prayed for compensation.	7,75,000	8,32,000
	TOTAL	17,93,68,656	9,36,99,086



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

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

Note 36 OPERATING LEASE

The Company has taken certain premises for office use and store yards under license agreements and land for setting up CNG Stations. The total rentals recognized as expense for the financial year ended on **31st March, 2012** under the above license agreements aggregate to Rs. 2,68,43,427/- (Previous year Rs. 2,24,50,499/-). The future minimum lease payment obligations are as under:

Future Minimum Lease Obligations	For the year ended 31 March, 2012 (Rupees)	As at 31 st March, 2011 (Rupees)
Not Later than one year	1,37,15,415	1,46,87,794
Later than One year and not later than five	1,72,16,376	1,94,63,733
More than five years	1,26,32,668	1,53,85,067

Note 37 Value of Imports calculated on CIF Basis

Particulars	For the year ended 31 March 2012 (Rupees)	For the year ended 31 March 2011 (Rupees)
(a) Raw Materials	-	-
(b) Components and Spare Parts	-	-
(c) Capital goods	-	-

Note 38 Expenditure in Foreign Currencies

Particulars	For the year ended 31 March 2012 (Rupees)	For the year ended 31 March 2011 (Rupees)
(a) Know -how, Royalty	-	-
(b) Professional and Technical Consultancy Fees etc.	3,00,410	-
(c) Sponsorship Expenses (Training)	1,26,370	85,402
(d) Interest Expense	-	-
(e) Others Expenses: - Travelling Expenses	85,500	55,723

Note 39 Earnings in Foreign Currencies

Particulars	For the year ended 31 March 2012 (Rupees)	For the year ended 31 March 2011 (Rupees)
(a) Export of Goods on FOB Basis	-	-
(b) Interest and Dividends	-	-
(c) Know -how, Royalty	-	-
(d) Professional and Consultancy Fees	-	-
(e) Other Income, if any	-	-



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 40 SEGMENT REPORTING

Based on the Accounting Standard – 17 on “Segment Reporting” (AS-17), issued by the Institute of Chartered Accountants of India, business segment of the company is the primary segment comprising of ‘Supply of Natural Gas’. As the company operates only in a single primary business segment, therefore the disclosure requirements as per Accounting Standard 17 “Segment Reporting” are not applicable to the Company.

Note 41 RELATED PARTY DISCLOSURES

Related party disclosures as required by Accounting Standard – 18 issued by the Institute of Chartered Accountants of India are as under (Refer Note 41.1)

List of Related Parties and Relationship:

Sr. No.	Name of Related Parties	Relationship
1	Gujarat State Petroleum Corporation Ltd (GSPC)	Holding Company
2	Gujarat State Petro net Limited (GSPL)	Subsidiary of Holding Company
3	Gujarat State Energy Generation Limited (GSEG)	Associate of Holding Company
4	GSPC Pipavav Power Company Ltd. (GPPC)	Subsidiary of Holding Company
5	GSPC LNG Limited (GLL)	Subsidiary of Holding Company
6	Sabarmati Gas Limited (SGL)	Associate of Holding Company
7	Guj Info Petro Limited (GIPL)	Subsidiary of Holding Company
8	GSPC JPDA Limited	Subsidiary of Holding Company

Key Management Personnel:

Sr. No.	Name of Related Parties	Relationship
1	Mr. Tapan Ray, IAS	Director
2	Mr. PPG Sarma	Chief Executive Officer

Relative of Key Management Personnel:

Sr. No.	Name of Related Parties	To whom the related parties
1	Ms. P Subbalakshmi	Mr. PPG Sarma

During the year, the Company has paid Rent of Rs.2,70,000/- (previous year : Rs. NIL) for hiring residential premises from Ms. P Subbalakshmi from 1st July, 2011.

Significant Influence Entities:

Sr. No.	Name of Related Parties	Relationship
1	GSPC Distributions Network Limited (GDNL)	Significant Influence

During the year, the Company has promoted SPV in the name and style of “GSPC Distributions Network Limited” and has been incorporated in February, 2012 for keeping in view of acquisition of 65% stake of BG Group in Gujarat Gas Company Limited. The Company has incurred expenditure of Rs. 1,58,65,112/- (previous year : Rs. NIL) on behalf of GDNL towards the preliminary expenses and due diligence expenses related to acquisition of 65% stake of BG Group in Gujarat Gas Company Limited.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

41.1 Related Party Disclosures

(Amounts in Rupees)

Nature of Transactions (Significant Influence)	Transactions with Holding Company		Transactions with Subsidiary of Holding Company		Transactions with Associates (Holding Company)		Key Management Personnel		Value of Transactions For the Year ended 31st March 2012
	For the Year ended 31st March 2012	For the Year ended 31st March 2011	For the Year ended 31st March 2012	For the Year ended 31st March 2011	For the Year ended 31st March 2012	For the Year ended 31st March 2011	For the Year ended 31st March 2012	For the Year ended 31st March 2011	
1									
Gujarat State Petroleum Corporation Limited (Holding Company)									
Purchase of Natural Gas									
1) GSPC	29,83,80,99,364	14,98,46,12,633							29,83,80,99,364
2) GSPC NIKO JV	1,10,49,183	20,38,95,538							1,10,49,183
Salary and Allowances Paid	1,43,320	-							1,43,320
Assets Purchase / (sale)	98,41,175	66,60,962							98,41,175
Dividend Paid	4,58,65,448	3,66,92,378							4,58,65,448
Rent Paid	2,78,761	-							2,78,761
Salary and Allow. Recovered	-	1,01,427							-
Administration Expenses	1,17,617	3,24,147							1,17,617
2									
Gujarat State Petronet Limited (Subsidiary of Holding Company)									
Gas Transportation Charges Exp.			2,24,84,34,231	1,81,46,62,434					2,24,84,34,231
Interest paid on Share Application Money			2,62,78,139	1,78,39,169					2,62,78,139
Supervision Charges			22,06,000	13,43,276					22,06,000
ROW Charges			57,35,600	-					57,35,600
Purchase of Capital Goods			-	16,13,210					-
Sale of Capital Goods			11,11,255	-					11,11,255
Salary and Allow. Paid			1,04,760	1,29,415					1,04,760
Salary and Allow. Recovered			3,06,761	-					3,06,761
Bank Guarantee Given			7,92,00,000	7,92,00,000					7,92,00,000
Deposit Given (Assets)			40,00,000	24,00,000					40,00,000
Dividend Paid			2,70,83,333	2,16,66,666					2,70,83,333
Rent Paid			25,42,497	25,25,154					25,42,497
Share Application Money Received			-	17,60,43,751					-
Asset Purchased			-	18,45,79,819					-
									1,81,46,62,434
									1,78,39,169
									13,43,276
									57,35,600
									16,13,210
									11,11,255
									1,04,760
									3,06,761
									7,92,00,000
									40,00,000
									2,70,83,333
									25,42,497
									17,60,43,751
									18,45,79,819

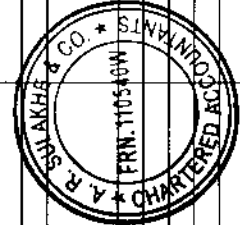


GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

41.1 Related Party Disclosures

Sl. No.	Nature of Transactions (Significant Influence)	Balances outstanding with Holding Company		Balances outstanding with Subsidiary of Holding Company		Balances outstanding with Associates		Balances outstanding with Key Management Personnel		Balances outstanding with Other Parties	
		As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
1	Balance outstanding - Gujarat State Petroleum Corporation Limited (Holding Company)										
	Accounts Payable	1,52,03,29,692	85,30,15,376							1,52,03,29,692	85,30,15,376
	Accounts Receivable	-	93,93,664							-	93,93,664
	Advance for purchase of land	-	-							-	-
2	Gujarat State Petronet Limited (Subsidiary of Holding Company)										
	Accounts Payable			11,60,31,551	7,90,20,578					11,60,31,551	7,90,20,578
	Accounts Receivable			-	-					-	-
	Deposits (Assets)			98,00,000	68,00,000					98,00,000	68,00,000
	Share Application Money			27,60,43,751	27,60,43,751					27,60,43,751	27,60,43,751
3	Sabarmati Gas Limited (Associate of Holding Company)										
	Accounts Payable					1,32,46,199	3,73,114			1,32,46,199	3,73,114
	Accounts Receivable					2,78,35,755	-			2,78,35,755	-
	Deposits (Liability)					2,00,000	-			2,00,000	-
4	Guj In 6 Petro Limited (Subsidiary of Holding Company)										
	Accounts Payable			4,19,853	13,92,814					4,19,853	13,92,814
	Accounts Receivable			-	-					-	-
5	Gujarat State Energy Generation Limited (Associate of Holding Company)										
	Accounts Payable					8,00,000	8,00,000			8,00,000	8,00,000
	Deposit Assets					4,00,000	-			4,00,000	-
	Accounts Receivable					19,773	19,773			19,773	19,773
6	GSPC LNG Limited (Subsidiary of Holding Company)										
	Accounts Payable										
	Accounts Receivable					42,489	-			42,489	-
7	GSPC Pipavav Power Company Limited (Subsidiary of Holding Company)										
	Accounts Payable										
	Accounts Receivable										
7	Key Management Personnel										
	Accounts Payable										
	Accounts Receivable										



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2012

Note 42 UNUTILISED AMOUNTS OF PROCEEDS FROM ISSUE OF SECURITIES

(Disclosure pursuant to Note no. 6(V) of Part I of Schedule VI to the Companies Act, 1956)

Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the balance sheet date, Indicate below how such unutilized amounts have been used or invested.

NOT APPLICABLE

Note 43 RECOVERABLE VALUE OF ALL ASSETS OTHER THAN FIXED ASSETS AND NON CURRENT INVESTMENTS

(Disclosure pursuant to Note no. 6(W) of Part I of Schedule VI to the Companies Act, 1956)

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

Note 44 GSPC GAS Company Limited has applied to the 'Petroleum & Natural Gas Regulatory Board' in May 2008 for authorization of its 10 Geographical Area (GA)- City Gas Distribution Network under section 18(1) of the 'Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand local or City Gas Distribution Network) Regulations, 2008. The PNGRB Board has not considered the application of authorisation of Halol and Khambhat GA by issuing a speaking order in May, 2011. The management of company has replied to PNGRB against the said speaking order to continue to operate in Halol and Khambhat GA and company continue to operate and book the income thereof. Further, the company is engaged with PNGRB to obtain authorisation for Halol and Khambhat GA as well along with other GA's under relevant rules of the PNGRB Act, 2006.

Note 45 **Event Occurring after the Balance sheet date :** GSPC GAS Company Limited has signed an Assets Exchange Agreement with Gujarat Gas Company Limited(GGCL) on 25th April, 2012 and have agreed on the basis of PNGRB request to evaluate the option to exchange /swap their respective interest viz. GGCL interests in Valsad Districts and GSPC GAS interests in Bharuch Districts. GSPC GAS agrees to make payment to GGCL the net consideration of Rs. 80.17 million transferring the GSPC GAS interests to GGCL and GGCL interests to GSPC GAS as mutually agreed by the both parties.

Note 46 Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet. The company has reclassified previous year figures to conform to this year's classification.

The Accompanying Notes are an integral part of the financial Statements.
As per our report of even date attached.

For, A. R. Sulakhe & Co.

Chartered Accountants

Firm Regn. No. : 110540V

Anand Sulakhe

Partner

M. No. : 33451



Place : Gandhinagar

Date : 23-05-2012

For and on behalf of Board of Directors

D. J. Pandian, IAS

Chairman

P. P. G. Sarma

Chief Executive Officer

Place: Gandhinagar

Date: 23-05-2012

Tapan Ray, IAS

Director

Ahmed Khan

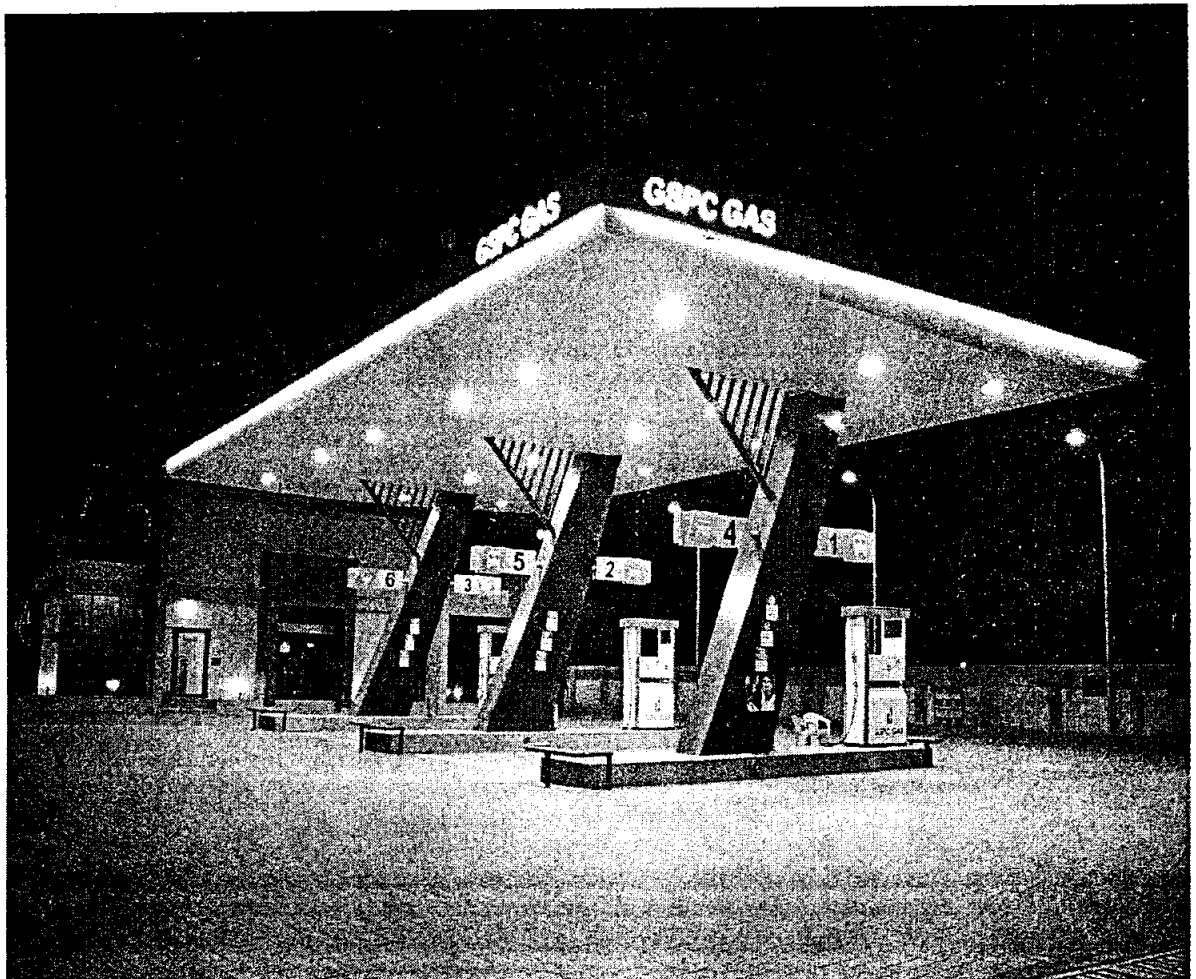
DGM (Finance) &
Company Secretary





GSPC GAS

GSPC GAS COMPANY LIMITED



**14th ANNUAL REPORT
2012-2013**



GSPC GAS

GSPC GAS COMPANY LIMITED

14th Annual Report 2012-2013

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- 2) Auditor's Report
- 3) Balance Sheet as at 31st March, 2013
- 4) Statement of Profit and Loss for the Financial Year ended on 31st March, 2013
- 5) Cash Flow Statement for the Financial Year ended on 31st March, 2013
- 6) Notes to Financial Statements for the Year ended on 31st March, 2013
 - A. Significant Accounting Policies
 - B. Notes to Financial Statements

GSPC GAS COMPANY LIMITED

14th Annual Report 2012-2013

Board of Directors:

Shri D. J. Pandian, IAS	Chairman
Shri Tapan Ray, IAS	Director
Shri Atanu Chakraborty, IAS	Director
MS. S. Aparna, IAS	Director (upto 18.04.2013)
Shri L. Chuaungo, IAS	Director (w.e.f. 18.04.2013)
Shri K. D. Chatterjee	Director

Chief Executive Officer :

Shri P. P. G. Sarma

Company Secretary:

Shri Ahmed Khan

Bankers:

State Bank of India	Gujarat State Financial Services Limited.
Dena Bank	Union Bank of India
Oriental Bank of Commerce	IDBI Bank Limited
UCO Bank	Kotak Mahindra Bank Limited
Corporation Bank	ICICI Bank Limited
Bank of Maharashtra	Axis Bank Limited
The Kalapur Commercial Co-Operative Bank Limited.	Bank of Baroda
	Standard Chartered Bank
	YES Bank Limited

Statutory Auditors:

A.R. Sulakhe & Co.
Chartered Accountants
Pune.

Internal Auditors:

Ashok Chhajed & Associates.
Chartered Accountants
Ahmedabad.

Registered office:

Block No.: 15, 3rd Floor,
Udhyog Bhavan, Sector-11,
Gandhinagar- 382 009.

Corporate office:

101-106, IT Tower-1
Infocity, Gandhinagar - 38 2009

DIRECTORS' REPORT

To
The Members,
GSPC GAS COMPANY LIMITED.

Your Directors have pleasure in presenting the 14th Annual Report together with the Audited Accounts of the Company for the financial year ended on 31st March, 2013.

FINANCIAL HIGHLIGHTS:

(Amt. in Lacs)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Revenue from operations (Net)	4,21,167.63	323,541.19
Other income	856.25	205.21
Total Revenue	4,22,023.88	323,746.40
Expenses:		
Cost of materials consumed	51,752.49	32,859.84
Purchases of Stock-in-Trade	3,33,849.86	251,979.33
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(168.85)	-
Employee benefits expense	2,919.21	2,182.75
Finance costs	5,808.03	4,765.99
Depreciation and amortization expense	5,939.55	4,828.30
Other expenses	12,111.36	9,670.93
Total expenses	4,12,211.65	306,287.14
Profit before exceptional and extraordinary items and tax	9,812.22	17,459.27
Less : (a) Prior Period Items	5.69	29.65
(b) Exceptional items	13.87	21.97
Profit before extraordinary items and tax	9,792.66	17,407.65
Extraordinary Items		-
Profit Before Tax (PBT)	9,792.66	17,407.65
Tax expense:		
(1) Current tax	1,973.53	3,491.01
(2) Deferred tax	3,798.77	3,310.24
Profit for the period (PAT)	4,020.36	10,606.40

The Financial Year 2012-2013 was full of significant developments of company's business. The two main parameters namely Sales Turnover and the Profit After Tax (PAT) give an immediate insight in to the Company's functioning.

Performance of the Company is summarized as follows:

- Total Revenue / Income increased from Rs. 3,23,746.40 Lacs in previous year 2011-2012 to Rs.4,22,023.88 Lacs in current year 2012-2013, recording an increase of 30.36%.
- Profit Before Tax (PBT) decreased from Rs. 17,407.65 Lacs in previous year 2011-2012, to Rs. 9,792.66 Lacs in current year 2012-13 a decrease of 43.74%.
- Profit After Tax (PAT) decreased from Rs. 10,606.40 Lacs in previous year 2011-2012 to Rs. 4,020.36 Lacs in current year 2012-2013, a decrease of 62.09%.

SHARE CAPITAL AND SHARE APPLICATION MONEY:

During the year, the Company has made the total allotment of 2,54,10,606 Equity Shares of Rs. 10 each to the various Share applicants on 27th February, 2013. Out of this, Company has made the allotment of 21,684,000 Equity Shares to the various Share applicants on 27th February, 2013 at the price of Rs. 50/- per share (Rs. 40/- premium and Rs. 10 face value) and allotment of 37,26,606 Equity shares to the various Share applicants on 27th February, 2013 at the price of Rs. 181.41/- (Rs. 171.41/- premium and Rs. 10 face value).

As a result of the above referred fresh allotment, the paid-up capital of the company has increased to Rs. 84,61,96,300 divided into 8,46,19,630 Equity shares of Rs. 10 each.

DIVIDEND:

The members of the Board are pleased to recommend the Dividend of Rs. 1/- per Equity Share i.e. 10% of the Paid up Capital of the Company. The total payout in respect of dividend for the year 2012-2013 would be Rs. 983.47 Lacs with dividend distribution tax.

BUSINESS AND OPERATIONAL OVERVIEW:

The Management of the Company was committed for an inclusive CGD development during the continued Swarnim Gujarat Celebrations. The results were very encouraging. At the beginning of the Financial Year 2012-13, nearly 284 villages of the Gujarat were covered by CNG /PNG Network of the Company which has now increased to 451 villages/locations.

Similar to the last Financial Year, this year also has been active in terms of the operations of the Company. With the overwhelming support and dedication of the Company's employees, consultants, contractors the Company could achieve its targets.

The constraints, reasons and the circumstances leading to a frequent Gas price hike is now been gradually known to the end users. Also the Company is constantly pursuing to get a share in Domestic Gas Allocation which is being allotted by the Central Government. Procurement of Gas at reasonable price and increasing its reach to the every corner of the State continue to be the Key future challenges for the Company.

❖ **CNG Segment:**

The Management is pleased to inform that Company has established cumulatively 152 CNG Stations up to 31-03-2013, making Swarnim Celebrations memorable. The updated Zone wise CNG Stations presence is given hereunder:

Zones	Mother Stations/Online Stations	Daughter Stations	Total CNG Stations
Saurashtra	23	29	52
Central	28	35	63
North	-	6	6
South	12	19	31
Total	63	89	152

Progressive growth in the Sale of CNG through these CNG Gas Stations in last Five Financial Years have been shown in tabular form as under:

Financial Year	No. of CNG Gas Stations	Sales Volume in (Kg.)
2008-09	25	2,86,85,054
2009-10	72	5,69,09,533
2010-11	110	8,75,33,136
2011-12	135	12,31,98,680
2012-13	152	14,02,96,160

❖ **DOMESTIC SEGMENT:**

In PNG segment also Company achieved its goals by spreading its network presence in newer locations and connecting 167 new villages/locations in the Financial Year 2012-13. As a result the domestic customer base at the end of this Financial Year 2012-13 has reached to 4,20,023. The enthusiasm and overwhelming response for the domestic PNG customers is continued to be high across Gujarat. The same can be witnessed in terms of figures as given here under:

DOMESTIC Customers:

Domestic Customers	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
No. of Domestic Connections-cumulative	46,889	1,27,830	2,40,976	3,28,348	4,20,023

❖ INDUSTRIAL SEGMENT:

Demand for green gas is increasing at a fast pace in Gujarat. Gujarat being an Industrial State its Business community spread across states is raising their voice for CGD Network for areas where GSPC GAS has not reached. In Financial Year 2012-2013 company's Industrial Customers have reached to 1779 as against 1547 during last Financial Year 2011-2012.

As of 13th May, 2013, GSPC Gas has reached 460 villages/locations and connected 4,26,779 domestic customers. GSPC Gas is also supplying Gas to around 1793 industrial customers and supplying CNG through 156 CNG stations across Gujarat.

❖ CGD NETWORK:

During the year, a major focus was to reach higher numbers of villages and connect maximum domestic customers, which was achieved through expansion of City Gas Distribution Network in our various Geographical Areas. GSPC Gas has laid 27.63 kms of Steel Network and 934.58 kms of PE network in the Financial Year 2012-13. As on 31st March 2013, GSPC Gas has commissioned total 454.38 kms of Steel Network and 5054.64 kms of PE network.

CHALLENGES:

Like any other business, your company also faces constrains and challenges. Following are the key challenges and constrains dealt by the Company.

- Infrastructure development for CNG station is a long process with many Statutory permissions from Railway, NHAI, Forest Departments, Irrigation Department, Pollution Control Board etc. (including Petroleum and Explosive Safety Organization (PESO)).
- As per PNGRB Act 2006, your company is now required to seek authorization from PNGRB prior to start the Operations of your Company in the new locations where GSPC Gas is not present. PNGRB Board is in the process of processing the Company's authorization applications for existing locations. Out of 10 GAs applied to PNGRB by the Board, 2 GAs namely Halol and Khambat has not been considered, for that your Company is in discussion with PNGRB Board.
- Increased Land prices in City area making difficult to purchase owned land plot or locate land at strategic places. Company is exploring developing new CNG stations on the Franchisee route.
- Availability of cheaper domestic gas from Govt. of India; Company needs allotment of domestic gas to supply the natural gas to customers in affordable manner.

PNGRB BIDDING FOR NEW AREAS:

PNGRB had invited bids for its 3rd round of CGD bidding for seven (7) Geographical Areas in July 2010. In February 2011, GSPC Gas submitted its bids for four (4) Geographical Areas, namely, Bhavnagar District, Jamnagar District, Kutch (East) and Kutch (West). Technical bids of all these Geographical Areas has been opened and GSPC Gas is in lead for Jamnagar District. Price bids for these areas are yet to be opened and final outcome is pending.

SUBSIDIARY OF GSPC GAS COMPANY LIMITED :

GSPC Gas Company Limited created a Special Purpose Vehicle (SPV), GSPC Distribution Networks Limited (GDNL) as a 100% subsidiary of GSPC Gas Co. Ltd. to acquire the business of Gujarat Gas Company Ltd by buying/acquiring 65.12% stake of BG Asia Pacific Holdings Pte. Limited, Singapore in Gujarat Gas Co. Ltd (GGCL). A Share Purchase Agreement (SPA) was signed with BG Asia Pacific Holdings Pte. Limited, Singapore on 3rd October, 2012, which subsequently triggered the provisions of SEBI Takeover Regulations 2011, making mandatory for GDNL to make open offer to the share holders of GGCL to the extent of 26%. GDNL acquired 8.58% shares of GGCL under open offer, and after acquiring 65.12% stake of BG Asia, GDNL shall be holding 73.70% of stake in GGCL. The process of acquiring the business of GGCL has begun by Open Offer Process and acquisition of BG's stake of 65.12% is in the final stage and very soon GDNL shall hold controlling stake in GGCL.

FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposits from Public pursuant to the provisions of Section 58A of the Companies Act-1956.

DIRECTORS:

Consequent to the Transfer of your Director vide communication received from Finance Department, Government of Gujarat, dated 18th April, 2013, to appoint Shri L Chuango, IAS in place of Ms. S. Aparna, IAS. Ms. S. Aparna, IAS was appointed as Director on 28.11.2011 as representative of Finance Department of the Government of Gujarat.

Shri L. Chuango, IAS, Principal Secretary (Expenditure), Finance Department, GoG is being nominated as Director on the Board of GSPC Gas in place of Ms. S. Aparna, IAS.

The Board wishes to place on record its sincere appreciation for Ms. S. Aparna, IAS for her valuable contribution made for the Company during their tenure.

Further, in accordance with the Companies Act, 1956 and pursuant to the Articles of Association of the Company, one of your Director viz. Shri Tapan Ray, IAS, retires by rotation at this ensuing Annual General Meeting. He, however, being eligible offers himself for re-appointment. Your directors recommend his reappointment.

AUDIT COMMITTEE:

During the Financial year the Audit Committee met 2 times on 23rd May, 2012 and 22nd February, 2013. Audit Committee has approved and recommended the Annual Accounts for the year ended on 31st March, 2013 for approval of the Board in the meeting held on 20th May, 2013.

The terms of the reference of the Audit Committee are as provided in the Companies Act, 1956. Presently, the Audit Committee comprises of Shri Tapan Ray, IAS, Shri Atanu Chakraborty, IAS and Shri K. D. Chatterjee.

AUDITORS:

Your company being a Government company, the Statutory Auditor is appointed by the Comptroller and Auditor General of India (C&AG) for the financial year 2012-2013. Accordingly, the Comptroller and Auditor General of India (C&AG) appointed **M/s. A. R. Sulakhe & Associates, Chartered Accountants, Pune** as an Auditor to carry out statutory audit of the Company for the financial year 2012-13.

STATUTORY AUDITOR'S REPORT:

In respect of the observations contained in the report of Statutory Auditors as annexed (Refer point no. (2), (a) and (d) of Report on Other Legal and Regulatory Requirements in Auditor's Report and point no. (i) (a) and (ii) (a) and (c) of annexure to the auditors' report), which have no financial impact and applicable disclosures have been made in the 'notes forming part of the financial statements' are self explanatory and therefore, do not call for any further comments.

COST ACCOUNTING RECORDS:

The company has maintained cost records as required by Cost Accounting Records (Petroleum Industry) Rules, 2002.

COST AUDITORS:

The Cost Accounting Reports (Petroleum Industries) Rules, 2002 is applicable to the company and is require to get its Cost Account records audited by Cost Accountant with effect from the financial year 2011-2012. Accordingly, the Company has appointed M/s. N.D. Birla & Co., Cost Accountants as a Cost Auditors for conducting cost audit for the Financial Year 2012-2013.

INTERNAL CONTROL SYSTEM:

The Company has well established and efficient internal control system and procedure commensurate with its size. Further the Company has implemented SAP system for integration of various business processes across the organization.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at 31st March, 2013 being the end of the financial year 2012-2013 and of the "profit" of the company for that period;

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

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

Pursuant to the compliance of the provisions of Sec.217(1)(e) a statement containing the information as per Section 217(1)(e) of the Companies Act read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is appended herewith as **Annexure - A**.

PARTICULARS OF EMPLOYEES:

Particulars of the employees of the Company drawing remuneration, which require disclosure under Section 217 (2A) of the Companies Act, 1956, as amended, read with the Companies (Particulars of Employees) Rules, 1975 are set out in **Annexure – B** attached herewith.

PERSONNEL AND HUMAN RESOURCES:

The Board acknowledges and appreciates the valuable contribution made by all the Employees, Contractors, Consultants of the Company and look forward mutual rewarding association in future too.

HEALTH, SAFETY AND ENVIRONMENT (HSE):

Continuing the Industrial Practice world over a health, safety and environment committee has been formed which shall interalia implement monitor HSE Policy, environment audit, monitor and ensure the prime standards of environmental, health and safety norms and compliance with applicable environmental and pollution laws at all locations of the Company. This HSE Committee meets once a month to review all the issues relating to the H.S.E. Shri PPG Sarma, CEO of the Company heads this committee and monitors the performance.

SOCIAL RESPONSIBILITY:

Your company has been continuously working towards the environment clean up through reduction in vehicular and industrial pollution by providing eco-friendly fuel to the consumers in State of Gujarat.

The Company is also providing cheaper environment friendly fuel to household consumers in form of Piped Natural Gas and has constantly aimed for achieving improved customer service by supplying uninterrupted, economic and environment friendly fuel to its valued customers

ACKNOWLEDGEMENT:

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

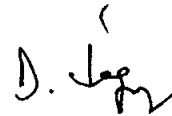
The Directors are extremely grateful for all the support given by the Government of Gujarat at all levels. Their guidance, encouragement and moral support have enabled the Company to expand the city gas distribution network.

The Directors also wish to place on record the sincere thanks to various regulatory authorities for the continuous support extended to the Company.

The directors convey their sincere appreciation of the valuable services rendered by employees at all levels without whose valuable contributions the excellent performance and growth of the company would not have been possible.

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

**FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS**



D.J. Pandian, IAS
Chairman

Date:

Place: Gandhinagar.

Registered Office:

Block No.15, 3rd Floor,

Udyog Bhavan, Sector: 11, Gandhinagar: 382011

ANNEXURE 'A' *

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

I) CONSERVATION OF ENERGY:

Where ever possible, Company is using Energy efficient electrical devises.

(* Details required under prescribed Form A is not applicable for the Company's business.)

II) TECHNOLOGY ABSORPTION:

Company is exploring various possibilities to incorporate possible technology as applicable to the industry.

III) FOREIGN EXCHANGE EARNING AND OUTGO:

A) **Earnings in Foreign Currency:** Nil (Previous year: Nil)

B) **Expenditure in Foreign Currency :**

1. Value of Imports on CIF basis in respect of:

Particulars	Year ended 31st March, 2013 (Rupees)	Year ended 31st March, 2012 (Rupees)
Raw Materials	-	-
Components and Spare Parts	-	-
Capital goods	-	-

2. Expenditure in Foreign Currency:

Particulars	Year ended 31st March, 2013 (Rupees)	Year ended 31st March, 2012 (Rupees)
Travelling Expenses	-	85,500
Sponsorship Expenses (Training)	-	1,26,370
Know-how, Royalty, Professional Consultancy Fees etc.	-	3,00,410

ANNEXURE 'B'

Information as per section 217 (2A) of the Companies Act-1956 and Companies (Particulars of Employees) Rules, 1975

Sr. No.	Name	Age (Yrs)	Desig-nation	Gross Remu-neration	Quali-fication	Date of Joining	Previous Employ-ment
1.	Shri PPG Sarma	51	Chief Executive Officer	Rs. 71.96/- Lakhs (annually)	B.E. (Mechanical)	24 th April 2006	BG (India) Ltd.

Auditors' Report

To
The Members of
GSPC GAS COMPANY LIMITED.
Block No.15, 3rd Floor,
Udyog Bhavan, Sector 11,
Gaandhinager – 382011

Report on the Financial Statements

We have audited the accompanying financial statements of **GSPC GAS COMPANY LIMITED.**(the Company), which comprises the Balance Sheet as at March 31st, 2013 and the Statement of Profit and Loss account and the Cash Flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act,1956("the Act").This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

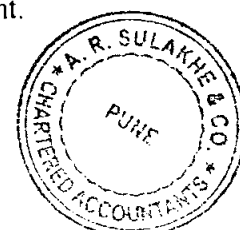
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

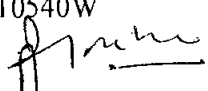
Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) (Amendment) order 2003 (CARO) issued by the Central Government of India in terms of sub-section (4A) section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2) As required by section 227(3) of the Act, we report that:-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit; *without qualifying our opinion we invite attention to note no. 9.1, 17.3 and 14 of Notes to Financial Statements, the balances mentioned thereat are subject to confirmation.*
 - b) in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c) the Balance Sheet and Profit and Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account.



- d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. *Except Accounting Standard 21 Consolidated Financial Statements where the associated companies result was included on the basis of unaudited financial statements.*
- e) Since the Company is a Government company, as per Notification No. GSR 829(E) dated October 21, 2003 of Ministry of finance Department of Company Affairs), Provisions of clause (9) of sub section (1) of section 274 of the Companies Act, 1956 are not applicable to the Company.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

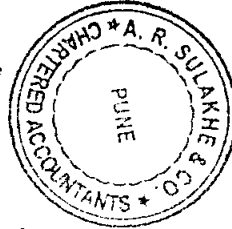
FOR A. R. SULAKHE & CO.,
CHARTERED ACCOUNTANTS
FRN: - 110540W


ANAND SULAKHE
PARTNER

M. NO. 33451

Date:- 20/5/2013.

Place: - Gandhinagar



Annexure to the Auditors' Report

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India on the basis of such checks as we considered appropriate and to the best of our information and according to the explanations given to us, we further state that:

- i. (a) The Company is maintaining cost center-wise records of its fixed assets, showing particulars including quantitative details *except land records which are in the process of updating*. We have been provided letters specifying that all major fixed assets have been verified at the end of the year and no material discrepancies were noticed on the said verification.

(b) In our opinion, the company has not disposed off a substantial part of fixed assets during the year and therefore paragraph 4 (i) (c) of the Company's auditors report order, 2004 is not applicable.
- ii. (a) We have been informed that *except project Inventory issued to projects or to the contractor(s) storage capital inventory*, all other items of the inventory have been physically verified by the Management at the end of the year.

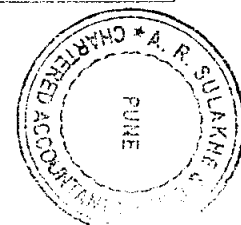
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory *except inventory under reconciliation as specified in note no. 12.10 of notes to financial statements* and as explained to us, except above there were no material discrepancies noticed on physical verification of the inventory.
- iii. The Company has neither granted nor taken any loans to/from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Consequently requirements of clauses (iii) a to (iii) g of paragraph 4 of the order are not applicable to the Company.
- iv. We have neither come across nor have we been informed of any major weaknesses in the internal control system. However in our opinion internal control commensurate with the size and nature of its business needs to be strengthened for purchase of inventory, fixed assets and for sale of goods and services.
- v. As per the information and explanations given to us, there were no contracts/agreements that needed to be entered in the register in pursuance of section 301 of the Companies Act, 1956.
- vi. In our opinion and according to the information and explanation given to us, the company has not accepted deposits from public to which the provisions of section 58 A and 58 AA of the companies act 1956 and the rules framed there under are applicable, and therefore paragraph 4 (vi) of the order is not applicable.



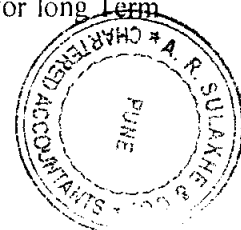
- vii. The Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the /company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. (a) The Company is generally regular in depositing undisputed dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Excise Duty, Custom Duty with appropriate authorities. As informed to us, provisions of Employees State Insurance Act are not applicable to the Company.
- (b) According to the information and explanations given to us and records of the Company examined by us, no undisputed amounts payable in respect of value added tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty, Sales Tax, Service Tax were outstanding as at March 31, 2013 for a period of more than six months from the date they became payable
- (c) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income Tax, Value added tax, Custom Duty, Wealth Tax, Service tax and excise duty which have not been deposited on account of any dispute pending except as follows :-

Sr No.	Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (net off amount deposited with Court) (Rs. in lacs)
1.	Custom, Excise and Service Tax	Excise exemption related to SSI units	Custom, Excise and Service Tax Appellate Tribunal.	F.Y. 2003-2004	23.66
2.	Income Tax Act, 1961	Income Tax Assessment order under section 143(3) of the Income Tax Act.	Income Tax Appellate Tribunal (ITAT), Ahmedabad	F.Y. 2006-2007	59.60
3.	Income Tax Act, 1961	Income Tax Assessment order under section 143(3) of the Income Tax Act.	Income Tax Appellate Tribunal (ITAT), Ahmedabad	F.Y. 2007-2008	845.42



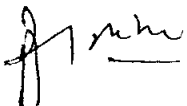
Sr No.	Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (net off amount deposited with Court) (Rs. in lacs)
4.	Income Tax Act, 1961	Income Tax Assessment order under section 143(3) of the Income Tax Act	Income Tax Appellate Tribunal(ITAT), Ahmedabad	F.Y. 2008-2009	1031.82
5.	Income Tax Act, 1961	Income Tax Assessment order under section 143(3) r.w.s.148 of the Income Tax Act	Commissioner of Income Tax (Appeals) Gandhinagar	F.Y. 2006 - 2007	74.28
6	Income Tax Act, 1961	Income Tax Assessment order under section 143(3) of the Income Tax Act	Commissioner of Income Tax (Appeals) Gandhinagar	F.Y. 2009 - 2010	1221.94

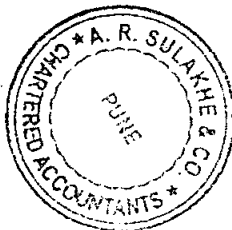
- x. The Company has not incurred any cash losses in the financial year ended on March 31, 2013 and in the immediately preceding financial year. The Company does not have accumulated losses at the end of the financial year.
- xi. The Company has not defaulted in repayment of dues to any financial institution or bank during the year ended on March 31, 2013.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore paragraph 4 (xii) of the order is not applicable.
- xiii. The provisions of any special statute applicable to chit fund and nidhi or mutual benefit fund / society are not applicable to the company and therefore paragraph 4 (xiii) of the order is not applicable.
- xiv. The company is not dealing or trading in shares, securities, debentures and other investments and therefore paragraph 4 (xiv) of the order is not applicable.
- xv. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions and therefore paragraph 4 (xv) of the order is not applicable.
- xvi. The term loans availed by the Company were applied for the purpose for which the said loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance sheet of the company, we are of the opinion that funds raised on short Term basis have prima facie, not been used for long Term Investment.



- xviii. During the year, the company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act 1956 and therefore clause 4(xviii) of the Companies' (Auditors Report) order 2003 is not applicable
- xix. According to the records of the Company, no debentures have been issued by the company during the year and hence clause (xix) of the Companies (Auditor's Report) order 2003 is not applicable.
- xx. According to the information and explanation given to us, the Company has not raised any money by public issue, during the period covered by our audit.
- xxi. To the best of our knowledge and according to the information and explanations given to us, one fraud of cash embezzlement amounting to Rs. 33 lacs was reported on Company. We invite the attention towards note no. 22.2 which deals with a case of cash embezzlement by the employees of the company.

**FOR A.R.SULAKHE & CO.,
CHARTERED ACCOUNTANTS
F R N: 110540W**


**ANAND SULAKHE
PARTNER
M. No. 33451**



**PLACE: GANDHINAGER
DATED: 20/5/2013.**

GSPC GAS COMPANY LIMITED
STANDALONE BALANCE SHEET AS AT 31st March, 2013

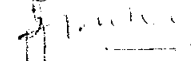
(Amount in Rupees)

Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	84,61,96,300	59,20,90,240
(b) Reserves and surplus	3	5,78,16,71,197	3,97,18,45,078
Share application money pending allotment	4	-	1,76,02,43,751
Non-current liabilities			
(a) Long-term borrowings	5	3,65,29,12,626	3,90,85,21,570
(b) Deferred tax liabilities (Net)	6	1,37,29,78,094	99,31,01,029
(b) Other Long term liabilities		-	-
(d) Long-term provisions	7	2,93,57,925	1,55,45,384
Current liabilities			
(a) Short-term borrowings	8	10,82,99,127	-
(b) Trade payables	9	2,19,78,64,941	1,71,96,60,345
(c) Other current liabilities	10	9,15,55,33,672	3,59,65,40,217
(d) Short-term provisions	11	51,81,75,599	26,80,05,010
TOTAL		23,66,29,89,481	16,82,55,52,625
ASSETS			
Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		12,57,31,45,725	10,57,10,66,578
(ii) Intangible assets		98,72,96,520	79,36,48,181
(iii) Capital work-in-progress		3,51,74,30,181	2,81,42,00,986
(iv) Intangible assets under development		20,24,268	20,24,268
(b) Non-current investments	13	15,80,000	10,80,000
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	14	3,72,95,49,232	21,72,85,907
(e) Other non-current assets	15	90,000	1,90,000
Current assets			
(a) Current investments		-	-
(b) Inventories	16	6,61,58,758	3,10,20,588
(c) Trade receivables	17	2,39,91,58,618	2,06,05,45,560
(d) Cash and cash equivalents	18	4,52,28,639	14,69,48,210
(e) Short-term loans and advances	19	18,17,75,095	8,51,44,422
(f) Other current assets	20	15,95,52,445	10,23,97,927
TOTAL		23,66,29,89,481	16,82,55,52,625

Significant Accounting Policies - Note 1 and Notes 2 to 46 are accompanying and form integral part of the Financial Statements.

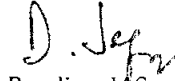
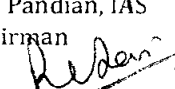
As per our report attached.

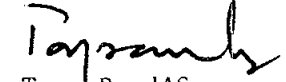

For A. R. Sulakhe & Co.
Chartered Accountants
 Firm Regn. No. : 110540W


 Anand Sulakhe
 Partner
 M. No. : 33451


 P. P. G. Sarma
 Chief Executive Officer

For and on behalf of Board of Directors


 D. J. Pandian, IAS
 Chairman

 Rahul Devi
 GM (F&A)


 Tapan Ray, IAS
 Director

 Ahmed Khan
 Company Secretary

Place: Gandhinagar
 Date: 20/5/2013

Place: Gandhinagar
 Date: 20th May, 2013

GSPC GAS COMPANY LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st March, 2013

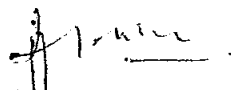
(Amount in Rupees)

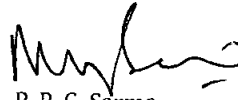
Particulars	Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012
Revenue from operations (Gross)	21	42,86,20,73,474	32,88,03,24,652
Less: Excise Duty		74,53,10,365	52,62,05,353
Revenue from operations (Net)		42,11,67,63,109	32,35,41,19,300
Other income	22	8,56,24,781	2,05,21,164
Total Revenue		42,20,23,87,890	32,37,46,40,463
Expenses:			
Cost of materials consumed	23	5,17,52,48,549	3,28,59,84,114
Purchases of Stock-in-Trade	24	33,38,49,86,494	25,19,79,32,960
Changes in inventories of finished goods and Stock-in-Trade	25	(1,68,84,778)	-
Employee benefits expense	26	29,19,21,013	21,82,74,548
Finance costs	27	58,08,03,480	47,55,07,449
Depreciation and amortization expense	12	59,39,54,624	48,28,30,087
Other expenses	28	1,21,11,36,026	96,81,84,494
Total expenses		41,22,11,65,408	30,62,87,13,653
Profit before exceptional and extraordinary items and tax		98,12,22,482	1,74,59,26,811
(a) Prior period items	29	5,68,941	29,64,844
(b) Exceptional items	30	13,87,382	21,96,801
Profit before extraordinary items and tax		97,92,66,159	1,74,07,65,166
Extraordinary items		-	-
Profit Before Tax (PBT)		97,92,66,159	1,74,07,65,166
Tax expense:			
(a) Current tax	31	19,73,53,461	34,91,00,873
(b) Deferred tax	6	37,98,77,065	33,10,24,476
Profit (Loss) for the period from continuing operations		40,20,35,633	1,06,06,39,817
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
Profit (Loss) for the period		40,20,35,633	1,06,06,39,817
Earnings per equity share:			
(a) Basic	32	6.54	17.91
(b) Diluted	32	6.54	17.91

Significant Accounting Policies - Note 1 and Notes 2 to 46 are accompanying and form integral part of the Financial Statements.

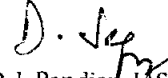
As per our report attached.

For A. R. Sulakhe & Co.
Chartered Accountants
Firm Regn. No. : 110540W

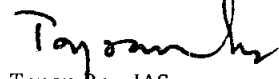

Anand Sulakhe
Partner
M. No. : 33451


P. P. G. Sarma
Chief Executive Officer

For and on behalf of Board of Directors


D. J. Pandian, IAS
Chairman


Rahtul Devi
GM (F&A)


Tapan Ray, IAS
Director


Ahmed Khan
Company Secretary

Place: Gandhinagar
Date: 20/5/2013

Place: Gandhinagar
Date: 20th May, 2013

GSPC GAS COMPANY LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2013

(Amount in Rupees)

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	97,92,66,159	1,74,07,65,166
Adjustments for:		
Depreciation	59,39,54,624	48,28,30,087
Loss on sale of Fixed Assets	81,82,609	4,70,339
Profit on sale of Fixed Assets	(3,63,96,200)	(3,90,515)
Loss of Material (Capital Inventory)	13,87,382	20,99,370
Prior period adjustment account on depreciation	(99,011)	(1,04,746)
Provision for Wealth Tax	21,170	24,550
Provision Diminution in Investment	-	6,75,000
Doubtful Debts (Trade Receivables)	10,17,023	7,21,766
Doubtful Advances	-	16,984
Interest Expense on payment of Income tax	65,20,625	18,88,627
Interest Expense	57,33,80,752	47,46,68,652
Dividend Income	(750)	(100)
Interest Income	(1,48,84,054)	(94,82,204)
Operating Profit before Working Capital Changes	2,11,23,50,329	2,69,41,82,975
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(33,96,30,081)	(72,85,58,419)
(Increase)/Decrease in Security Deposits	(5,56,87,376)	(4,62,40,550)
(Increase)/Decrease in Staff Loan and Advance	(72,733)	(15,26,996)
(Increase)/Decrease in Advance against Exp.	(4,95,36,816)	(2,21,62,516)
(Increase)/Decrease in Pre-paid Exp.	(55,00,996)	(57,83,977)
(Increase)/Decrease in Cenvat Rece & PLA A/c.	1,99,303	1,14,33,314
(Increase)/Decrease in Balance with Govt. Authorities	1,32,794	(5,99,844)
(Increase)/Decrease in Claim Recoverable A/c.	4,00,61,774	(18,51,190)
(Increase)/Decrease in Other Current Assets	(3,77,22,387)	(3,37,66,907)
(Increase)/Decrease in Inventories	(3,51,38,170)	(1,03,24,248)
Changes in Trade and Other Receivables	(48,28,94,688)	(83,93,81,334)
Increase/(Decrease) in Trade Payables	47,82,04,596	73,03,04,185
Increase/(Decrease) in Duties and Taxes	1,60,61,164	25,93,905
Increase/(Decrease) in Advance from Customers	3,88,51,636	(6,32,12,564)
Increase/(Decrease) in Deposit from Suppliers	50,87,149	19,96,765
Increase/(Decrease) in Deposits from Customers	53,59,99,262	45,70,36,415
Increase/(Decrease) in Employee Benefit Provisions	1,54,37,054	64,70,664
Increase/(Decrease) in Provision for Revenue Expenses	1,83,56,450	34,54,011
Changes in Trade and Other Payables	1,10,79,97,311	1,13,86,43,380
Cash Generated from Operations	2,73,74,52,953	2,99,34,45,022
Extra Ordinary Items and Other Adjustments	-	-
Taxes Refund	-	-
Taxes Paid	(22,79,51,909)	(43,81,78,094)
Net Cash from Operating Activities	2,50,95,01,043	2,55,52,66,928
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital work in progress and capital advances.	(3,27,39,20,013)	(3,49,16,02,587)
Investment in shares	(5,00,000)	-
Advances for Investment in Shares	(3,48,00,00,000)	-
Proceeds from Margin Money Deposit	1,00,000	-
Interest Received	1,04,22,799	77,51,410
Sale / Transfer of Fixed Assets	24,59,00,825	1,41,56,157
Dividend Income	750	100
Net Cash used in Investing Activities	(6,49,79,95,639)	(3,46,96,94,920)

Particulars	(Amount in Rupees)	
	For the year ended 31st March 2013	For the year ended 31st March 2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Application Money	-	50,00,00,000
Repayment of Share Application Money	(156)	-
Proceeds from Long-term borrowings	85,90,00,000	1,35,35,00,000
Proceeds from Short-term borrowings	6,50,82,99,127	2,09,99,99,897
Repayment of Long-term borrowings	(69,73,06,935)	(1,69,15,97,875)
Repayment of Short-term borrowings	(2,11,66,83,180)	(66,66,66,667)
Interest Paid	(59,77,19,622)	(53,13,28,139)
Dividend Paid (including tax thereon)	(6,88,14,209)	(8,60,17,760)
Net Cash from Financing Activities	3,88,67,75,025	97,78,89,456
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(10,17,19,571)	6,34,61,464
Cash and Cash Equivalents at the beginning of the year	14,69,48,210	8,34,86,746
Cash and Cash Equivalents at the end of the year	4,52,28,639	14,69,48,210
Closing Cash and Cash Equivalents comprise:		
Cash in hand	1,65,48,981	78,17,048
Balances with Scheduled Banks	2,86,79,659	8,91,31,162
Balances in Fixed Deposits	-	5,00,00,000

Notes to Cash Flow Statement:

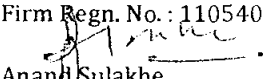
(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.


(ii) Purchase of fixed assets are stated inclusive of movements of capital work in progress, assets under development and capital advances.

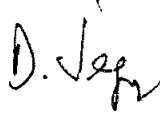
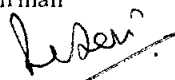
(iii) Previous year figures have been regrouped and reclassified wherever considered necessary to conform to the current year's figures.



(iv) Figures in bracket indicate cash-outflow.

As per our report attached.

For, A. R. Sulakhe & Co.
Chartered Accountants
 Firm Regn. No. : 110540W

 Anand Sulakhe
 Partner
 M. No. : 33451


 P.P.G. Sarma
 Chief Executive Officer


 D. J. Pandian, IAS
 Chairman

 Rakul Devi
 GM (F&A)


 Tapan Ray, IAS
 Director

 Ahmed Khan
 Company Secretary

Place : Gandhinagar
 Date : 20/5/2013

Place : Gandhinagar
 Date : 20th May, 2013

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

NOTE No. 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

GSPC GAS COMPANY LIMITED is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the City Gas Distribution (CGD) business to provide Natural Gas (PNG) to retail, various Industrial, Commercial and Domestic Residential segments' customers. It is also engaged in the business of distribution of CNG Gas to Transport segments' customers through CNG Filling Stations at major cities / towns of the Gujarat state.

1.2 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation and Presentation of Financial Statements

The financial statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The financial statements have been prepared and presented to comply in all material aspects with the Generally Accepted Accounting Principles (Indian GAAP) in India and the Accounting Standards issued by the Institute of Chartered Accountants of India, as notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and the relevant provisions of the Companies Act, 1956. The company has consistently applied the accounting principles and policies; and accounting polices not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (Indian GAAP) in India requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which they are materialized.

c. Fixed Assets and Capital Work in Progress

(i) Fixed Assets (Tangible)

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

The Company capitalizes to project assets all the cost directly attributable to completing the project. These costs include expenditure of pipelines, plant and

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

machinery, cost of laying of pipeline, cost of survey, commissioning and testing charge, detailed engineering and interest on borrowings attributable to acquisition of such assets. The PNG projects' assets are capitalized at the end of the month in which the asset is put to use / commissioned and CNG projects' assets are capitalized at the date of its commissioning and consequently the borrowing cost attributable to PNG / CNG Projects' assets is added to the capital cost up to their respective date of capitalization.

The gas distribution networks are treated as commissioned when supply of gas commences to the customer(s).

(ii) Intangible Assets

Intangible Assets includes amount paid towards obtaining the Right of Use (ROU) of land and Right of Way (ROW) permissions for laying the Gas Pipeline Network, cost of developing software for internal use and corporate club membership. The Company capitalizes software as Intangible Assets in terms of Accounting Standard -26 "Intangible Assets" where it is reasonably estimated that the software has an enduring useful life.

(iii) Capital Work In Progress

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

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

d. Depreciation and Amortization

Depreciation on fixed assets is provided as per Straight Line Method (SLM) at the rates specified and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except as under:

- i. Depreciation on Plant and Machinery - pipelines (Steel and MDPE) is provided at 3.17 % on Straight-Line Method (SLM) considering useful life of thirty years. The company has changed the depreciation rate on natural gas pipelines from 5.28% per annum on SLM basis as per schedule XIV to 3.17% per annum on SLM basis w.e.f. 1st April, 2011 in terms of approval of Ministry of Corporate Affairs (MCA) vide its letter no. 45/2/2011-CL-III dated 1st September, 2011.
- ii. Cost of mobile phones, which are expensed off in the year of purchase.

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

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 Rs. 5000/- are depreciated fully in the year of purchase / capitalization.

Cost of leasehold land is amortized equally over the period of lease.

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

Right of Way (ROW) Permissions	30 Years
Software and other Intangibles	5 Years

The persuasive evidence exists to the affect that useful life of an intangible asset - Right of Way (ROW) Permission exceeds ten years as against the rebuttable presumption that the useful life of an intangible asset will not exceed ten years. The company amortizes the intangible asset over the best estimate of its useful life. The useful lives of ROW Permission are inextricably linked with the pipeline Networks being laid, which corresponds with the useful life of 30 years of Plant and machinery - Pipelines for which the Right of Way (ROW) Permission has been obtained. The Useful life of 30 years of the Right of Way (ROW) Permissions is dependent on the useful life of Plant and machinery - Pipelines i.e. Pipeline network of the company.

No Depreciation is being charged on Right of Use (RoU) of Land being perpetual in nature.

e. Impairment of Assets

In accordance with Accounting Standard 28 on "Impairment of Assets" when at the balance sheet date, Fixed Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is then recognized in the Profit and loss statement for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. The impairment loss, if any, recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

f. Revenue Recognition

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

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Initial Connection Charges and deposit from customers:

- (i) The amounts collected towards initial connection charges from industrial customers and Commercial-non commercial customers are in the nature of installation fees and for providing, the infrastructure to facilitate the supply of gas and are recognized as revenue only when such infrastructure is laid by the Company and accepted by the customers and supply of gas commences to the customer(s).
- (ii) The amounts collected towards "registration and connection charges" from certain domestic customers are in the nature of "non-refundable charges" to avail the gas connection. Accordingly, the same are recognized as revenue as and when the Company commences the supply of gas to the customers and such amount charged to customers. Until then, the amounts so collected are shown as "Advances received from customers" in the balance sheet. The company has provided the installments facility to the domestic customers towards "connection charges" are in the nature of non-refundable charges, the total amount of such installments are recognized revenue as and when the company commences the supply of gas to the customers.
- (iii) The "registration and connection amounts" collected from certain domestic customers are in the nature of "refundable" to avail the gas connection. Accordingly, the same are recognized as a liability under head "Deposit from Customers" in the balance sheet as and when the Company commences the supply of gas to the customers. Until then, the amounts so collected are shown as advances received from customers in the balance sheet. The company has provided the installments facility to the domestic customers towards "connection amount" are in the nature of refundable, the same are recognized as a liability under head "Deposit from Customers" in the balance sheet as and when the recovered. The difference between the amounts charged from customers for gas connections and amounts of registration and connection" in the nature of refundable, is disclosed as revenue as and when the company commences the supply of gas to the customers.
- (iv) The amounts collected towards extra charges, modification charges and alteration charges from domestic customers are in the nature of non-refundable charges to avail the extra facility for gas connection. Accordingly, the same are recognized as revenue as and when the company complete such installations and the customers accept such installations. Until then, the amounts so collected are shown as "Advances received from customers" in the balance sheet.
- (v) The amounts collected towards "Security Deposit" from industrial customers, Commercial-non commercial customers and domestic customers are in the nature of refundable to secure the gas usage bills. Accordingly, the same are recognized as liability under head "Deposit from Customers" in the balance sheet as and when the recovered.

Revenue in respect of interest/ late payment charges on delayed realizations from customers, if any, is recognized on grounds of prudence, as and when recovered and on

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

the basis of certainty of collection, is accounted for on availability of documentary evidence that the customer has accepted the liability.

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

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

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

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

Expenditure charged to profit and loss statement is provided for the period for which the expenditure is incurred. Adequate provisions are made for all known expenses and liabilities.

g. Borrowing Costs

Interest and other costs in connection with the borrowing of funds to the extent they relate to the acquisition / construction of qualifying fixed assets as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such assets up to the date of commissioning. The Expenses incurred in connection with the arrangement of borrowings are capitalized over the period of the borrowing and every year; such cost is apportioned to assets based on the actual amount borrowed during the year. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the profit and loss statement.

h. Investments

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

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

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

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

i. Inventories

Stock of CNG in cascades and natural Gas in pipelines is valued at the lower of weighted average cost or net realizable value.

The Stock of PNG has been calculated on the basis of the cumulative length of Steel Pipelines and PE Pipelines of various diameters laid down as at the end of the Financial year.

The Stock of CNG has been calculated on the basis of the cumulative number of cascades on number of LCVs and HCVs operated as at the end of financial year.

Stores, spares and consumables are valued at cost on moving weighted average basis.

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

j. Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.

Monetary items (assets and liabilities) denominated in foreign currencies at the period-end are reported at the exchange rate prevailing on the balance sheet date.

Non-monetary foreign currency items are carried at cost using the exchange rates on the date of transaction.

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

k. Employee Benefits

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

Gratuity and Leave Encashment:

The liability in respect of gratuity benefits and leave encashment 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 charged to the profit and loss statement for the period.

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Provident Fund:

Retirement benefits in the form of provident fund and family pension fund, which are defined contribution schemes, are accrued in accordance with statutes and deposited with the Regional Provident Fund Commissioner (RPFC) and charged to the profit and loss statement for the period, in which the contributions to the respective funds accrue.

Short-term employee benefits are recognized as an expense in the profit and loss statement for the year in which related services are rendered.

l. Preliminary Expenditure

Preliminary expenditure is expensed out in the year in which the expenditure is incurred in line with the provisions of Accounting Standard - 26 on "Intangible Assets".

m. Taxes on Income

Tax provision for the reporting period, comprises of current tax and deferred tax.

Tax provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws that have been enacted as on balance sheet date. Current Tax represents amount of income tax payable in respect of the taxable income for the reporting period.

Deferred tax liability and assets is computed as per Accounting Standard (AS-22) on "Accounting for Taxes on Income". Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

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

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

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

n. Leases

The Company's significant license arrangements are in respect of operating license for office premises and project offices. The lease and license arrangements range between 11 months to six years, and are renewable by mutual consent on agreed terms and conditions. The aggregate rentals payable are charged as rent expenses in the profit and loss statement for the relevant period.

o. Earnings per Share

The Company reports earnings per share (EPS) in accordance with Accounting Standards - 20 on "Earnings per Share". The earnings considered in ascertaining the Company's EPS comprises of the net profit after tax. Basic earnings per share (BEPS) is computed by dividing the net profit for the current period by the weighted average number of Equity shares outstanding as on the balance sheet date.

The number of shares used in computing diluted earnings per share (DEPS) comprises the weighted average number of Equity Shares considered for deriving basic earnings per share (BEPS), and the weighted average number of Equity Shares that could have been issued on the conversion of all dilutive potential Equity Shares.

p. Cash Flow Statement

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

q. Prior Period Adjustments

In respect of the transactions pertaining to the one or more prior periods, the expenditure / (income) relating to prior period as a result of errors or omission in the preparation of financial statements, is shown under the head "Prior Period Adjustments Account" in the profit and loss statements as per the provisions of Accounting Standard 5 on "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies".

r. Proposed Dividend

The Dividend as proposed by the board of directors, including tax thereon is provided in the books of account pending approval at the Annual General Meeting.

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

s. Insurance Claims

The company accounts for insurance claims when there is certainty that the claims are realizable and acknowledge by insurance company and amount recognized in books of accounts is as under :

In case of loss of asset /goods by transferring, either the carrying cost of the relevant asset / goods or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance". In case insurance claim is, less than carrying cost the difference is charged to Profit and Loss statement.

As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

t. Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets", if any, are not recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty but are disclosed in the Notes to Financial Statements.

Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

u. Event Occurring after Balance Sheet Date

Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non adjusting events (that are 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 reports of the board of directors.

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Note 2 SHARE CAPITAL

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

Share Capital	As at 31st March 2013		As at 31st March 2012	
	No. of Shares	Amt. in Rs.	No. of Shares	Amt. in Rs.
Authorised Equity Shares of Rs.10 each	20,00,00,000	2,00,00,00,000	20,00,00,000	2,00,00,00,000
Issued, Subscribed and Paid up Equity Shares of Rs.10 each fully paid up	8,46,19,630	84,61,96,300	5,92,09,024	59,20,90,240
Total	8,46,19,630	84,61,96,300	5,92,09,024	59,20,90,240

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

Particulars	As at 31st March 2013		As at 31st March 2012	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid	
	No. of Shares	Amt. in Rs.	No. of Shares	Amt. in Rs.
Shares outstanding at the beginning of the period	5,92,09,024	59,20,90,240	5,92,09,024	59,20,90,240
Shares issued during the year (Refer note No: 2.2.1)	2,54,10,606	25,41,06,060	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the period	8,46,19,630	84,61,96,300	5,92,09,024	59,20,90,240

2.2.1 Board of Directors in its 58th Board meeting held on 27/02/2013 has decided to issue and allot 2,54,10,606 Equity shares of the Company to various share applicants. Pursuant to the same, the Board has decided that the share applicants from whom application money had been received on or before 05/04/2010 may be allotted equity shares at the price of Rs. 50/- per share (Rs.40/- premium and Rs. 10 face value) and the share applicants from whom application money had been received after 06/04/2010 has been allotted equity shares at the price of Rs. 181.41/- (Rs.171.41/- premium and Rs.10 face value.)

Accordingly Company has on 27/02/2013 issued and allotted 2,54,10,606 equity shares to the various share applicants as per following details.

Name of allottee	No. of shares (Fully Paid up)	Share capital @ Rs. 10 per share
Gujarat State Fertilizers and Chemicals Limited	50,00,000	5,00,00,000
Gujarat Industrial Development Corporation	50,00,000	5,00,00,000
Gujarat Alkalies & Chemicals Limited	40,00,000	4,00,00,000
Government of Gujarat	84,40,187	8,44,01,870
Gujarat State Petronet Limited	29,70,419	2,97,04,190
Total	2,54,10,606	25,41,06,060

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

2.3 TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.4 PROPOSED DIVIDEND

(Disclosure pursuant to Note no. 6(U) of Part I of Schedule VI to the Companies Act, 1956)

Particulars	As at 31st March 2013		As at 31st March 2012	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid	
	No. of Shares	Amt. in Rs.	No. of Shares	Amt. in Rs.
Dividend proposed to be distributed to equity shareholders	8,46,19,630	8,46,19,630	5,92,09,024	5,92,09,024
Amount of dividend per share distributed to equity shareholders		1.00		1.00

2.5 SHARE HOLDING BY PRESCRIBED ENTITIES

(Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956)

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

Share Holder (Nature of Relationship)	As at 31st March 2013		As at 31st March 2012	
	No. of Equity Shares of Rs. 10 each fully paid	Amt. of Equity Shares Fully Paid	No. of Equity Shares of Rs. 10 each fully paid	Amt. of Equity Shares Fully Paid
(i) Gujarat State Petroleum Corporation Limited (Holding Company)	3,66,92,358	36,69,23,580	3,66,92,358	36,69,23,580
(ii) Gujarat State Petronet Limited (Subsidiary Company of Holding Company)	2,46,37,085	24,63,70,850	2,16,66,666	21,66,66,660
(iii) Gujarat State Energy Generation Limited (Associate Company of Holding Company)	2,50,000	25,00,000	2,50,000	25,00,000

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

2.6 SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL SHARE CAPITAL

(Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956)

Name of Shareholder	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gujarat State Petroleum Corporation Limited, <i>(Holding Company)</i>	3,66,92,358	43.36%	3,66,92,358	61.97%
Gujarat State Petronet Limited, <i>(Subsidiary Company of Holding Company)</i>	2,46,37,085	29.12%	2,16,66,666	36.59%
Government of Gujarat	84,40,187	9.97%	-	-
Gujarat State Fertilizers & Chemicals Limited	51,00,000	6.03%	1,00,000	0.17%
Gujarat Industrial Development Corporation	50,00,000	5.91%	-	-

2.7 ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH, BONUS SHARES AND BUYBACK OF SHARES

(Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956)

Particulars	Year (Aggregate No. of Shares)				
	2012-13	2011-12	2010-11	2009-10	2008-09
(i) Equity Shares of Rs. 10 each fully paid pursuant to contract(s) without payment being received in cash. <i>(Refer sub note 2.7.1)</i>	9,70,419	-	-	-	-
(ii) Equity Shares Fully paid up by way of bonus shares	-	-	-	-	-
(iii) Equity Shares bought back	-	-	-	-	-

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

2.7.1 The Company has acquired assets of Rs. 17,60,43,751/- consisting of Steel Pipelines situated in the State of Gujarat from Gujarat State Petronet Limited (GSPL) with effect from 01.10.2010 by executing the Sale Deed dated 29th October, 2010. In pursuance of the sale deed, consideration for purchase of such assets is paid by allotment of fully paid up Equity Shares of the aggregate value of Rs. 17,60,43,751/-.

The Board of Directors in its 58th Meeting held on 27/02/2013 decided to allot equity shares against the above acquisition of assets at the price of Rs. 181.41 (Rs.171.41/- Premium and Rs. 10/- face value).

Name of allottee	No. of shares (Fully Paid up Equity share)	Fully Paid up Share capital @ Rs. 10 per share	Premium Amount @ Rs. 171.41 per Share	Total Consideration (Amt. in Rs.)
Gujarat State Petronet Limited <i>(Subsidiary Company of Holding Company)</i>	9,70,419	97,04,190	16,63,39,521	17,60,43,711

Amount Refunded Rs.40/- vide cheque No. 10426 from Kotak Bank dated 31.03.2013.

2.8 CALLS UNPAID BY DIRECTORS AND OFFICERS

(Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956)

Unpaid Calls	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	Amt. in Rs.	No. of Shares held	Amt. in Rs.
By Directors	-	-	-	-
By Officers	-	-	-	-

2.9 FORFEITED SHARES

(Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956)

Forfeited Shares	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	Amt. in Rs.	No. of Shares held	Amt. in Rs.
Forfeited Shares	-	-	-	-
Originally Paid up	-	-	-	-

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GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Note 3 RESERVES AND SURPLUS

Reserves and Surplus	Amount in Rs.			
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012	As at 31st March 2012
Securities Premium Account				
Opening Balance	34,05,70,870		34,05,70,870	
Add : Securities premium received during the year (Refer note no. 3.1)	1,50,61,37,535		-	
Less : Premium utilised	-		-	
Premium on Redemption of Debentures	-		-	
For Issuing Bonus Shares	-		-	
Closing Balance		1,84,67,08,405		34,05,70,870
General Reserve				
Opening Balance	3,67,88,420		3,67,88,420	
Add: Transfer from Statement of Profit and Loss	-		-	
Less: Written Back during the year	-		-	
Closing Balance		3,67,88,420		3,67,88,420
Surplus in Statement of Profit and Loss				
Opening balance	3,59,44,85,788		2,60,26,60,181	
Add: Profit for the year as per Statement of Profit and Loss	40,20,35,633		1,06,06,39,817	
Less : Appropriations:				
Proposed Dividend	8,46,19,630		5,92,09,024	
Corporate Tax on Proposed Dividend	1,37,27,419		96,05,185	
Transfer to General Reserves	-		-	
Total Appropriations	9,83,47,049		6,88,14,209	
Closing Balance		3,89,81,74,372		3,59,44,85,788
Total		5,78,16,71,197		3,97,18,45,078

3.1 Board of Directors in its 58th Board meeting held on 27/02/2013, has decided to issue and allot 2,54,10,606 Equity shares of the company to various share applicants.

With reference to the same, the Board has decided that the share applicants from whom application money had been received on or before 05/04/2010 be allotted equity shares at the price of Rs. 50/- per share (Rs. 40/- premium and Rs. 10 face value) and the share applicants from whom application money had been received after 06/04/2010 be allotted equity share at the price of Rs. 181.41/- (Rs. 171.41/- premium and Rs. 10 face value). Accordingly company has issued 2,16,84,000 equity shares at price of Rs. 50/- per share (Premium Rs. 40/- per share amounting to Rs. 86,73,60,000) and 37,26,606 equity shares at price of Rs. 181.41/- per share (Premium Rs. 171.41/- per share amounting to Rs. 63,87,77,534/-).

Details of Shares allotted to the share applicants from whom application money received on or before 05th April 2010:

Name of allottee	No of shares (Fully Paid up Equity share)	Fully Paid up Share Capital @ Rs. 10 per share	Premium Amount @ Rs. 40 per share	Total Consideration (Amt. in Rs.)
Gujarat State Fertilizers and Chemicals Limited	50,00,000	5,00,00,000	20,00,00,000	25,00,00,000
Gujarat Industrial Development Corporation	50,00,000	5,00,00,000	20,00,00,000	25,00,00,000
Gujarat Alkalies & Chemicals Limited	40,00,000	4,00,00,000	16,00,00,000	20,00,00,000
Government of Gujarat	56,84,000	5,68,40,000	22,73,60,000	28,42,00,000
Gujarat State Petronet Limited (GSPL)	20,00,000	2,00,00,000	8,00,00,000	10,00,00,000
(A)	2,16,84,000	21,68,40,000	86,73,60,000	1,08,42,00,000

Details of shares allotted to share applicants from whom application money received on or after 06th April 2010:

Name of allottee	No of shares (Fully Paid up Equity share)	Fully Paid up Share Capital @ Rs. 10 per share	Premium Amount @ Rs.171.41 per share	Total Consideration (Amt. in Rs.)
Government of Gujarat	27,56,187	2,75,61,870	47,24,38,014	49,99,99,884
Gujarat State Petronet Limited (GSPL)	9,70,419	97,04,190	16,63,39,521	17,60,43,711
(B)	37,26,606	3,72,66,060	63,87,77,534	67,60,43,594
TOTAL (A+B)	2,54,10,606	25,41,06,060	1,50,61,37,534	1,76,02,43,594

*The company has refunded Rs. 156/- (Rs.40/- to GSPL and Rs. 116/- to Government of Gujarat) on 31.03.2013

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Note 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

4.1 The Company has received the share application money from the following applicants:

Sr. No.	Name of applicants	Amount in Rs.	
		As at 31st March 2013	As at 31st March 2012
1	Gujarat State Fertilizers and Chemicals Limited	-	≥ 5,00,00,000
2	Gujarat State Petronet Limited (Refer Note 4.1.1 and 4.1.2)	-	≥ 7,60,43,751
3	Government of Gujarat*	-	≥ 8,42,00,000
4	Gujarat Industrial Development Corporation	-	≥ 5,00,00,000
5	Gujarat Alkalies and Chemicals Limited	-	≥ 0,00,00,000
Total		-	1,76,02,43,751

4.1.1 The Company has acquired assets of Rs. 17,60,43,751/- comprising of Steel Pipelines situated in the State of Gujarat from Gujarat State Petronet Limited (GSPL) with effect from 01.10.2010 by executing the Sale Deed dated 29th October, 2010. In pursuance of the Sale Deed, consideration for purchase of such assets is paid by allotment of fully paid up Equity Shares of the aggregate value of Rs. 17,60,43,751/-.

4.1.2 As per the understanding between the company and GSPL, the company has paid interest on share application money to GSPL @ 9.50% p.a. till the date of allotment of shares.

4.2 Terms and Conditions

The Company does not have any share agreement or term sheet with Share Applicant(s).

4.3 Authorised Share Capital

At present, the Authorised share capital of the company is Rs. 200,00,00,000/- divided into 20,00,00,000 equity shares of Rs. 10/- each. In the opinion of the management, the Company has sufficient authorised share capital to cover the share capital amount on allotment of Shares out of share application money received.

4.4 Interest Accrued on Amount due for refund

Not applicable as there is no amount due to be refunded to share applicant(s).

4.5 Period for Allotment

The period of allotment is not fixed as there is no agreement or term sheet or Share application form or any conditions at the time of acceptance of the share application amount. (Refer Note No. 3.1)

Note 5 LONG TERM BORROWINGS

Long Term Borrowings	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
LONG TERM LOAN		
Secured		
(a) Term loans		
from banks	2,61,95,81,419	2,65,85,21,674
<i>(Refer Detailed Note 5.1)</i>		
In case of continuing default as on the balance sheet date in repayment of loans and interest :		
1. Period of default	-	-
2. Amount of Loan	-	-
3. Amount of Interest	-	-
<i>The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.</i>		
Total - [A]	2,61,95,81,419	2,65,85,21,674
MEDIUM TERM LOAN		
Unsecured		
(a) Term loans		
from banks	-	9,99,99,897
<i>(Refer detailed Note 5.2)</i>		
Unsecured		
(a) Term loans*		
from other parties	1,03,33,31,207	1,14,99,99,999
<i>(Refer detailed Note 5.2)</i>		
	1,03,33,31,207	1,24,99,99,896
In case of continuing default as on the balance sheet date in repayment of loans and interest :		
1. Period of default	-	-
2. Amount of Loan	-	-
3. Amount of Interest	-	-
<i>The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.</i>		
Total - [B]	1,03,33,31,207	1,24,99,99,896
Total - [A + B]	3,65,29,12,626	3,90,85,21,570

5.1 LONG TERM BORROWINGS

SECURED LOANS *	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2013 in Rs.	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2012 in Rs.	Repayment Terms					Non-Current Portion			Current Maturities**			
			Terms of repayment of term loans	Period of Maturity with respect to 31.03.2013	Total Number of Installments along with interest	Number of Installments payable within one year from 31.03.2013	Rate of Interest on 31.03.2013 in %	Amount of Installments not due within one year from 31.03.2013 in Rs.	Amount of Installments not due within one year from 31.03.2012 in Rs.	Amount of Installments due within one year from 31.03.2013 in Rs.	Amount of Installments due within one year from 31.03.2012 in Rs.			
Term Loans from Banks														
State Bank of India	13,47,35,950	34,05,08,559	Monthly installment along with interest from December 2010	Nov-13	9	9	12.20%	13,52,92,203	13,47,35,950	20,52,16,356				
Dena Bank TL - II	64,76,87,368	69,90,70,973	Quarterly installment from December 2012	Sep-19	26	4	11.00%	64,90,70,975	10,09,00,000	4,99,99,998				
IDBI Bank	6,01,99,471	14,11,02,367	Monthly installment along with interest from December 2010 or from the date of loan	Dec-13	10	10	11.25%	6,12,86,095	6,01,99,471	7,98,16,272				
The Kalyani Commercial Corp	10,02,75,613	14,22,08,184	Monthly installment along with interest from December 2010 or from the date of loan	Aug-15	29	12	10.90%	10,05,41,520	4,16,66,607	4,16,66,664				
The Kalyani Commercial Co-Op	29,95,48,285	-	Quarterly installment from September 2013	Jun-19	24	3	10.90%	26,20,48,285	3,75,00,000	-				
Oriental Bank of Commerce TL - I	23,55,19,827	31,13,23,298	Monthly installment along with interest from December 2010 or after moratorium period of one year from the date of loan	May-16	38	12	11.25%	16,05,19,827	7,50,00,000	7,50,00,000				
Oriental Bank of Commerce TL - II	9,89,64,385	12,43,02,532	Monthly installment along with interest from started from December 2010 or after moratorium period of one year from the date of loan	Mar-17	48	12	11.25%	7,39,64,377	2,50,00,008	2,50,00,008				
Oriental Bank of Commerce TL - III	27,82,17,937	34,62,97,482	Monthly installment along with interest from December 2010 or after moratorium period of one year from the date of loan	May-17	50	12	11.25%	24,10,80,901	6,71,36,136	6,71,36,136				
Bank of Maharashtra	57,40,02,795	59,92,82,455	Quarterly installment from December 2012	Sep-19	26	4	11.75%	52,60,02,795	4,80,00,000	4,28,57,142				
Cooperation Bank	20,13,85,624	24,21,17,142	Quarterly installment from December 2012	Sep-19	26	4	11.75%	12,13,85,624	8,80,00,000	1,73,21,424				
UCO Bank	7,182,83,295	34,06,79,826	Quarterly installment from December 2012	Sep-19	26	4	11.70%	65,82,83,295	6,00,00,000	2,43,57,144				
Bank of Baroda	9,97,66,233	-	Quarterly installment from December 2012	Sep-19	26	4	11.75%	-	9,97,66,233	-				
Total	3,14,85,85,882	3,28,68,92,818						2,61,95,81,418	82,90,04,464	62,83,71,144				
The above amount includes:														
Secured Borrowings														
Unsecured Borrowings														
Total Secured and Unsecured Borrowings														
** Basis: Amount disclosed under the head "other Current Liabilities" (Note No. 10)														
Net Amount														

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

Particulars	As at 31st March 2013	As at 31st March 2012
Secured Loan	First part - passu charge on Present & Future Fixed Assets (Movable & Immovable) of the Company. Second part - passu charge on Present & Future Current Assets of the Company.	First part - passu charge on Present & Future Fixed Assets (Movable & Immovable) of the Company. Second part - passu charge on Present & Future Current Assets of the Company.
Guarantee by Directors or others	None of the loan has been guaranteed by the directors or others.	None of the loan has been guaranteed by the directors or others.
Loan from related party	None of the loan has been taken from the related party(ies).	None of the loan has been taken from the related party(ies).

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GNPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2013

5.2 MEDIUM TERM LOAN BORROWINGS

UN-SECURED LOANS *	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2013 in Rs.	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2012 in Rs.	Repayment Terms					Non-Current Portion			Current Maturities **			
			Terms of repayment of term loans	Period of Maturity with respect to 31.03.2013	Total Number of Installments along with interest	Number of installments payable within one year from 31.03.2013	Rate of interest as on 31.03.2013 in %	Amount of Installments not due within one year from 31.03.2013 in Rs.	Amount of Installments not due within one year from 31.03.2012 in Rs.	Amount of Installments due within one year from 31.03.2013 in Rs.	Amount of Installments due within one year from 31.03.2012 in Rs.			
Medium Term Loans from Financial Institutions														
Gujarat State Financial Services Ltd I		18,33,33,333	In 6 Equal Half Yearly Installments along with interest	Mar-13	N.A	N.A		N.A					18,33,33,333	
Gujarat State Financial Services Ltd II	15,00,00,000	30,00,00,000	In 6 Equal Half Yearly Installments along with interest	Oct-13	2	2		9.25%		15,00,00,000		15,00,00,000		15,00,00,000
Gujarat State Financial Services Ltd III	1,00,00,00,001	1,66,66,66,667	In 6 Equal Half Yearly Installments along with interest	Jul-14	3	2		9.25%	33,33,33,335	99,99,99,999		66,66,66,666		66,66,66,666
Gujarat State Financial Services Ltd IV	83,33,33,332	-	In 6 Equal Half Yearly Installments along with interest	Aug-15	5	2		9.25%	49,99,99,997	-		33,33,33,335		-
Gujarat State Financial Services Ltd V	36,00,00,000	-	In 6 Equal Half Yearly Installments along with interest	Mar-16	6	2		9.25%	20,00,00,000	-		10,00,00,000		-
Total (A)	2,28,33,33,333	2,15,00,00,000							1,03,33,33,332	1,14,99,99,999		1,25,00,00,001		1,00,00,00,001
Medium Term Loans from Banks														
Deva Bank ***	4,24,99,85,509	9,99,99,897	Bullet Payment from first Disbursement not exceeding 18 Months from the date of first disbursement	Sep-13	1	1		10.25%		9,99,99,897		4,24,99,85,509		
Total (B)	4,24,99,85,509	9,99,99,897								9,99,99,897		4,24,99,85,509		
Total (A+B)	6,53,33,18,842	2,24,99,99,897							1,03,33,33,332	1,24,99,99,896		5,49,99,85,510		1,00,00,00,001
** Less: Amount disclosed under the head "Other Current Liabilities" (Note No. 10)														
Net Amount									1,03,33,33,332	1,24,99,99,896		5,49,99,85,510		1,00,00,00,001

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

Particulars	As at 31st March 2013	As at 31st March 2012
Unsecured Loan	Demand Promissory Note and Post dated cheques for repayment of principal and interest	Demand Promissory Note and Post dated cheques for repayment of principal and interest
Guaranteee By Directors or others	None of the loan has been guaranteed by the directors or others.	None of the loan has been guaranteed by the directors or others.
Loan from related party	None of the loan has been taken from the related party(ies).	None of the loan has been taken from the related party(ies).

*** Out of the said Loan, amount of Rs. 348 Crores have been utilized for investment in same nature of business and hence it is expected to be converted into Long Term Loan in 2013-14. The repayment of the said loan will be spread over seven to ten years.

Note 6 DEFERRED TAX LIABILITY (NET)

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

Component	Amount in Rs.			
	Deferred Tax Asset as at 31st March 2013	Deferred Tax Liability As at 31st March 2013	Deferred Tax Asset As at 31st March 2012	Deferred Tax Liability As at 31st March 2012
Depreciation	-	1,38,47,11,523	-	9,89,36,237
Expenditure Disallowed U/s. 43B of the Income Tax Act, 1961	1,17,33,429	-	58,35,208	-
TOTAL	1,17,33,429	1,38,47,11,523	58,35,208	9,89,36,237
Net Amount Recognised in the Balance sheet		1,37,29,78,094		99,31,01,029
Increasing/(Decreasing) during the year and recognised in Profit and Loss Statement		37,98,77,065		33,10,24,476

Note 7 LONG TERM PROVISIONS

Long Term Provisions	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Provision for employee benefits		
Gratuity (unfunded) (Refer note 7.1)	12,44,817	14,08,679
Leave Encashment (unfunded) (Refer note 7.1)	2,81,13,108	1,41,36,705
Other Provisions	-	-
Total	2,93,57,925	1,55,45,384

7.1 The Company has implemented Accounting Standard - 15 (AS-15) (Revised 2005) on "Employee Benefits", issued by the Institute of Chartered Accountants of India.

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

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the year is Rs. 1,46,87,069 /- (Previous year Rs. 1,05,86,442/-).

(b) **Gratuity and Leave Encashment** - Defined Benefit Plans (payable in future)

Provision has been made for the year ended 31.03.2013 for gratuity and leave encashment as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	For the year ended 31st March 2013	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2012
A. Discount rate	8.10%	8.10%	8.50%	8.50%
Rate of return on plan assets	N.A.	N.A.	N.A.	N.A.
Salary Escalation	7%	7%	7%	7%
Amount in Rs.				
B. Change in Defined Benefit Obligations				
Liability at the beginning of the year	14,41,142	1,45,86,581	5,91,929	89,65,130
Interest Cost	1,22,497	11,24,422	50,314	7,62,036
Current Service Cost	2,11,358	64,19,779	2,33,174	31,88,950
Benefits Paid	-	(27,16,165)	(2,75,394)	(22,66,125)
Actuarial (Gain) / Loss on obligations	96,203	1,01,78,960	8,41,119	39,36,590
Liability at the end of the year - Total	18,71,200	2,95,93,577	14,41,142	1,45,86,581
C. Expenses Recognised in the Profit and Loss Statement				
Current Service Cost	2,11,358	64,19,779	2,33,174	31,88,950
Interest Cost	1,22,497	11,24,422	50,314	7,62,036
Actuarial (Gain) / Loss	96,203	1,01,78,960	8,41,119	39,36,590
Exps. charged to Statement of Profit & Loss	4,30,058	1,77,23,161	11,24,607	78,87,576
D. Balance Sheet Reconciliation				
Opening Net Liability	14,41,142	1,45,86,581	5,91,929	89,65,130
Expenses Charged to Profit and Loss Statement	4,30,058	1,77,23,161	11,24,607	78,87,576
Benefits Paid	-	(27,16,165)	(2,75,394)	(22,66,125)
Closing Liability	18,71,200	2,95,93,577	14,41,142	1,45,86,581
E. Current/Non-Current Liability :				
Current	6,26,383	14,80,469	32,463	4,49,876
Non-Current	12,44,817	2,81,13,108	14,08,679	1,41,36,705

The estimates of future salary increase considered in the actuarial valuation takes into account inflation, promotion and other relevant factors such as supply and demand in the employment market. Future separation and mortality rates are obtained from relevant data of Life Insurance Corporation of India.

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Note 8 SHORT TERM BORROWINGS

Short Term Borrowings	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Unsecured		
(a) Loans repayable on demand from banks (Refer detailed Note B.1)	10,82,99,127	-
In case of continuing default as on the balance sheet date in repayment of loans and interest		
1. Period of default	-	-
2. Amount	-	-
3. Amount of Interest	-	-
<i>The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.</i>		
Total	10,82,99,127	-

Note 9 TRADE PAYABLES

Trade Payables	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Sundry Creditors - Gas Purchase / Transmission	2,04,30,80,573	1,64,91,21,558
Sundry Creditors - Others (Refer Note 10.1 for details of dues to micro and small enterprises)	15,47,84,368	7,05,38,787
Total	2,19,78,64,941	1,71,96,60,345

9.1 The balances of Trade payables for the amount due to them are subject to confirmation. Necessary adjustments, if any, will be made when the accounts are settled after the confirmation is received.

Note 10 OTHER CURRENT LIABILITIES

Other Current Liabilities	Amount in Rs.			
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012	As at 31st March 2012
Other Current Liabilities :				
Current maturities of long-term debt (Term Loans)				
From Banks (Secured)			62,83,71,144	
From Banks (Unsecured)	4,24,99,85,509			
From Other Parties (Unsecured) (Refer Note No. 5.1 and 5.2)	2,07,90,04,465	6,32,89,89,974	1,00,00,00,001	1,62,83,71,145
Interest accrued but not due on borrowings		3,62,05,266		4,27,78,082
Interest accrued and due on Share Application Money				1,77,66,054
Other Payables :				
Sundry Creditors for Capital Goods and Services (Refer Note 10.1 for details of dues to micro, small and medium enterprises)		84,24,24,665		55,33,95,318
PF Payable		39,08,063		
Duties and Taxes		12,70,41,936		11,72,03,897
Advances Received from Customers		22,37,53,084		18,49,01,448
Security Deposit received from Suppliers		2,19,76,948		1,68,89,800
Security Deposits received from Customers		1,57,12,33,735		1,03,52,34,473
Total		9,15,55,33,672		3,59,65,40,217

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31 March 2013

8.1 SHORT TERM LOAN BORROWINGS

UN-SECURED LOANS *	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2013 in Rs.	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2012 in Rs.	Repayment Terms					Non-Current Portion		Current Maturities **		
			Terms of repayment of term loans	Period of Maturity with respect to 31.03.2013	Total Number of Installments along with interest	Number of Installments payable within one year from 31.03.2013	Rate of interest as on 31.03.2013 in %	Amount of Installments not due within one year from 31.03.2013 in Rs.	Amount of Installments due within one year from 31.03.2013 in Rs.	Amount of Installments due within one year from 31.03.2012 in Rs.		
Short Term Loans from Banks												
Kotak Mahindra Bank Limited	10,82,99,127	-	Repayable on Demand	N.A.	1	1	11.00%	-	10,82,99,127	-	-	
Total	10,82,99,127	-							10,82,99,127			

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

Particulars	As at 31st March 2013	As at 31st March 2012
Unsecured Loan	Demand Promissory Note and Post dated cheques for repayment of principal and interest	Demand Promissory Note and Post dated cheques for repayment of principal and interest
Guarantee by Directors or others	None of the loan has been guaranteed by the directors or others.	None of the loan has been guaranteed by the directors or others.
Loan from related party	None of the loan has been taken from the related party(ies).	None of the loan has been taken from the related party(ies).

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GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

10.1 Information in respect of Micro, Small and Medium Enterprises Development Act, 2006:

The Company had sought confirmation from the vendors to know whether they fall in the category of Micro, Small and Medium Enterprises. In absence of confirmation from the vendors, company has not shown the same separately.

Note 11 SHORT TERM PROVISIONS

(Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956)

Short Term Provisions	Amount in Rs.			
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012	As at 31st March 2012
Provision for Income Tax				
Total Income Tax Payable	19,74,38,401		34,91,20,437	
Less: MAT Credit Utilization				
Less: Advance Tax Paid and TDS	12,36,83,609		34,15,01,141	
Net Provision for Income Tax		7,37,54,791		76,19,296
Provision for Interest on Income Tax		65,20,625		18,88,627
Provision for Wealth Tax		21,170		24,550
Provision for Proposed Dividend	8,46,19,630		5,92,09,024	
Provision for Dividend Distribution Tax	1,37,27,419	9,83,47,049	96,05,185	6,88,14,209
Provision for Expenditures				
For Revenue Expenditures	3,17,33,385		1,33,76,935	
For Capital Expenditures	30,56,91,725	33,74,25,111	17,57,99,054	18,91,75,989
Provision for employee benefits				
Gratuity (unfunded)	6,26,383		32,463	
Leave Encashment (unfunded)	14,80,469	21,06,852	4,49,876	4,82,339
(Refer note no. : 7.1)				
Total		51,81,75,599		26,80,05,010

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March, 2013

Note 12 FIXED ASSETS

(Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i),(ii); Note no. J and Note no. L of Part I of Schedule VI to the Companies Act, 1956)

12.2 INTANGIBLE ASSETS

Particulars	Amount in Rs.			
	ROW Permissions	ROU	Software and other Intangibles	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)
Gross Block				
As at 1st April 2011	55,39,77,838	3,60,62,108	19,12,35,466	78,12,75,412
(a) Purchase	11,08,25,447	1,27,08,042	3,51,61,223	15,86,94,712
(b) Acquired through business combinations	-	-	-	-
(c) Disposals	11,91,900	-	-	11,91,900
(d) Other adjustments	-	-	-	-
(e) Borrowing costs	7,74,760	15,172	-	7,89,932
As at 1st April 2012	66,43,86,145	4,87,85,322	22,63,96,689	93,95,68,156
(a) Purchase	23,69,96,897	15,41,038	2,67,44,740	26,52,82,675
(b) Acquired through	-	-	-	-
(c) Disposals	17,53,325	-	-	17,53,325
(d) Other adjustments	-	-	-	-
(e) Borrowing costs	19,72,303	-	-	19,72,303
As at 31st March 2013	90,16,02,020	5,03,26,360	25,31,41,429	1,20,50,69,809
Amortization				
As at 1st April 2011	6,09,04,899	-	2,65,51,651	8,74,56,550
(a) Charge for the year (Refer Note no. 13.14)	2,01,54,879	-	3,83,79,601	5,85,34,480
(b) Disposals	71,055	-	-	71,055
As at 1st April 2012	8,09,88,723	-	6,49,31,252	14,59,19,975
(a) Charge for the year (Refer Note no. 13.14)	2,56,43,594	-	4,63,18,882	7,19,62,476
(b) Disposals	1,09,162	-	-	1,09,162
As at 31st March 2013	10,65,23,155	-	11,12,50,134	21,77,73,289
Net Block				
As at 31st March 2013	79,50,78,865	5,03,26,360	14,18,91,295	98,72,96,520
As at 31st March 2012	58,33,97,422	4,87,85,322	16,14,65,437	79,36,48,181

12.3 CAPITAL WORK IN PROGRESS

Capital Work-in-Progress	Amount in Rs.	
	As at 31 March 2013	As at 31 March 2012
Capital Inventory (CNG and PNG Projects) (Refer Note No. 12.10)	1,16,12,54,571	1,08,88,98,983
Capital Work-in-Progress (CNG and PNG Projects) (Refer Note No. 12.15)	2,16,12,56,811	1,59,51,93,372
Interest during the construction period	17,26,34,164	9,86,87,575
Loan Syndication Expenses	2,22,84,635	3,14,21,056
Total	3,51,74,30,181	2,81,42,00,986

12.4 INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible Assets under development	Amount in Rs.	
	As at 31 March 2013	As at 31 March 2012
	(Rupees)	(Rupees)
Software Assets under Development	20,24,268	20,24,268
Total	20,24,268	20,24,268

12.5 IMPAIRMENT OR REVALUATION

Disclosure pursuant to Note no. I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956

The following disclosure is for each class of asset :

Particulars	Financial Year				
	2008-09	2009-10	2010-11	2011-12	2012-13
Asset details:					
Balance as at 1 April	-	-	-	-	-
a. Impairment	-	-	-	-	-
b. Revaluation	-	-	-	-	-
Balance as at 31 March	-	-	-	-	-

- 12.6 There is no impairment of any assets in terms of Accounting Standard - 28 (AS-28) on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of assets.
- 12.7 The Company has constructed / installed CNG stations' buildings and machineries, on land taken on lease from various lessees under lease deed for periods ranging from 35 years to 99 years. However, assets constructed / installed on such land have been depreciated at the rates specified in Schedule XIV to the Companies Act, 1956, as the management does not foresee non-renewal of the above lease arrangements by the lessees.
- Capital assets installed at the consumers' premises on the land of the customers have been depreciated at the rates specified in schedule XIV of the Companies Act, 1956.
- 12.8 Capital Work in Progress includes Rs. 17,26,34,164/- (Previous year Rs. 9,66,87,575/-) of borrowing cost capitalised pertaining to borrowings for qualifying assets as per AS-16.
- 12.9 Additions to the fixed assets during the current period includes borrowing costs capitalized Rs. 6,56,57,033 /- (Previous Year Rs. 5,12,98,007/-) pertaining to borrowings for qualifying assets as per the requirements of AS-16 "Borrowing Costs" issued by the Institute of Chartered Accountants of India.
- 12.10 At the end of the financial year 2010-11, for initial uploading of inventory in new SAP system, the Company had reconciled the inventory of project material (Capital Inventory) and store, spares and consumables as on 31.01.2011. The company had passed the accounting entry towards inventory value of quantity mismatch (shortage) between physical list and financial books of accounts as on 31.01.2011 and at the close of Financial Year 2010-11 in the books of accounts of the company, a shortage of Rs 3,41,29,706/- was shown under a "Inventory under Reconciliation Account" under Capital Inventory - Capital Work in Progress in the Balance sheet.
- The management, as remedial measure has undertaken the reconciliation during Financial Year 2011-12 and 2012-13 as well, and all the capital inventory of the Company (including the inventory issued to the contractors) was verified by independent agency except project inventory which was either issued to the project or contractor(s) storage capital inventory which was in the process of various stages of the project execution. The outcome of the exercise resulted into the excess inventory balance of Rs 36,08,492/- (Previous Year - Rs. 70,31,866). The reason of excess inventory balance can only be ascertained when the project capital inventory under various stages of project is verified and till then the Company has not passed any debit/credit entry into Profit and Loss Statement of the Company. Once such activity is completed, the balance amount of shortage/excess, if any, shall be provided in the Statement of Profit and Loss in next year. Till the time, amount of excess inventory of Rs. 36,08,492/- is shown as "Inventory under Reconciliation Account" under Capital Inventory - Capital Work in Progress in the Balance sheet, and not dealt in Profit and Loss Statement of the current year.
- 12.11 Leasehold Land disclosed under Tangible Assets includes land in respect of certain projects for which execution of lease/conveyance deeds are in process or yet to be executed or registered on 31st March, 2013.
- 12.12 Buildings have been constructed on Freehold Land as well as Leasehold Land acquired on lease.
- 12.13 Depreciation on Plant and Machinery - Gas pipelines (Steel and MDPE) is provided at 3.17 % on Straight-Line Method (SLM) considering useful life of thirty years. The company has changed the depreciation rate on natural gas pipelines from 5.28% per annum on SLM basis as per schedule XIV to 3.17% per annum on SLM basis w.e.f. 1st April, 2011 in terms of approval of Ministry of Corporate Affairs (MCA) vide its letter no. 45/2/2011-CL-III dated 1st September, 2011.
- 12.14 Amortization on Right of Way permissions (ROW) is provided on Straight-Line Method (SLM) considering useful life of 19 years. The company has changed the depreciation rate on natural gas pipelines from 5.28% per annum on SLM basis as per schedule XIV to 3.17% per annum on SLM basis w.e.f. 1st April, 2011 in terms of approval of Ministry of Corporate Affairs (MCA) vide its letter no. 45/2/2011-CL-III dated 1st September, 2011.

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12.15 GSPC Gas Company Limited and Gujarat Gas Company Limited (GGCL) have signed the Assets Exchange Agreement (AEA) on 25th April, 2012 and have agreed on the basis of PNGRB request to evaluate the option to exchange/swap their respective interest viz. GGCL interest in Valsad District and GSPC Gas interest in Bharuch Districts.

With reference to the said assets swapping agreement, Company has sold its Land, Building and Plant & Machinery located in Bharuch district at the total consideration of Rs. 217.64 Millions. The detailed head wise break up of the same is mentioned below.

Summary of Specified Tangible Fixed Assets transferred from GSPC Gas Company Limited to GGCL

Amount in Rs.					
Sr. No.	Location	Asset Type	Gross Block	Net Block as on 09.08.2012	Consideration
1	Kelod	Land	10,24,831	10,24,831	30,10,000
		Building	2,67,52,896	2,60,43,233	2,70,20,000
		Plant & Machinery	4,08,64,067	3,77,52,730	4,23,10,000
2	Sajod	Land	34,12,999	34,12,999	41,20,000
		Building	2,49,52,532	2,40,62,191	2,64,40,000
		Plant & Machinery	4,23,65,026	3,84,52,747	4,51,70,000
3	Bharuch GNFC Site	Building	1,48,07,020	1,41,29,230	1,18,90,000
		Plant & Machinery	5,28,76,995	4,40,92,093	5,59,50,000
4	Jamusar BPCL Station	Plant & Machinery	19,63,961	17,94,352	17,30,000
Gross Total			20,90,20,327	19,07,64,406	21,76,40,000

Summary of Specified Tangible Fixed Assets transferred from GGCL to GSPC Gas Company Limited

Amount in Rs.					
Sr. No.	Location	Asset Type	Gross Block	Net Block as on 09.08.2012	Consideration
1	Vapi	Lease Hold Land	3,07,10,000	Not Capitalized	4,99,30,000
		Building	1,48,80,000	Not Capitalized	1,75,70,000
		Plant & Machinery	20,72,80,000	Not Capitalized	23,03,17,000
Gross Total			25,28,70,000		29,78,17,000
Net Swap Value					8,01,77,000

GSPC Gas and GGCL has signed the Addendum Agreement dated 03.08.2012 to the original agreement dated 25.04.2012 and agreed to make necessary entries in their respective books of accounts to effect the transfer of the assets with effect from 09.08.2012 for GGCL to commence operation of CNG Stations / CNG equipment at Bharuch Districts and GSPC Gas Company to commence operation of the CGS and pipeline infrastructure at Vapi and Sarigam and book revenue and expenditure with effect from 09.08.2012.

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Notes to financial statements for the year ended 31st March 2013

Note 13 NON-CURRENT INVESTMENTS

(Disclosure pursuant to Note no. K (i) of Part I of Schedule VI to the Companies Act, 1956)

Non-Current Investments	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Other Investments		
Investment in Equity Instruments (Refer Note 13.2)	22,55,000	17,55,000
Total	22,55,000	17,55,000
Less: Aggregate Provision for diminution in the value of Investments (Krishna Godavari Gas Network Limited)	(6,75,000)	(6,75,000)
Total	15,80,000	10,80,000

13.1 AGGREGATE AMOUNT OF QUOTED AND UNQUOTED INVESTMENTS

(Disclosure pursuant to Note no. K (iii)(a) and K(iii)(b) of Part I of Schedule VI to the Companies Act, 1956)

Particulars	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Aggregate amount of quoted investments (Market value of Rs. N.A. (Previous Year Rs. N.A.))	-	-
Aggregate amount of unquoted investments	22,55,000	17,55,000
Aggregate amount of Provision for diminution in the value of Unquoted Investments	(6,75,000)	(6,75,000)

Notes to financial statements for the year ended 31st March 2013

13.2 Details of Other Investments

Investment in Equity Instruments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid Equity Shares each of Rs.	Extent of Holding (%)		Amount in Rs.		Whether stated at Cost Yes / No	If Answer to Column (12) is 'No' - Basis of Valuation
			As at 31st March 2013	As at 31st March 2012			As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a) Investment in Equity Instruments												
1	Guj Info Petro Limited	Associate Company	25,000	25,000	Unquoted	10	49.94%	49.94%	2,50,000	2,50,000	Yes	-
2	Krishna Godavari Gas Network Limited	Other	1,50,000	1,50,000	Unquoted	10	3.00%	3.00%	15,00,000	15,00,000	Yes	-
3	The Kalapur Co Op Comm Bank Ltd	Other	200	200	Unquoted	25	0.001%	0.001%	5,000	5,000	Yes	-
4	GSPC Distribution Network Limited (Refer below Note)	Subsidiary Company	50,000	-	Unquoted	10	100.00%	-	5,00,000	-	Yes	-
Total									22,55,000	17,55,000		

Note: In Last financial year 2011-12, the Company has promoted SPV in the name and style of "GSPC Distributions Network Limited" and has been incorporated in February, 2012 for keeping in view of acquisition of 65% stake of BG Group in Gujarat Gas Company Limited. During the year company has invested Rs. 5,00,000/- (50,000 equity shares of Rs.10 each) in form of equity shares.

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Notes to financial statements for the year ended 31st March 2013

Note 14 LONG TERM LOANS AND ADVANCES - NON CURRENT ASSETS

Long Term Loans and Advances	As at 31st March 2013		As at 31st March 2012	
Capital Advances				
To Others [Unsecured, considered good]	4,63,53,376		6,77,13,318	
To related parties [Unsecured, considered good] (Refer Note No. 14.1)	3,48,00,00,000	3,52,63,53,376	-	6,77,13,318
Security Deposits				
To Others [Unsecured, considered good] (Refer Note No. 14.3)	17,88,43,175		12,65,55,799	
To related parties [Unsecured, considered good] (Refer Note No. 14.1)	1,36,00,000	19,24,43,175	1,02,00,000	13,67,55,799
Loan to Employees				
To Employees [Unsecured, considered good]		17,81,388		15,14,645
Prepaid Expenses				
For Rent CPRS/MRS		71,45,392		54,80,597
Advance against Expenses				
For Advance against Expenses [Unsecured, considered good]		18,25,901		18,66,128
CENVAT Credit				
CENVAT Credit Account				40,15,420
Total		3,72,95,49,232		21,72,85,907

14.1 Loans and advances to related parties pertain to:

Particulars	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Gujarat State Petronet Limited (Subsidiary Company of Holding Company)	1,32,00,000	98,00,000
Gujarat State Energy Generation Limited (Associate Company of Holding Company)	4,00,000	4,00,000
GSPC Distribution Networks Limited (Subsidiary Company) (Share Application Money)	3,48,00,00,000	-
Total	3,49,36,00,000	1,02,00,000

14.2 Disclosure pursuant to Note no. 1 (iv) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total	-	-

14.3 The Company has given refundable security deposit in form of fixed deposit (FDR) to various project authorities to be held in their name and custody. It will be refunded after satisfactory completion of work. The company has therefore shown these fixed deposits (FDR) amounting Rs. 6,44,33,334/- (Previous Year Rs. 3,06,90,694 /-), till the same are in custody with project authorities as "Security Deposits" under the Note, "Long term Loans and Advances" in the balance sheet.

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Note 15 OTHER NON-CURRENT ASSETS

Other non-current assets	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Non-Current Bank Balances	90,000	1,90,000
Total	90,000	1,90,000

Note 16 INVENTORIES

(Disclosure pursuant to Note no. 0 (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956)

Inventories	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Stores and spares (Valued at Cost on moving weighted average basis)	4,83,04,227	3,10,20,588
Goods-in transit	-	-
Natural Gas in Pipeline (Refer Note 1.2.i)	1,01,59,728	-
CNG in Cascades (Refer Note 1.2.i)	76,94,802	-
Total	6,61,58,758	3,10,20,588

Note 17 TRADE RECEIVABLES - CURRENT ASSETS

Trade Receivables	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Trade receivables outstanding for a period less than six months from the date they are due for payment (Refer Note 17.1)		
Secured, considered good	1,84,94,83,088	1,62,95,61,243
Unsecured, considered good	52,72,06,067	40,68,04,580
Doubtful	-	-
Total (A)	2,37,66,89,155	2,03,63,65,823
Trade receivables outstanding for a period exceeding six months from the date they are due for payment (Refer Note 17.1)		
Secured, considered good	1,00,50,731	3,76,263
Unsecured, considered good	1,41,57,520	2,45,25,240
Doubtful	-	-
Total (B)	2,42,08,252	2,49,01,503
Total (A+B)	2,40,08,97,407	2,06,12,67,326
Less: Provision for doubtful debts	17,38,789	7,21,766
Total	2,39,91,58,618	2,06,05,45,560

17.1 Trade Receivables of Rs. 1,85,95,33,820/- (Previous Year Rs. 1,62,99,37,506/-) are backed by security in form of Bank Guarantees/Security Deposits.

17.2 Trade Receivable stated above include debts due from:

Particulars	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total	-	-

17.3 The balances of trade receivables for amount due are subject to confirmation. Necessary adjustments, if any, will be made when the accounts are settled after the confirmation is received.

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Notes to financial statements for the year ended 31st March 2013

Note 18 CASH AND CASH EQUIVALENTS

(Disclosure pursuant to Note no. Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956)

Cash and cash equivalents	As at 31st March 2013		As at 31st March 2012	
Cash and cash equivalents				
Balances with banks				
(a) In Current Accounts - including Sweep-in Facility Accounts	2,80,79,659		8,91,31,162	
(b) Deposits with Original Maturity of less than three months	-		5,00,00,000	
(c) In unpaid Dividend Account	-		-	
Cheques/Drafts on Hand	-		-	
Unpaid Matured Deposits	-		-	
Cash on Hand	1,65,48,981	4,52,28,639	78,17,048	14,69,48,210
Other Bank Balances				
I. Deposits with original maturity of more than three months but less than twelve months	-		-	
II. Deposits with original maturity of more than twelve months	90,000		90,000	
III. Margin Money Deposit	-		1,00,000	
	90,000		1,90,000	
Less : Non-current Deposits with original maturity of more than twelve months <i>(Disclosed under other non-current assets)</i>	90,000		1,90,000	
Total		4,52,28,639		14,69,48,210

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Notes to financial statements for the year ended 31st March 2013

Note 1.9 SHORT TERM LOANS AND ADVANCES

Short-term loans and advances	As at 31st March 2013		As at 31st March 2012	
Loans and advances to related parties (Refer notes 19.1 and 41.1)				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful recovery	-		-	
Advance Against Expenses				
Unsecured, considered good		1,68,92,748		2,24,08,354
Loan To Employees				
Unsecured, considered good		5,08,387		5,38,818
Staff Advance				
Unsecured, considered good	1,04,802		2,85,365	
Less: Provision for doubtful recovery	-	1,04,802	16,984	2,68,381
Advance Tax and TDS				
Unsecured, considered good		11,11,84,925		1,63,39,608
Pre Paid Expenses				
Unsecured, considered good		1,77,93,022		1,39,56,821
CENVAT Credit Account				
Unsecured, considered good		3,18,41,975		2,97,39,282
Balances with PLA Account				
Unsecured, considered good		30,06,736		12,93,312
Balances with Stamp Duty Authorities				
Unsecured, considered good		4,42,500		3,22,400
Balances with PF Account				
Unsecured, considered good		-		2,77,444
Total		18,17,75,095		8,51,44,422

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Notes to financial statements for the year ended 31st March 2013

19.1 Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total	-	-

Note 20 OTHER CURRENT ASSETS

Other current assets	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Interest Accrued But Not Due on Fixed Deposits	61,32,400	23,35,572
Interest Accrued But Not Due on Security Deposits	14,28,206	7,63,778
Unbilled Revenue	9,39,44,672	5,62,22,285
Claims Recoverable - Insurance (Refer Note 20.1 and 20.2)	30,14,518	4,30,76,292
Expense Recoverable against GGCL acquisition	5,50,32,650	-
Total	15,95,52,445	10,23,97,927

20.1 The fire incident which took place in warehouse/store yard in last financial year on 24.03.2012 wherein, capital inventory and spare parts were damaged and for which company had filed a claim of Rs. 4,17,39,221 (Carrying Cost or Insurance value whichever is lower) and transferred the same under the head "Claim Receivable" in Balance Sheet. During the current financial year 2012-13, company has received Rs. 3,92,72,900/- from insurance company and balance claim amount transfer to Scrap Sale (Rs. 11,36,388) and Loss of Material (Rs. 16,94,315) respectively.

The fire incident which took place at CNG station on 13.03.2012 in last financial wherein, assets were damaged and for which company had filed a claim of Rs. 9,72,689/- and transferred the same under the head "Claim Receivable" in balance sheet. During the current financial year 2012-13, company has received Rs. 10,13,469/- from insurance company and balance claim amount is transferred as Profit on sale of asset.

Summary of Claim Receivable

Sr. No.	Particulars	Book Value	Claim Receivable	Received from Insurance	Amount in Rs.	
					Short / (Excess) Claim Received	Remarks
1	Capex Material & Spare Parts	4,43,00,403	4,21,03,602	3,92,72,900	28,30,702	11,36,388/- Scrap Sale & 16,94,315/- Loss on Sale of Assets
2	CNG-Dispencer	9,72,689	9,72,689	10,13,469	(40,780)	Profit on Sale of Assets
Total		4,52,73,092	4,30,76,291	4,02,86,369	27,89,922	

20.2 During the financial year 2012-13, one incident has taken place pertaining to embezzlement of cash amounting to approximately Rs. 33 lacs of the company by one of its employee handling cash counter at one of its local office. Legal action including FIR has been filed against that employee. Insurance claim has also been filed with the insurance company under company's fidelity insurance policy which has been admitted by the insurance company.

GSPC GAS COMPANY LIMITED,

Notes to financial statements for the year ended 31st March 2013

Note 21 REVENUE FROM OPERATIONS

Particulars	Amount in Rs.			
	For the year ended 31st March 2013		For the year ended 31st March 2012	
Sale of products				
- Finished Goods (CNG)	5,89,96,69,701		4,16,91,87,685	
- Traded Goods (CNG)	26,10,46,831		15,64,92,630	
- Traded Goods (PNG)	36,31,85,46,194	42,47,92,62,727	28,05,34,77,078	32,37,91,57,393
Other operating revenues				
Initial Connection Charges Income (Refer sub-Note 21.1)	10,19,20,844		26,30,39,877	
Registration Charges Income from Domestic, Commercial and Non Commercial Connections (Refer sub-Note 21.1)	5,50,98,440		8,34,96,113	
Contract Renewal Charges Income	5,40,29,075		4,63,56,438	
Late Payment Charges Income	7,02,82,743		4,04,33,673	
Take or Pay Charges Income	3,44,39,156		1,62,76,218	
Alteration, Modification and Extra Connection Charges Income	6,09,30,229		4,93,66,981	
Other Operating Income	61,10,260	38,28,10,747	21,97,959	50,11,67,259
Revenue from Operations (Gross)		42,86,20,73,474		32,88,03,24,652
Less:				
Excise duty		74,53,10,365		52,62,05,353
Revenue from Operations (Net)		42,11,67,63,109		32,35,41,19,300

- 2.1.1 The Company has been advised by its counsel, that since the company does not pass-on any ownership or other right in the pipeline and equipments in favour of the customer, the amounts received by the company as Initial Connection Charges from the Industrial, Commercial and Non Commercial Customers and the Registration / Connection Charges from Domestic Customers are not in the nature of remission of the cost of the pipeline and equipments and hence the same needs to be accounted for as income. In view of this, Company has accounted the same as its income in the Statement of Profit and Loss

Note 22 OTHER INCOME

Particulars	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest Income	1,48,84,054	94,82,204
Dividend Income	750	100
Liquidated Damages Income	40,82,930	52,31,802
Exchange Rate Fluctuation	-	1,134
Profit on sale of Assets	3,63,96,200	3,90,515
Commission Income	1,17,908	2,50,288
Tender / EOI Income	2,40,400	1,41,800
Provision Liability No Longer Required	23,50,180	5,75,000
Income from sharing of resources for database	1,56,00,000	-
Other non-operating income (net of expenses directly attributable to such income)	1,19,52,359	44,48,320
Total	8,56,24,781	2,05,21,164

Note 23 COST OF MATERIAL CONSUMED

Particulars	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Purchases of Natural Gas for CNG	5,00,39,69,699	3,10,19,78,210
Add: Gas Transportation Charges	17,12,78,849	18,40,05,904
Cost of Raw Material Consumed	5,17,52,48,549	3,28,59,84,114

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Note 24 PURCHASE OF STOCK-IN-TRADE

Particulars	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Purchases of Natural Gas	36,44,59,87,766	26,08,36,84,376
Less: Transfer for CNG Conversion	5,00,39,69,699	3,10,19,78,210
Add: Gas Transportation Charges	1,66,11,56,931	2,05,24,53,252
	33,10,31,74,997	25,03,41,59,417
Purchases of CNG	28,18,11,497	16,37,73,543
Total	33,38,49,86,494	25,19,79,32,960

Note 25 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Stock-in-Trade		
Natural Gas in Pipeline and in CNG Cascades		
Inventory at the beginning of the year		
Less: Inventory at the end of year (Refer Note No. 25.1)	1,68,84,778	
Changes in Inventories - (-)Increase/(+)Decrease	(1,68,84,778)	

25.1 In Financial year 2012-13, management has decided to value the closing stock of natural gas in pipelines and CNG cascades which is estimated on volumetric basis

Due to the above change, there is an increase in closing stock of Natural Gas in Pipeline of Rs.1,01,59,728 and in CNG Cascades of Rs.67,25,050 totalling to Rs. 1,68,84,778. The same amount as at the end of previous year is estimated at Rs. 1,21,32,394. Since in the previous years, the closing stock was not accounted as per the consistent practice, the actual profit for the year has increased by Rs. 47,52,384.

Note 26 EMPLOYEE BENEFITS EXPENSE

Particulars	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Salaries and incentives	21,83,17,179	18,90,22,706
Contributions to -		
(i) Provident fund	1,46,87,069	1,05,86,442
(ii) Leave Encashment	1,99,65,731	95,20,906
Gratuity fund contributions	4,30,058	11,24,607
Staff welfare expenses	85,20,977	80,19,887
Total	29,19,21,013	21,82,74,548

Note 27 FINANCE COSTS

Particulars	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
I. Interest expense		
Interest on Term Loan	67,42,06,538	53,15,76,450
Interest on Share Application Money	2,37,99,222	2,62,78,139
Interest on Working capital Loan	43,70,434	35,31,425
Interest on Security Deposits	1,06,36,071	48,22,570
(a) Total Interest Expense	71,30,12,265	56,62,08,584
(b) Less: Interest Capitalised as per AS 16	13,96,31,513	9,34,28,559
Net Interest Expense [(a)-(b)]	57,33,80,752	47,27,80,025
II. Interest on current income tax (under section 234B and 234C of the Income Tax)	65,20,625	18,88,627
III. Other borrowing costs	9,02,103	8,38,797
IV. Applicable net gain/loss on foreign currency transactions and translation		
Total	58,08,03,480	47,55,07,449

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Note 28 OTHER EXPENSES

Particulars	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Consumption of Stores and Spare Parts		3,48,04,887
Power and Fuel		
Electricity Expenses - CNG Stations	17,36,76,701	14,09,17,257
Electricity Expenses - PNG	56,82,548	44,54,092
Electricity Expenses - Others	37,90,352	31,00,366
	18,31,49,601	14,84,71,715
Rent		
Rent - Office / Store	3,09,13,185	2,68,97,459
Rent - Govt. Authorities (Refer Note 28.1)	3,84,28,603	1,94,39,156
	6,93,41,788	4,63,36,615
Repair and Maintenance Expenses		
Repairs to Buildings	13,08,974	11,98,319
Repairs to Machinery - CNG	99,88,883	69,98,105
Repairs to Machinery - PNG	56,78,291	92,44,141
Repairs and Maintenance Others	82,80,508	90,67,702
	2,52,56,657	2,65,08,268
Operation and Maintenance Expense		
Operation and Maintenance Expense - CNG	15,75,63,288	12,74,67,981
Operation and Maintenance Expense - PNG	24,29,45,860	16,11,40,248
	40,05,09,148	28,86,08,229
LCV/HCV Hiring, Operating and Maintenance Charges	18,70,98,593	15,17,16,316
Lease (Wet) Machinery Expense	1,06,44,945	87,43,155
Instrument Testing Expenses	86,45,349	60,71,482
Franchisee, Commission and Profit Margin Exp.		
DMA Agency Commission Expenses	1,70,99,351	1,92,17,406
Franchisee Commission and Profit Margin Exp.	2,71,12,574	2,04,29,141
	4,42,11,924	3,96,46,548
Software Operation and Maintenance Charges	2,42,10,715	4,18,07,228
Business Promotion and Marketing Expenses	86,62,745	16,33,057
Advertisement and Publicity	1,93,24,168	1,10,67,452
Legal, Professional and Technical Consultancy Exp.	2,41,56,377	2,49,53,157
Insurance	2,23,08,011	1,46,93,447
Rates and Taxes (Excluding taxes on Incomes)		
Rate, taxes and duties	42,13,195	25,07,649
Provision for Wealth Tax	21,170	24,550
	42,34,365	25,32,199
Administration and Establishment Expenses	8,93,686	7,67,093
Office Expenses	1,04,39,228	85,66,709
Safety and Environment Expenses	85,33,789	52,26,626
Director Sitting Fees and out of pocket Expenses	80,539	23,500
Security Service Expenses	3,84,61,313	2,83,55,056
Stationery and Printing Expenses	91,83,467	1,20,36,979
Telephone and Communication Expenses	1,91,82,415	1,86,49,990
Mobile Instrument Exp.	21,08,038	11,54,444
Conveyance and Travelling Expenses	87,35,413	64,13,772
Vehicle Hiring and Running Expenses	2,54,01,855	2,07,76,332
Audit Fees (Refer Note 28.2)	6,74,160	5,05,620
Cost Audit Fees	1,38,596	1,12,360
Donations	2,00,000	-
Penalties	95,310	20,000
Bank Charges	46,96,833	26,28,046
Loss of sale of Assets	81,82,609	4,70,339
Doubtful Debts (Trade Receivables)	10,17,023	7,21,766
Doubtful Advances	-	16,984
Provision Diminution in Investment	-	6,75,000
Other Interest Cost	1,09,818	10,91,674
Miscellaneous Expenses	64,42,661	78,56,336
Total	1,21,11,36,026	96,81,84,494

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

28.1 The Rent - Govt. Authorities Expenses if any, is recognized as an expenses at the time of receipt of demand note from the concerned gov. authorities like Municipal Corporation, Nagarpalika, Gram Panchayat etc. and the joint measurement is settled and approved by the Management.

28.2 PAYMENTS TO AUDITOR

Payments to auditor	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
For Statutory Audit		
For taxation matters	6,74,160	5,05,620
For company law matters	-	-
For management services	-	-
For other services	1,40,450	-
Total	8,14,610	5,05,620

Note 29 PRIOR PERIOD ITEMS

Particulars	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Administrative and Establishment Expense	4,203	-
Operational and Maintenance Expense - CNG	2,93,421	-
Operational and Maintenance Expense - PNG	3,87,814	9,924
Agency Commission to DMA - PNG	6,856	-
Rent Expenses	12,630	-
Repairs and Maintenance Expense	-	6,872
Legal, Professional and Technical Consultancy Expenses	(42,798)	5,11,919
Telephone and Communication Expenses	5,171	10,330
LCV / HCV Hiring, Operating and Maintenance Charges	-	4,27,136
Rates and Taxes (Excluding taxes on Incomes)	-	(10,463)
Salary Exps.	-	(61,085)
Sale of PNG(Traded)	-	22,20,071
Store and Consumables	-	(21,606)
Conveyance and Travelling Expenses	-	(23,508)
Stationery and Printing Exp	655	-
Depreciation	(99,011)	(1,04,746)
Total	5,68,941	29,64,844

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Note 30 EXCEPTIONAL ITEMS

Particulars	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Loss of Material (Refer Note 30.1)	13,87,382	21,96,801
Total	13,87,382	21,96,801

30.1 The fire incident which took place in warehouse/store yard in last financial year on 24.03.2012 wherein, capital inventory and spare parts were damaged and for which company had filed a claim of Rs. 4,17,39,221 (Carrying Cost or Insurance value whichever is lower) and transferred the same under the head "Claim Receivable" in Balance Sheet. During the current financial year 2012-13, company has received Rs. 3,92,72,900/- from insurance company and balance claim amount transfer to Scrap Sale (Rs. 11,36,388) and Loss of Material (Rs. 16,94,315) respectively.

Note 31 CURRENT TAX

Particulars	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Current Tax Payable including interest on such tax	20,39,59,026	35,10,09,064
Less: Interest on Tax Payable	65,20,625	18,88,627
Current Tax Payable	19,74,38,401	34,91,20,437
Less: MAT Credit entitlement		
Net Current Tax Liability for the year	19,74,38,401	34,91,20,437
Add: Short / (Excess) Provision of Tax made in earlier years	(84,940)	(19,564)
Net Current Tax Liability	19,73,53,461	34,91,00,873

Note 32 EARNINGS PER SHARE (EPS)

Particulars		For the year ended	
		31st March 2013	31st March 2012
Profit attributable to equity shareholders	Rs.	40,20,35,633	1,06,06,39,817
Weighted average number of ordinary equity shares for Basic EPS	Nos.	6,15,06,421	5,92,09,024
Nominal Value of equity share	Rs.	10	10
Basic EPS	Rs.	6.54	17.91
Diluted EPS	Rs.	6.54	17.91

Particular	As at	Period of Holding (In Days)	No. of Shares	Weighted Average No. of Shares
Equity Shares at the Beginning of the year	01-04-2012	365	5,92,09,024	5,92,09,024
Equity Shares Issued During the year	27-02-2013	33	2,54,10,606	22,97,397
Total			8,46,19,630	6,15,06,421

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Note 33 IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	For the year ended 31st March 2013		For the year ended 31st March 2012	
	% of Total Consumption	Amt. in Rs.	% of Total Consumption	Amt. in Rs.
Raw Materials				
Natural Gas				
- Imported	-	-	-	-
- Indigenous	13.41%	5,17,52,48,549	11.52%	3,28,59,84,114
Purchase of stock in Trade				
- Imported	-	-	-	-
- Indigenous	86.50%	33,38,49,86,494	88.34%	25,19,79,32,960
Stores and Spare Parts				
- Imported	-	-	-	-
- Indigenous	0.09%	3,48,04,887	0.14%	3,93,27,000
Total	100%	38,59,50,39,930	100%	28,52,32,44,075

Note 34 DETAILS OF MANUFACTURED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

34.1 MANUFACTURED GOODS

Amount in Rs.

Particulars	Sales For the year ended 31st March 2013	Sales For the year ended 31st March 2012	Closing Inventory as at 31st March 2013	Closing Inventory as at 31st March 2012
Manufactured Goods				
- Compressed Natural Gas* (CNG)	5,15,43,59,337	3,64,29,82,332	67,25,050	-
Total	5,15,43,59,337	3,64,29,82,332	67,25,050	-

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

34.2 TRADED GOODS

Amount in Rs.

Particulars	Sales For the year ended 31st March 2013	Sales For the year ended 31st March 2012	Closing Inventory as at 31st March 2013	Closing Inventory as at 31st March 2012
Traded Goods				
- Natural Gas (PNG)	36,31,85,46,194	28,05,34,77,078	1,01,59,728	-
- CNG	26,10,46,831	15,64,92,630	-	-
Total	36,57,95,93,025	28,20,99,69,708	1,01,59,728	-

34.3 WORK IN PROGRESS

Amount in Rs.

Particulars	As at 31st March 2013	As at 31st March 2012
Work-in-progress		
- Natural Gas	-	-
- Other	-	-
Total	-	-

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

34.4 QUANTITATIVE DETAILS

Particulars	Unit of Measurements	For the year ended 31st March 2013	For the year ended 31st March 2012
Purchase Goods			
Purchase of Natural Gas	SCM at various Calorific values	1,38,20,27,317	1,32,46,18,052
Purchase of CNG	KGS	60,18,961	43,57,086
Traded Goods (PNG)			
Sale of Natural Gas - PNG	SCM	1,23,12,68,476	1,21,71,10,742
Sale of CNG	KGS	60,18,961	43,57,086
Manufactured Goods (CNG)			
Sale of Natural Gas - CNG	KGS	13,42,77,199	11,88,41,594
Closing Inventory			
Natural Gas	SCM	3,53,595	-
CNG	SCM	2,02,067	-

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

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Note 35 CONTINGENT LIABILITIES

(Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956)

Amount in Rs.		
Contingent liabilities and commitments (to the extent not provided for)	As at 31st March 2013	As at 31st March 2012
Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	6,53,835	6,53,835
(b) Guarantees	2,93,68,496	61,00,000
(c) Other Contingent Liabilities (Refer Note 35.1)	22,05,22,936	17,93,68,656
Sub Total (A)	25,05,45,267	18,61,22,491
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	2,99,15,85,926	3,45,68,32,730
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for	1,61,62,83,287	1,40,44,01,625
(c) Other commitments (specify nature) The Company has committed to pay Rs. 5,00,000/- towards investments in Equity shares in GSPC Distribution Networks Limited (GDNL).	-	5,00,000
Sub Total (B)	4,60,78,69,213	4,86,17,34,354
TOTAL (A+B)	4,85,84,14,479	5,04,78,56,845

35.1 Other Money for which Company is contingently liable

Amount in Rs.			
Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Disputed statutory claims in respect of Appeals filed against / by company :		
	(a) Excise Duty - related to the financial year 2003-2004 on account of appeal filed by the Commissioner of Central Excise and Customs, Surat with Custom, Excise and Service Tax Appellate Tribunal.	23,65,736	23,65,736
	(b) Income Tax - related to the financial year 2006-07 on account of assessment order u/s.143 (3) of the Income Tax Act against which appeal has been filed with ITAT, Ahmedabad.	59,59,740	59,59,740
	(c) Income Tax - related to the financial year 2006-07 on account of assessment order u/s.143 (3) r.w.s. 148 of the Income Tax Act against which appeal has been filed with CIT (A), Gandhinagar.	74,28,870	-
	(d) Income Tax - related to the financial year 2007-08 on account of assessment order u/s.143 (3) of the Income Tax Act and appeal is pending before ITAT,Ahmedabad. (Refer Note 35.2)	8,45,41,610	8,45,41,610
	(e) Income Tax - related to the financial year 2008-09 on account of assessment order u/s.143 (3) of the Income Tax Act and appeal is pending before ITAT, Ahmedabad. (Refer Note 35.3 and 35.4).	10,31,81,970	8,57,26,570
	(f) Income Tax - related to the financial year 2009-10 on account of assessment order u/s.143 (3) of the Income Tax Act and appeal is pending before CIT (A).	12,21,94,850	-
2	Civil Petition applications filed before the various District Consumer Forums against Co., alleging delay in giving Gas connection etc. praying for compensation.	54,61,000	7,75,000
TOTAL		22,05,22,936	17,93,68,656

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

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

- 35.2** During the year company has paid Rs. 3.48 Lacs against the demand raised by ACIT, Gandhinagar in respect to Financial Year 2007-08.
- 35.3** The company has received the order from Jt. Comm. of Income Tax, Gandhinagar Range for stay of demand for Financial Year 2008-09 vide order no. Jt. CIT/GNR/Stay/11-12 subject to payment of eight installment of Rs. 50 Lakhs each, starting from April 2012. Company has paid all the eight installment without any default in repayment.
- 35.4** The company has received the order from ITAT, Ahmedabad pertaining to F Y 2008-09 in the matter of stay of demand vide order no. ITA No. 239/Ahd/2013, subject to payment of Rs. 2 crores in two installment of Rs. 1 crore each. The company has paid both installment without any default in repayment.

Note 36 OPERATING LEASE

The Company has taken certain premises for office use and store yards under license agreements and land for setting up CNG Stations. The total rentals recognized as expense for the period ended on **31st March, 2013** under the above license agreements aggregate to Rs.2,98,73,206 /- (Previous year Rs.2,68,43,427/-). The future minimum lease payment obligations are as under:

Future Minimum Lease Payments	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
Not Later than one year	1,37,36,035	1,37,15,415
Later than One year and not later than five year	1,54,90,311	1,72,16,376
More than five years	1,29,30,270	1,26,32,668

Note 37 VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Raw Materials	-	-
Components and Spare Parts	-	-
Capital goods	-	-

Note 38 EXPENDITURE IN FOREIGN CURRENCIES

Particulars	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Know-how, Royalty	-	-
Professional, Technical and Consultancy Fees etc.	-	3,00,410
Sponsorship-Expenses (Training)	-	1,26,370
Interest Expense	-	-
Other Expenses: - Travelling Expenses	-	85,500

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Note 39 EARNINGS IN FOREIGN CURRENCIES

Particulars	Amount in Rs.	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Export of Goods on FOB Basis	-	-
Interest and Dividends	-	-
Know-how, Royalty	-	-
Professional and Consultancy Fees	-	-
Other Income, if any	-	-

Note 40 SEGMENT REPORTING

Based on the Accounting Standard - 17 on "Segment Reporting" (AS-17), issued by the Institute of Chartered Accountants of India, business segment of the company is the primary segment comprising of 'Supply of Natural Gas'. As the company operates only in a single primary business segment, there is no disclosure requirements as per Accounting Standard 17 "Segment Reporting".

Note 41 RELATED PARTY DISCLOSURES

Related party disclosures as required by Accounting Standard - 18 issued by the Institute of Chartered Accountants of India are as under (Refer Note 41.1)

List of Related Parties and Relationship:

Sr. No.	Name of Related Parties	Relationship
i	Gujarat State Petroleum Corporation Ltd (GSPC)	Holding Company
ii	Gujarat State Petro net Limited (GSPL)	Subsidiary of Holding Company
iii	Gujarat State Energy Generation Limited (GSEG)	Associate of Holding Company
iv	GSPC Pipavav Power Company Ltd. (GPPC)	Subsidiary of Holding Company
v	GSPC LNG Limited (GLL)	Subsidiary of Holding Company
vi	Sabarmati Gas Limited (SGL)	Associate of Holding Company
vii	Guj Info Petro Limited (GIPL)	Subsidiary of Holding Company
viii	GSPC JPDA Limited	Subsidiary of Holding Company
ix	GSPC Distributions Network Limited	Subsidiary Company

Key Managerial Personnel:

Sr. No.	Name of Related Parties	Relationship
i	Mr. Tapan Ray, IAS	Director
ii	Mr. PPG Sarma	Chief Executive Officer

Relative of Key Managerial Personnel:

Sr. No.	Name of Related Parties	To whom the related parties
i	Ms. P Subbalakshmi	Mr. PPG Sarma

During the period, the Company has paid Rent of Rs.3,60,000/- (previous year : Rs. 2,70,000) for hiring residential premises from Ms. P Subbalakshmi.

4.1.1 Related Party Disclosures

Sr. No.	Nature of Transactions (Significant Influence)	Balances outstanding with Holding Company		Balances outstanding with Subsidiary of Holding Company		Balances outstanding with Associates		Balances outstanding with Subsidiary Company		Balances outstanding with Key Managerial Personnel		Total Outstanding	
		As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012
1	Gujarat State Petroleum Corporation Ltd. Accounts Payable Accounts Receivable Deposits (Liability)	2,38,96,21,306 66,617 4,000	1,52,03,29,692	-	-	-	-	-	-	-	-	2,38,96,21,306 66,617 4,000	1,52,03,29,692
2	Gujarat State Petroleum Ltd. Accounts Payable Accounts Receivable Deposits (Assets)	-	11,60,31,551	40,51,42,250 1,32,00,000	-	-	-	-	-	-	-	40,51,42,250 1,32,00,000	11,60,31,551 98,00,000
3	Share Application Money Sabarnath Gas Ltd. Accounts Payable	-	27,63,43,751	-	-	-	-	-	-	-	-	-	27,63,43,751
4	Accounts Receivable Gul Info Petro Ltd. Accounts Payable	-	-	4,71,44,150 3,46,24,776 5,82,950	1,32,46,199 2,78,35,755 2,00,000	-	-	-	-	-	-	4,71,44,150 3,46,24,776 5,82,950	1,32,46,199 2,78,35,755 2,00,000
5	Accounts Payable Gujarat State Energy Generation Ltd. Accounts Payable Deposit Assets	-	4,19,853	13,355	-	-	-	-	-	-	-	13,355	4,19,853
6	Accounts Receivable Deposit Liability GSPC LSG Ltd. Accounts Payable	-	-	3,400 4,00,000 19,773 8,00,000	8,00,000 4,00,000 19,773	-	-	-	-	-	-	3,400 4,00,000 19,773 8,00,000	8,00,000 4,00,000 19,773
7	Accounts Receivable GSPC Pijavay Power Company Ltd. Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-
8	Accounts Receivable GSPC Distribution Network Ltd. Accounts Payable	-	-	-	-	-	-	23,53,860	-	-	-	23,53,860	-
9	Accounts Receivable Share Application Money Paid Key Management Personnel Accounts Payable	-	-	-	-	-	-	3,48,00,00,000	-	-	-	3,48,00,00,000	-

V

Amount in Rs.

GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

Note 42 UNUTILISED AMOUNTS OF PROCEEDS FROM ISSUE OF SECURITIES

(Disclosure pursuant to Note no. 6(V) of Part I of Schedule VI to the Companies Act, 1956)

Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the balance sheet date. Indicate below how such unutilized amounts have been used or invested.

NOT APPLICABLE

Note 43 RECOVERABLE VALUE OF ALL ASSETS OTHER THAN FIXED ASSETS AND NON CURRENT INVESTMENTS

(Disclosure pursuant to Note no. 6(W) of Part I of Schedule VI to the Companies Act, 1956)

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

Note 44 GSPC Gas Company Limited has applied to the 'Petroleum & Natural Gas Regulatory Board' in May 2008 for authorization of its 10 Geographical Areas (GA)- City Gas Distribution Network under section 18(1) of the 'Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand local or City Gas Distribution Network) Regulations, 2008. The PNGRB has not considered the application of authorisation of Halol and Khambhat GA by issuing a speaking order in May, 2011. The management of company has replied to PNGRB against the said speaking order and requested to continue to operate in Halol and Khambhat GA in public interest and company continue to operate and book the income thereof. Further, the company is engaged with PNGRB to obtain authorisation for Halol and Khambhat GA as well along with other GA's under relevant rules of the PNGRB Act, 2006. Company has not received any further communication from PNGRB in this regard.

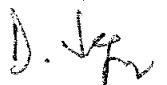
Note 45 GSPC Gas has incurred certain capital expenditure amounting to Rs. 17.61 crore in Jamnagar and Bhavnagar area for which authorization from PNGRB is still pending. Till date PNGRB has not authorized any of the bidders and is yet to award the authorization

Note 46 Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current year's presentation


The Accompanying Notes are an integral part of the financial Statements.
As per our report attached.


For, A. R. Sulakhe & Co.
Chartered Accountants
Firm Regn. No. : 110540W

For and on behalf of Board of Directors


D. J. Pandian, IAS
Chairman


Tapan Ray, IAS
Director


Anand Sulakhe
Partner
M. No. : 33451


P. P. G. Sarma
Chief Executive Officer


Rahul Devi
GM (F&A)


Ahmed Khan
Company Secretary

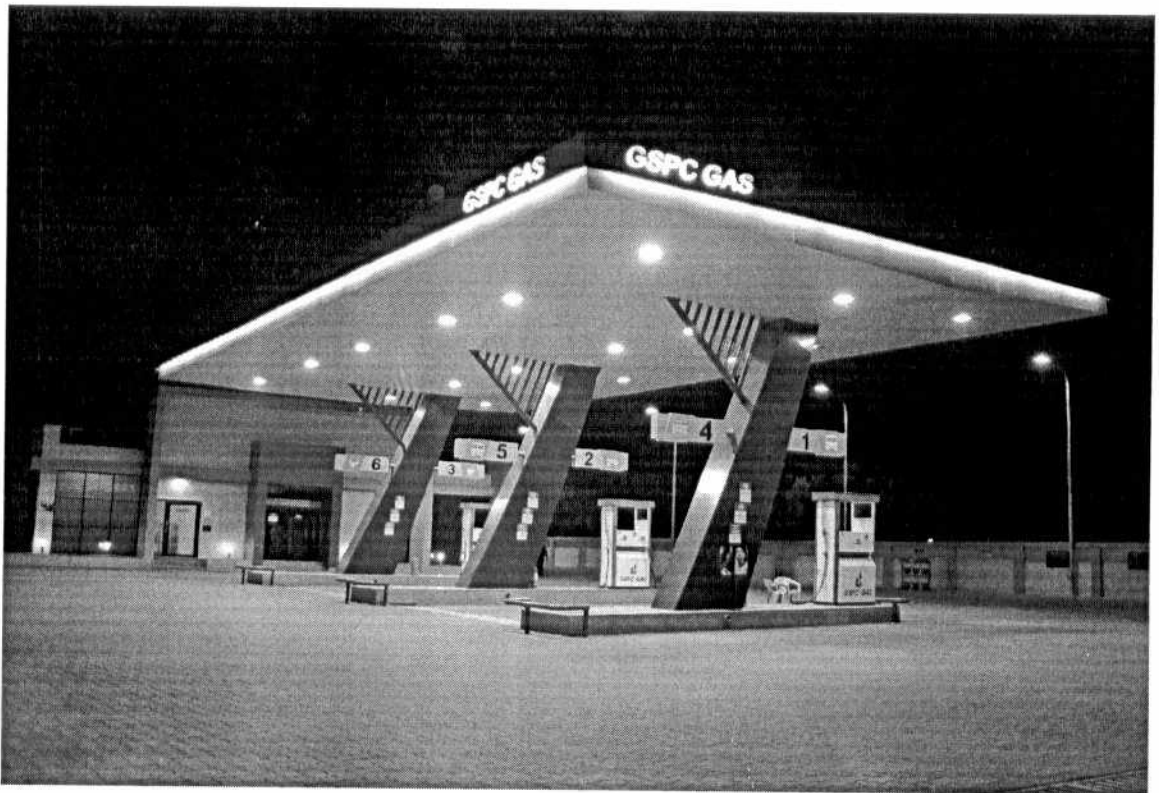
Place : Gandhinagar
Date : 20th May 2013

Place: Gandhinagar
Date: 20th May, 2013



GSPC GAS

GSPC GAS COMPANY LIMITED



**AUDITED ACCOUNTS
FOR THE PERIOD OF 9 MONTHS ENDED
ON 31.12.2013**

Independent Auditors' Report

To
The Board of Directors,
GSPC GAS COMPANY LIMITED.
Block No.15, 3rd Floor,
Udyog Bhavan, Sector 11,
Gandhinager – 382011

Report on the Special Purpose of Financial Statements

We have audited the accompanying special purpose financial statements of **GSPC GAS COMPANY LIMITED**, (the Company), which comprise the Balance Sheet as at December 31st, 2013 and the Statement of Profit and Loss and the Cash Flow statement for the nine month period then ended on that date, and a summary of significant accounting policies and other explanatory information.

This report is addressed to the Board of Directors of the Company and has been prepared only for the purpose of use by management in relation to the proposed scheme of amalgamation and arrangement of the company.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



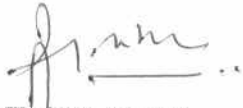
Basis for Qualified Opinion

As stated in Note no. 11.08 of the financial statements, there was excess inventory balance of Rs 31, 60,021/- as at December 31, 2013 under Inventory Reconciliation Account for which reconciliation was under process as a result, we were unable to quantify the effect of any adjustment in respect of inventories, in the Statement of Profit and Loss and Capital inventory under Capital work in Progress.

Qualified Opinion

1. In our opinion and to the best of our information and according to the explanations given to us, *Except for the paras mentioned in Basis for qualified opinion*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the loss for the nine month period ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the nine month period ended on that date.

**FOR A. R. SULAKHE & CO.,
CHARTERED ACCOUNTANTS
FRN: - 110540W**



**ANAND SULAKHE
PARTNER
M. NO. 33451**



**Date:- 21/4/2014
Place: - Gandhinagar**

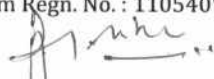
GSPC GAC COMPANY LIMITED
Balance Sheet as at 31st December 2013

(Amount in Rupees)

Particulars	Note No.	As at 31st December 2013	As at 31st March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	84,61,96,300	84,61,96,300
(b) Reserves and surplus	3	5,23,23,00,377	5,78,16,71,197
(c) Money received against share warrants		-	-
Non-current liabilities			
(a) Long-term borrowings	4	9,61,49,15,094	3,65,29,12,626
(b) Deferred tax liabilities (Net)	5	1,24,95,07,508	1,37,29,78,094
(b) Other Long term liabilities		-	-
(d) Long-term provisions	6	4,74,72,025	2,93,57,925
Current liabilities			
(a) Short-term borrowings	7	39,73,352	10,82,99,127
(b) Trade payables	8	1,87,23,99,114	2,59,55,44,473
(c) Other current liabilities	9	5,20,59,71,126	9,16,34,05,848
(d) Short-term provisions	10	22,96,33,585	51,43,23,859
TOTAL		24,30,23,68,481	24,06,46,89,449
ASSETS			
Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		13,85,70,69,413	12,57,31,45,725
(ii) Intangible assets		98,72,02,962	98,72,96,520
(iii) Capital work-in-progress		2,69,00,90,226	3,51,74,30,181
(iv) Intangible assets under development		20,24,268	20,24,268
(b) Non-current investments	12	4,00,15,80,000	15,80,000
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	13	18,92,49,460	3,72,99,96,213
(e) Other non-current assets	14	90,000	90,000
Current assets			
(a) Current investments		-	-
(b) Inventories	15	7,56,00,279	6,61,58,758
(c) Trade receivables	16	1,94,58,16,478	2,40,27,32,075
(d) Cash and cash equivalents	17	9,68,06,878	4,52,28,639
(e) Short-term loans and advances	18	18,40,63,401	57,94,54,625
(f) Other current assets	19	27,27,75,116	15,95,52,445
TOTAL		24,30,23,68,481	24,06,46,89,449

Significant Accounting Policies - Note 1 and Notes 2 to 46 are accompanying and form integral part of the Financial Statements.

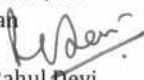
As per our report attached.



For A. R. Sulakhe & Co.
Chartered Accountants
Firm Regn. No. : 110540W

Anand Sulakhe
Partner
M. No. : 33451

Place: Gandhinagar
Date: 21/4/2014

For and on behalf of Board of Directors


P. P. G. Sarma
Chief Executive Officer


Rahul Devi
GM (F&A)


Tapan Ray, IAS
Director

Ahmed Khan
Company Secretary

Place: Gandhinagar
Date:



GSPC GAC COMPANY LIMITED

Statement of Profit and Loss for the period ended 31st December 2013

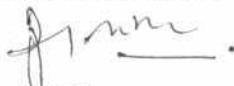
(Amount in Rupees)

Particulars	Note No.	For the period ended 31st December 2013	For the year ended 31st March 2013
Revenue from operations (Gross)	20	28,92,78,21,914	42,86,20,73,474
Less: Excise Duty		67,69,90,058	74,53,10,365
Revenue from operations (Net)		28,25,08,31,856	42,11,67,63,109
Other income	21	3,69,90,821	8,56,24,781
Total Revenue		28,28,78,22,677	42,20,23,87,890
Expenses:			
Cost of materials consumed	22	4,39,76,03,766	5,17,52,48,549
Purchases of Stock-in-Trade	23	22,00,04,88,674	33,38,49,86,494
Changes in inventories of finished goods and Stock-in-Trade	24	(27,74,606)	(1,68,84,778)
Employee benefits expense	25	27,51,82,660	29,19,21,013
Finance costs	26	78,03,35,772	58,08,03,480
Depreciation and amortization expense	12	52,84,33,466	59,39,54,624
Other expenses	27	97,95,03,210	1,21,11,36,026
Total expenses		28,95,87,72,942	41,22,11,65,408
Profit/(Loss) before exceptional and extraordinary items and tax		(67,09,50,265)	98,12,22,482
(a) Prior period items (Net)	28	12,37,454	5,68,941
(b) Exceptional items	29	-	13,87,382
Profit/(Loss) before extraordinary items and tax		(67,21,87,719)	97,92,66,159
Extraordinary items		-	-
Profit/(Loss) Before Tax (PBT)		(67,21,87,719)	97,92,66,159
Tax expense:			
(a) Current tax	30	-	19,73,53,461
(b) Deferred tax	5	(12,34,70,586)	37,98,77,065
Profit (Loss) for the period from continuing operations		(54,87,17,133)	40,20,35,633
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		(54,87,17,133)	40,20,35,633
Profit (Loss) after Tax		(54,87,17,133)	40,20,35,633
Earnings per equity share:			
(a) Basic	31	(6.48)	6.54
(b) Diluted	31	(6.48)	6.54

Significant Accounting Policies - Note 1 and Notes 2 to 46 are accompanying and form integral part of the Financial Statements.

As per our report attached.

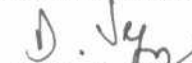
For A. R. Sulakhe & Co.
Chartered Accountants
Firm Regn. No. : 110540W




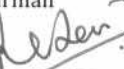
Anand Sulakhe
Partner
M. No. : 33451


Place: Gandhinagar
Date: 21/12/2014

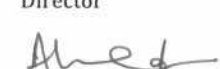
For and on behalf of Board of Directors


D. J. Pandian, IAS
Chairman


P. P. G. Sarma
Chief Executive Officer


Rahul Devi
GM (F&A)


Tapan Ray, IAS
Director


Ahmed Khan
Company Secretary

Place: Gandhinagar
Date :



GSPC GAC COMPANY LIMITED

Cash Flow Statement for the period ended 31st December 2013

(Amount in Rupees)

Particulars	For the period ended 31st December 2013	For the year ended 31st March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax	(67,21,87,719)	97,92,66,159
Adjustments for:		
Depreciation	52,84,33,466	59,39,54,624
Loss on Sale of Fixed Assets	-	81,82,609
Loss on Disposal of Assets	36,94,980	-
Profit on Sale of Fixed Assets	(13,461)	(3,63,96,200)
Loss of Material (Capital Inventory)	-	13,87,382
Prior period adjustment on account of depreciation	(4,80,367)	(99,011)
Provision for Wealth Tax	15,878	21,170
Doubtful Debts (Trade Receivables)	18,24,709	10,17,023
Doubtful Advances	2,96,128	-
Interest Expense	77,70,84,832	57,99,01,377
Dividend Income	(750)	(750)
Interest Income	(81,46,622)	(1,48,84,054)
Operating Profit before Working Capital Changes	63,05,21,074	2,11,23,50,329
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables	45,50,90,888	(34,32,03,539)
(Increase)/Decrease in Security Deposits	5,37,87,002	(5,56,87,376)
(Increase)/Decrease in Staff Loan and Advance	2,01,227	(55,749)
(Increase)/Decrease in Advance against Exp.	37,06,46,457	(39,22,00,680)
(Increase)/Decrease in Pre-paid Exp.	54,18,179	(55,00,996)
(Increase)/Decrease in Cenvat Rece & PLA A/c.	2,37,54,895	1,99,303
(Increase)/Decrease in Balance with Govt. Authorities	(89,200)	1,32,794
(Increase)/Decrease in Claim Recoverable A/c.	30,14,518	4,00,61,774
(Increase)/Decrease in Other Current Assets	(11,87,64,033)	(9,27,55,037)
(Increase)/Decrease in Inventories	(94,41,521)	(3,51,38,170)
Changes in Trade and Other Receivables	78,36,18,412	(88,41,47,676)
Increase/(Decrease) in Trade Payables	(72,31,45,358)	92,62,51,619
Increase/(Decrease) in Duties and Taxes	81,14,432	1,75,97,839
Increase/(Decrease) in Advance from Customers	4,32,38,107	4,24,25,094
Increase/(Decrease) in Deposit from Suppliers	1,13,59,961	50,87,149
Increase/(Decrease) in Deposits from Customers	39,67,15,384	53,59,99,262
Increase/(Decrease) in Employee Benefit Provisions	1,75,72,392	1,54,37,054
Increase/(Decrease) in Provision for Revenue Expenses	3,73,50,114	1,68,19,774
Changes in Trade and Other Payables	(20,87,94,968)	1,55,96,17,791
Cash Generated from Operations	1,20,53,44,518	2,78,78,20,444
Extra Ordinary Items and Other Adjustments	-	-
Taxes Refund	-	-
Taxes Paid	(8,40,71,483)	(22,14,31,284)
Net Cash from Operating Activities	1,12,12,73,035	2,56,63,89,160
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital work in progress and capital advances.	(1,45,80,19,001)	(3,18,46,55,992)
Investment in shares	(4,00,00,00,000)	(5,00,000)
Advances for Investment in Shares	3,48,00,00,000	(3,48,00,00,000)
Proceeds from Margin Money Deposit	-	1,00,000
Interest Received	1,06,73,465	1,04,22,799
Sale of Fixed Assets	33,090	24,59,00,825
Dividend Income	750	750
Net Cash used in Investing Activities	(1,96,73,11,696)	(6,40,87,31,618)



(Amount in Rupees)

Particulars	For the period ended 31st December 2013	For the year ended 31st March 2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Share Application Money	-	(156)
Proceeds from Long-term borrowings	8,90,75,00,000	85,90,00,000
Proceeds from Short-term borrowings	39,73,352	6,50,82,99,127
Repayment of Long-term borrowings	(7,00,10,13,050)	(69,73,06,935)
Repayment of Short-term borrowings	(10,82,97,002)	(2,11,66,83,180)
Interest Paid	(80,55,45,665)	(74,38,71,760)
Dividend Paid (including tax thereon)	(9,90,00,736)	(6,88,14,209)
Net Cash from Financing Activities	89,76,16,899	3,74,06,22,887
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	5,15,78,238	(10,17,19,571)
Cash and Cash Equivalents at the beginning of the year	4,52,28,639	14,69,48,210
Cash and Cash Equivalents at the end of the year	9,68,06,877	4,52,28,639
Closing Cash and Cash Equivalents comprise:		
Cash in hand	1,12,64,148	1,65,48,981
Balances with Scheduled Banks	8,55,42,730	2,86,79,659
Balance in Current Account	-	-
Balance with other Banks	-	-
Balances in Fixed Deposits	-	-

Notes to Cash Flow Statement:

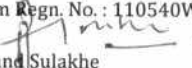
(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.


(ii) Purchase of fixed assets are stated inclusive of movements of capital work in progress, assets under development and capital advances.

(iii) Previous year figures have been regrouped and reclassified wherever considered necessary to conform to the current year's figures.


(iv) Figures in bracket indicate cash-outflow.


As per our report attached.

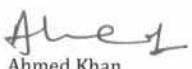
For, A. R. Sulakhe & Co.
Chartered Accountants
 Firm Regn. No. : 110540W

 Anand Sulakhe
 Partner
 M. No. : 33451


 D. J. Pandian, IAS
 Chairman


 Tapan Ray, IAS
 Director


 P.P.G. Sarma
 Chief Executive Officer


 Rahul Devi
 GM (F&A)


 Ahmed Khan
 Company Secretary

Place : Gandhinagar
 Date : 21/4/2014

Place : Gandhinagar
 Date :



GSPC GAS COMPANY LIMITED

Notes to financial statements for the Nine month ended 31st December 2013

NOTE No. 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

GSPC GAS COMPANY LIMITED is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the City Gas Distribution (CGD) business to provide Natural Gas (PNG) to retail, various Industrial, Commercial and Domestic Residential segments' customers. It is also engaged in the business of distribution of CNG Gas to Transport segments' customers through CNG Filling Stations at major cities / towns of the Gujarat state.

1.2 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation and Presentation of Financial Statements

The financial statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The financial statements have been prepared and presented to comply in all material aspects with the Generally Accepted Accounting Principles (Indian GAAP) in India and the Accounting Standards issued by the Institute of Chartered Accountants of India, as notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and the relevant provisions of the Companies Act, 1956. The company has consistently applied the accounting principles and policies; and accounting polices not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (Indian GAAP) in India requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which they are materialized.

c. Fixed Assets and Capital Work in Progress

(i) Fixed Assets (Tangible)

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

The Company capitalizes to project assets all the cost directly attributable to completing the project. These costs include expenditure of pipelines, plant and



Notes to financial statements for the Nine month ended 31st December 2013

machinery, cost of laying of pipeline, cost of survey, commissioning and testing charge, detailed engineering and interest on borrowings attributable to acquisition of such assets. The PNG projects' assets are capitalized at the end of the month in which the asset is put to use / commissioned and CNG projects' assets are capitalized at the date of its commissioning and consequently the borrowing cost attributable to PNG / CNG Projects' assets is added to the capital cost up to their respective date of capitalization.

The gas distribution networks are treated as commissioned when supply of gas commences to the customer(s).

(ii) Intangible Assets

Intangible Assets includes amount paid towards obtaining the Right of Use (ROU) of land and Right of Way (ROW) permissions for laying the Gas Pipeline Network, cost of developing software for internal use and corporate club membership. The Company capitalizes software as Intangible Assets in terms of Accounting Standard -26 "Intangible Assets" where it is reasonably estimated that the software has an enduring useful life.

(iii) Capital Work In Progress

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

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

d. Depreciation and Amortization

Depreciation on fixed assets is provided as per Straight Line Method (SLM) at the rates specified and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except as under:

- i. Depreciation on Plant and Machinery - pipelines (Steel and MDPE) is provided at 3.17 % on Straight-Line Method (SLM) considering useful life of thirty years. The company has changed the depreciation rate on natural gas pipelines from 5.28% per annum on SLM basis as per schedule XIV to 3.17% per annum on SLM basis w.e.f. 1st April, 2011 in terms of approval of Ministry of Corporate Affairs (MCA) vide its letter no. 45/2/2011-CL-III dated 1st September, 2011.
- ii. Cost of mobile phones, which are expensed off in the year of purchase.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the Nine month ended 31st December 2013

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 Rs. 5000/- are depreciated fully in the year of purchase / capitalization.

Cost of leasehold land is amortized equally over the period of lease.

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

Right of Way (ROW) Permissions	30 Years
Software and other Intangibles	5 Years

The persuasive evidence exists to the affect that useful life of an intangible asset - Right of Way (ROW) Permission exceeds ten years as against the rebuttable presumption that the useful life of an intangible asset will not exceed ten years. The company amortizes the intangible asset over the best estimate of its useful life. The useful lives of ROW Permission are inextricably linked with the pipeline Networks being laid, which corresponds with the useful life of 30 years of Plant and machinery - Pipelines for which the Right of Way (ROW) Permission has been obtained. The Useful life of 30 years of the Right of Way (ROW) Permissions is dependent on the useful life of Plant and machinery - Pipelines i.e. Pipeline network of the company.

No Depreciation is being charged on Right of Use (RoU) of Land being perpetual in nature.

e. Impairment of Assets

In accordance with Accounting Standard 28 on "Impairment of Assets" when at the balance sheet date, Fixed Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is then recognized in the Profit and loss statement for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. The impairment loss, if any, recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

f. Revenue Recognition

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



Initial Connection Charges and deposit from customers:

- (i) The amounts collected towards initial connection charges from industrial customers and Commercial-non commercial customers are in the nature of installation fees and for providing, the infrastructure to facilitate the supply of gas and are recognized as revenue only when such infrastructure is laid by the Company and accepted by the customers and supply of gas commences to the customer(s).
- (ii) The amounts collected towards "registration and connection charges" from certain domestic customers are in the nature of "non-refundable charges" to avail the gas connection. Accordingly, the same are recognized as revenue as and when the Company commences the supply of gas to the customers and such amount charged to customers. Until then, the amounts so collected are shown as "Advances received from customers" in the balance sheet. The company has provided the installments facility to the domestic customers towards "connection charges" are in the nature of non-refundable charges, the total amount of such installments are recognized revenue as and when the company commences the supply of gas to the customers.
- (iii) The "registration and connection amounts" collected from certain domestic customers are in the nature of "refundable" to avail the gas connection. Accordingly, the same are recognized as a liability under head "Deposit from Customers" in the balance sheet as and when the Company commences the supply of gas to the customers. Until then, the amounts so collected are shown as advances received from customers in the balance sheet. The company has provided the installments facility to the domestic customers towards "connection amount" are in the nature of refundable, the same are recognized as a liability under head "Deposit from Customers" in the balance sheet as and when the recovered. The difference between the amounts charged from customers for gas connections and amounts of registration and connection" in the nature of refundable, is disclosed as revenue as and when the company commences the supply of gas to the customers.
- (iv) The amounts collected towards extra charges, modification charges and alteration charges from domestic customers are in the nature of non-refundable charges to avail the extra facility for gas connection. Accordingly, the same are recognized as revenue as and when the company complete such installations and the customers accept such installations. Until then, the amounts so collected are shown as "Advances received from customers" in the balance sheet.
- (v) The amounts collected towards "Security Deposit" from industrial customers, Commercial-non commercial customers and domestic customers are in the nature of refundable to secure the gas usage bills. Accordingly, the same are recognized as liability under head "Deposit from Customers" in the balance sheet as and when the recovered.

Revenue in respect of interest/ late payment charges on delayed realizations from customers, if any, is recognized on grounds of prudence, as and when recovered and on



GSPC GAS COMPANY LIMITED

Notes to financial statements for the Nine month ended 31st December 2013

the basis of certainty of collection, is accounted for on availability of documentary evidence that the customer has accepted the liability.

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

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

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

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

Expenditure charged to profit and loss statement is provided for the period for which the expenditure is incurred. Adequate provisions are made for all known expenses and liabilities.

g. Borrowing Costs

Interest and other costs in connection with the borrowing of funds to the extent they relate to the acquisition / construction of qualifying fixed assets as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such assets up to the date of commissioning. The Expenses incurred in connection with the arrangement of borrowings are capitalized over the period of the borrowing and every year; such cost is apportioned to assets based on the actual amount borrowed during the year. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the profit and loss statement.

h. Investments

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

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

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



GSPC GAS COMPANY LIMITED

Notes to financial statements for the Nine month ended 31st December 2013

i. Inventories

Stock of CNG in cascades and natural Gas in pipelines is valued at the lower of weighted average cost or net realizable value.

The Stock of PNG has been calculated on the basis of the cumulative length of Steel Pipelines and PE Pipelines of various diameters laid down as at the end of the Financial year.

The Stock of CNG has been calculated on the basis of the cumulative number of cascades on number of LCVs and HCVs operated as at the end of financial year.

Stores, spares and consumables are valued at cost on moving weighted average basis.

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

j. Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.

Monetary items (assets and liabilities) denominated in foreign currencies at the period-end are reported at the exchange rate prevailing on the balance sheet date.

Non-monetary foreign currency items are carried at cost using the exchange rates on the date of transaction.

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

k. Employee Benefits

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

Gratuity and Leave Encashment:

The liability in respect of gratuity benefits and leave encashment 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 charged to the profit and loss statement for the period.



Provident Fund:

Retirement benefits in the form of provident fund and family pension fund, which are defined contribution schemes, are accrued in accordance with statutes and deposited with the Regional Provident Fund Commissioner (RPFC) and charged to the profit and loss statement for the period, in which the contributions to the respective funds accrue.

Short-term employee benefits are recognized as an expense in the profit and loss statement for the year in which related services are rendered.

l. Preliminary Expenditure

Preliminary expenditure is expensed out in the year in which the expenditure is incurred in line with the provisions of Accounting Standard - 26 on "Intangible Assets".

m. Taxes on Income

Tax provision for the reporting period, comprises of current tax and deferred tax.

Tax provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws that have been enacted as on balance sheet date. Current Tax represents amount of income tax payable in respect of the taxable income for the reporting period.

Deferred tax liability and assets is computed as per Accounting Standard (AS-22) on "Accounting for Taxes on Income". Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

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

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



n. Leases

The Company's significant license arrangements are in respect of operating license for office premises and project offices. The leave and license arrangements range between 11 months to six years, and are renewable by mutual consent on agreed terms and conditions. The aggregate rentals payable are charged as rent expenses in the profit and loss statement for the relevant period.

o. Earnings per Share

The Company reports earnings per share (EPS) in accordance with Accounting Standards - 20 on "Earnings per Share". The earnings considered in ascertaining the Company's EPS comprises of the net profit after tax. Basic earnings per share (BEPS) is computed by dividing the net profit for the current period by the weighted average number of Equity shares outstanding as on the balance sheet date..

The number of shares used in computing diluted earnings per share (DEPS) comprises the weighted average number of Equity Shares considered for deriving basic earnings per share (BEPS), and the weighted average number of Equity Shares that could have been issued on the conversion of all dilutive potential Equity Shares.

p. Cash Flow Statement

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

q. Prior Period Adjustments

In respect of the transactions pertaining to the one or more prior periods, the expenditure / (income) relating to prior period as a result of errors or omission in the preparation of financial statements, is shown under the head "Prior Period Adjustments Account" in the profit and loss statements as per the provisions of Accounting Standard 5 on "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies".

r. Proposed Dividend

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



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Notes to financial statements for the period ended 31st December 2013

Note 2 SHARE CAPITAL

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

(Amount in Rupees)

Share Capital	As at 31st December 2013		As at 31st March 2013	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Equity Shares of Rs.10 each	20,00,00,000	2,00,00,00,000	20,00,00,000	2,00,00,00,000
Issued, Subscribed and Paid up Equity Shares of Rs.10 each fully paid up	8,46,19,630	84,61,96,300	8,46,19,630	84,61,96,300
Total	8,46,19,630	84,61,96,300	8,46,19,630	84,61,96,300

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

(Amount in Rupees)

Particulars	As at 31st December 2013		As at 31st March 2013	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the period	8,46,19,630	84,61,96,300	5,92,09,024	59,20,90,240
Shares issued during the year (Refer note No: 2.2.1)	-	-	2,54,10,606	25,41,06,060
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the period	8,46,19,630	84,61,96,300	8,46,19,630	84,61,96,300

- 2.2.1 Board of Directors in its 58th Board meeting held on 27/02/2013 had decided to issue and allot 2,54,10,606 Equity shares of the Company to various share applicants. Pursuant to the same, the Board had decided that the share applicants from whom application money had been received on or before 05/04/2010 may be allotted equity shares at the price of Rs. 50/- per share (Rs.40/- premium and Rs. 10 face value) and the share applicants from whom application money had been received after 06/04/2010 has been allotted equity shares at the price of Rs. 181.41/- (Rs.171.41/- premium and Rs.10 face value.)

Accordingly, the Company had on 27/02/2013 i.e. in financial year 2012-203 issued and allotted 2,54,10,606 equity shares to the various share applicants as per following details.

Name of allottee	No. of shares (Fully Paid up)	Share capital @ Rs. 10 per share
Gujarat State Fertilizers and Chemicals Limited	50,00,000	5,00,00,000
Gujarat Industrial Development Corporation	50,00,000	5,00,00,000
Gujarat Alkalies & Chemicals Limited	40,00,000	4,00,00,000
Government of Gujarat	84,40,187	8,44,01,870
Gujarat State Petronet Limited	29,70,419	2,97,04,190
Total	2,54,10,606	25,41,06,060



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

2.3 TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.4 PROPOSED DIVIDEND

(Disclosure pursuant to Note no. 6(U) of Part I of Schedule VI to the Companies Act, 1956)

(Amount in Rupees)

Particulars	As at 31st December 2013		As at 31st March 2013	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid	
	No. of Shares	Amount	No. of Shares	Amount
Dividend proposed to be distributed to equity shareholders	-	-	8,46,19,630	8,46,19,630
Amount of dividend per share distributed to equity shareholders		-		1.00

2.5 SHARE HOLDING BY PRESCRIBED ENTITIES

(Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956)

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

(Amount in Rupees)

Share Holder (Nature of Relationship)	As at 31st December 2013		As at 31st March 2013	
	No. of Equity Shares of Rs. 10 each fully paid	Amount	No. of Equity Shares of Rs. 10 each fully paid	Amount
(i) Gujarat State Petroleum Corporation Limited (Holding Company)	3,66,92,358	36,69,23,580	3,66,92,358	36,69,23,580
(ii) Gujarat State Petronet Limited (Subsidiary Company of Holding Company)	2,46,37,085	24,63,70,850	2,46,37,085	24,63,70,850
(iii) Gujarat State Energy Generation Limited (Associate Company of Holding Company)	2,50,000	25,00,000	2,50,000	25,00,000



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

2.6 SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL SHARE CAPITAL

(Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956)

Name of Shareholder	As at 31st December 2013		As at 31st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gujarat State Petroleum Corporation Limited, <i>(Holding Company)</i>	3,66,92,358	43.36%	3,66,92,358	43.36%
Gujarat State Petronet Limited, <i>(Subsidiary Company of Holding Company)</i>	2,46,37,085	29.12%	2,46,37,085	29.12%
Government of Gujarat	84,40,187	9.97%	84,40,187	9.97%
Gujarat State Fertilizers & Chemicals Limited	51,00,000	6.03%	51,00,000	6.03%
Gujarat Industrial Development Corporation	50,00,000	5.91%	50,00,000	5.91%

2.7 ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH, BONUS SHARES AND BUYBACK OF SHARES

(Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956)

Particulars	Year (Aggregate No. of Shares)				
	2013-14	2012-13	2011-12	2010-11	2009-10
(i) Equity Shares of Rs. 10 each fully paid pursuant to contract(s) without payment being received in cash. <i>(Refer sub note 2.7.1)</i>	-	9,70,419	-	-	-
(ii) Equity Shares Fully paid up by way of bonus shares	-	-	-	-	-
(iii) Equity Shares bought back	-	-	-	-	-

- 2.7.1** The Company had acquired assets of Rs. 17,60,43,751/- consisting of Steel Pipelines situated in the State of Gujarat from Gujarat State Petronet Limited (G SPL) with effect from 01.10.2010 by executing the Sale Deed dated 29th October, 2010. In pursuance of the sale deed, consideration for purchase of such assets is paid by allotment of fully paid up Equity Shares of the aggregate value of Rs. 17,60,43,751/-.

The Board of Directors in its 58th Meeting held on 27/02/2013 decided to allot equity shares against the above acquisition of assets at the price of Rs. 181.41 (Rs.171.41/- Premium and Rs. 10/- face value).

Financial Year	Name of allottee	No. of shares (Fully Paid up Equity share)	Fully Paid up Share capital @ Rs. 10 per share	Premium Amount @ Rs. 171.41 per Share	Total Consideration (Amt. in Rs.)
2012-13	Gujarat State Petronet Limited (Subsidiary Company of Holding Company)	9,70,419	97,04,190	16,63,39,521	17,60,43,711

Amount Refunded Rs.40/- vide cheque No. 10426 from Kotak Bank dated 31.03.2013.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 3 RESERVES AND SURPLUS

(Amount in Rupees)

Reserves and Surplus	As at 31st December 2013	As at 31st December 2013	As at 31st March 2013	As at 31st March 2013
Securities Premium Account				
Opening Balance	1,84,67,08,405		34,05,70,870	
Add : Securities premium received during the year (Refer note no. 3.1)	-		1,50,61,37,535	
Less : Premium utilised	-		-	
For Redemption of Debentures	-		-	
For Issue of Bonus Shares	-		-	
Closing Balance		1,84,67,08,405		1,84,67,08,405
General Reserve				
Opening Balance	3,67,88,420		3,67,88,420	
Add: Transfer from Statement of Profit and Loss	-		-	
Less: Written Back during the year	-		-	
Closing Balance		3,67,88,420		3,67,88,420
Surplus in Statement of Profit and Loss				
Opening balance	3,89,81,74,372		3,59,44,85,788	
Add: Profit/(Loss) for the year as per Statement of Profit and Loss	(54,87,17,133)		40,20,35,633	
Sub Total	3,34,94,57,239		3,99,65,21,421	
Less : Appropriations:				
Proposed Dividend	-		8,46,19,630	
Corporate Tax on Proposed Dividend	-		1,37,27,419	
Transfer to General Reserves	-		-	
Short-(Excess) Provision of earlier year	6,53,687		-	
Closing Balance		3,34,88,03,552		3,89,81,74,372
Total		5,23,23,00,377		5,78,16,71,197

- 3.1 Board of Directors in its 58th Board meeting held on 27/02/2013, had decided to issue and allot 2,54,10,606 Equity shares of the company to various share applicants.

With reference to the same, the Board had decided that the share applicants from whom application money had been received on or before 05/04/2010 be allotted equity shares at the price of Rs. 50/- per share (Rs. 40/- premium and Rs. 10 face value) and the share applicants from whom application money had been received after 06/04/2010 be allotted equity share at the price of Rs. 181.41/- (Rs. 171.41/- premium and Rs. 10 face value.). Accordingly company had issued 2,16,84,000 equity shares at price of Rs. 50/- per share (Premium Rs. 40/- per share amounting to Rs. 86,73,60,000) and 37,26,606 equity shares at price of Rs. 181.41/- per share (Premium Rs. 171.41/- per share amounting to Rs. 63,87,77,534/-).

Details of Shares allotted to the share applicants from whom application money received on or before 05th April 2010:

Name of allottee	No of shares (Fully Paid up Equity share)	Fully Paid up Share Capital @ Rs. 10 per share	Premium Amount @ Rs. 40 per share	Total Consideration (Amt. in Rs.)
Gujarat State Fertilizers and Chemicals Limited	50,00,000	5,00,00,000	20,00,00,000	25,00,00,000
Gujarat Industrial Development Corporation	50,00,000	5,00,00,000	20,00,00,000	25,00,00,000
Gujarat Alkalies & Chemicals Limited	40,00,000	4,00,00,000	16,00,00,000	20,00,00,000
Government of Gujarat	56,84,000	5,68,40,000	22,73,60,000	28,42,00,000
Gujarat State Petronet Limited (GSPL)	20,00,000	2,00,00,000	8,00,00,000	10,00,00,000
(A)	2,16,84,000	21,68,40,000	86,73,60,000	1,08,42,00,000

Details of shares allotted to share applicants from whom application money received on or after 06th April 2010:

Name of allottee	No of shares (Fully Paid up Equity share)	Fully Paid up Share Capital @ Rs. 10 per share	Premium Amount @ Rs.171.41 per share	Total Consideration (Amt. in Rs.)
Government of Gujarat	27,56,187	2,75,61,870	47,24,38,014	49,99,99,884
Gujarat State Petronet Limited (GSPL)	9,70,419	97,04,190	16,63,39,521	17,60,43,711
(B)	37,26,606	3,72,66,060	63,87,77,535	67,60,43,595
Total (A+B)	2,54,10,606	25,41,06,060	1,50,61,37,535	1,76,02,43,595

*The company has refunded Rs. 156/- (Rs.40/- to GSPL and Rs. 116/- to Government of Gujarat) on 31.03.2013



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Notes to financial statements for the period ended 31st December 2013

Note 4 LONG TERM BORROWINGS

Long Term Borrowings	(Amount in Rupees)	
	As at 31st December 2013	As at 31st March 2013
LONG TERM LOAN		
Secured		
(a) Term loans		
from banks <i>(Refer detailed Note 4.1)</i>	8,28,15,81,765	2,61,95,81,419
Unsecured		
(a) Term loans		
From other parties	-	-
In case of continuing default as on the balance sheet date in repayment of loans and interest :		
1. Period of default	-	-
2. Amount of Loan	-	-
3. Amount of Interest	-	-
<i>The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.</i>		
Total - [A]	8,28,15,81,765	2,61,95,81,419
MEDIUM TERM LOAN		
Unsecured		
(a) Term loans		
from banks <i>(Refer detailed Note 4.2)</i>	-	-
Unsecured		
(a) Term loans		
from other parties <i>(Refer detailed Note 4.2)</i>	1,33,33,33,329	1,03,33,31,207
In case of continuing default as on the balance sheet date in repayment of loans and interest :		
1. Period of default	-	-
2. Amount of Loan	-	-
3. Amount of Interest	-	-
<i>The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.</i>		
Total - [B]	1,33,33,33,329	1,03,33,31,207
Total - [A + B]	9,61,49,15,094	3,65,29,12,626



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

4.1 LONG TERM BORROWINGS

Secured Loans *	Total Outstanding Amount as on 31.12.2013 in Rs.	Total Outstanding Amount as on 31.03.2013 in Rs.	Repayment Terms					Non-Current Portion		Current Maturities **	
			Terms of repayment of term loans	Maturity of Loan	Total Number of Installments payable after 31.12.2013	Number of Installments payable within one year from 31.12.2013	Rate of interest as on 31.12.2013 in %	Amount of Installments not due within one year from 31.12.2013 in Rs.	Amount of Installments not due within one year from 31.03.2013 in Rs.	Amount of Installments due within one year from 31.12.2013 in Rs.	Amount of Installments due within one year from 31.03.2013 in Rs.
Term Loans from Banks											
State Bank of India	-	13,47,35,950	Monthly installment from December 2010	Nov-13	N.A.	-	N.A.	-	-	-	13,47,35,950
Dena Bank TL - III	57,26,70,537	64,76,87,368	Quarterly Installment from December 2012	Sep-19	23	4	11.00%	47,26,70,537	54,76,87,368	10,00,00,000	10,00,00,000
IDBI Bank	-	6,01,99,471	Monthly installment from December 2010 or from the date of loan	Dec-13	N.A.	-	N.A.	-	-	-	6,01,99,471
The Kalupur Commercial Co-op	6,90,23,377	10,02,75,613	Monthly installment from December 2010 or from the date of loan	Aug-15	20	12	10.90%	2,73,56,713	5,86,08,946	4,16,66,664	4,16,66,667
The Kalupur Commercial Co-op	27,45,40,665	29,95,48,285	Quarterly Installment from September 2013	Jun-19	22	4	10.90%	22,45,40,665	26,20,48,285	5,00,00,000	3,75,00,000
Oriental Bank of Commerce TL - I	17,92,33,689	23,55,19,827	Monthly instalment from December 2010 or after moratorium period of one year from the date of loan	May-16	29	12	11.00%	10,42,33,689	16,05,19,827	7,50,00,000	7,50,00,000
Oriental Bank of Commerce TL - II	8,02,11,721	9,89,64,385	Monthly instalment from started from December 2010 or after moratorium period of one year from the date of loan	Mar-17	39	12	11.00%	5,52,11,713	7,39,64,377	2,50,00,008	2,50,00,008
Oriental Bank of Commerce TL - III	22,78,57,423	27,82,17,037	Monthly instalment from December 2010 or after moratorium period of one year from the date of loan	May-17	41	12	11.00%	16,07,21,287	21,10,80,901	6,71,36,136	6,71,36,136
Bank of Maharashtra	53,79,86,251	57,40,02,795	Quarterly Installment from December 2012	Sep-19	23	4	11.25%	48,09,86,251	52,60,02,795	5,70,00,000	4,80,00,000
Corporation Bank	89,88,28,928	20,13,85,624	Quarterly Installment from December 2012	Sep-19	23	4	11.00%	80,38,28,928	12,13,85,624	9,50,00,000	8,00,00,000
UCO Bank	67,32,97,611	71,82,83,295	Quarterly Installment from December 2012	Sep-19	23	4	11.25%	60,20,47,611	65,82,83,295	7,12,50,000	6,00,00,000
Bank of Baroda	2,47,57,103	9,97,66,233	Quarterly Installment from December 2012	Mar-14	1	1	11.00%	-	-	2,47,57,103	9,97,66,233
Dena Bank TL - IV	5,34,99,84,371	-	Quarterly Installment from June 2015	Mar-23	32	0	11.25%	5,34,99,84,371	-	-	-
Total	8,88,83,91,676	3,44,85,85,882						8,28,15,81,765	2,61,95,81,418	60,68,09,911	82,90,04,464
The above amount includes :											
Secured Borrowings								8,28,15,81,765	2,61,95,81,418	60,68,09,911	82,90,04,464
Unsecured Borrowings								-	-	-	-
Total Secured and Unsecured Borrowings								8,28,15,81,765	2,61,95,81,418	60,68,09,911	82,90,04,464
** Less : Amount disclosed under the head "other Current Liabilities" (Note No. 9)								-	-	60,68,09,911	82,90,04,464
Net Amount								8,28,15,81,765	2,61,95,81,418	-	-



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

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

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



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

4.2 MEDIUM TERM LOAN BORROWINGS

UN-SECURED LOANS *	Total Outstanding Amount as on 31.12.2013 in Rs.	Total Outstanding Amount as on 31.03.2013 in Rs.	Repayment Terms					Non-Current Portion		Current Maturities **	
			Terms of repayment of term loans	Maturity of Loan	Total Number of Installments payable after 31.12.2013	Number of Installments payable within one year from 31.12.2013	Rate of interest as on 31.12.2013 in %	Amount of Installments not due within one year from 31.12.2013 in Rs.	Amount of Installments not due within one year from 31.03.2013 in Rs.	Amount of Installments due within one year from 31.12.2013 in Rs.	Amount of Installments due within one year from 31.03.2013 in Rs.
Medium Term Loans from Financial Institutions											
Gujarat State Financial Services Ltd I	-	-	In 6 Equal Half Yearly Instalments along with interest	Mar-13	N. A.	N. A.	N. A.	-	-	-	-
Gujarat State Financial Services Ltd II	-	15,00,00,000	In 6 Equal Half Yearly Instalments along with interest	Oct-13	N. A.	N. A.	N. A.	-	-	-	15,00,00,000
Gujarat State Financial Services Ltd III	66,66,66,668	1,00,00,00,001	In 6 Equal Half Yearly Instalments along with interest	Jul-14	2	2	9.50%	-	33,33,33,335	66,66,66,668	66,66,66,666
Gujarat State Financial Services Ltd IV	66,66,66,665	83,33,33,332	In 6 Equal Half Yearly Instalments along with interest	Aug-15	4	2	9.50%	33,33,33,329	49,99,99,997	33,33,33,336	33,33,33,335
Gujarat State Financial Services Ltd V	1,66,66,66,666	30,00,00,000	In 6 Equal Half Yearly Instalments along with interest	Mar-16	5	2	9.50%	1,00,00,00,000	20,00,00,000	66,66,66,666	10,00,00,000
Total (A)	2,99,99,99,999	2,28,33,33,333						1,33,33,33,329	1,03,33,33,332	1,66,66,66,670	1,25,00,00,001
Medium Term Loans from Banks											
Dena Bank ***	-	4,24,99,85,509	Bullet Payment from first Disbursement but not exceeding 18 Months from the date of first disbursement	Sep-13	N. A.	N. A.	N. A.	-	-	-	4,24,99,85,509
Total (B)	-	4,24,99,85,509						-	-	-	4,24,99,85,509
Total (A+B)	2,99,99,99,999	6,53,33,18,842						1,33,33,33,329	1,03,33,33,332	1,66,66,66,670	5,49,99,85,510
** Less : Amount disclosed under the head "Other Current Liabilities" (Note No. 9)										-	-
Net Amount										1,33,33,33,329	1,03,33,33,332

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

Particulars	As at 31st December 2013	As at 31st March 2013
Unsecured Loan	Demand Promissory Note and Post dated cheques for repayment of principal and interest	Demand Promissory Note and Post dated cheques for repayment of principal and interest
Guarantee by Directors or others	None of the loan has been guaranteed by the directors or others.	None of the loan has been guaranteed by the directors or others.
Loan from related party	None of the loan has been taken from the related party(ies).	None of the loan has been taken from the related party(ies).

*** The said Loan has been converted into Long Term Loan in F.Y 2013-14.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

7.1 SHORT TERM LOAN BORROWINGS

UN-SECURED LOANS	TOTAL OUTSTANDING AMOUNT AS ON 31.12.2013 in Rs.	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2013 in Rs.	Repayment Terms					Non-Current Portion		Current Maturities	
			Terms of repayment of term loans	Maturity	Total Number of Installments payable after 31.12.2013	Number of Installments payable within one year from 31.12.2013	Rate of interest as on 31.12.2013 in %	Amount of Installments not due within one year from 31.12.2013 in Rs.	Amount of Installments not due within one year from 31.03.2013 in Rs.	Amount of Installments due within one year from 31.12.2013 in Rs.	Amount of Installments due within one year from 31.03.2013 in Rs.
Short Term Loans from Banks											
Kotak Mahindra Bank Limited	39,73,352	10,82,99,127	Repayable on Demand	N.A.	1	1	11.00%	-	-	39,73,352	10,82,99,127
Total	39,73,352	10,82,99,127						-	-	39,73,352	10,82,99,127

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

Particulars	As at 31st December 2013	As at 31st March 2013
Unsecured Loan	Demand Promissory Note and Post Dated Cheques for repayment of principal and interest	Demand Promissory Note and Post Dated Cheques for repayment of principal and interest
Gaurantee by Directors or others	None of the loan has been guaranteed by the directors or others.	None of the loan has been guaranteed by the directors or others.
Loan from related party	None of the loan has been taken from the related party(ies).	None of the loan has been taken from the related party(ies).



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 5 DEFERRED TAX LIABILITY (NET)

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

(Amount in Rupees)

Component	As at 31st December 2013		As at 31st March 2013	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Depreciation		1,63,45,46,774	-	1,38,47,11,523
Expenditure Disallowed U/s. 43B of the Income Tax Act, 1961	1,70,58,257		1,17,33,429	
On account of Carry-forward of loss	36,79,81,009			
Total	38,50,39,266	1,63,45,46,774	1,17,33,429	1,38,47,11,523
Net Amount Recognised in the Balance sheet		1,24,95,07,508		1,37,29,78,094
Increase/(Decrease) during the year and recognised in Profit and Loss Statement		(12,34,70,586)		37,98,77,065

Note 6 LONG TERM PROVISIONS

(Amount in Rupees)

Long Term Provisions	As at 31st December 2013	As at 31st March 2013
Provision for employee benefits		
Gratuity (unfunded) (Refer note 6.1)	1,71,32,240	12,44,817
Leave Encashment (unfunded) (Refer note 6.1)	3,03,39,785	2,81,13,108
Total	4,74,72,025	2,93,57,925

6.1 The Company has implemented Accounting Standard - 15 (AS-15) (Revised 2005) on "Employee Benefits", issued by the Institute of Chartered Accountants of India.

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

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the year is Rs. 1,61,77,638.04 /- (Previous year Rs. 1,46,87,069/-).

(b) **Gratuity and Leave Encashment** - Defined Benefit Plans (payable in future)

Provision has been made for the period ended 31.12.2013 for gratuity and leave encashment as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	For the period ended 31st December 2013	For the period ended 31st December 2013	For the year ended 31st March 2013	For the year ended 31st March 2013
A. Discount rate	9.30%	9.30%	8.10%	8.10%
Rate of return on plan assets	N.A.	N.A.	N.A.	N.A.
Salary Escalation	7%	7%	7%	7%

(Amount in Rupees)

B. Change in Defined Benefit Obligations				
Liability at the beginning of the year	18,71,200	2,95,93,577	14,41,142	1,45,86,581
Interest Cost	92,112	17,38,782	1,22,497	11,24,422
Current Service Cost	1,71,18,896	41,87,958	2,11,358	64,19,779
Benefits Paid	(7,09,914)	(19,43,297)	-	(27,16,165)
Actuarial (Gain) / Loss on obligations	(8,14,610)	(20,97,536)	96,203	1,01,78,960
Liability at the end of the year - Total	1,75,57,684	3,14,79,484	18,71,200	2,95,93,577
C. Expenses Recognised in the Profit and Loss Statement				
Current Service Cost	1,71,18,896	41,87,958	2,11,358	64,19,779
Interest Cost	92,112	17,38,782	1,22,497	11,24,422
Actuarial (Gain) / Loss	(8,14,610)	(20,97,536)	96,203	1,01,78,960
Exps. charged to Statement of Profit & Loss	1,63,96,398	38,29,204	4,30,058	1,77,23,161
D. Balance Sheet Reconciliation				
Opening Net Liability	18,71,200	2,95,93,577	14,41,142	1,45,86,581
Expenses Charged to Profit and Loss Statement	1,63,96,398	38,29,204	4,30,058	1,77,23,161
Benefits Paid	(7,09,914)	(19,43,297)	-	(27,16,165)
Closing Liability	1,75,57,684	3,14,79,484	18,71,200	2,95,93,577
E. Current/Non-Current Liability :				
Current	4,25,444	11,39,700	6,26,383	14,80,469
Non-Current	1,71,32,240	3,03,39,784	12,44,817	2,81,13,108

The estimates of future salary increase considered in the actuarial valuation takes into account inflation, promotion and other relevant factors such as supply and demand in the employment market. Future separation and mortality rates are obtained from relevant data of Life Insurance Corporation of India.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 7 SHORT TERM BORROWINGS

(Amount in Rupees)

Short Term Borrowings	As at 31st December 2013	As at 31st March 2013
Unsecured		
(a) Loans repayable on demand		
from banks (Refer detailed Note 7.1)	39,73,352	10,82,99,127
In case of continuing default as on the balance sheet date in repayment of loans and interest		
1. Period of default	-	-
2. Amount	-	-
3. Amount of Interest	-	-
<i>The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.</i>		
Total	39,73,352	10,82,99,127



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 11 FIXED ASSETS

(Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i),(ii); Note no. J and Note no. L of Part I of Schedule VI to the Companies Act, 1956)

(Amount in Rupees)

Particulars	Gross Block					As at 31st December 2013	Depreciation and Amortisation			Net Block		
	As at 1st April 2013	Addition	Disposal	Borrowing Cost	Other Adjustments*		As at 1st April 2013	For the period	Disposal/Adjustment	As at 31st December 2013	As at 31st December 2013	As at 31st March 2013
	A	B	C	D	E	F=A+B-C+D-E	G	H	I	J=G+H-I	K=F-J	L=A-G
TANGIBLE ASSETS :												
Lease hold Land	11,30,30,047	43,59,297	-	-	-	11,73,89,344	54,63,650	12,91,942	-	67,55,592	11,06,33,752	10,75,66,397
Freehold Land	46,39,19,384	-	-	-	-	46,39,19,384	-	-	-	-	46,39,19,384	46,39,19,384
Buildings	46,54,73,817	18,34,68,876	-	38,25,752	-	65,27,68,445	2,44,32,009	73,21,462	-	3,17,53,471	62,10,14,974	44,10,41,808
Plant and Machinery	13,04,70,38,396	1,47,22,21,015	63,73,359	6,78,15,464	27,56,773	14,57,79,44,743	1,69,53,82,521	43,53,81,416	8,36,176	2,12,99,27,761	12,44,80,16,982	11,35,16,55,875
Furniture and Fixture	6,14,99,270	91,53,736	-	-	-	7,06,53,006	1,22,53,724	40,35,543	-	1,62,89,267	5,43,63,739	4,92,45,546
Computer Equipments	10,26,44,603	1,10,39,503	33,090	-	-	11,36,51,016	3,92,22,539	1,27,55,880	13,461	5,19,64,958	6,16,86,058	6,34,22,064
Office Equipments	7,04,57,949	65,86,345	-	-	-	7,70,44,294	1,21,79,124	27,50,117	-	1,49,29,241	6,21,15,053	5,82,78,825
Vehicles	5,79,56,932	21,98,095	-	-	-	6,01,55,027	1,99,41,106	48,94,450	-	2,48,35,556	3,53,19,471	3,80,15,826
Total Tangible Assets (A)	14,38,20,20,398	1,68,90,26,867	64,06,449	7,16,41,216	27,56,773	16,13,35,25,259	1,80,88,74,673	46,84,30,810	8,49,637	2,27,64,55,846	13,85,70,69,413	12,57,31,45,725
INTANGIBLE ASSETS :												
ROW Permissions	90,16,02,020	6,07,00,067	-	8,50,742	35,51,789	95,96,01,040	10,65,23,155	2,32,89,131	4,80,367	12,93,31,919	83,02,69,121	79,50,78,865
ROU	5,03,26,360	12,43,784	-	2,936	-	5,15,73,080	-	-	-	-	5,15,73,080	5,03,26,360
Software and other Intangibles	25,31,41,429	1,82,991	-	-	-	25,33,24,420	11,12,50,134	3,67,13,525	-	14,79,63,659	10,53,60,761	14,18,91,295
Total Intangible Assets (B)	1,20,50,69,809	6,21,26,842	-	8,53,678	35,51,789	1,26,44,98,540	21,77,73,289	6,00,02,656	4,80,367	27,72,95,578	98,72,02,962	98,72,96,520
Total Assets	15,58,70,90,207	1,75,11,53,709	64,06,449	7,24,94,894	63,08,562	17,39,80,23,799	2,02,66,47,962	52,84,33,466	13,30,004	2,55,37,51,424	14,84,42,72,375	13,56,04,42,245
Previous Year	12,81,83,66,699	2,95,40,63,814	23,95,01,523	6,56,57,034	1,14,95,817	15,58,70,90,207	1,45,36,51,940	59,39,54,624	2,09,58,602	2,02,66,47,962	13,56,04,42,245	11,36,47,14,759

* Other adjustments indicate de-capitalization of assets.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 8 TRADE PAYABLES

Trade Payables	(Amount in Rupees)	
	As at 31st December 2013	As at 31st March 2013
Sundry Creditors - Gas Purchase / Transmission	1,80,76,43,329	2,43,60,24,800
Sundry Creditors - Others <i>(Refer Note 9.1 for details of dues to micro and small enterprises)</i>	6,47,55,785	15,95,19,673
Total	1,87,23,99,114	2,59,55,44,473

8.1 The balances of Trade payables for the amount due to them are subject to confirmation. Necessary adjustments, if any, will be made when the accounts are settled after the confirmation is received.

Note 9 OTHER CURRENT LIABILITIES

Other Current Liabilities	(Amount in Rupees)			
	As at 31st December 2013	As at 31st December 2013	As at 31st March 2013	As at 31st March 2013
Other Current Liabilities :				
Current maturities of long-term debt (Term Loans)				
From Banks (Secured)	60,68,09,911		4,24,99,85,509	
From Other Parties (Unsecured) <i>(Refer Note No. 4.1 and 4.2)</i>	1,66,66,66,670	2,27,34,76,581	2,07,90,04,465	6,32,89,89,974
Interest accrued but not due on borrowings		10,37,76,256		3,62,05,266
Other Payables :				
Sundry Creditors for Capital Goods and Services <i>(Refer Note 9.1 for details of dues to micro, small and medium enterprises)</i>		41,39,30,273		84,28,71,646
PF Payable		31,77,911		39,08,063
Duties and Taxes		13,97,59,427		13,08,93,674
Advances Received from Customers		27,05,64,649		22,73,26,542
Security Deposit received from Suppliers		3,33,36,910		2,19,76,948
Security Deposits received from Customers		1,96,79,49,119		1,57,12,33,735
Total		5,20,59,71,126		9,16,34,05,848

9.1 Information in respect of Micro, Small and Medium Enterprises Development Act, 2006:

The Company had sought confirmation from the vendors to know whether they fall in the category of Micro, Small and Medium Enterprises. In absence of confirmation from the vendors, company has not been able to show the outstanding from Micro, Small and Medium Enterprises separately.

Note 10 SHORT TERM PROVISIONS

(Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956)

Short Term Provisions	(Amount in Rupees)			
	As at 31st December 2013	As at 31st December 2013	As at 31st March 2013	As at 31st March 2013
Provision for Income Tax				
Income Tax Payable	-		19,74,38,400	
Less: MAT Credit Utilization	-		-	
Less: Advance Tax Paid and TDS	-		12,36,83,609	
Net Provision for Income Tax				7,37,54,791
Provision for Interest on Income Tax		-		65,20,625
Provision for Wealth Tax		15,878		21,170
Provision for Proposed Dividend	-		8,46,19,630	
Provision for Dividend Distribution Tax	-	-	1,37,27,419	9,83,47,049
Provision for Expenses				
For Revenue Expenses	6,52,31,761		2,78,81,647	
For Capital Expenses	16,28,20,802	22,80,52,563	30,56,91,725	33,35,73,372
Provision for Employee Benefits				
Gratuity (unfunded)	4,25,444		6,26,383	
Leave Encashment (unfunded) <i>(Refer note no. : 6.1)</i>	11,39,700	15,65,144	14,80,469	21,06,852
Total		22,96,33,585		51,43,23,859



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 12 NON-CURRENT INVESTMENTS

(Disclosure pursuant to Note no. K (i) of Part I of Schedule VI to the Companies Act, 1956)

Non-Current Investments	(Amount in Rupees)	
	As at 31st December 2013	As at 31st March 2013
Other Investments		
Investment in Equity instruments (Refer Note 12.2)	4,00,22,55,000	22,55,000
Total	4,00,22,55,000	22,55,000
Less : Aggregate Provision for diminution in the value of Investments (Krishna Godavari Gas Network Limited)	(6,75,000)	(6,75,000)
Total	4,00,15,80,000	15,80,000

12.1 AGGREGATE AMOUNT OF QUOTED AND UNQUOTED INVESTMENTS

(Disclosure pursuant to Note no. K (iii)(a) and K(iii)(b) of Part I of Schedule VI to the Companies Act, 1956)

Particulars	(Amount in Rupees)	
	As at 31st December 2013	As at 31st March 2013
Aggregate amount of quoted investments (Market value of Rs. N.A. (Previous Year Rs. N.A.))	-	-
Aggregate amount of unquoted investments	4,00,22,55,000	22,55,000
Aggregate amount of Provision for diminution in the value of Unquoted Investments	(6,75,000)	(6,75,000)



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

11.1 CAPITAL WORK IN PROGRESS

Capital Work-in-Progress	Amount in Rs.	
	As at 31st December 2013	As at 31st March 2013
Capital Inventory (CNG and PNG Projects) (Refer Note No. 11.10)	1,03,37,14,005	1,16,12,54,571
Capital Work-in-Progress (CNG and PNG Projects) (Refer Note No. 11.15)	1,46,02,05,127	2,16,12,56,811
Interest during the construction period	19,61,71,094	17,26,34,164
Loan Syndication Expenses	-	2,22,84,635
Total	2,69,00,90,226	3,51,74,30,181

11.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible Assets under development	Amount in Rs.	
	As at 31st December 2013 (Rupees)	As at 31st March 2013 (Rupees)
Software Assets under Development	20,24,268	20,24,268
Total	20,24,268	20,24,268

11.3 IMPAIRMENT OR REVALUATION

Disclosure pursuant to Note no. I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956

The following disclosure is for each class of asset :

Particulars	Financial Year				
	2009-10	2010-11	2011-12	2012-13	2013-14(up to Dec)
Asset details:					
Balance as at 1 April	-	-	-	-	-
a. Impairment	-	-	-	-	-
b. Revaluation	-	-	-	-	-
Balance as at 31st March	-	-	-	-	-

11.4 There is no impairment of any assets in terms of Accounting Standard - 28 (AS-28) on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of assets.

11.5 The Company has constructed / installed CNG stations' buildings and machineries, on land taken on lease from various lessees under lease deed for periods ranging from 35 years to 99 years. However, assets constructed / installed on such land have been depreciated at the rates specified in Schedule XIV to the Companies Act, 1956, as the management does not foresee non-renewal of the above lease arrangements by the lessees.

Capital assets installed at the consumers' premises on the land of the customers have been depreciated at the rates specified in schedule XIV of the Companies Act, 1956.

11.6 Capital Work in Progress includes Rs. 19,81,98,561/- (Previous year Rs. 17,26,34,164/-) of borrowing cost capitalised pertaining to borrowings for qualifying assets as per AS-16.

11.7 Additions to the fixed assets during the current period includes borrowing costs capitalized Rs. 7,24,94,894/- (Previous Year Rs. 6,56,57,033/-) pertaining to borrowings for qualifying assets as per the requirements of AS-16 "Borrowing Costs" issued by the Institute of Chartered Accountants of India.

11.8 At the end of the financial year 2010-11, for initial uploading of inventory in new SAP system, the Company had reconciled the inventory of project material (Capital Inventory) and store, spares and consumables as on 31.01.2011. The company had passed the accounting entry towards inventory value of quantity mismatch (shortage) between physical list and financial books of accounts as on 31.01.2011 and at the close of Financial Year 2010-11 in the books of accounts of the company, a shortage of Rs 3,41,29,706/- was shown under a "Inventory under Reconciliation Account" under Capital Inventory - Capital Work in Progress in the Balance sheet.

The management, as remedial measure has undertaken the reconciliation during Financial Year 2011-12, 2012-13 and 2013-14 as well, and all the capital inventory of the Company (including the inventory issued to the contractors) was verified by independent agency except project inventory which was either issued to the project or contractor(s) storage capital inventory which was in the process of various stages of the project execution. The outcome of the exercise resulted into the excess inventory balance of Rs 31,60,021/- (Previous Year - Rs. 36,08,492). The reason of excess inventory balance can only be ascertained when the project capital inventory under various stages of project is verified and till then the Company has not passed any debit/credit entry into Profit and Loss Statement of the Company. Once such activity is completed, the balance amount of shortage/excess , if any, shall be provided in the Statement of Profit and Loss in next year. Till the time, amount of excess inventory of Rs. 31,60,021/- is shown as "Inventory under Reconciliation Account" under Capital Inventory - Capital Work in Progress in the Balance sheet, and not dealt in Profit and Loss Statement of the current year.

11.9 Leasehold Land disclosed under Tangible Assets includes land in respect of certain projects for which execution of lease/conveyance deeds are in process or yet to be executed or registered on 31st December, 2013.

11.10 Buildings have been constructed on Freehold Land as well as Leasehold Land acquired on lease.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

12.2 Details of Other Investments

Investment in Equity instruments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid Equity Shares each of Rs.	Extent of Holding (%)		Amount in Rs.		Whether stated at Cost Yes / No	If Answer to Column (12) is
			As at 31st December 2013	As at 31st March 2013			As at 31st December 2013	As at 31st March 2013	As at 31st December 2013	As at 31st March 2013		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a) Investment in Equity Instruments												
1	Guj Info Petro Limited	Associate Company	25,000	25,000	Unquoted	10	49.94%	49.94%	2,50,000	2,50,000	Yes	-
2	Krishna Godavari Gas Network Limited	Other	1,50,000	1,50,000	Unquoted	10	3.00%	3.00%	15,00,000	15,00,000	Yes	-
3	The Kalupur Co Op Comm Bank Ltd	Other	200	200	Unquoted	25	0.001%	0.001%	5,000	5,000	Yes	-
4	GSPC Distribution Network Limited <i>(Refer below Note)</i>	Associate Company	40,00,50,000	50,000	Unquoted	10	44.48%	100.00%	4,00,05,00,000	5,00,000	Yes	-
Total									4,00,22,55,000	22,55,000		

*Subsidiary in previous year.

Note: In the Financial year 2011-12, the Company has promoted SPV in the name and style of "GSPC Distributions Network Limited ". The same was incorporated in February, 2012, keeping in view the then proposed acquisition of 65% stake of BG Group in Gujarat Gas Company Limited. During the year company has invested Rs. 400,00,00,000 (previous year Rs. 5,00,000/-) in form of equity shares .



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 13 LONG TERM LOANS AND ADVANCES - NON CURRENT ASSETS

(Amount in Rupees)

Long Term Loans and Advances	As at 31st December 2013		As at 31st March 2013	
Capital Advances				
To Others [Unsecured, considered good]	4,08,81,000		4,68,00,357	
To related parties [Unsecured, considered good] (Refer Note No. 13.1)	-	4,08,81,000	3,48,00,00,000	3,52,68,00,357
Security Deposits				
To Others [Unsecured, considered good] (Refer Note No. 13.3)	13,14,56,173		17,88,43,175	
To related parties [Unsecured, considered good] (Refer Note No. 13.1)	72,00,000	13,86,56,173	1,36,00,000	19,24,43,175
Loan to Employees				
To Employees [Unsecured, considered good]		15,13,987		17,81,388
Prepaid Expenses				
For Rent CPRS/MRS		65,82,278		71,45,392
Advance against Expenses				
For Advance against Expenses-other [Unsecured, considered good]	18,92,377		18,25,901	
Less: Provision for doubtful	2,96,128		-	
	15,96,249		18,25,901	
For Advance against Expenses-related parties [Unsecured, considered good] (Refer Note 13.1)	19,773	16,16,022	-	18,25,901
Total		18,92,49,460		3,72,99,96,213

13.1 Loans and advances to related parties pertain to:

(Amount in Rupees)

Particulars	As at 31st December 2013	As at 31st March 2013
a.Capital Advances		
GSPC Distribution Networks Limited (Subsidiary Company) (Share Application Money)	-	3,48,00,00,000
Total	-	3,48,00,00,000
b.Security Deposit		
Gujarat State Petronet Limited (Subsidiary Company of Holding Company)	68,00,000	1,32,00,000
Gujarat State Energy Generation Limited (Associate Company of Holding Company)	4,00,000	4,00,000
Total	72,00,000	1,36,00,000
c. Advance against Expenses		
Gujarat State Energy Generation Limited (Associate Company of Holding Company)	19,773	-
Total	19,773	-

13.2 Disclosure pursuant to Note no. 1 (iv) of Part I of Schedule VI to the Companies Act, 1956

(Amount in Rupees)

Particulars	As at 31st December 2013	As at 31st March 2013
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total	-	-

13.3 The Company has given refundable security deposits in form of fixed deposits to various project authorities to be held in their name and custody. It will be refunded after satisfactory completion of work. The company has therefore shown these fixed deposits amounting Rs. 3,28,82,863/- (Previous Year Rs. 5,41,74,689 /-), till the same are in custody with project authorities as "Security Deposits" under the Note- "Long term Loans and Advances" in the balance sheet.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 14 OTHER NON-CURRENT ASSETS

Other non-current assets	(Amount in Rupees)	
	As at 31st December 2013	As at 31st March 2013
Bank Balances	90,000	90,000
Total	90,000	90,000

Note 15 INVENTORIES

(Disclosure pursuant to Note no. O (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956)

Inventories	(Amount in Rupees)	
	As at 31st December 2013	As at 31st March 2013
Stores and spares (Valued at Cost on moving weighted average basis)	5,50,32,188	4,83,04,228
Goods-in transit		
Natural Gas in Pipeline (Refer Note 1.2.i)	1,33,57,664	1,01,59,728
CNG in Cascades (Refer Note 1.2.i)	72,10,427	76,94,802
Total	7,56,00,279	6,61,58,758

Note 16 TRADE RECEIVABLES - CURRENT ASSETS

Trade Receivables	(Amount in Rupees)	
	As at 31st December 2013	As at 31st March 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment (Refer Note 16.1)		
Secured, considered good	1,40,49,60,984	1,85,09,98,623
Unsecured, considered good	52,24,23,160	52,72,06,067
Doubtful	17,991	-
Total (A)	1,92,74,02,135	2,37,82,04,690
Trade receivables outstanding for a period exceeding six months from the date they are due for payment (Refer Note 16.1)		
Secured, considered good	23,77,442	1,09,26,307
Unsecured, considered good	1,60,54,892	1,36,01,078
Doubtful	35,45,507	17,38,789
Total (B)	2,19,77,841	2,62,66,174
Total (A+B)	1,94,93,79,976	2,40,44,70,864
Less: Provision for doubtful debts	35,63,498	17,38,789
Total	1,94,58,16,478	2,40,27,32,075

16.1 Trade Receivables of Rs. 1,40,73,38,426/- (Previous Year Rs. 1,86,19,24,930/-) are backed by security in form of Bank Guarantees/Security Deposits.

16.2 Trade Receivable stated above include debts due from:

Particulars	(Amount in Rupees)	
	As at 31st December 2013	As at 31st March 2013
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total	-	-

16.3 The balances of trade receivables for amount due are subject to confirmation. Necessary adjustments, if any, will be made when the accounts are settled after the confirmation is received.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 17 CASH AND CASH EQUIVALENTS

(Disclosure pursuant to Note no. Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956)

(Amount in Rupees)

Cash and cash equivalents	As at 31st December 2013		As at 31st March 2013	
Cash and cash equivalents				
Balances with banks				
(a) In Current Accounts - including Sweep-in Facility Accounts	8,55,42,730		2,86,79,659	
(b) Deposits with Original Maturity of less than three months	-		-	
(c) In unpaid Dividend Account	-		-	
Cheques/Drafts on Hand	-		-	
Unpaid Matured Deposits	-		-	
Cash on Hand	1,12,64,148	9,68,06,878	1,65,48,981	4,52,28,639
Other Bank Balances				
I. Deposits with original maturity of more than three months but less than twelve months	-		-	
II. Deposits with original maturity of more than twelve months	90,000		90,000	
III. Margin Money Deposit	-		-	
	90,000		90,000	
Less : Non-current Deposits with original maturity of more than twelve months <i>(Disclosed under other non-current assets)</i>	90,000	-	90,000	-
Total		9,68,06,878		4,52,28,639



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 18 SHORT TERM LOANS AND ADVANCES

(Amount in Rupees)

Short-term loans and advances	As at 31st December 2013		As at 31st March 2013	
Loans and advances to related parties (Refer notes 18.1 and 40.1)				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful recovery	-		-	
Advance Against Expenses				
Unsecured, considered good - Other		23,44,454		1,69,71,702
Unsecured, considered good to related party (Refer notes 18.2)		4,14,95,118		39,76,00,576
Loan To Employees				
Unsecured, considered good		4,69,498		5,08,387
Staff Advance				
Unsecured, considered good	2,09,866		1,04,802	
Less: Provision for doubtful recovery	-	2,09,866	-	1,04,802
Advance Tax and TDS				
Unsecured, considered good		11,49,80,991		11,11,84,925
Pre Paid Expenses				
Unsecured, considered good		1,29,37,958		1,77,93,022
CENVAT Credit Account				
Unsecured, considered good		1,09,90,828		3,18,41,975
Balances with PLA Account				
Unsecured, considered good		1,02,988		30,06,736
Balances with Stamp Duty Authorities				
Unsecured, considered good		5,31,700		4,42,500
Total		18,40,63,401		57,94,54,625



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

18.1 Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956

Loans to Related Parties		(Amount in Rupees)	
Particulars	As at 31st December 2013	As at 31st March 2013	
Directors	-	-	
Other officers of the Company	-	-	
Firm in which director is a partner	-	-	
Private Company in which director is a member	-	-	
Total	-	-	

18.2 Advances for expenses to Related Parties pertain to:

Advances for expenses to Related Parties pertain to:		(Amount in Rupees)	
Particulars	As at 31st December 2013	As at 31st March 2013	
Gujarat State Petroleum Corporation Limited (Holding Company)	1,84,88,401	-	
Guj Info Petro Limited	26,217	-	
GSPC Distribution Networks Limited (Subsidiary Company) (Share Application Money)	2,29,80,500	-	
Total	4,14,95,118	-	

Note 19 OTHER CURRENT ASSETS

OTHER CURRENT ASSETS		(Amount in Rupees)	
Other current assets	As at 31st December 2013	As at 31st March 2013	
Interest Accrued But Not Due on Fixed Deposits	44,59,621	61,32,400	
Interest Accrued But Not Due on Security Deposits	5,74,141	14,28,206	
Unbilled Revenue	26,77,41,354	9,39,44,671	
Claims Recoverable - Insurance	-	30,14,518	
Expense Recoverable against GGCL acquisition	-	5,50,32,650	
Total	27,27,75,116	15,95,52,445	



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 20 REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	For the period ended 31st December 2013		For the year ended 31st March 2013	
Sale of products				
- Finished Goods (CNG)	5,34,09,26,159		5,89,96,69,701	
- Traded Goods (CNG)	25,42,39,835		26,10,46,831	
- Traded Goods (PNG)	23,07,21,09,524	28,66,72,75,518	36,31,85,46,195	42,47,92,62,727
Other operating revenues				
Initial Connection Charges Income (Refer sub-Note 20.1)	5,33,29,250		10,19,20,844	
Registration Charges Income from Domestic, Commercial Non Commercial Connections (Refer sub-Note 20.1)	2,54,95,211		5,50,98,440	
Contract Renewal Charges Income	4,69,50,466		5,40,29,075	
Late Payment Charges Income	4,36,28,260		7,02,82,743	
Take or Pay Charges Income	4,02,73,287		3,44,39,156	
Alteration, Modification and Extra Connection Charges Income	4,17,28,896		6,09,30,229	
Other Operating Income	91,41,026	26,05,46,396	61,10,260	38,28,10,747
Revenue from Operations (Gross)		28,92,78,21,914		42,86,20,73,474
Less:				
Excise duty		67,69,90,058		74,53,10,365
Revenue from Operations (Net)		28,25,08,31,856		42,11,67,63,109

20.1 The Company has been advised by its counsel, that since the company does not pass-on any ownership or other right in the pipeline and equipments in favour of the customer, the amounts received by the company as Initial Connection Charges from the Industrial, Commercial-non Commercial Customers and the Registration / Connection Charges from Domestic Customers are not in the nature of remission of the cost of the pipeline and equipments and hence the same needs to be accounted for as income. In view of this, Company has accounted the same as its income in the Statement of Profit and Loss

Note 21 OTHER INCOME

(Amount in Rupees)

Particulars	For the period ended 31st December 2013	For the year ended 31st March 2013
	Interest Income	81,46,622
Dividend Income	750	750
Liquidated Damages Income	48,53,134	40,82,930
Profit on Sale of Assets	13,461	3,63,96,200
Commission Income	-	1,17,908
Tender / EOI Income	5,03,500	2,40,400
Provision Liability No Longer Required	25,25,234	23,50,180
Income from sharing of resources for database	-	1,56,00,000
Other non-operating income (net of expenses directly attributable to such income)	2,09,48,120	1,19,52,359
Total	3,69,90,821	8,56,24,781

Note 22 COST OF MATERIAL CONSUMED

(Amount in Rupees)

Particulars	For the period ended 31st December 2013	For the year ended 31st March 2013
	Purchases of Natural Gas for CNG	4,26,34,40,422
Add: Gas Transportation Charges	13,41,63,344	17,12,78,849
Total	4,39,76,03,766	5,17,52,48,549



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 23 PURCHASE OF STOCK-IN-TRADE

(Amount in Rupees)

Particulars	For the period ended 31st December 2013	For the year ended 31st March 2013
Purchases of Natural Gas	25,25,28,66,374	36,44,59,87,767
Less: Transfer for CNG Conversion	4,26,34,40,422	5,00,39,69,700
Add: Gas Transportation Charges	74,49,50,421	1,66,11,56,931
	21,73,43,76,374	33,10,31,74,997
Purchases of CNG	26,61,12,300	28,18,11,497
Total	22,00,04,88,674	33,38,49,86,494

Note 24 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in Rupees)

Particulars	For the period ended 31st December 2013	For the year ended 31st March 2013
Stock-in-Trade		
Natural Gas in Pipeline and in CNG Cascades		
Inventory at the beginning of the year	1,68,84,778	-
Less: Inventory at the end of year	1,96,59,384	1,68,84,778
Changes in Inventories - (-)Increase/(+)Decrease	(27,74,606)	(1,68,84,778)

Note 25 EMPLOYEE BENEFITS EXPENSE

(Amount in Rupees)

Particulars	For the period ended 31st December 2013	For the year ended 31st March 2013
Salaries and Incentives	23,54,18,897	24,83,17,179
Contributions to -		
(i) Provident fund	1,61,77,638	1,46,87,069
(ii) Leave Encashment	38,29,205	1,99,65,731
Gratuity fund contributions	1,63,96,397	4,30,058
Staff welfare expenses	33,60,523	85,20,976
Total	27,51,82,660	29,19,21,013

Note 26 FINANCE COSTS

(Amount in Rupees)

Particulars	For the period ended 31st December 2013	For the year ended 31st March 2013
I. Interest expense		
Interest on Term Loan	85,94,57,551	67,42,06,538
Interest on Share Application Money	-	2,37,99,222
Interest on Working capital Loan	2,99,971	43,70,434
Interest on Security Deposits	1,00,09,661	1,06,36,071
(a) Total Interest Expense	86,97,67,183	71,30,12,265
<i>(b) Less: Interest Capitalised as per AS 16</i>	<i>9,60,31,823</i>	<i>13,96,31,513</i>
Net Interest Expense [(a)-(b)]	77,37,35,360	57,33,80,752
II. Interest on income tax (under section 234B and 234C of the Income Tax)	33,49,472	65,20,625
III. Other borrowing costs	32,50,940	9,02,103
Total	78,03,35,772	58,08,03,480



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 27 OTHER EXPENSES

(Amount in Rupees)

Particulars	For the period ended 31st December 2013		For the year ended 31st March 2013	
Consumption of Stores and Spare Parts		2,81,75,260		3,48,04,887
Power and Fuel				
Electricity Expenses - CNG Stations	13,82,62,062		17,36,76,701	
Electricity Expenses - PNG	42,31,817		56,82,548	
Electricity Expenses - Others	34,63,343	14,59,57,222	37,90,352	18,31,49,601
Rent				
Rent - Office / Store	2,43,80,154		3,09,13,185	
Rent - Govt. Authorities (Refer Note 27.1)	1,89,29,154	4,33,09,308	3,84,28,603	6,93,41,788
Repair and Maintenance Expenses				
Repairs to Buildings	14,43,061		13,08,974	
Repairs to Machinery - CNG	45,91,021		99,88,883	
Repairs to Machinery - PNG	33,74,168		56,78,291	
Repairs and Maintenance Others	71,53,021	1,65,61,271	82,80,509	2,52,56,657
Operation and Maintenance Expense				
Operation and Maintenance Expense - CNG	12,36,86,177		15,75,63,288	
Operation and Maintenance Expense - PNG	19,76,64,136	32,13,50,313	24,29,45,860	40,05,09,148
LCV/HCV Hiring, Operating and Maintenance Charges		15,22,08,631		18,70,98,593
Lease (Wet) Machinery Expense		82,58,867		1,06,44,945
Instrument Testing Expenses		64,61,054		86,45,349
Franchisee, Commission and Profit Margin Exp.				
DMA Agency Commission Expenses	62,14,906		1,70,99,351	
Franchisee Commission and Profit Margin Exp.	2,46,18,845	3,08,33,751	2,71,12,573	4,42,11,924
Software Operation and Maintenance Charges		2,61,19,236		2,42,10,715
Business Promotion and Marketing Expenses		3,80,756		86,62,745
Advertisement and Publicity		30,01,957		1,93,24,168
Legal, Professional and Technical Consultancy Exp.		5,58,88,549		2,40,15,927
Insurance		2,32,96,222		2,23,08,011
Rates and Taxes (Excluding taxes on Incomes)				
Rates, taxes and duties	1,02,33,401		42,13,195	
Provision for Wealth Tax	15,878	1,02,49,279	21,170	42,34,365
Administration and Establishment Expenses		4,54,159		8,93,686
Office Expenses		96,91,791		1,04,39,228
Safety and Environment Expenses		48,42,198		85,33,789
Director Sitting Fees and Out of Pocket Expenses		1,09,867		80,539
Security Service Expenses		3,34,18,307		3,84,61,313
Stationery and Printing Expenses		58,84,861		91,83,467
Telephone and Communication Expenses		1,36,20,662		1,91,82,415
Mobile Instrument Exp.		12,57,849		21,08,038
Conveyance and Travelling Expenses		48,08,487		87,35,413
Vehicle Hiring and Running Expenses		1,88,60,032		2,54,01,855
Audit Fees (Refer Note 27.2)		2,80,900		8,14,610
Cost Audit Fees		26,236		1,38,596
Donations		-		2,00,000
Penalties		2,500		95,310
Bank Charges		41,95,085		46,96,833
Loss of Sale of Assets		-		81,82,609
Loss on Disposal of Assets		36,94,980		-
Doubtful Debts (Trade Receivables)		18,24,709		10,17,023
Doubtful Advances		2,96,128		-
Other Interest Cost		6,55,343		1,09,818
Miscellaneous Expenses		35,27,440		64,42,661
Total		97,95,03,210		1,21,11,36,026



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

- 27.1 The Rent - Govt. Authorities Expenses if any, is recognized as an expenses at the time of receipt of demand note from the concerned govt. authorities like Municipal Corporation, Nagarpalika, Gram Panchayat etc. and the joint measurement is settled and approved by the Management.

27.2 PAYMENTS TO AUDITOR

Payments to auditor	(Amount in Rupees)	
	For the period ended 31st December 2013	For the year ended 31st March 2013
For Statutory Audit	-	6,74,160
For Taxation Matters	-	-
For Company Law Matters	-	-
For Management Services	-	-
For Other Services	2,80,900	1,40,450
Total	2,80,900	8,14,610

Note 28 PRIOR PERIOD ITEMS (NET)

Particulars	(Amount in Rupees)	
	For the period ended 31st December 2013	For the year ended 31st March 2013
Administrative and Establishment Expense	-	4,203
Agency Commission to DMA - PNG	(15,939)	6,856
Depreciation	(4,80,367)	(99,011)
Electricity Expenses - CNG Stations	(13,747)	-
Instrument Testing Expenses	11,164	-
Insurance	14,617	-
Interest on Security Deposits	12,000	-
Interest Income	72,424	-
Legal, Professional and Technical Consultancy Expenses	4,970	(42,798)
Office Expenses	(1,000)	-
Operational and Maintenance Expense - CNG	(86,715)	2,93,421
Operational and Maintenance Expense - PNG	16,71,212	3,87,814
Other Operating Income	50,336	-
Rates and Taxes	(6,000)	-
Rent Expenses	4,500	12,630
Stationery and Printing Exp	-	655
Telephone and Communication Expenses	-	5,171
Total	12,37,454	5,68,941



GSPC GAS COMPANY LIMITED

Notes to financial statements for the period ended 31st December 2013

Note 29 EXCEPTIONAL ITEMS

Particulars	(Amount in Rupees)	
	For the period ended 31st December 2013	For the year ended 31st March 2013
Loss of Material (Refer Note 29.1)	-	13,87,382
Total	-	13,87,382

- 29.1 The fire incident which took place in warehouse/store yard in last financial year on 24.03.2012 wherein, capital inventory and spare parts were damaged and for which company had filed a claim of Rs. 4,21,03,603/- (Carrying Cost or Insurance value whichever is lower) and transferred the same under the head "Claim Receivable" in previous year 2012-13. During the financial year 2012-13, considering the weighted average moving price of damaged material, the claim of Rs. 3,06,933/- was found in excess. Company had received Rs. 3,92,72,900/- from insurance company and Rs. 11,36,388/- from scrap sale resulting into Loss of Material (Rs. 13,87,382/-).

Note 30 CURRENT TAX

Particulars	(Amount in Rupees)	
	For the period ended 31st December 2013	For the year ended 31st March 2013
Current Tax Payable including Interest on such tax	33,49,472	20,39,59,026
Less: Interest on Tax Payable	33,49,472	65,20,625
Current Tax Payable	-	19,74,38,401
Less: MAT Credit Entitlement	-	-
Net Current Tax Liability for the year	-	19,74,38,401
Add: Short / (Excess) Provision of Tax made in earlier years	-	(84,940)
Net Current Tax Liability	-	19,73,53,461

Note 31 EARNINGS PER SHARE (EPS)

Particulars		(Amount in Rupees)	
		For the period ended 31st December 2013	For the year ended 31st March 2013
Profit / (Loss) attributable to equity shareholders	Rs.	(54,87,17,133)	40,20,35,633
Weighted average number of ordinary equity shares for Basic EPS *	Nos.	8,46,19,630	6,15,06,421
Nominal Value of equity share	Rs.	10	10
Basic EPS	Rs.	(6.48)	6.54
Diluted EPS	Rs.	(6.48)	6.54

*Weighted average number of ordinary equity shares for Basic EPS for previous year

Particular	As at	Period of Holding (In Days)	No. of Shares	Weighted Average No. of Shares
Equity Shares at the Beginning of the year	4/1/2012	365	5,92,09,024	5,92,09,024
Equity Shares Issued During the year	2/27/2013	33	2,54,10,606	22,97,397
Total			8,46,19,630	6,15,06,421



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st December 2013

Note 32 IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	For the period ended 31st December 2013		For the year ended 31st March 2013	
	% of Total Consumption	Amt. in Rs.	% of Total Consumption	Amt. in Rs.
Raw Materials				
Natural Gas				
- Imported	-	-	-	-
- Indigenous	16.64%	4,39,76,03,766	13.41%	5,17,52,48,549
Purchase of stock in Trade				
- Imported	-	-	-	-
- Indigenous	83.25%	22,00,04,88,674	86.50%	33,38,49,86,494
Stores and Spare Parts				
- Imported	-	-	-	-
- Indigenous	0.11%	2,81,75,260	0.09%	3,48,04,887
Total	100%	26,42,62,67,700	100%	38,59,50,39,930

Note 33 DETAILS OF MANUFACTURED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

33.1 MANUFACTURED GOODS

Amount in Rs.

Particulars	Sales For the period ended 31st December 2013	Sales For the year ended 31st March 2013	Closing Inventory as at 31st Dec 2013	Closing Inventory as at 31st March 2013
Manufactured Goods				
- Compressed Natural Gas* (CNG)	4,66,39,36,101	5,15,43,59,337	63,44,882	67,25,050
Total	4,66,39,36,101	5,15,43,59,337	63,44,882	67,25,049.69

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

33.2 TRADED GOODS

Amount in Rs.

Particulars	Sales For the period ended 31st December 2013	Sales For the year ended 31st March 2013	Closing Inventory as at 31st Dec 2013	Closing Inventory as at 31st March 2013
Traded Goods				
- Natural Gas (PNG)	23,07,21,09,524	36,31,85,46,195	1,31,55,358	1,01,59,728
- CNG	25,42,39,835	26,10,46,831	-	-
Total	23,32,63,49,358	36,57,95,93,026	1,31,55,358	1,01,59,728.38

33.3 WORK IN PROGRESS

Amount in Rs.

Particulars	As at 31st March 2013	As at 31st March 2012
Work-in-progress		
- Natural Gas	-	-
- Other	-	-
Total	-	-



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st December 2013

33.4 QUANTITATIVE DETAILS

Particulars	Unit of Measurements	For the period ended 31st December 2013	For the year ended 31st March 2013
Purchase Goods			
Purchase of Natural Gas	SCM at various Calorific values	77,45,55,992	1,38,20,27,317
Purchase of CNG	KGS	46,27,431	60,18,961
Traded Goods (PNG)			
Sale of Natural Gas - PNG	SCM	64,51,47,570	1,23,12,68,476
Sale of CNG	KGS	46,27,431	60,18,961
Manufactured Goods (CNG)			
Sale of Natural Gas - CNG	KGS	9,92,67,974	13,42,77,199
Closing Inventory			
Natural Gas	SCM	4,00,428	3,53,595
CNG	SCM	2,02,411	2,02,067

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



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st December 2013

Note 34. CONTINGENT LIABILITIES

(Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956)

Amount in Rs.

Contingent liabilities and commitments (to the extent not provided for)	As at 31st December 2013	As at 31st March 2013
Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	3,35,000	6,53,835
(b) Guarantees	32,20,55,768	2,93,68,496
(c) Letters of credit	17,91,52,283	-
(d) Corporate Guarantee given to GDNL*	5,00,00,00,000	-
(e) Other Contingent Liabilities (Refer Note 34.1)	82,30,81,916	21,50,61,936
Sub Total (A)	6,32,46,24,967	24,50,84,267
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	2,14,67,74,053	2,99,15,85,926
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for	1,40,30,72,843	1,61,62,83,287
Sub Total (B)	3,54,98,46,896	4,60,78,69,213
TOTAL (A+B)	9,87,44,71,862	4,85,29,53,480

*Jointly and severally with Gujarat State Petronate Ltd.

34.1 Other Money for which Company is contingently liable

Amount in Rs.

Sr. No.	Particulars	As at 31st December 2013	As at 31st March 2013
1	Disputed statutory claims in respect of Appeals filed against / by company :		
	(a) Excise Duty - related to the financial year 2003-2004 on account of appeal filed by the Commissioner of Central Excise and Customs, Surat with Custom, Excise and Service Tax Appellate Tribunal.	23,65,736	23,65,736
	(b) Income Tax - related to the financial year 2006-07 pursuant to CIT(A) order, against which appeal has been filed with ITAT, Ahmedabad. The Appeal is heard and the order is awaited.	59,59,740	59,59,740
	(c) Income Tax - related to the financial year 2007-08 pursuant to CIT(A) order, against which appeal has been filed with ITAT, Ahmedabad. The Appeal is heard and the order is awaited.	8,45,41,610	8,45,41,610
	(d) Income Tax - related to the financial year 2008-09 pursuant to CIT(A) order, against which appeal has been filed with ITAT, Ahmedabad. The Appeal is heard and the order is awaited.	14,31,81,970	14,31,81,970
	(e) Income Tax - related to the financial year 2009-10 pursuant to CIT(A) order, against which appeal has been filed with ITAT, Ahmedabad.	12,21,94,850	12,21,94,850
	(f) Income Tax - related to the financial year 2010-11 on account of assessment order u/s.143 (3) of the Income Tax Act against which appeal has been filed with CIT (A).	60,80,19,980	-
	TOTAL	82,30,81,916	21,50,61,936



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st December 2013

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

Note 35 OPERATING LEASE

The Company has taken certain premises for office use and store yards under license agreements and land for setting up CNG Stations. The total rentals recognized as expense for the period ended on **31st December, 2013** under the above license agreements aggregate to Rs. 2,43,80,154 /- (Previous year Rs.3,09,13,185/-). The future minimum lease payment obligations are as under:

Future Minimum Lease Payments	Amount in Rs.	
	As at 31st December 2013	As at 31st March 2013
Not later than one year	2,54,16,929	1,37,36,035
Later than one year and not later than five years	4,72,72,031	1,54,90,311
More than five years	3,94,06,503	1,29,30,270

Note 36 VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	Amount in Rs.	
	For the period ended 31st December 2013	For the year ended 31st March 2013
Raw Materials	-	-
Components and Spare Parts	-	-
Capital goods	-	-

Note 37 EXPENDITURE IN FOREIGN CURRENCIES

Particulars	Amount in Rs.	
	For the period ended 31st December 2013	For the year ended 31st March 2013
Know -how, Royalty	-	-
Professional, Technical and Consultancy Fees etc.	-	-
Sponsorship Expenses (Training)	-	-
Interest Expense	-	-
Other Expenses: - Travelling Expenses	-	-



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st December 2013

Note 38 EARNINGS IN FOREIGN CURRENCIES

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

Note 39 SEGMENT REPORTING

Based on the Accounting Standard – 17 on “Segment Reporting” (AS-17), issued by the Institute of Chartered Accountants of India, business segment of the company is the primary segment comprising of ‘Supply of Natural Gas’. As the company operates only in a single primary business segment, there is no disclosure requirements as per Accounting Standard 17 “Segment Reporting”.

Note 40 RELATED PARTY DISCLOSURES

Related party disclosures as required by Accounting Standard – 18 issued by the Institute of Chartered Accountants of India are as under (Refer Note 40.1)

List of Related Parties and Relationship:

Sr. No.	Name of Related Parties	Relationship
i	Gujarat State Petroleum Corporation Ltd (GSPC)	Holding Company
ii	Gujarat State Petro net Limited (GSPL)	Subsidiary of Holding Company
iii	Gujarat State Energy Generation Limited (GSEG)	Associate of Holding Company
iv	GSPC Pipavav Power Company Ltd. (GPPC)	Subsidiary of Holding Company
v	GSPC LNG Limited (GLL)	Subsidiary of Holding Company
vi	Sabarmati Gas Limited (SGL)	Associate of Holding Company
vii	Guj Info Petro Limited (GIPL)	Subsidiary of Holding Company
viii	GSPC JPDA Limited	Subsidiary of Holding Company
ix	GSPC Distributions Network Limited*	Associate Company

* Subsidiary Company in previous year

Key Managerial Personnel:

Sr. No.	Name of Related Parties	Relationship
i	Mr. Tapan Ray, IAS	Director
ii	Mr. PPG Sarma	Chief Executive Officer

Relative of Key Managerial Personnel:

Sr. No.	Name of Related Parties	To whom the related parties
i	Ms. P Subbalakshmi	Mr. PPG Sarma

During the period, the Company has paid Rent of Rs. 2,70,000/- (previous year : Rs. 3,60,000) for hiring residential premises from Ms. P Subbalakshmi.



40.1 Related Party Disclosures

(Amounts in Rupees)

Sr. No.	Nature of Transactions (Significant Influence)	Transactions with Holding Company		Transactions with Subsidiary of Holding Company		Transactions with Associates of Holding Company		Transactions with Associates Company*		Key Management Personnel		Value of Total Transactions **	
		Financial Year	For the period ended 31st December 2013	For the year ended 31st March 2013	For the period ended 31st December 2013	For the year ended 31st March 2013	For the period ended 31st December 2013	For the year ended 31st March 2013	For the period ended 31st December 2013	For the year ended 31st March 2013	For the period ended 31st December 2013	For the year ended 31st March 2013	For the period ended 31st December 2013
1	Gujarat State Petroleum Corporation Ltd.												
	Purchase of Natural Gas												
	1) GSPC	28,99,50,05,710	41,75,32,45,693									28,99,50,05,710	41,75,32,45,693
	2) GSPC NIKO IV	26,67,496	35,20,166									26,67,496	35,20,166
	Salary and Allowances Paid	13,53,707	24,94,122									13,53,707	24,94,122
	Dividend Paid	3,66,92,358	3,66,92,358									3,66,92,358	3,66,92,358
	Rent Paid	56,180	1,64,832									56,180	1,64,832
	CNG Sales	6,94,124	-									6,94,124	-
	GGCL Share Acquisition Exp. Received	1,69,88,401	-									1,69,88,401	-
	Administration Expenses	-	1,28,983									-	1,28,983
	Software Maintenance Received	-	21,50,817									-	21,50,817
2	Gujarat State Petronet Ltd.												
	Gas Transportation Charges Exp.			88,47,91,133	1,84,37,68,804							88,47,91,133	1,84,37,68,804
	Interest paid on Share Application Money				2,37,99,222								2,37,99,222
	Supervision Charges			3,94,040	25,84,280							3,94,040	25,84,280
	ROW Charges			77,89,920	6,98,24,998							77,89,920	6,98,24,998
	Sale of Capital Goods			3,26,89,746	52,37,969							3,26,89,746	52,37,969
	Reimbursement of Exp (Paid)			-	3,55,607							-	3,55,607
	Deposit Given (Assets)			19,00,000	34,00,000							19,00,000	34,00,000
	Deposit Refunded			64,00,000	-							64,00,000	-
	Dividend Paid			2,46,37,085	2,16,66,666							2,46,37,085	2,16,66,666
	GGCL Share Acquisition Exp. Received			1,69,88,401	-							1,69,88,401	-
	CNG Sales			5,55,587	-							5,55,587	-
	Rent Paid			27,83,476	36,68,305							27,83,476	36,68,305
	Rent paid in advance			-	91,325							-	91,325
	Reimbursement of Exp (Received)			10,79,690	85,16,721							10,79,690	85,16,721
3	Sabarmati Gas Ltd.												
	Gas Transportation Charges paid					42,07,034	45,12,936					42,07,034	45,12,936
	CNG Purchase					30,60,29,145	32,11,07,396					30,60,29,145	32,11,07,396
	PNG Gas Sales					23,18,25,272	23,58,11,171					23,18,25,272	23,58,11,171
	Gas Transportation Charges Received					3,66,240	4,19,355					3,66,240	4,19,355
	Initial Connection Charges Received					-	-					-	-
	Supervision Charges Paid					4,49,440	-					4,49,440	-
	Deposit Given (Assets)					8,00,000	-					8,00,000	-
	Customer Settlement					-	-					-	-
	Income from sharing of resources for database					-	-					-	-
4	Guj Info Petro Ltd.												
	Bandwidth Charges			2,84,645	7,32,868							2,84,645	7,32,868
	Charge Allowances Recovered			83,489	79,151							83,489	79,151
	Reimbursement of Exp (Received)			31,000	-							31,000	-
5	Gujarat State Energy Generation Ltd.												
	Supervision Charges Paid					-	-					-	-
	Dividend Paid					2,50,000	2,50,000					2,50,000	2,50,000
	Repair Vehicle OYVS Charges					-	-					-	-
	Deposit Received (Liability)					4,00,000	-					4,00,000	-
	CNG Sales					36,023	2,05,917					36,023	2,05,917
	Administration Expenses					10,301	3,400					10,301	3,400
6	GSPC LNG Ltd.												
	Salary Paid					-	-					-	-
	Assets Purchased					-	-					-	-
7	GSPC Pipavav Power Company Ltd.												
	Bank Charges Recovered					-	-					-	-
8	GSPC Distribution Network Ltd.												
	Investment (Share capital acquired)							4,00,00,00,000	5,00,000			4,00,00,00,000	5,00,000
	Bank Guarantee Charges Paid							-	38,20,540			-	38,20,540
	Preliminary Exp Paid							-	63,098			-	63,098
	Reimbursement of Exp (Paid)							-	14,66,680			-	14,66,680
	Loan & Advances Given								3,48,00,00,000				3,48,00,00,000
	Reimbursement of Exp (Received)							2,04,73,000	-			2,04,73,000	-
	Administration Expenses							7,500	-			7,500	-
9	Key Management Personnel												
	Shri PPG Sarma									50,66,080	71,96,850	50,66,080	71,96,850
	Remuneration Paid												
	Total Transactions **	29,05,34,57,976	41,79,83,96,971	98,04,08,212	1,98,37,25,916	54,43,73,455	56,23,10,175	4,02,04,80,500	3,48,58,50,318	50,66,080	71,96,850	34,60,37,86,223	47,83,74,80,230

* Subsidiary company in previous year

** The above transactions are inclusive of all taxes like Excise, VAT, Service Tax, and Royalty etc.



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st December 2013

40.1 Related Party Disclosures

Sr. No.	Nature of Transactions (Significant Influence)	Balances outstanding with Holding Company		Balances outstanding with Subsidiary of Holding Company		Balances outstanding with Associates		Balances outstanding with Associates Company*		Balances outstanding with Key Management Personnel		Total Outstanding	
		As at 31st December 2013	As at 31st March 2013	As at 31st December 2013	As at 31st March 2013	As at 31st December 2013	As at 31st March 2013	As at 31st December 2013	As at 31st March 2013	As at 31st December 2013	As at 31st March 2013	As at 31st December 2013	As at 31st March 2013
1	Gujarat State Petroleum Corporation Ltd.												
	Accounts Payable	1,68,72,35,224	2,38,96,21,306									1,68,72,35,224	2,38,96,21,306
	Accounts Receivable	1,73,72,153	66,617									1,73,72,153	66,617
	Deposits (Liability)	4,000	4,000									4,000	4,000
2	Gujarat State Petronet Ltd.												
	Accounts Payable			5,60,61,356	-							5,60,61,356	-
	Accounts Receivable			70,039	40,51,42,250							70,039	40,51,42,250
	Deposits (Assets)			87,00,000	1,32,00,000							87,00,000	1,32,00,000
	Share Application Money			-	-							-	-
3	Sabarmati Gas Ltd.												
	Accounts Payable					1,96,41,822	4,71,44,150					1,96,41,822	4,71,44,150
	Accounts Receivable					1,43,66,740	3,46,24,776					1,43,66,740	3,46,24,776
	Deposits (Assets)					6,00,000	-					6,00,000	-
	Deposits (Liability)					4,24,233	5,82,950					4,24,233	5,82,950
4	Guj Info Petro Ltd.												
	Accounts Payable												
	Accounts Receivable			26,217	13,355							26,217	13,355
5	Gujarat State Energy Generation Ltd.												
	Accounts Payable						3,400						3,400
	Deposit Assets						4,00,000						4,00,000
	Accounts Receivable					23,071	19,773					23,071	19,773
	Deposit-Liability					8,00,000	8,00,000					8,00,000	8,00,000
6	GSPC LNG Ltd.												
	Accounts Payable												
	Accounts Receivable												
7	GSPC Pipavav Power Company Ltd.												
	Accounts Payable												
	Accounts Receivable												
8	GSPC Distribution Network Ltd.												
	Accounts Payable							23,53,860	23,53,860			23,53,860	23,53,860
	Accounts Receivable							2,29,80,500	-			2,29,80,500	-
	Share Application Money Paid							-	3,48,00,00,000			-	3,48,00,00,000
	Investment							4,00,05,00,000	5,00,000			4,00,05,00,000	5,00,000
9	Key Management Personnel												
	Accounts Payable												
	Accounts Receivable												

* Subsidiary company in previous year



GSPC GAS COMPANY LIMITED

Notes to financial statements for the year ended 31st December 2013

- Note 41 UNUTILISED AMOUNTS OF PROCEEDS FROM ISSUE OF SECURITIES**
(Disclosure pursuant to Note no. 6(V) of Part I of Schedule VI to the Companies Act, 1956)
Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the balance sheet date, Indicate below how such unutilized amounts have been used or invested. } **NOT APPLICABLE**
- Note 42 RECOVERABLE VALUE OF ALL ASSETS OTHER THAN FIXED ASSETS AND NON CURRENT INVESTMENTS**
(Disclosure pursuant to Note no. 6(W) of Part I of Schedule VI to the Companies Act, 1956)
In the opinion of management, the current assets including loans and advances, debtors and other current assets are recoverable at the value stated in the balance sheet in ordinary course of business.
- Note 43** GSPC GAS Company Limited had applied to the 'Petroleum & Natural Gas Regulatory Board' in May 2008 for authorization of its 10 Geographical Areas (GA)- City Gas Distribution Network under section 18(1) of the 'Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand local or City Gas Distribution Network) Regulations, 2008.

The Company has received authorisations for Rajkot, Surendranagar, Navsari and Nadiad GA s from PNGRB. The authorisations for Valsad, Hazira, Palej and Gandhinagar are under process of authorisation with PNGRB . The Company has also received authorisation for Jamnagar GA pursuant to its competitive bid in February 2011.

The PNGRB has not considered the application of authorisation of Halol and Khambhat GA by issuing a speaking order in May, 2011. The management of company has replied to PNGRB against the said speaking order and requested to continue to operate in Halol and Khambhat GA in public interest and company continue to operate and book the income thereof. Further, the company is engaged with PNGRB to obtain authorisation for Halol and Khambhat GA as well along with other GA's under relevant rules of the PNGRB Act, 2006. Company has not received any further communication from PNGRB in this regard.
- Note 44** GSPC Gas has incurred capital expenditure amounting to Rs. 6.97 Crores (Previous year Rs. 6.03 crores) in Bhavnagar area for PNG, the authorization for which from PNGRB is recently awarded to the other bidder. The company is in process of sale / lease these assets to the successful bidder, and as such there is no impairment of these assets.
- Note 45** The Company has prepared these financial statements for the nine months period ended on 31st Decemeber, 2013 for the purpose of use by Management in relation to proposed scheme of amalgamation and arrangement of the company.
- Note 46** Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current year's presentation

The Accompanying Notes are an integral part of the financial Statements.
As per our report attached.

For, A. R. Sulakhe & Co.
Chartered Accountants
Firm Regn. No. : 110540W



Anand Sulakhe
Partner
M. No. : 33451

Place : Gandhinagar
Date : 21/4/2014

For and on behalf of Board of Directors

D. J. Pandian, IAS
Chairman

Tapan Ray, IAS
Director

P. P. G. Sarma
Chief Executive Officer

Rahul Devi
GM (F&A)

Ahmed Khan
GM (L&S)
Company Secretary

Place: Gandhinagar
Date:



**GSPC DISTRIBUTION NETWORKS
LIMITED**

**1st Annual Report
2012-2013**

GSPC Distribution Networks Limited

1st Annual Report 2012-2013

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- ❖ Company Information
- ❖ Notice
- ❖ Director's Report
- ❖ Report of Comptroller and Auditor General of India
- ❖ Independent Auditor's Report
- ❖ Balance Sheet as at 31st March, 2013
- ❖ Statement of Profit and Loss for the year ended on 31st March, 2013
- ❖ Cash Flow Statement for the year ended on 31st March, 2013
- ❖ Notes of financial statements for the year ended on 31st March, 2013

GSPC Distribution Networks Limited

1st Annual Report 2012-2013.

Board of Directors:

1. Mr. Tapan Ray, IAS : Chairman.
2. Mr. Manish Kumar Verma : Additional Director (w.e.f. 20-09-2012)
3. Mr. P.P.G. Sarma : Additional Director (w.e.f. 20-09-2012)
4. Mr. Ravindra Agrawal : Director
5. Mr. N. Bose Babu : Director

Financial Institution / Bankers:

Gujarat State Financial Services Limited.
YES Bank Limited.

Statutory Auditors:

M/s. J. S. Maheshwari & Co.
Chartered Accountants
Ahmedabad.

Registered Office:

Block No.: 15, 3rd Floor,
Udyog Bhavan, Sector – 11,
Gandhinagar – 382 009.

GSPC Distribution Networks Limited
Registered office: Block No. 15, 3rd Floor,
Udyog Bhavan, Sector-11, Gandhinagar - 382011

NOTICE

NOTICE is hereby given that First Annual General Meeting of **GSPC Distribution Networks Limited** is scheduled to be held on Friday, 26th July, 2013 at 11:00 am at GSPC Bhavan, 3rd Floor, Sector-11, Gandhinagar, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt, the audited Balance Sheet as on 31st March 2013, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, along with notes forming part of the same and Auditors' Report, Directors reports and Report of Comptroller and Auditor General of India thereon.
2. To fix remuneration of Statutory Auditors of the Company in terms of provisions of section 224 (8) (aa) of the Companies Act, 1956 for Financial year 2012-13 and 2013-14.

SPECIAL BUSINESS:

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

"**RESOLVED THAT** in accordance with provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 **Shri Tapan Ray, IAS**, who was named as the director in the Article of Association of the Company as First Director and who holds office as such up to the date of this General Meeting and in respect of whom Company has received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director and Chairman of the Company, liable to retire by rotation."

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

"**RESOLVED THAT** in accordance with provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 **Shri Ravindra Agrawal**, who was named as the director in the Article of Association of the Company as First Director and who holds office as such up to the date of this General Meeting and in respect of whom Company has received

notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT in accordance with provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 **Shri N Bose Babu**, who was named as the director in the Article of Association of the Company as First Director and who holds office as such up to the date of this General Meeting and in respect of whom Company has received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Shri Manish Verma who was appointed by board as Additional Director to hold office up to the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose, Shri Manish Verma as a candidate for the office of the Director be and is here by elected and appointed as Director of the Company, liable to retire by rotation.

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

"RESOLVED THAT Shri P.P.G Sarma who was appointed by board as Additional Director to hold office up to the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose, Shri P.P.G Sarma as a candidate for the office of the Director be and is here by elected and appointed as Director of the Company, liable to retire by rotation.

By Order of the Board of the Directors


Authorized Signatory

Date: 20-07-2013

Place: Gandhinagar

Registered Office:

GSPC DISTRIBUTION NETWORKS LIMITED
Block No.15, 3rd Floor, Udyog Bhavan,
Sector 11, Gandhinagar - 382011

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER.**
 - 2. THE INSTRUMENTS APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
 3. All Bodies Corporate members intending to send their representatives to attend and participate in the meeting or any adjournment thereof are requested to send a certified copy of the Board Resolution or resolution of its governing body authorizing their representatives to attend and vote on their behalf at the Meeting.
 4. Any member desiring any information pertaining to the Accounts are requested to send their queries in writing to the Company not less than 48 hours before the commencement of the Meeting.
 5. Members are requested to bring their Copy of the Annual Report at the Annual General Meeting.
-

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION
173 (2) OF THE COMPANIES ACT, 1956**

ITEM NO. 3, 4 and 5

Shri Tapan Ray, IAS, Shri Ravindra Agrawal and Shri N Bose Babu were named as the First Directors of the company under Article 22 of the Articles of Association of the Company and shall hold office up to the date of this Annual General Meeting of the Company. The Company has received notices under section 257 of the Companies Act 1956 proposing their candidature for the office of the Director liable to retire by rotation.

None of the Directors except Shri Tapan Ray, IAS, Shri Ravindra Agrawal and Shri N Bose Babu is connected or interested in this Resolution. All Documents connected with the resolution are open for inspection by any members of the Company at the registered office of the Company on any working day during normal business hours.

ITEM NO. 6 and 7

The Board of Directors had appointed Shri Manish Verma & Shri P.P.G Sarma as Additional Director of the Company on 20/09/2012 to hold office till the date of this Annual General Meeting.

The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing their Appointment for the office of Director of the Company.

None of the Directors except Shri Manish Verma and Shri P.P.G Sarma is connected or interested in this Resolution. All Documents connected with the resolution are open for inspection by any members of the Company at the registered office of the Company on any working day during normal business hours.

By order of the Board of the Directors


Authorized Signatory

Date: 20-07-2013
Place: Gandhinagar

Registered Office:
GSPC DISTRIBUTION NETWORKS LIMITED.
Block No.15, 3rd Floor, Udyog Bhavan,
Sector 11, Gandhinagar - 382011

DIRECTORS' REPORT

To
The Members,
GSPC DISTRIBUTION NETWORKS LIMITED.

Your Directors have pleasure in presenting the 1st Annual Report on the Business and Operations and Audited Accounts of the Company for the period from 21st February, 2012 (Date of Incorporation) to 31st March 2013.

PERFORMANCE HIGHLIGHTS:

Particulars	(Amount in Rupees)
	For the period from 21-02-2012 to 31-03-2013
Total Income	2,27,28,887
Total Expense	5,45,02,684
Profit / (Loss) Before Tax	(3,17,73,797)
Less : Provision for Taxation	68,67,087
Profit / (Loss) After Tax	(3,86,40,884)

SHARE CAPITAL:

Since incorporation of the Company, the Company has allocated 50,000 Equity Shares of Rs 10/- each aggregating to Rs 5,00,000/- to GSPC Gas Company Limited along with its nominee shareholders.

SHARE APPLICATION MONEY:

During the period under review, Company has received the share application money of Rs. 348/- Crores from GSPC GAS Company Limited.

Similarly, the Company has received Share Application money from Gujarat State Petronet Limited of Rs 350/- Crores and Gujarat State Fertilizers & Chemicals Limited Rs 150/- Crores on 02-05-2013 and 08-05-2013 respectively.

The Company is in the process of allotment of shares to all these applicants.

AUTHORISED SHARE CAPITAL:

During the period under review, your Company has increased Authorised Share Capital from Rs. 10,00,000/- divided into 1,00,000 equity shares of Rs. 10/- each to Rs. 1500,00,00,000/- divided into 150,00,00,000 equity shares of Rs. 10/- each by passing resolution in the meeting (3rd Extra Ordinary General Meeting) of the members of the company held on 21st March, 2013.



ISSUE OF NON CONVERTIBLE DEBENTURES

On 1st April, 2013, your Company has floated Redeemable, Unlisted, Non Convertible Debenture (NCD) of Rs. 10,00,000/- (Rupees Ten Lakhs) each aggregating to Rs. 500/- Crores backed by the corporate guarantee of Rs. 500/- Crores of Gujarat State Petroleum Limited and GSPC Gas Company Limited in favor of IDBI Trusteeship Services Limited. The NCD were rated "CARE AA+ (SO)" issued by M/s. Credit Analysis and Research Limited (CARE), Rating Agency. Based on the said rating, the said NCDs are construed to offer high safety for timely servicing of debt obligation and carries very low credit risk. Your Directors are pleased to report that the said issue of NCD was subscribed to the extent of Rs. 500/- Crores.

DIVIDEND:

In view of loss sustained during the year under review, your Directors have not recommended any dividend on equity shares for the year under review.

ACQUISITION OF 65.12% STAKE OF BG ASIA SPECIFIC HOLDINGS PTE. LIMITED, SINGAPORE IN GUJARAT GAS COMPANY LIMITED (GGCL):

In pursuance to its objective of carrying on City Gas Distribution (CGD) business, your Company had commenced its operation by entering into a Share Purchase Agreement (SPA) with BG Asia Specific Holdings Pte Limited, Singapore to acquire 65.12% shares i.e. 8,35,18,750 Equity Shares of Rs 2/- each in Gujarat Gas Company Limited (GGCL - A Company engaged in CGD business) on 3rd October, 2012 for Rs 2463.80 Crores. Your Company will get controlling stake on the City Gas Distribution (CGD) business of Gujarat Gas Company Limited (GGCL) through the purchase of its shares and also explore the possibility to consolidate the City Gas Distribution (CGD) business of Gujarat Gas Company Limited (GGCL) in due course of time.

OPEN OFFER TO PUBLIC SHAREHOLDERS OF GGCL:

During the year, your company completed Open Offer Process as per SEBI (SAST) Regulations, 2011 to purchase shares of GGCL from the public shareholders of Gujarat Gas Company Limited. Consequent to the same, your Company purchased 8.58% stake in Gujarat Gas Company Limited through Open Offer. Your Company paid consideration of Rs. 347,68,04,206/- to the shareholders of Gujarat Gas Company Limited under the Open offer on 23rd February, 2013 for purchase of 1,10,00,330 Equity Shares of Rs. 2 each.

FIXED DEPOSITS:

During the period under review, the Company has not accepted any deposits from Public pursuant to the provisions of Section 58A of the Companies Act, 1956.



DIRECTORS:

Shri Tapan Ray, IAS, Shri Ravindra Agarwal and Shri N Bose Babu were appointed as First Directors on the Board of the Company as per Articles of Association of the Company.

Shri Manish Verma and Shri P.P.G Sarma were appointed as an Additional Directors to hold office till the first Annual General Meeting.

It is proposed to regularize the appointment of the aforesaid Directors at the 1st Annual General Meeting.

AUDITORS:

Your Company being a Government Company/Quasi Government Company, the Statutory Auditors has been appointed by the Comptroller and Auditor General of India (C&AG) for the financial year 2012-2013. Accordingly, the Comptroller and Auditor General of India (C&AG) appointed M/s. J. S. Maheshwari & Co. Chartered Accountants, Ahmedabad as the Statutory Auditors to carry out statutory audit of the Company for the period from 21st February, 2012 (Date of Incorporation) to 31st March 2013.

STATUTORY AUDITOR'S REPORT:

The Notes on Financial Statements referred to in the Auditors' Report are self explanatory and do not call for any further comments and explanations.

INTERNAL CONTROL SYSTEM:

Your Company has well established and efficient internal control system and procedure commensurate with its size and nature of business.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at 31st March, 2013 being the end of the financial year 2012-2013 and of the loss of the company for the period from 21st February, 2012 (Date of Incorporation) to 31st March 2013.
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.



d. That the directors had prepared the annual accounts on a going concern basis.

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

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

a. Conservation of Energy: NIL

b. Technology Absorption: Your Company has not imported any technology.

c. Foreign Exchange Earnings and Outgo for the period:

Foreign Exchange Earnings - NIL

Foreign Exchange Outgo - NIL

PARTICULARS OF EMPLOYEES:

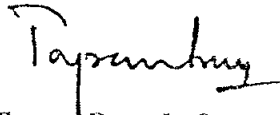
During the period under review, the Company does not have any employee where disclosure under section 217 (2A) of the companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is required.

ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, members and all other stakeholders during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives of the GSPC Group of Companies.

For and on behalf of the Board of Directors,



Tapan Ray, IAS

Chairman

Date: 20-05-2013

Place: Gandhinagar.

Registered Office

Block No.15, 3rd Floor,

Udyog Bhavan, Sector: 11, Gandhinagar: 382011





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कार्यालय
महालेखाकार (आ. एवं रा.क्षे.ले.प.), गुजरात
**Office of the
Accountant General (E&RSA), Gujarat**

No. ES-FA/es/GSPCL DNL/2012-13/ 843

05/07/2013

To
The Managing Director,
GSPC Distribution Networks Limited,
Block No: 15, 3rd Floor, Udyog Bhavan,
Sector - 11, Gandhinagar.

Sub:- Comment of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of **GSPC Distribution Networks Limited** for the year ended **31 March 2013**.

Sir,

Please find enclosed nil comment certificate of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 of the Companies Act, 1956 on the accounts of **GSPC Distribution Networks Limited** for the year ended **31 March 2013** for being placed before the Annual General Meeting of the Company.

Under Section 619(5) of the Companies Act, 1956, the comments of the Comptroller and Auditor General of India are required to be placed before the Annual General Meeting in the same manner and at the same time as the Auditor's Report of the Company. The date of placing the comments of the Comptroller and Auditor General of India before the Annual General Meeting may please be intimated to this office.

Six copies of the printed accounts may please be sent to this office for our use and record.

Receipt of this letter with its enclosures may please be acknowledged.

Yours faithfully,

Encl: As above

Dy. Accountant General (ES-I)


Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of GSPC Distribution Networks Limited for the year ended on 31 March 2013.

The preparation of financial statements of GSPC Distribution Networks Limited for the year ended on 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 20 May 2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of GSPC Distribution Networks Limited for the year ended on 31 March 2013. 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 under Section 619(4) of the Companies Act, 1956.

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

Place: Ahmedabad
Date: 3/7/2013


3/7/13
(H. K. Dharmadarshi)
Accountant General
(E & RSA), Gujarat



J. S. Maheshwari & CO.

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CHARTERED ACCOUNTANTS

E-63, 6th Floor, Orchid White Field, B/h. Divya Bhaskar,
Vejalpur, Ahmedabad - 380051 (Gujarat).

Email : jsmcaahd@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of GSPC Distribution Networks Limited.
Gandhinagar.

Report on the Financial Statements

We have audited the accompanying financial statements of **GSPC Distribution Networks Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss for the period from 21st February, 2012 (Date of Incorporation) to 31st March 2013 and the Cash Flow Statement for the period from 21st February, 2012 to 31st March 2013, and a summary of significant accounting policies and other explanatory information.

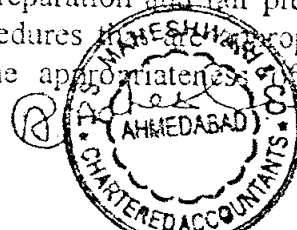
Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting



policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement Profit and Loss, of the "Loss" for the period from 21st February, 2012 to 31st March 2013; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period from 21st February, 2012 to 31st March 2013.

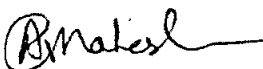
Report on Other Legal and Regulatory Requirements

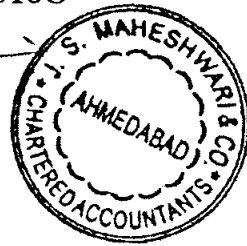
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. As the Company is a Government Company, in terms of notification no. G.S.R. 829(E) dated 21st October, 2003, issued by Department of Company Affairs, Ministry of Finance, the clause (g) of subsection(1) of section 274 of the Companies Act, 1956 is not applicable.



- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid. Thus, it would not be possible for us to comment on the regularity or otherwise about the cess till the time relevant rules or regulations are issued. However, till the time such Rules are prescribed, we need not make any comment in respect of the Cess under section 441A of the Companies Act, 1956 in report under paragraph 4(ix)(a) of CARO 2003.

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


(Ashish Maheshwari)
Partner
M.No. 412441



Place : Gandhinagar
Date : 20 MAY 2013

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditor's Report of even date of the members of **GSP-C Distribution Networks Limited** on the financial statements for the period from 21st February, 2012 to 31st March 2013.]

1. In respect of its fixed assets:

The Company has not acquired any fixed assets hence no fixed assets registers is maintained.

The Company have not acquired any fixed assets, hence no reconciliation called for between the physical and book records.

As Company has no fixed assets hence this clause is not applicable.

2. In respect of its inventories:

The Company does not hold any physical inventories during the period under review. Accordingly, clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

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

According to the information and the explanations given to us, the company has not granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Consequently requirements of clauses (iii) (a) to (iii) (g) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

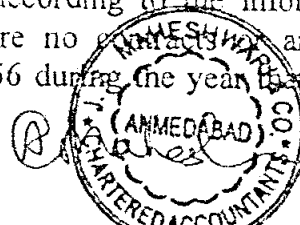
4. In respect of internal control

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. In our opinion, according to the information and explanations given to us, during the course of audit, we have not observed nor have been informed of any major weaknesses in internal control system.

The Company has not purchased of inventory and sale of goods and services, thus a part of (iv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

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

Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 during the year that need to be



entered in the registered under that Section. Accordingly clause (v) (b) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company

6. In respect of Deposit from Public.

According to the information and explanations given to us, the company has not accepted any deposits from the public during the year within the meaning of sections 58A, 58AA or any other relevant provisions of The Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975.

7. In respect of Internal Audit System.

The Company does not require to maintain internal audit system as per clause (vii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 i.e. on commencement of the financial year, the paid up capital and reserves did not exceed Rs. 50 lacs nor the average turnover for the past three years was exceeding Rs. 500 lacs and accordingly the same is not applicable to the Company.

8. In respect of maintenance of cost records.

The Central Government has prescribed the maintenance of cost records under clause (d) of Sub-section (1) of Section 209 of the Companies Act, 1956. However, since Company's activities pertained to this stage, the question of maintenance of cost records does not arise.

9. In respect of statutory dues.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth tax, custom duty, excise duty, cess and other material statutory dues, as applicable with the appropriate authorities. As informed to us, provisions of employees' state insurance act are not applicable to the company.

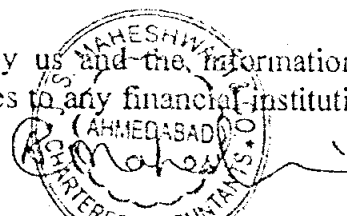
According the information and explanation given to us there are no undisputed and outstanding amounts payable in respect of income tax, wealth tax, sales tax, custom duty and Excise duty, cess and other material statutory dues outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable

10. In respect of accumulated losses and cash losses

The Company has not been registered for more than five years. Accordingly, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

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

According to the records of the Company examined by us and the information and explanations given to us, the Company does not have dues to any financial institution or



bank or debenture holders as at the balance sheet date. Accordingly, clause 4(xi) of the Companies (Auditor's Report) Order, 2003 is not applicable.

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

According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and debentures and other securities.

13. In respect of provisions applicable to Chit fund

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

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

According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

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

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the Order is not applicable.

16. In respect of application of term loans

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

17. In respect of funds used

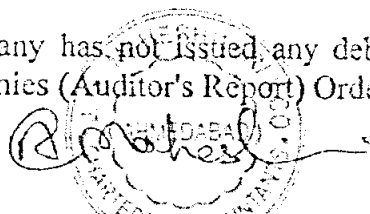
According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short term basis have, prima facie, not been used for long-term investments and vice-versa.

18. In respect of preferential allotment of shares

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

19. In respect of securities created for debentures

According to the records of the company the Company has not issued any debentures during the year and hence clause 4(ixx) of the Companies (Auditor's Report) Order, 2003 is not applicable.



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

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

21. In respect of fraud

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period under review /audit.

For, J. S. Maheshwari & Co.

Chartered Accountants

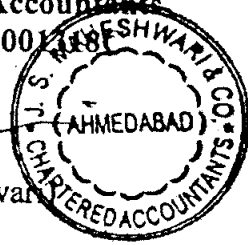
Firm Regn. No.: 001181

Ashish Maheshwari

(Ashish Maheshwari)

Partner

M. No. 412441



Place : Gandhinagar

Date : 20 MAY 2013

GSPC DISTRIBUTION NETWORKS LIMITED
BALANCE SHEET AS AT 31.03.2013

(Amounts in Rupees)

Particulars	Note No.	31.03.2013
1	2	3
I. EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	2	5,00,000
(b) Reserves and surplus	3	(3,86,40,884)
(c) Money received against share warrants		-
2 Share application money pending allotment	4	3,48,00,00,000
3 Non-current liabilities		
(a) Long-term borrowings	5	15,00,00,00,000
(b) Deferred tax liabilities (Net)	6	-
(c) Other Long term liabilities	7	3,19,31,506
(d) Long-term provisions		-
4 Current liabilities		
(a) Short-term borrowings		-
(b) Trade payables		-
(c) Other current liabilities		-
(d) Short-term provisions		-
TOTAL	8	2,78,52,307
		18,50,16,42,929
II. ASSETS		
Non-current assets		
1 (a) Fixed assets		
(i) Tangible assets		-
(ii) Intangible assets		-
(iii) Capital work-in-progress		-
(iv) Intangible assets under development		-
(b) Non-current investments	9	3,47,68,04,206
(c) Deferred tax assets (net)		-
(d) Long-term loans and advances		-
(e) Other non-current assets		-
2 Current assets		
(a) Current investments	10	14,99,91,28,150
(b) Inventories		-
(c) Trade receivables		-
(d) Cash and Cash Equivalents	11	6,27,826
(e) Short-term loans and advances	12	23,53,860
(f) Other current assets	13	2,27,28,887
TOTAL		18,50,16,42,929
Significant Accounting Policies	1	
Notes on Financial Statements	2 to 30	

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

For, J. S. Maheshwari & Co.

Chartered Accountants

Firm Regn. No. : 00137180

(Ashish Maheshwari)

Partner

M. No. : 412441

Place : Gandhinagar

Date : 20 MAY 2013



For GSPC Distribution Networks Limited

Tapankumar
Director

M. S. S.
Director

Authorised Signatory

Place: Gandhinagar

Date: 20 MAY 2013

GSPC DISTRIBUTION NETWORKS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 21.02.2012 to 31.03.2013

(Amounts in Rupees)

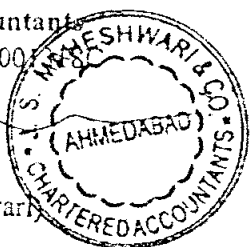
Particulars		Note No.	For the period from 21.02.2012 to 31.03.2013
1		2	3
I.	Revenue from operations (Gross)		-
	Less: Excise Duty		-
	Revenue from operations (Net)		-
II.	Interest Income	14	2,27,28,887
III.	Total Revenue (I + II)		2,27,28,887
IV.	Expenses:		
	Cost of materials consumed		-
	Purchases of Stock-in-Trade		-
	Changes in inventories		-
	Employee benefits expense		-
	Finance costs	15	3,24,15,636
	Depreciation and amortization expense		-
	Other expenses	16	2,20,87,048
	Total expenses		5,45,02,684
V.	Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(3,17,73,797)
VI.	(a) Prior Period Items		-
	(b) Exceptional items		-
VII.	Profit/(Loss) before extraordinary items and tax (V - VI)		(3,17,73,797)
VIII.	Extraordinary Items		-
IX.	Profit/(Loss) Before Tax (PBT) (VII- VIII)		(3,17,73,797)
X	Tax expense:		
	(1) Current tax		68,67,087
	(2) Deferred tax		-
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		(3,86,40,884)
XII	Profit/(loss) from discontinuing operations		-
XIII	Tax expense of discontinuing operations		-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-
XV	Profit (Loss) for the period (XI +XIV)		(3,86,40,884)
XVI	Earnings per equity share:	17	
	(1) Basic (Rs.)		(1,106.21)
	(2) Diluted (Rs.)		(1.18)
XVII	Significant Accounting Policies Notes on Financial Statements	1 2 to 30	

The Accompanying Notes are integral part of the financial Statements.

For, J. S. Maheshwari & Co.

Chartered Accountants
Firm Regn. No. : 0011200000

(Signature)



(Ashish Maheshwari)
Partner
M. No. : 412441
Place : Gandhinagar
Date : 20 MAY 2013



For GSPC Distribution Networks Limited

(Signature)
Director

(Signature)
Director

(Signature)
Director

Authorised Signatory

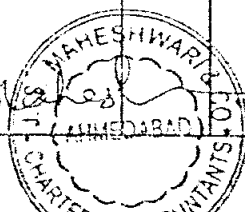
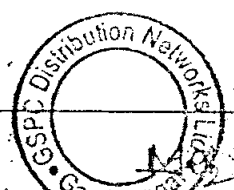
Place: Gandhinagar
Date: 20 MAY 2013

GSPC DISTRIBUTION NETWORKS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD FROM 21.02.2012 to 31.03.2013

(Amounts in Rupees)

Particulars	Note No.	For the period from 21.02.2012 to 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax		(3,17,73,797)
Adjustments for:		
Depreciation		-
Interest Expense		3,24,15,636
Dividend Income		-
Interest Income		(2,27,28,887)
Operating Profit before Working Capital Changes		(2,20,87,048)
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables		-
(Increase)/Decrease in Loan and Advance		(23,53,860)
(Increase)/Decrease in Other Current Assets		-
(Increase)/Decrease in Investments		-
Changes in Trade and Other Receivables		(23,53,860)
Increase/(Decrease) in Trade Payables		-
Increase/(Decrease) in Other Liabilities		-
Increase/(Decrease) in Provision for Expenses		2,05,01,090
Changes in Trade and Other Payables		2,05,01,090
Cash Generated from Operations		(39,39,818)
Extra Ordinary Items and Other Adjustments		-
Taxes Paid		-
Net Cash from Operating Activities		(39,39,818)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital work in progress and capital advances.		-
Interest Received		-
Investment - Non Current		(3,47,68,04,206)
Investment - Current		(14,99,91,28,150)
Dividend Income		-
Net Cash used in Investing Activities		(18,47,59,32,356)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital /Share Application Money		3,48,05,00,000
Proceeds from Long-term borrowings		15,00,00,00,000
Proceeds from Short-term borrowings		-
Repayment of Long-term borrowings		-
Repayment of Short-term borrowings		-
Interest Paid		-
Dividend Paid (including tax thereon)		-
Net Cash from Financing Activities		18,48,05,00,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,27,826
Cash and Cash Equivalents at the beginning of the period		-
Cash and Cash Equivalents at the end of the period		6,27,826
Closing Cash and Cash Equivalents comprise:		
Cash in hand		-
Balances with Scheduled Banks		6,27,826
Balances in Fixed Deposits		-



Notes to Cash Flow Statement:

- a. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
 - b. Figures in bracket indicate Cash outflow.
-

For, J. S. Maheshwari & Co.

Chartered Accountants

Firm Regn. No. : 001318C



(Ashish Maheshwari)

Partner

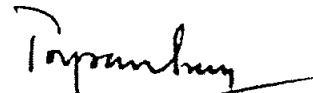
M. No. : 412441



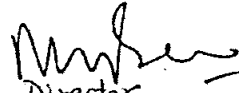
Place : Gandhinagar

Date : 20 MAY 2013

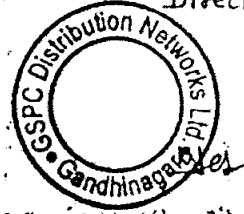
For, GSPC Distribution Networks Limited


Director


Director


Director


Authorised Signatory



Place: Gandhinagar

Date: 20 MAY 2013

GSPC DISTRIBUTION NETWORKS LIMITED

Notes to Financial Statements for the period from 21.02.2012 to 31.03.2013

Note No. : 1 Significant Accounting Policies

1 CORPORATE INFORMATION

GSPC Distribution Networks Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company was incorporated on 21.02.2012 and the first accounting year is from 21.02.2012 to 31st March, 2013. The Company is a promoted by GSPC Gas Company Limited and belongs to the GSPC group.

The Company is engaged in City Gas Distribution (CGD) business including sale, purchase, supply, distribution, transportation of and trading in natural gas, compressed natural gas ("CNG"), liquefied natural gas ("LNG"), liquefied petroleum gas ("LPG"), and other gases through pipelines, trucks/trains or such other suitable mode for transportation and distribution and to carry on any other business which may be conveniently carried on in connection with the above activities.

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The financial statements have been prepared and presented to comply in all material aspects with the Generally Accepted Accounting Principles (Indian GAAP) in India and the Accounting Standards issued by the Institute of Chartered Accountants of India, as notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and the relevant provisions of the Companies Act, 1956.

The company has consistently applied the accounting principles and policies; and accounting policies not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

3 USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles (Indian GAAP) in India requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which they are materialized.

4 REVENUE RECOGNITION

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

All income and expenses are recognized on accrual basis.

Expenditure charged to statement of profit and loss is provided for the period for which the expenditure is incurred. Adequate provisions are made for all known expenses and liabilities.

5 PRELIMINARY EXPENDITURE

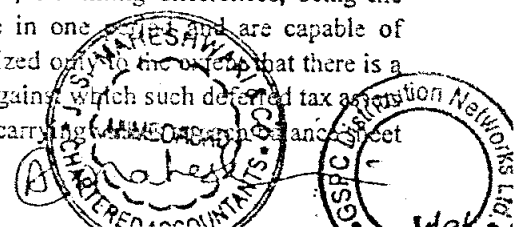
Preliminary expenditure is expensed out in the reporting period in which the expenditure is incurred in line with the provisions of Accounting Standard - 26 on "Intangible Assets".

6 TAXES ON INCOME

Tax provision for the reporting period, comprises of current tax and deferred tax.

Tax provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws that have been enacted as on balance sheet date. Current Tax represents amount of income tax payable in respect of the taxable income for the reporting period.

Deferred tax liability and assets is computed as per Accounting Standard (AS-22) on "Accounting for Taxes on Income". Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed for the appropriateness of their respective carrying amounts on balance sheet date.



7 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets", if any, are not recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty but are disclosed in the notes to accounts.

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

8 EARNINGS PER SHARE

The Company reports earnings per share (EPS) in accordance with Accounting Standards - 20 on "Earnings per Share". The earnings considered in ascertaining the Company's EPS comprises of the net profit after tax. Basic EPS is computed by dividing the net profit for the current period by the weighted average number of Equity shares outstanding as on the balance sheet date.

The number of shares used in computing diluted earnings per share (DEPS) comprises the weighted average number of Equity Shares considered for deriving basic earnings per share (BEPS), and the weighted average number of Equity Shares that could have been issued on the conversion of all dilutive potential Equity Shares.

9 CASH FLOW STATEMENT

The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

10 INVESTMENTS

Investments are classified as long or current term in accordance with Accounting Standard 13 on "Accounting for Investments".

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

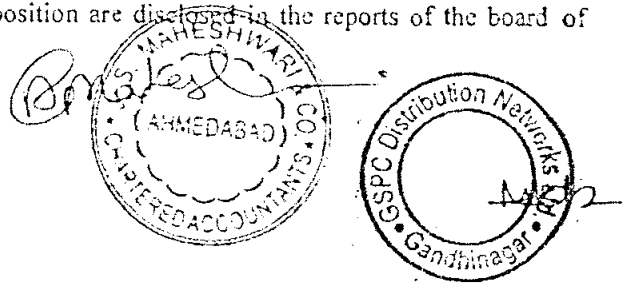
Long term Investments are stated at cost. Provision, if any, is made to recognize any diminution in value of investments, other than that of a temporary nature.

Current Investment are stated at lower of cost and fair value.

Any reduction in carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

11 EVENTS OCCURRING AFTER BALANCE SHEET DATE

Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non adjusting events (that are 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 reports of the board of directors.



Note 1 SHARE CAPITAL

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

Share Capital	As at 31.03.2013	
	No. of Shares	(Rupees)
Authorised Share capital * Equity Shares of Rs.10 each	1,50,00,00,000	15,00,00,00,000
Issued Share capital Equity Shares of Rs.10 each	50,000	5,00,000
Subscribed Share capital Equity Shares of Rs.10 each	50,000	5,00,000
Fully Paid up Share Capital Equity Shares of Rs.10 each fully paid	50,000	5,00,000
Total	50,000	5,00,000

* The Resolution passed in the meeting of the members of the company held on 21st March, 2013 for increased of authorised share capital from Rs. 10,00,000/- divided into 1,00,000 equity shares of Rs. 10/- each to Rs. 1500,00,00,000/-divided into 150,00,00,000 equity shares of Rs. 10/- each.

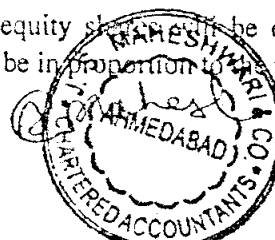
2.2 RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Particulars	As at 31.03.2013	
	Equity Shares of Rs. 10 each fully paid	
	No. of Shares	(Rupees)
Shares outstanding at the beginning of the period	-	-
Shares Issued during the period	50,000	5,00,000
Shares bought back during the period	-	-
Shares outstanding at the end of the period	50,000	5,00,000

2.3 TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares shall be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.



2.4 PROPOSED DIVIDEND

Particulars	As at 31.03.2013	
	Equity Shares of Rs. 10 each fully paid	
	No. of Shares	(Rupees)
Dividends proposed to be distributed to equity shareholders	-	-
Amount per share dividend distributed to equity shareholders	-	-

2.5 (A) SHARE HOLDING BY PRESCRIBED ENTITIES

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

Share Holder	Nature of Relationship	As at 31.03.2013	
		Equity Shares of Rs. 10 each fully paid (Number)	(Rupees)
GSPC GAS Company Limited with nominee's.	Holding Company	50,000	5,00,000

(B) DISTRIBUTION OF SHAREHOLDING PATTERN (With Voting Rights)

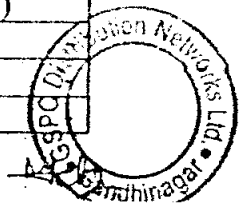
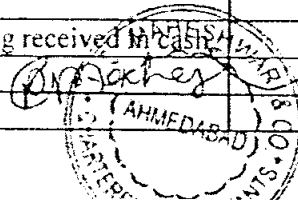
Name of Shareholder	As at 31.03.2013	
	No. of Shareholders	Total No. of Equity Shares
Equity Shares of Rs. 10 each fully paid		
GSPC GAS Company Limited , (<i>Holding Company</i>)	1	49,940
Shareholding by Nominees of GSPC GAS Company Limited	6	60
TOTAL	7	50,000

2.6 SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL SHARE CAPITAL

Name of Shareholder	As at 31.03.2013	
	No. of Shares held	% of Holding
Equity Shares of Rs. 10 each fully paid		
GSPC GAS Company Limited , (<i>Holding Company</i>) with <i>Nominee's</i> .	50,000	100%

2.7 ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH, BONUS SHARES AND BUYBACK OF SHARES

Particulars	As at 31.03.2013	
	(Aggregate No. of Shares)	
Equity Shares:		
Fully paid pursuant to contract(s) without payment being received in cash		
Fully paid up by way of bonus shares		
Shares bought back		

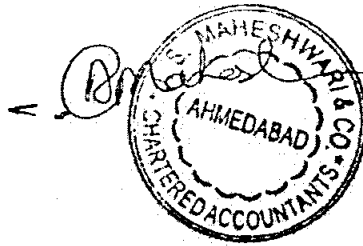


2.8 CALLS UNPAID BY DIRECTORS AND OFFICERS

Unpaid Calls	As at 31.03.2013	
	No. of Shares held	(Rupees)
By Directors	-	-
By Officers	-	-

2.9 FORFEITED SHARES

Forfeited Shares	As at 31.03.2013	
	No. of Shares held	(Rupees)
Forfeited Shares	-	-
Originally Paid up	-	-



Note 3 RESERVES AND SURPLUS

<u>Reserves and Surplus</u>	As at 31.03.2013	
	(Rupees)	(Rupees)
Surplus in Statement of Profit and Loss		
Opening balance	-	
(+) Net Profit/(Net Loss) For the current year	(3,86,40,884)	
(+) Transfer from Reserves	-	(3,86,40,884)
Less : Appropriations:		
(-) Proposed Dividends	-	
Total Appropriations	-	-
Closing Balance		(3,86,40,884)
Total		(3,86,40,884)

Note 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

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

Sr. No.	Name of applicants	As at 31 March 2013 (in Rupees)
1	GSPC GAS Company Limited	3,48,00,00,000
	Total	3,48,00,00,000

4.2 Terms and Conditions

The Company has signed the term sheet with Share Applicant and proposed to issue the shares at face value of Rs. 10 each against Share Application Money received.

4.3 Authorised Share Capital

At present, the Authorised share capital of the company is Rs. 1500,00,00,000/- divided into 150,00,00,000 equity shares of Rs. 10/- each. The resolution passed in the meeting of members of the company held on 21st March, 2013 for increased of authorised capital up to Rs. 1500 Crores. In the opinion of the management, the Company has sufficient authorised share capital to cover the share capital amount on allotment of shares out of share application money received.

4.4 Interest Accrued on Amount due for refund

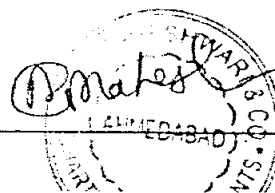
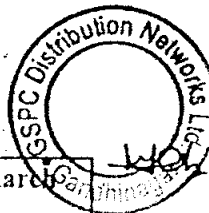
Not applicable as there is no amount to be refunded to share applicant(s).

4.5 Period for Allotment

The period of allotment is not fixed as there is no condition / terms in the term sheet signed with share applicant with respect to time limit of allotment, however, company intends to make the allotment during the financial year 2013-2014.

Note 5 LONG TERM BORROWINGS

<u>Long Term Borrowings</u>	As at 31 March 2013
<u>MEDIUM TERM LOAN</u>	
<u>Unsecured Term Loan</u>	
<u>Others - From Financial Institutions.</u>	
Gujarat State Financial Services Limited	15,00,00,00,000
	15,00,00,00,000



<u>Terms and Repayment Schedule.</u>	
- Medium Term loan from financial institutions was taken during the financial year ended on 31.03.2013 and carries interest @ 9.25% p.a. The loan is repayable along with interest after 18 months from the date of loan.	
-Demand Promissory Note and Post dated cheques for repayment of principal and interest	
- None of the loan has been guaranteed by the directors or others.	
- None of the loan has been taken from the related party(ies).	
In case of continuing default as on the balance sheet date in repayment of loans and interest <i>The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.</i>	
Total	15,00,00,00,000

Note 6 DEFERRED TAX LIABILITY / ASSETS (NET)

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

<u>Component</u>	Deferred Tax Asset as on 31.03.2013	Deferred Tax Liability as on 31.03.2013
	(Rupees)	(Rupees)
Expenditure disallowed under the Income Tax Act, 1961	-	-
TOTAL	-	-
Net Amount Recognised in the Balance sheet	-	-
Increasing/(Decreasing) during the year and recognised in Profit and Loss Statement	-	-

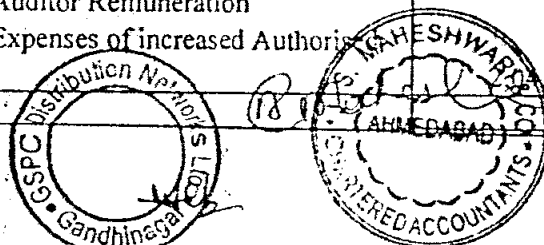
As per Accounting Standards -22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India (ICAI), deferred tax assets should be recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The Company has not recognised deferred tax asset in view of the reasonable certainty that sufficient future taxable income will not be available.

Note 7 OTHER LONG TERM LIABILITIES

<u>Other Long Term Liabilities</u>	As at 31.03.2013
	(Rupees)
Interest Accrued but not due on long term borrowings	3,19,31,506
Total	3,19,31,506

Note 8 SHORT TERM PROVISIONS

<u>Short term Provisions</u>	As at 31.03.2013	
	(Rupees)	(Rupees)
I. Provision for Taxation	73,51,217	73,51,217
II. Provision for Expenses		
Provision for Auditor Remuneration	28,090	
Provision for Expenses of increased Authoris Share Capital	73,000	2,05,01,090
Total		2,78,52,307



Note NON CURRENT INVESTMENTS

9

Details of Other Investments

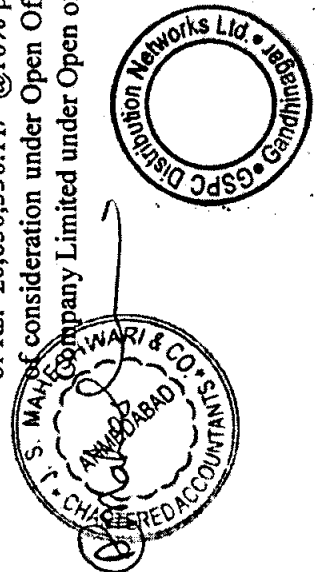
Investment in Equity instruments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)	Amount (Rupees)	Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
1	2	3	4	5	6	7	8	9	10
			As at 31 March 2013			As at 31 March 2013			
(a)	Investment in Equity Instruments								
1	Gujarat Gas Company Limited	Others	1,10,00,330	Quoted	Equity Shares of Rs.2 each fully paid	8.58%	3,47,68,04,206	Yes	-
	Total						3,47,68,04,206		

Aggregate amount of quoted investments and market value thereof:

							2,63,84,29,151	
--	--	--	--	--	--	--	-----------------------	--

Note : The company had given an open offer to purchase shares of GGCL from the public shareholders of GGCL and had purchased 8.58% stake in GGCL through Open Offer .The Company had paid share consideration of Rs 3,455,973,676.10/- to the shareholders of Gujarat Gas Company Limited along with interest of Rs. 20,830,530.11/- @10% p.a. for the period of 22 Days commencing from February 1, 2013 (Scheduled Payment Date) being the last date for payment of consideration under Open Offer. The total payment of consideration with interest of Rs. 347,68,04,206,.21 had made to the shareholders of Gujarat Gas Company Limited under Open offer on 23rd February, 2013 for 1,10,00,330 Equity Shares of Rs. 2 each."



Note 10 CURRENT INVESTMENTS

Current Investments				As at 31.03.2013
				(Rupees)
Certificate of Deposit - Banks				
Sr.	Name of CD	No. of Units	Date of Purchase	
1	IDBI Bank	20,000	25.03.2013	1,91,90,84,000
2	IDBI Bank	40,000	26.03.2013	3,84,00,44,000
3	Punjab National Bank	50,000	26.03.2013	4,69,86,65,000
4	Punjab National Bank	40,000	26.03.2013	3,66,98,84,000
5	Andhra Bank	9,500	26.03.2013	87,14,51,150
* Face value per CD- Rs. 1 lakh				
Total				14,99,91,28,150

Note 11 CASH AND CASH EQUIVALENTS

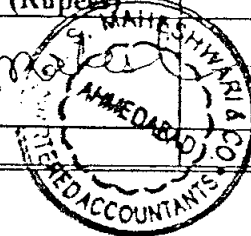
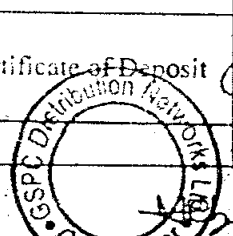
Cash and cash equivalents	As at 31.03.2013	
	(Rupees)	(Rupees)
Cash and cash equivalents		
I. Balances with banks		
(a) in Current Accounts	6,27,826	
(b) Deposits with Original Maturity	-	
(c) in unpaid Dividend Account	-	6,27,826
II. Cheques/Drafts on Hand	-	-
III. Unpaid Matured Deposits	-	-
IV. Cash on Hand	-	-
Total		6,27,826

Note 12 SHORT TERM LOAN & ADVANCES

SHORT TERM LOAN & ADVANCES	As at 31.03.2013	
	(Rupees)	(Rupees)
Advances Recoverable in Cash or kind or value to be received.		
Advances to Related Parties (Unsecured, considered good)		23,53,860
- GSPC GAS Company Limited (Holding Company)		
Total		23,53,860

Note 13 OTHER CURRENT ASSETS

Other Current Assets	As at 31.03.2013	
	(Rupees)	(Rupees)
Interest Accrued but not due on Certificate of Deposit		2,27,28,887
Total		2,27,28,887



Note 14 OTHER INCOME

Particulars	For the period ended 31.03.2013
	(Rupees)
I. Interest Income on Certificate of Deposit	2,27,28,887
Total	2,27,28,887

Note 15 FINANCE COSTS

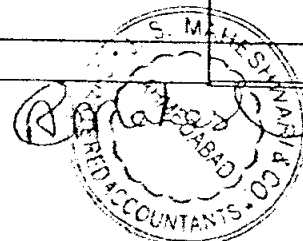
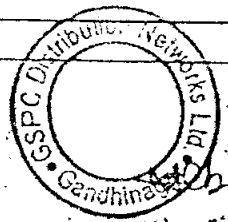
Particulars	For the period ended 31.03.2013
	(Rupees)
I. Interest on Loan	3,19,31,506
II. Interest on Current Tax	4,84,130
Total	3,24,15,636

Note 16 OTHER EXPENSES

Particulars	For the period ended 31.03.2013
	(Rupees)
Membership Fees	56,180
Legal, Professional & Consultancy Fees	14,66,680
Auditor Remuneration	28,090
Bank Charges	-
Preliminary Expenses	63,098
Registration Fees for Increased Authorised Share Capital	2,04,73,000
Miscellaneous Expenses	-
Total	2,20,87,048

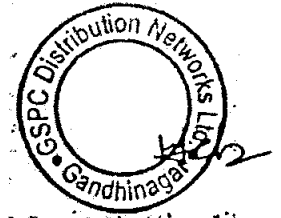
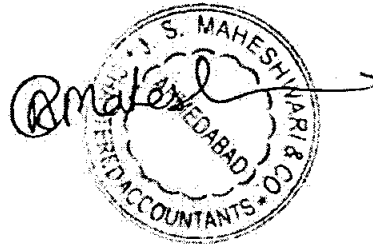
PAYMENTS TO AUDITORS

Particulars	For the period ended 31.03.2013
	(Rupees)
a. for audit	28,090
b. for taxation matters	-
c. for company law matters	-
d. for management services	-
e. for other services	-
f. for reimbursement of expenses	-
Total	28,090



Note 17 EARNINGS PER SHARE (EPS):

Particulars		For the period ended 31.03.2013
Profit / (Loss) attributable to equity shareholders	Rs.	(3,86,40,884)
Weighted average number of ordinary equity shares for Basic EPS	Nos.	34,931
Weighted average number of ordinary equity shares for DPS	Nos.	3,28,61,642
Nominal Value of equity share	Rs.	10
Basic EPS	Rs.	-1,106.21
Diluted EPS	Rs.	-1.18



Note 18 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments (to the extent not provided for)	As at 31.03.2013
	(Rupees)
(i) Contingent Liabilities	
(a) Claims against the company not acknowledged as debt	-
(b) Guarantees	-
(C) Disputed statutory claims in respect of	-
(c) Other money for which the company is contingently liable	-
Sub Total (i)	-
(ii) Commitments	
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for	-
(c) Uncalled liability on shares and other investments partly paid	-
(d) Other commitments (specify nature)	
- Commitment of payment to BG Asia Pacific Holding Pte. Limited, Singapore for acquisition of 65.12% stake i.e. 8,35,18,750 Equity Shares of Rs. 2 each in Gujarat Gas Company Limited at price specified in Share Purchase Agreement dated 03.10.2012	24,63,80,31,250
Sub Total (ii)	24,63,80,31,250
TOTAL (Subtotal (i) and (ii))	24,63,80,31,250

Note 19 Value of Imports calculated on CIF Basis

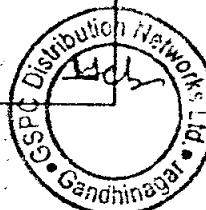
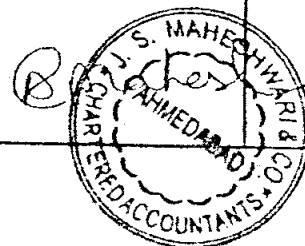
Particulars	For the period ended 31.03.2013
	(Rupees)
(a) Raw Materials	-
(b) Components and Spare Parts	-
(c) Capital goods	-

Note 20 Expenditure in Foreign Currencies

Particulars	For the period ended 31.03.2013
	(Rupees)
(a) Know-how, Royalty	-
(b) Professional and Technical Consultancy Fees etc.	-
(c) Interest Expense	-
(d) Others Expenses:	-

Note 21 Earnings in Foreign Currencies

Particulars	For the period ended 31.03.2013
	(Rupees)
(a) Export of Goods on FOB Basis	-
(b) Interest and Dividends	-
(c) Know-how, Royalty, Professional and	-
(d) Other Income, if any	-



Note 22 SEGMENT REPORTING

Considering the nature of company's Business, there are no separate reportable segment as per the requirement of Accounting Standard 17 "Segment Reporting".

Note 23 RELATED PARTY DISCLOSURES

Related party disclosures as required by Accounting Standard – 18 issued by the Institute of Chartered Accountants of India are as under:

A. List of Related Parties and Relationship:

Sr. No.	Name of Related Parties	Relationship
1	GSPC GAS Company Limited (GSPC GAS)	Holding Company
2	Gujarat State Petroleum Corporation Ltd (GSPC)	Ultimate Holding Co. of Holding Company
3	Gujarat State Petronet Limited (GSPL)	Subsidiary of Ultimate Holding Company Company

B. Key Management Personnel:

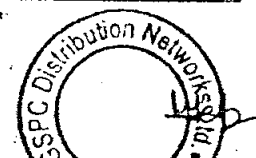
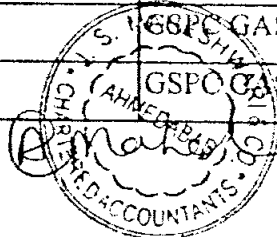
Sr. No.	Name of Related Parties	Relationship
1	Mr. Tapan Ray, IAS	Chairman
2	Mr. Ravindra Agrawal	Director
3	Mr. N. Bose Babu	Director
4	Mr. Manishkumar Verma	Director
5	Mr. PPG Sarma	Director

C. Transaction with Related Parties :

Sr. No.	Nature of transactions	Transaction With Related Party	Amount in Rs.
1	Reimbursement of Preliminary Expenses	GSPC GAS	63,098
2	Reimbursement of Legal, Prof. & Consultancy Fees	GSPC GAS	14,66,680
3	Bank Guarantee Charges recovered	GSPC GAS	38,20,540
4	Equity Share Capital - Initial Subscription	GSPC GAS	5,00,000
5	Share Application Money Received	GSPC GAS	3,48,00,00,000
7	Corporate Bank Gaurantee given by	Gujarat State Petronet Limited	2,00,00,00,000

D. Outstanding Balances with Related Parties :

Sr. No.	Nature of transactions	Transaction With	Amount in Rs.
1	Advances to Related Parties	GSPC GAS	23,53,860
2	Share Application Money Received	GSPC GAS	3,48,00,00,000



Note 24 RECOVERABLE VALUE OF ALL ASSETS OTHER THAN FIXED ASSETS AND NON CURRENT INVESTMENTS

(Disclosure pursuant to Note no. 6(IV) of Part I of Schedule VI to the Companies Act, 1956)

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

Note 25 The Company does not have any employee where disclosure under section 217(2A) of the companies Act, 1956 and disclosure under Accounting Standard-15 (Revised 2005) 'Employee Benefit is required.

Note 26 The Company had no transactions during the period with any Micro and Small and Medium Enterprises and hence reporting details of principle and interest amount outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 does not arise.

Note 27 The Equity shares of 50,000 to the subscribers to the Memorandum and Articles of Association has been considered and made allotment.

Note 28 In pursuance to its objective of carrying on City Gas Distribution (CGD) business, the company had commenced its operation by entering into a Share Purchase Agreement (SPA) with BG Asia Specific Holdings Pte Limited, Singapore to acquire 65.12% shares in Gujarat Gas Company Limited (GGCL -a Company engaged in CGD business) on October 3rd, 2012 and consequently triggered provision of Open offer for acquiring additional 26% of Gujarat Gas Company Limited (GGCL) through public offer in pursuance of SEBI takeover Regulations 2011. The company had given an open offer to purchase shares of Gujarat Gas Company Limited (GGCL) from the public shareholders of Gujarat Gas Company Limited (GGCL) and had purchased 8.58% stake in Gujarat Gas Company Limited (GGCL) through Open Offer . Post acquisition of shares from BG Asia Specific Holdings Pte Limited, Singapore the company will have a majority stake of 73.70 % in the City Gas Distribution (CGD) business of Gujarat Gas Company Limited (GGCL). The company will carry on the City Gas Distribution (CGD) business of Gujarat Gas Company Limited (GGCL) through the purchase of its shares and also explore the possibility to consolidate the City Gas Distribution (CGD) business of Gujarat Gas Company Limited (GGCL) in due course of time.

Note 29 The Company was incorporated on 21.02.2012 and the first accounting year is from 21.02.2012 to 31.03. 2013. The present period under review is covered under the first Accounting year period ended on 31.03.2013, therefore the requirement of disclosure of the corresponding figures for the previous year is not applicable.

Note 30 Figures are rounded off to the nearest rupee.

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

For, J. S. Maheshwari & Co.

Chartered Accountants

Firm Regn. No. : 001818

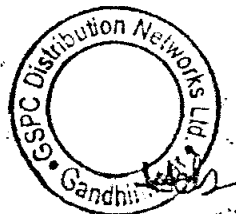
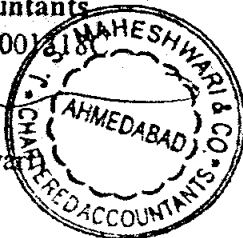
(Ashish Maheshwari
Partner

M. No. : 412441

Place : Gandhinagar

Date :

20 MAY 2013



For, GSPC Distribution Networks Limited

Director

Director

Director

Authorised Signatory

Place: Gandhinagar

Date: 20 MAY 2013

GSPC DISTRIBUTION NETWORKS LIMITED

Audited Accounts

for the period of 9 Months ended on

31st December, 2013

GSPC Distribution Networks Limited

Audited Accounts for the period of 9 Months ended on 31st December, 2013

CONTENTS

- ❖ Company Information
- ❖ Independent Auditor's Report
- ❖ Balance Sheet as at 31st December, 2013
- ❖ Statement of Profit and Loss for the period of 9 Months ended year ended on 31st December, 2013
- ❖ Cash Flow Statement for the period of 9 Months ended year ended on 31st December, 2013
- ❖ Notes of financial statements for the period of 9 Months ended year ended on 31st December, 2013

GSPC Distribution Networks Limited

Board of Directors:

1. Mr. Tapan Ray, IAS : Chairman.
2. Mr. Manish Kumar Verma : Director
3. Mr. P.P.G. Sarma : Director
4. Mr. Ravindra Agrawal : Director
5. Mr. N. Bose Babu : Director

Financial Institution / Bankers:

Gujarat State Financial Services Limited.
YES Bank Limited.

Statutory Auditors:

M/s. J. S. Maheshwari & Co.
Chartered Accountants
Ahmedabad.

Registered Office:

Block No.: 15, 3rd Floor,
Udyog Bhavan, Sector – 11,
Gandhinagar – 382 009.



CHARTERED ACCOUNTANTS

E-63, 6th Floor, Orchid White Field, B/h. Divya Bhaskar,
Vejalpur, Ahmedabad - 380051 (Gujarat).

Email : jsmcaahd@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
GSPC Distribution Networks Limited.
3rd Floor Block No. 15, Udyog Bhavan,
Sector-11,
Gandhinagar - 382011

Report on the Special Purpose of Financial Statements

We have audited the accompanying financial statements of **GSPC Distribution Networks Limited** ("the Company"), which comprise the Balance Sheet as at **31st December, 2013**, and the Statement of Profit and Loss and the Cash Flow Statement **for the period of Nine Months ended on 31st December, 2013**, and a summary of significant accounting policies and other explanatory information.

This report is addressed to the Board of Directors of the Company and the financial statements have been prepared only for the purpose of use by management in relation to the proposed scheme of amalgamation and arrangement of the company.

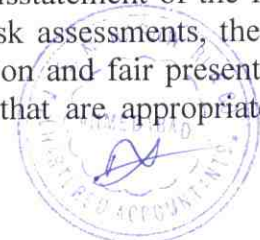
Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting standard (AS) 25 – Interim Financial Reporting and conformity with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the



circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in accordance with Accounting standard (AS) 25 – Interim Financial Reporting and conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2013;
- b) in the case of the Statement Profit and Loss, of the “Loss” for the period of Nine Months ended on 31st December, 2013; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period of Nine Months ended on 31st December, 2013.

Report on Other Legal and Regulatory Requirements

We further report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.

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


(Ashish Maheshwari)

Partner

M. No. 412441

Place : Gandhinagar

Date : 21 APR 2014



GSPC DISTRIBUTION NETWORKS LIMITED
BALANCE SHEET AS AT 31.12.2013

(Amounts in Rupees)

Particulars		Note No.	31.12.2013	31.03.2013
1		2	3	4
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	9,00,05,00,000	5,00,000
	(b) Reserves and surplus	3	(30,05,22,379)	(3,86,40,884)
	(c) Money received against share warrants		-	-
2	Share application money pending allotment	4	-	3,48,00,00,000
3	Non-current liabilities			
	(a) Long-term borrowings	5	5,00,00,00,000	15,00,00,00,000
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other Long term liabilities	6	10,01,78,082	3,19,31,506
	(d) Long-term provisions		-	-
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables		-	-
	(c) Other current liabilities	7	16,10,64,53,102	-
	(d) Short-term provisions	8	18,48,700	2,78,52,307
	TOTAL		29,90,84,57,505	18,50,16,42,929
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets		-	-
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	9	28,11,14,35,456	3,47,68,04,206
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances		-	-
	(e) Other non-current assets	10	1,18,25,00,000	-
2	Current assets			
	(a) Current investments	11	-	14,99,91,28,150
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and Cash Equivalents	12	54,86,78,097	6,27,826
	(e) Short-term loans and advances	13	2,23,90,440	23,53,860
	(f) Other current assets	14	4,34,53,511	2,27,28,887
	TOTAL		29,90,84,57,505	18,50,16,42,929
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 32		

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

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



(Ashish Maheshwari)
Partner
M. No. : 412441

Place : Gandhinagar

Date : 21 APR 2014



For GSPC Distribution Networks Limited

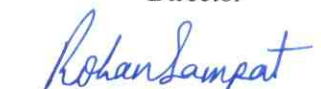

Manish Verma
Director


Ahmed Khan
Authorised Signatory

Place: Gandhinagar

Date: 21 APR 2014


PPG Sarma
Director


Rohan Sampat
Company Secretary

GSPC DISTRIBUTION NETWORKS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 01.04.2013 to 31.12.2013

(Amounts in Rupees)

Particulars	Note No.	For the period from	For the period from
		01.04.2013 to 31.12.2013	21.02.2012 to 31.03.2013
	2	3	4
Revenue from operations (Gross)		-	-
Other Income	15	1,18,66,10,537	2,27,28,887
Total Revenue		1,18,66,10,537	2,27,28,887
Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories		-	-
Employee benefits expense		-	-
Finance costs	16	1,41,71,62,877	3,24,15,636
Depreciation and amortization expense		-	-
Other expenses	17	2,94,80,452	2,20,87,048
Total expenses		1,44,66,43,329	5,45,02,684
Profit/(Loss) before exceptional and extraordinary items and tax		(26,00,32,792)	(3,17,73,797)
(a) Prior Period Items		-	-
(b) Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(26,00,32,792)	(3,17,73,797)
Extraordinary Items		-	-
Profit/(Loss) Before Tax (PBT)		(26,00,32,792)	(3,17,73,797)
Tax expense:			
(1) Current tax	18	18,48,703	68,67,087
(2) Deferred tax		-	-
Profit (Loss) for the period from continuing operations		(26,18,81,495)	(3,86,40,884)
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-
Profit (Loss) for the period		(26,18,81,495)	(3,86,40,884)
Earnings per equity share:	19		
(1) Basic (Rs.)		(0.47)	(1,106.21)
(2) Diluted (Rs.)		(0.42)	(1.18)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 32		

The Accompanying Notes are integral part of the financial Statements.

For, **J. S. Maheshwari & Co.**

Chartered Accountants
Firm Regn. No. : 001318C




(Ashish Maheshwari)
Partner
M. No. : 412441
Place : Gandhinagar
Date : **21 APR 2014**



For **GSPC Distribution Networks Limited**


Manish Verma
Director


Ahmed Khan
Authorised Signatory

Place: Gandhinagar
Date: **21 APR 2014**


PPG Sarma
Director


Rohan Sampat
Company Secretary

GSPC DISTRIBUTION NETWORKS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.2013 to 31.12.2013

(Amounts in Rupees)

Particulars	Note No.	For the period from 01.04.2013 to 31.12.2013	For the period from 21.02.2012 to 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax		(26,00,32,792)	(3,17,73,797)
Adjustments for:			
Depreciation		-	-
Interest Expense		1,41,71,62,877	3,24,15,636
Dividend Income		(85,06,71,720)	-
Interest Income		(33,59,38,817)	(2,27,28,887)
Operating Profit before Working Capital Changes		(2,94,80,452)	(2,20,87,048)
Adjustments for changes in Working Capital			
(Increase)/Decrease in Trade Receivables		-	-
(Increase)/Decrease in Loan and Advance		-	(23,53,860)
(Increase)/Decrease in Other Current Assets		(1,18,25,00,000)	-
(Increase)/Decrease in Inventory		-	-
Changes in Trade and Other Receivables		(1,18,25,00,000)	(23,53,860)
Increase/(Decrease) in Trade Payables		-	-
Increase/(Decrease) in Other Liabilities		2,29,80,500	-
Increase/(Decrease) in Provision for Expenses		(2,05,01,090)	2,05,01,090
Changes in Trade and Other Payables		24,79,410	2,05,01,090
Cash Generated from Operations		(1,20,95,01,042)	(39,39,818)
Extra Ordinary Items and Other Adjustments		-	-
Taxes Paid		2,73,87,797	-
Net Cash from Operating Activities		(1,23,68,88,839)	(39,39,818)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets including cwip and capital advances.		-	-
Interest Received		31,52,14,193	-
Investment - Non Current		(24,63,46,31,250)	(3,47,68,04,206)
Investment - Current		14,99,91,28,150	(14,99,91,28,150)
Dividend Income		85,06,71,720	-
Net Cash used in Investing Activities		(8,46,96,17,187)	(18,47,59,32,356)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share Capital /Share Application Money		5,52,00,00,000	3,48,05,00,000
Proceeds from Long-term borrowings		5,00,00,00,000	15,00,00,00,000
Proceeds from Short-term borrowings		-	-
Repayment of Long-term borrowings		-	-
Repayment of Short-term borrowings		-	-
Interest Paid		(26,54,43,702)	-
Net Cash from Financing Activities		10,25,45,56,298	18,48,05,00,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		54,80,50,272	6,27,826
Cash and Cash Equivalents at the beginning of the period		6,27,826	-
Cash and Cash Equivalents at the end of the period		54,86,78,097	6,27,826
Closing Cash and Cash Equivalents comprise:			
Cash in hand		-	-
Balances with Scheduled Banks		49,32,917	6,27,826
Balances in Fixed Deposits		54,37,45,180	-

Notes to Cash Flow Statement:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Figures in bracket indicate Cash outflow.

For, J. S. Maheshwari & Co.

Chartered Accountants

Firm Regn. No.: 001318C

(Signature)

(Ashish Maheshwari)

Partner

M. No.: 412441

Place: Gandhinagar

Date: 21 APR 2014



For, GSPC Distribution Networks Limited

(Signature)
Manish Verma
Director

(Signature)
PPG Sarma
Director

(Signature)
Ahmed Khan
Authorised Signatory

(Signature)
Rohan Sampat
Company Secretary

Place: Gandhinagar

Date: 21 APR 2014

GSPC DISTRIBUTION NETWORKS LIMITED

Notes to Financial Statements for the period from 01.04.2013 to 31.12.2013

Note No. : 1 Significant Accounting Policies

1 CORPORATE INFORMATION

GSPC Distribution Networks Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company was incorporated on 21.02.2012 and the first accounting year is from 21.02.2012 to 31st March, 2013. The Company is a promoted by GSPC Gas Company Limited and belongs to the GSPC group.

The Company is engaged in City Gas Distribution (CGD) business including sale, purchase, supply, distribution, transportation of and trading in natural gas, compressed natural gas ("CNG"), liquefied natural gas ("LNG"), liquefied petroleum gas ("LPG"), and other gases through pipelines, trucks/trains or such other suitable mode for transportation and distribution and to carry on any other business which may be conveniently carried on in connection with the above activities.

2 BASIS OF PRESENTATION OF FIANCIAL STATEMENTS

The financial statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The financial statements have been prepared and presented to comply in all material aspects with the Generally Accepted Accounting Principles (Indian GAAP) in India and the Accounting Standards issued by the Institute of Chartered Accountants of India, as notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and the relevant provisions of the Companies Act, 1956.

The company has consistently applied the accounting principles and policies; and accounting polices not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

3 USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles (Indian GAAP) in India requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which they are materialized.

4 REVENUE RECOGNITION

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

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

All income and expenses are recognized on accrual basis.

Expenditure charged to statement of profit and loss is provided for the period for which the expenditure is incurred. Adequate provisions are made for all known expenses and liabilities.

5 PRELIMINARY EXPENDITURE

Preliminary expenditure is expensed out in the reporting period in which the expenditure is incurred in line with the provisions of Accounting Standard - 26 on "Intangible Assets".

6 TAXES ON INCOME

Tax provision for the reporting period, comprises of current tax and deferred tax.

Tax provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws that have been enacted as on balance sheet date. Current Tax represents amount of income tax payable in respect of the taxable income for the reporting period.



Deferred tax liability and assets is computed as per Accounting Standard (AS-22) on "Accounting for Taxes on Income". Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

7 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets", if any, are not recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty but are disclosed in the notes to accounts.

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

8 EARNINGS PER SHARE

The Company reports earnings per share (EPS) in accordance with Accounting Standards - 20 on "Earnings per Share". The earnings considered in ascertaining the Company's EPS comprises of the net profit after tax. Basic EPS is computed by dividing the net profit for the current period by the weighted average number of Equity shares outstanding as on the balance sheet date.

The number of shares used in computing diluted earnings per share (DEPS) comprises the weighted average number of Equity Shares considered for deriving basic earnings per share (BEPS), and the weighted average number of Equity Shares that could have been issued on the conversion of all dilutive potential Equity Shares.

9 CASH FLOW STATEMENT

The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

10 INVESTMENTS

Investments are classified as long or current term in accordance with Accounting Standard 13 on "Accounting for Investments".

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long term Investments are stated at cost. Provision, if any, is made to recognize any diminution in value of investments, other than that of a temporary nature.

Current Investment are stated at lower of cost and fair value.

Any reduction in carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

11 EVENTS OCCURRING AFTER BALANCE SHEET DATE

Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non adjusting events (that are 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 reports of the board of directors.



Note 2 SHARE CAPITAL

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

<u>Share Capital</u>	As at 31.12.2013		As at 31.03.2013	
	No. of Shares	(Rupees)	No. of Shares	(Rupees)
Authorised Share capital * Equity Shares of Rs.10 each	1,50,00,00,000	15,00,00,00,000	1,50,00,00,000	15,00,00,00,000
Issued Share capital Equity Shares of Rs.10 each	90,00,50,000	9,00,05,00,000	50,000	5,00,000
Subscribed Share capital Equity Shares of Rs.10 each	90,00,50,000	9,00,05,00,000	50,000	5,00,000
Fully Paid up Share Capital Equity Shares of Rs.10 each fully paid	90,00,50,000	9,00,05,00,000	50,000	5,00,000
Total	90,00,50,000	9,00,05,00,000	50,000	5,00,000

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

Particulars	As at 31.12.2013		As at 31.03.2013	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid	
	No. of Shares	(Rupees)	No. of Shares	(Rupees)
Shares outstanding at the beginning of the period	50,000	5,00,000	-	-
Shares Issued during the period	90,00,00,000	9,00,00,00,000	50,000	5,00,000
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the period	90,00,50,000	9,00,05,00,000	50,000	5,00,000

2.3 TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.4 PROPOSED DIVIDEND

Particulars	As at 31.12.2013		As at 31.03.2013	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid	
	No. of Shares	(Rupees)	No. of Shares	(Rupees)
Dividends proposed to be distributed to equity shareholders	-	-	-	-
Amount per share dividend distributed to equity shareholders	-	-	-	-



2.5 (A) SHARE HOLDING BY PRESCRIBED ENTITIES

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

Share Holder	Nature of Relationship	As at 31.12.2013		As at 31.03.2013	
		Equity Shares of Rs. 10 each fully paid (Number)	(Rupees)	Equity Shares of Rs. 10 each fully paid (Number)	(Rupees)
GSPC GAS Company Limited with nominee's.	Associate Company	40,00,50,000	4,00,05,00,000	50,000	5,00,000
Gujarat State Petronet Limited	Associate Company	35,00,00,000	3,50,00,00,000	50,000	5,00,000

(B) DISTRIBUTION OF SHAREHOLDING PATTERN (With Voting Rights)

Name of Shareholder	As at 31.12.2013		As at 31.03.2013	
	No. of Shareholders	Total No. of Equity Shares	No. of Shareholders	Total No. of Equity Shares
Equity Shares of Rs. 10 each fully paid				
GSPC GAS Company Limited , <i>(with Nominee's.)</i>	7	40,00,50,000	7	50,000
Gujarat State Petronet Limited	1	35,00,00,000	-	-
Gujarat State Fertilizers & Chemicals Limited	1	15,00,00,000	-	-
TOTAL	9	90,00,50,000	7	50,000

2.6 SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL SHARE CAPITAL

Name of Shareholder	As at 31.12.2013		As at 31.03.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs. 10 each fully paid				
GSPC GAS Company Limited , <i>(with Nominee's.)</i>	40,00,50,000	44.45%	50,000	100.00%
Gujarat State Petronet Limited	35,00,00,000	38.89%	-	-
Gujarat State Fertilizers & Chemicals Limited	15,00,00,000	16.67%	-	-

2.7 ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH, BONUS SHARES AND BUYBACK OF SHARES

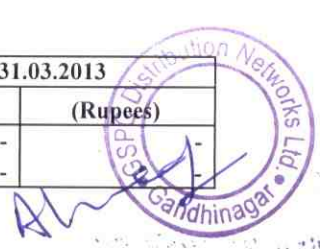
Particulars	As at 31.12.2013	As at 31.03.2013
Equity Shares:	(Aggregate No. of Shares)	(Aggregate No. of Shares)
Fully paid pursuant to contract(s) without payment being	-	-
Fully paid up by way of bonus shares	-	-
Shares bought back	-	-

2.8 CALLS UNPAID BY DIRECTORS AND OFFICERS

Unpaid Calls	As at 31.12.2013		As at 31.03.2013	
	No. of Shares held	(Rupees)	No. of Shares	(Rupees)
By Directors	-	-	-	-
By Officers	-	-	-	-

2.9 FORFEITED SHARES

Forfeited Shares	As at 31.12.2013		As at 31.03.2013	
	No. of Shares held	(Rupees)	No. of Shares	(Rupees)
Forfeited Shares Originally Paid up	-	-	-	-



Note 3 RESERVES AND SURPLUS

<u>Reserves and Surplus</u>	As at 31.12.2013		As at 31.03.2013	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Surplus in Statement of Profit and Loss				
Opening balance	(3,86,40,884)		-	
(+) Net Profit/(Net Loss) For the current year	(26,18,81,495)		(3,86,40,884)	
(+) Transfer from Reserves	-	(30,05,22,379)	-	(3,86,40,884)
Less : Appropriations:				
(-) Proposed Dividends	-		-	
Total Appropriations	-	-	-	-
Clos		(30,05,22,379)		(3,86,40,884)
Total		(30,05,22,379)		(3,86,40,884)

Note 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

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

Sr. No.	Name of applicants	As at 31.12.2013 (in Rupees)	As at 31 March 2013 (in Rupees)
1	GSPC GAS Company Limited	-	3,48,00,00,000
	Total	-	3,48,00,00,000

Note 5 LONG TERM BORROWINGS

<u>Long Term Borrowings</u>	As at 31.12.2013 (Rupees)	As at 31.03.2013 (Rupees)
MEDIUM TERM LOAN		
Unsecured Term Loan		
Others - From Financial Institutions.		
Gujarat State Financial Services Limited	-	15,00,00,00,000
DEBENTURES		
Redeemable, Unsecured, Unlisted, and Non-Convertible		
Debentures - NCD		
Others - From Private Placements -Body Corporates.	5,00,00,00,000	-
<i>(Refer Note No. 5.1)</i>		
	5,00,00,00,000	15,00,00,00,000
<i>The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.</i>	-	-
Total	5,00,00,00,000	15,00,00,00,000



Note 5.1

BORROWINGS

(Amount in Rs.)

UN-SECURED BORROWINGS *	Total Outstanding Amount as on 31.12.2013	Total Outstanding Amount as on 31.03.2013	Repayment Terms					Non-Current Portion		Current Maturities **	
			Terms of repayment of term loans	Period of Maturity with respect to 31.12.2013	Total Number of Installments along with interest	Number of Installments payable within one year from 31.12.2013	Rate of interest as on 31.12.2013 in %	Amount of Installments not due within one year from 31.12.2013	Amount of Installments not due within one year from 31.03.2013	Amount of Installments due within one year from 31.12.2013	Amount of Installments due within one year from 31.03.2013
MEDIUM TERM LOANS FROM FINANCIAL INSTITUTIONS :											
Gujarat State Financial Services Ltd	1,00,00,00,000	1,00,00,00,000	Bullet Payment from first Disbursement not exceeding 18 Months from the date of disbursement	Aug-14	N. A.	N. A.	9.25% p.a.	-	1,00,00,00,000	1,00,00,00,000	-
Gujarat State Financial Services Ltd	14,00,00,00,000	14,00,00,00,000	Bullet Payment from first Disbursement not exceeding 18 Months from the date of disbursement	Sep-14	N. A.	N. A.	9.25% p.a.	-	14,00,00,00,000	14,00,00,00,000	-
Total (A)	15,00,00,00,000	15,00,00,00,000						-	15,00,00,00,000	15,00,00,00,000	-
DEBENTURES :											
Redeemable, Unsecured, Unlisted, and Non-Convertible Debentures - NCD	5,00,00,00,000.00	-	Rs. 495 Crores is repayable after 36 months from the date of allotment of NCD. Rs. 5 Crores NCD holders having call / put option after 18 months for repayment from the date of allotment of NCD	April, 2016	N. A.	N. A.	10.30% p.a payable on semi annually basis.	5,00,00,00,000	-	-	-
Total (B)	5,00,00,00,000	-						5,00,00,00,000	-	-	-
Total (A+B)	20,00,00,00,000	15,00,00,00,000						5,00,00,00,000	15,00,00,00,000	15,00,00,00,000	-
** Less : Amount disclosed under the head "Other Current Liabilities" (Note No. 8)										15,00,00,00,000	-
Net Amount								5,00,00,00,000	15,00,00,00,000	-	-

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

Particulars	As at 31st December 2013	As at 31st March 2013
Secured / Unsecured	Un-Secured Demand Promissory Note and Post dated cheques for repayment of principal and interest has been given to GSFS for Rs. 1500 Crores borrowing.	Un-Secured Demand Promissory Note and Post dated cheques for repayment of principal and interest has been given to GSFS for Rs. 1500 Crores borrowing.
Gaurantee by Directors or others	GSPC GAS and GSPL (Associate Co.) has been guaranteed to IDBI Trustee for issue of NCD of Rs. 500 Crores.	None of the loan has been guaranteed by the directors or others.
Loan from related party	None of the loan has been taken from the related party(ies).	None of the loan has been taken from the related party(ies).



Note 6 OTHER LONG TERM LIABILITIES

Other Long Term Liabilities	As at 31.12.2013	As at 31.03.2013
	(Rupees)	(Rupees)
Interest Accrued but not due on long term borrowings	10,01,78,082	3,19,31,506
Total	10,01,78,082	3,19,31,506

Note 7 OTHER CURRENT LIABILITIES

Other Current Liabilities	As at 31.12.2013	As at 31.12.2013	As at 31.03.2013
	(Rupees)	(Rupees)	(Rupees)
Other Current liabilities :			
(a) Current maturities of long-term debt Unsecured Term Loan Others - From Financial Institutions. - Gujarat State Financial Services Limited		15,00,00,00,000	-
(b) Interest accrued but not due on borrowings		1,08,34,72,602	-
(C) Other Payables : BG Asia Pacific Holdings Limited Less : Amount deposited in Escrow Account with Citi Bank <i>(Refer Note 7.1)</i>	4,64,78,46,871 4,64,78,46,871	-	-
(d) Other Payable to realted parties GSPC Gas Company Limited		2,29,80,500	-
Total		16,10,64,53,102	-

Note 7.1

The Company deposited INR 464,78,46,871/- into the escrow account ("named BG Asia Pacific Holdings Pte. Limited GSPC Distribution Networks Limited Escrow Account") opened with Citibank N.A. (acting as the escrow agent) on 12th June, 2013, acting as the escrow agent, pursuant to the escrow agreement executed between the BG Asia Pacific Holdings Pte. Limited (the Seller), GSPC Distribution Networks Limited (the Purchaser) and Citibank N.A. The Payment of said amount into Escrow Account which is to be utilized to meet future tax withholding liability (if any) based on outcome of the applications to the Authority for Advance Rulings or otherwise to be remitted to BG Asia Pacific Holdings Pte. Limited (the Seller) directly.

Note 8 SHORT TERM PROVISIONS

Short term Provisions	As at 31.12.2013		As at 31.03.2013	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
I. Provision for Taxation	18,48,700	18,48,700	73,51,217	73,51,217
II. Provision for Expenses Provision for Auditor Provision for Expenses of increased Authorised Share	-	-	28,090 2,04,73,000	2,05,01,090
Total		18,48,700		2,78,52,307

Note NON CURRENT INVESTMENTS

9

Details of Other Investments

Investment in Equity instruments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rupees)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
			As at 31.12.2013	As at 31 March 2013			As at 31.12.2013	As at 31 March 2013	As at 31.12.2013	As at 31 March 2013		
(a)	Investment in Equity Instruments											
1	Gujarat Gas Company Limited	Others	9,45,19,080	1,10,00,330	Quoted	Equity Shares of Rs.2 each fully paid	73.70%	8.58%	28,11,14,35,456	3,47,68,04,206	Yes	-
	Total								28,11,14,35,456	3,47,68,04,206		
Aggregate amount of quoted investments and market value thereof:									25,42,56,32,520	2,63,84,29,151		

Note :

8,35,18,750 Equity Shares of Rs. 2 each were acquired on 12.06.2013 in pursuant to the Share Purchase Agreement dated October 03, 2012 with BG Asia Pacific Holdings Pte. Limited, Singapore by GSPC Distribution Networks Limited for acquisition of 65.12% shares of Gujarat Gas Company Limited at a consideration of INR 2463,46,31,250/- and 11,000,330 Equity Shares were acquired under the open offer made to the Shareholders Of Gujarat Gas Company Limited in February, 2013.



Note 10 OTHER NON CURRENT ASSETS

Other Non Current Assets	As at 31.12.2013	As at 31.03.2013
	(Rupees)	(Rupees)
Non-current Deposits with original maturity for more than twelve months	1,18,25,00,000	-
Total	1,18,25,00,000	-

Note 11 CURRENT INVESTMENTS

Current Investments				As at 31.12.2013	As at 31.03.2013
				(Rupees)	(Rupees)
Certificate of Deposit - Banks					
Sr.	Name of CD	No. of	Date of Sale	Date of Purchase	
1	IDBI Bank	20,000	25/04/2013	25.03.2013	1,91,90,84,000
2	IDBI Bank	40,000	26/04/2013	26.03.2013	3,84,00,44,000
3	Punjab National Bank	50,000	25/04/2013	26.03.2013	4,69,86,65,000
4	Punjab National Bank	20,000	26/04/2013	26.03.2013	1,83,49,42,000
5	Punjab National Bank	20,000	29/04/2013	26.03.2013	1,83,49,42,000
6	Andhra Bank	9,500	26/04/2013	26.03.2013	87,14,51,150
* Face value per CD- Rs. 1 lakh					
Total				-	14,99,91,28,150

Note 12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents	As at 31.12.2013		As at 31.03.2013	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Cash and cash equivalents				
I. Balances with banks				
(a) in Current Accounts	49,32,917		6,27,826	
(b) Deposits with Original Maturity less than three months	-		-	
(c) in unpaid Dividend Account	-	49,32,917	-	6,27,826
II. Cheques/Drafts on Hand		-		-
III. Cash on Hand		-		-
IV. Other Cash and Cash Equivents				
1.. Liquid Deposits	2,87,45,180		-	
2. Deposits with original maturity for more than three months but less than twelve months	51,50,00,000		-	
3. Deposits with original maturity for more than twelve months	1,18,25,00,000		-	
	1,72,62,45,180		-	
Less : Non-current Deposits with original maturity for more than twelve months (<i>Disclosed under other non-current assets</i>)	1,18,25,00,000	54,37,45,180	-	-
Total		54,86,78,097		6,27,826



Note 13 SHORT TERM LOAN & ADVANCES

SHORT TERM LOAN & ADVANCES	As at 31.12.2013		As at 31.03.2013	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Advances Recoverable in Cash or kind or value to be received.				
Advances to Related Parties (Unsecured, considered good)	23,53,860	23,53,860	23,53,860	23,53,860
- GSPC GAS Company Limited				
TDS Receivables		2,00,36,580		-
Total		2,23,90,440		23,53,860

Note 14 OTHER CURRENT ASSETS

Other Current Assets	As at 31.12.2013		As at 31.03.2013	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Interest Accrued but not due on deposit		4,34,53,511		2,27,28,887
Total		4,34,53,511		2,27,28,887



Note 15 OTHER INCOME

Particulars	For the period ended 31.12.2013	For the period ended 31.03.2013
	(Rupees)	(Rupees)
I. Dividend Income	85,06,71,720	-
II. Interest Income	33,59,38,817	2,27,28,887
Total	1,18,66,10,537	2,27,28,887

Note 16 FINANCE COSTS

Particulars	For the period ended 31.12.2013	For the period ended 31.03.2013
	(Rupees)	(Rupees)
I. Interest on Loan	1,05,15,41,096	3,19,31,506
II. Interest on NCD	36,56,21,781	-
III. Interest on Current Tax	-	4,84,130
Total	1,41,71,62,877	3,24,15,636

Note 17 OTHER EXPENSES

Particulars	For the period ended 31.12.2013	For the period ended 31.03.2013
	(Rupees)	(Rupees)
Membership Fees	4,496	56,180
Legal, Professional & Consultancy Fees	6,97,786	14,66,680
Arranger Fees	1,68,54,000	-
Auditor Remuneration	19,000	28,090
Bank Charges	-	-
Demat Charges	4,05,170	-
Preliminary Expenses	-	63,098
Registration Fees for Increased Authorised Share Capital	-	2,04,73,000
Rate, Taxes and duties	1,15,00,000	-
Miscellaneous Expenses	-	-
Total	2,94,80,452	2,20,87,048

PAYMENTS TO AUDITORS

Particulars	For the period ended 31.12.2013	For the period ended 31.03.2013
	(Rupees)	(Rupees)
a. for audit	19,000	28,090
b. for taxation matters	-	-
c. for company law matters	-	-
d. for management services	-	-
e. for other services	-	-
f. for reimbursement of expenses	-	-
Total	19,000	28,090



Note 18 CURRENT TAX

Particulars	For the period ended 31.12.2013	For the period ended 31.03.2013
	(Rupees)	(Rupees)
Current Income Tax		
Current Tax Payable including Interest on such tax	18,48,703	73,51,217
<i>Less: Interest on Tax Payable U/s 234 B & C</i>	-	4,84,130
Total	18,48,703	68,67,087

Note 19 EARNINGS PER SHARE (EPS):

Particulars		For the period ended 31.12.2013	For the period ended 31.03.2013
Profit / (Loss) attributable to equity shareholders	Rs.	(26,18,81,495)	(3,86,40,884)
Weighted average number of ordinary equity shares for Basic EPS	Nos.	55,48,32,192	34,931
Weighted average number of ordinary equity shares for DPS	Nos.	62,46,95,205	3,28,61,642
Nominal Value of equity share	Rs.	10	10
Basic EPS	Rs.	-0.47	-1,106.21
Diluted EPS	Rs.	-0.42	-1.18



Note 20 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments (to the extent not provided for)	As at 31.12.2013	As at 31.03.2013
	(Rupees)	(Rupees)
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	-	-
(b) Guarantees	-	-
(C) Disputed statutory claims in respect of	-	-
(c) Other money for which the company is contingently liable	-	-
Sub Total (i)	-	-
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for	-	-
(c) Uncalled liability on shares and other investments partly paid	-	-
(d) Other commitments (specify nature)		
- Commitment of payment to BG Asia Pacific Holding Pte. Limited, Singapore for acquisition of 65.12% stake i.e. 8,35,18,750 Equity Shares of Rs. 2 each in Gujarat Gas Company Limited at price specified in Share Purchase Agreement dated 03.10.2012	-	24,63,80,31,250
Sub Total (ii)	-	24,63,80,31,250
TOTAL (Subtotal (i) and (ii))	-	24,63,80,31,250

Note 21 Value of Imports calculated on CIF Basis

Particulars	For the period ended 31.12.2013	For the period ended 31.03.2013
	(Rupees)	(Rupees)
(a) Raw Materials	-	-
(b) Components and Spare Parts	-	-
(c) Capital goods	-	-

Note 22 Expenditure in Foreign Currencies

Particulars	For the period ended 31.12.2013	For the period ended 31.03.2013
	(Rupees)	(Rupees)
(a) Know-how, Royalty	-	-
(b) Professional and Technical Consultancy Fees	-	-
(c) Interest Expense	-	-
(d) Others Expenses:	-	-

Note 23 Earnings in Foreign Currencies

Particulars	For the period ended 31.12.2013	For the period ended 31.03.2013
	(Rupees)	(Rupees)
(a) Export of Goods on FOB Basis	-	-
(b) Interest and Dividends	-	-
(c) Know-how, Royalty, Professional and	-	-
(d) Other Income, if any	-	-

Note 24 SEGMENT REPORTING

Considering the nature of company's Business, there are no separate reportable segment as per the requirement of Accounting Standard 17 "Segment Reporting".



Note 25 RELATED PARTY DISCLOSURES

Related party disclosures as required by Accounting Standard – 18 issued by the Institute of Chartered Accountants of India are as under:

A. List of Related Parties and Relationship:

Sr. No.	Name of Related Parties	Relationship
1	GSPC GAS Company Limited (GSPC GAS)	Associate Company
3	Gujarat State Petronet Limited (GSPL)	Associate Company
3	Gujarat State Petroleum Corporation Ltd (GSPC)	Ultimate Holding Co. of Associate Company
4	Gujarat Gas Company Limited (GGCL)	Subsidiary Company
5	Gujaratgas Trading Company Limited (GTCL)	Subsidiary Company of GGCL
6	Gujaratgas Financial Services Limited (GFSL)	Subsidiary Company of GGCL

B. Key Management Personnel:

Sr. No.	Name of Related Parties	Relationship
1	Mr. Tapan Ray, IAS	Chairman
2	Mr. Ravindra Agrawal	Director
3	Mr. N. Bose Babu	Director
4	Mr. Manishkumar Verma	Director
5	Mr. PPG Sarma	Director

C. Transaction with Related Parties :

Sr. No.	Nature of transactions	Transaction With Related Party	For the period ended 31.12.2013	For the period ended 31.03.2013
1	Reimbursement of Preliminary Expenses	GSPC GAS	2,04,73,000	63,098
2	Reimbursement of Legal, Prof. & Consultancy Fees	GSPC GAS	7,500	14,66,680
3	Rate & taxes Paid	GSPC GAS	25,00,000	-
4	Bank Guarantee Charges recovered	GSPC GAS	-	38,20,540
5	Equity Share Capital - Initial Subscription	GSPC GAS	-	5,00,000
6	Share Capital / Application Money Received	GSPC GAS	52,00,00,000	3,48,00,00,000
7	Share Capital / Application Money Received	GSPL	3,50,00,00,000	-
8	Corporate Bank Gaurantee given by	Jointly & severally by	5,00,00,00,000	-
9	Corporate Bank Gaurantee given by	GSPC GAS and GSPL	5,00,00,00,000	2,00,00,00,000
10	Dividend Received	Gujarat Gas	85,06,71,720	-

D. Outstanding Balances with Related Parties :

Sr. No.	Nature of transactions	Transaction With	Amount in Rs. As on 31.12.2013	Amount in Rs. As on 31.03.2013
1	Advances to Related Parties	GSPC GAS	23,53,860	23,53,860
2	Share Application Money Received	GSPC GAS	-	3,48,00,00,000
3	Others Payable	GSPC GAS	2,29,80,500	-



Note 26 RECOVERABLE VALUE OF ALL ASSETS OTHER THAN FIXED ASSETS AND NON CURRENT INVESTMENTS

(Disclosure pursuant to Note no. 6(W) of Part I of Schedule VI to the Companies Act, 1956)

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

Note 27 The Company does not have any employee where disclosure under section 217(2A) of the companies Act, 1956 and disclosure under Accounting Standard-15 (Revised 2005) 'Employee Benefit is required.

Note 28 The Company had no transactions during the period with any Micro and Small and Medium Enterprises and hence reporting details of principle and interest amount outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 does not arise.

Note 29 In pursuance to its objective of carrying on City Gas Distribution (CGD) business, the company had commenced its operation by entering into a Share Purchase Agreement (SPA) with BG Asia Specific Holdings Pte Limited, Singapore to acquire 65.12% shares in Gujarat Gas Company Limited (GGCL -a Company engaged in CGD business) on October 3rd, 2012 and consequently triggered provision of Open offer for acquiring additional 26% of Gujarat Gas Company Limited (GGCL) through public offer in pursuance of SEBI takeover Regulations 2011. The company had given an open offer to purchase shares of Gujarat Gas Company Limited (GGCL) from the public shareholders of Gujarat Gas Company Limited (GGCL) and had purchased 8.58% stake in Gujarat Gas Company Limited (GGCL) through Open Offer . Post acquisition of shares on 12.06.2013 from BG Asia Specific Holdings Pte Limited, Singapore the company have a majority stake of 73.70 % in the City Gas Distribution (CGD) business of Gujarat Gas Company Limited (GGCL). The company has carry on the City Gas Distribution (CGD) business of Gujarat Gas Company Limited (GGCL) through the purchase of its shares and also explore the possibility to consolidate the City Gas Distribution (CGD) business of Gujarat Gas Company Limited (GGCL) in due course of time.

Note 30 As per Accounting Standards -22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India (ICAI), deferred tax assets should be recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The Company has not recognised deferred tax asset in view of the reasonable certainty that sufficient future taxable income will not be available.

Note 31 Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current year's presentation.

Note 32 Figures are rounded off to the nearest rupee.

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

For, J. S. Maheshwari & Co.

Chartered Accountants

Firm Regn. No. : 001318C



(Ashish Maheshwari)

Partner

M. No. : 412441



For, GSPC Distribution Networks Limited



Manish Verma

Director



PPG Sarma

Director



Ahmed Khan

Authorised Signatory



Rohan Sampat

Company Secretary

Place : Gandhinagar

Date : 21 APR 2014



Place : Gandhinagar

Date: 21 APR 2014

Manubhai & Shah

Chartered Accountants
(Formerly Manubhai & Co.)

Consolidated Limited Review Report

To
Board of Directors
Gujarat Gas Company Limited

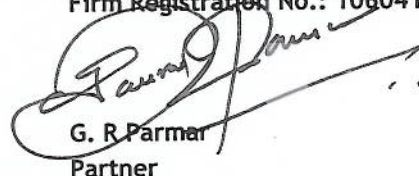
- 1 We have reviewed the accompanying statement of unaudited consolidated financial results ("the Statement") of Gujarat Gas Company Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") for the quarter and twelve months period ended December 31, 2013, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
- 2 We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3 We did not review the unaudited quarterly financial results of two subsidiaries, included in this Statement, whose results reflects income from operations (net of eliminations) of ₹7.45 Million and ₹16.72 Million for the quarter and twelve months period ended December 31, 2013 respectively. The unaudited quarterly financial results for these subsidiaries have been reviewed by other auditors whose limited review reports have been furnished to us by the management and our report in respect thereof is based solely on the reports of the other auditors.
- 4 Based on our review conducted as above and upon consideration of reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with applicable Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Place : Gandhinagar

Date : February 11, 2014

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


G. R. Parmar
Partner

Membership No.: 121462



2nd Floor, 'B' Wing, Premium House, Near Gandhigram Rly. Station, Navrangpura, Ahmedabad-380 009. Gujarat, India.
Phone : 26580956, 26580966, 26582484, 26585064 Fax : 91-79-26583573

Email : info@msglobal.co.in

Website : www.msglobal.co.in

Branches at Mumbai and Jamnagar

GUJARAT GAS COMPANY LIMITED

Regd. Office: 2, Shantisadan Society, Nr. Parimal Garden, Ellisbridge, Ahmedabad - 380 006
web site: www.gujaratgas.com

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED ON 31st DECEMBER 2013

(Pursuant to Annexure I(Part I) of Clause 41 of Listing Agreement)

Rs. in Million

Sr. No.	Particulars	3 months ended on 31/12/2013 (Unaudited)	3 months ended on 30/09/2013 (Unaudited)	3 months ended on 31/12/2012 (Unaudited)	12 months ended on 31/12/2013 (Unaudited)	12 months ended on 31/12/2012 (Audited)
1	Income from Operations					
(a)	Net sales (Net of excise duty)	7,749.19	8,282.56	7,565.30	31,128.68	30,669.09
(b)	Other Operating Income	52.76	36.16	57.66	184.07	291.39
	Total Income from Operations (net)	7,801.95	8,318.72	7,622.96	31,312.75	30,960.48
2	Expenses					
(a)	Cost of material consumed	5,925.39	5,955.85	6,036.27	23,741.08	24,836.45
(b)	Employee benefits expense	150.59	143.92	157.71	638.44	639.56
(c)	Depreciation	196.50	192.10	182.52	764.73	658.28
(d)	Other expenses	386.79	348.78	326.90	1,445.32	1,402.09
	Total Expenses	6,659.27	6,640.65	6,703.40	26,589.57	27,536.38
3	Profit from Operations before Other Income, Finance Costs & Exceptional Items (1-2)	1,142.68	1,678.07	919.56	4,723.18	3,424.10
4	Other Income	171.30	105.29	102.45	664.19	671.85
5	Profit from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	1,313.98	1,783.36	1,022.01	5,387.37	4,095.95
6	Finance Costs	0.53	0.60	0.38	2.01	1.58
7	Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	1,313.45	1,782.76	1,021.63	5,385.36	4,094.37
8	Exceptional items	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7-8)	1,313.45	1,782.76	1,021.63	5,385.36	4,094.37
10	Tax Expense	402.76	589.63	316.08	1,680.05	1,209.00
11	Net Profit from Ordinary Activities after Tax (9-10)	910.69	1,193.13	705.55	3,705.31	2,885.37
12	Extraordinary Items [net of Tax expense]	-	-	-	-	-
13	Net Profit for the period (11-12)	910.69	1,193.13	705.55	3,705.31	2,885.37
14	Minority Interest	4.21	2.25	4.39	11.54	19.27
15	Net Profit after Taxes & Minority Interest (13-14)	906.48	1,190.88	701.16	3,693.77	2,866.10
16	Paid-up Equity Share Capital (Face Value Rs. 2 each)	256.50	256.50	256.50	256.50	256.50
17	Reserves excluding revaluation reserves	-	-	-	-	9,398.08
18(i)	Basic & Diluted Earnings Per Share in Rs. (before extraordinary items) (Face Value Rs. 2 each) (not annualised)	7.07	9.29	5.47	28.80	22.32
18(ii)	Basic & Diluted Earnings Per Share in Rs. (after extraordinary items) (Face Value Rs. 2 each) (not annualised)	7.07	9.29	5.47	28.80	22.32

Notes:

- The above financial results are the consolidated financial results of the Company prepared in accordance with the Accounting Standard (AS) 21 'Consolidated Financial Statements' notified pursuant to Companies (Accounting Standards) Rules 2006 as per Section 211(3C) of the Companies Act, 1956 which, as per clarification issued by the Ministry of Corporate Affairs, continues to apply under section 133 of the Companies Act, 2013.
- The Company has redeemed the 7.5% Redeemable Cumulative Non-convertible Preference Shares (RCNPS) during the quarter ended on 31st March, 2012. Accordingly, dividend on the RCNPS till the date of redemption has been considered in determining the EPS for the respective quarters / periods.
- The Group is in the business of distribution of natural gas. Accordingly, disclosures relating to primary business segments under the Accounting Standard on Segment Reporting (AS - 17) notified pursuant to Companies (Accounting Standards) Rules 2006 as per Section 211(3C) of the Companies Act, 1956 (which, as per clarification issued by the Ministry of Corporate Affairs, continues to apply under section 133 of the Companies Act, 2013) are not relevant to the Company.
- The Company has opted to publish only the Consolidated Financial Results. The Standalone Results of the Company will be available on Company's website www.gujaratgas.com. The additional information on standalone basis is as follows:

Rs. in Million

Particulars	3 months ended on 31/12/2013 (Unaudited)	3 months ended on 30/09/2013 (Unaudited)	3 months ended on 31/12/2012 (Unaudited)	12 months ended on 31/12/2013 (Unaudited)	12 months ended on 31/12/2012 (Audited)
Total Income from Operation	7,794.57	8,316.87	7,607.84	31,296.33	30,921.31
Profit from Ordinary Activities before Tax	1,305.20	1,781.69	1,002.66	5,369.38	4,048.34
Net Profit from Ordinary Activities after tax	908.20	1,194.69	692.66	3,704.63	2,866.49

- The above results were approved by the Board of Directors in its meeting held on 11th February, 2014 at Gandhinagar.
- The statutory auditors have carried out a limited review of the financial results for the quarter ended 31st December, 2013.
- The current Financial Year that began on 1 January 2013 has been extended by a period of three months, to close on 31 March 2014, so that the Financial Statements giving effect to such extension shall be compiled for a period of fifteen months from 1 January 2013 to 31 March 2014.
- Previous period figures have been reclassified / regrouped wherever considered necessary to conform to the current period figures.

Place: Gandhinagar
Date : 11th February, 2014



For Gujarat Gas Company Limited

DR. VARESH SINHA, IAS
CHAIRMAN

GUJARAT GAS COMPANY LIMITED

Regd. Office: 2, Shantisadan Society, Nr. Parimal Garden, Ellisbridge, Ahmedabad - 380 006
web site: www.gujaratgas.com

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 31ST DECEMBER 2013
(Pursuant to Annexure I(Part II) of Clause 41 of Listing Agreement)

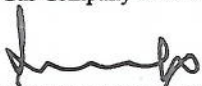
Sr. No.	Particulars	3 months ended on 31/12/2013	3 months ended on 30/09/2013	3 months ended on 31/12/2012	12 months ended on 31/12/2013	12 months ended on 31/12/2012
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
(a)	Number of Shares	3,37,30,920	3,37,30,920	4,47,31,250	3,37,30,920	4,47,31,250
(b)	Percentage of Shareholding	26.30%	26.30%	34.88%	26.30%	34.88%
2	Promoters and Promoter Group Shareholding					
(a)	Pledged / Encumbered					
	- Number of Shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
(b)	Non - encumbered					
	- Number of Shares	9,45,19,080	9,45,19,080	8,35,18,750	9,45,19,080	8,35,18,750
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the company)	73.70%	73.70%	65.12%	73.70%	65.12%

Sr. No.	Particulars	3 months ended on 31/12/2013
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	83
	Disposed of during the quarter	83
	Remaining unresolved at the end of the quarter	Nil

Place: Gandhinagar
Date : 11 February 2014



For Gujarat Gas Company Limited


DR. VARESH SINHA, IAS
CHAIRMAN



Manubhai & Shah

Chartered Accountants
(Formerly Manubhai & Co.)

Limited Review Report

To
The Board of Directors
Gujarat Gas Company Limited

- 1 We have reviewed the accompanying statement of unaudited financial results ("the Statement") of Gujarat Gas Company Limited ("the Company") for the quarter and twelve months period ended December 31, 2013, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from the disclosures made by the management and have not been reviewed by us. This statement is the responsibility of Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a review report on the Statement based on our review.
- 2 We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3 Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with applicable Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.



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

G. R. Parmar
Partner

Membership No.: 121462



Place : Gandhinagar

Date : February 11, 2014

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Branches at Mumbai and Jamnagar

GUJARAT GAS COMPANY LIMITED

Regd. Office: 2, Shantisadan Society, Nr. Parimal Garden, Ellisbridge, Ahmedabad - 380 006
web site: www.gujaratgas.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 31st DECEMBER 2013

(Pursuant to Annexure I(Part I) of Clause 41 of Listing Agreement)

Rs. in Million

Sr. No.	Particulars	3 months ended on 31/12/2013 (Unaudited)	3 months ended on 30/09/2013 (Unaudited)	3 months ended on 31/12/2012 (Unaudited)	12 months ended on 31/12/2013 (Unaudited)	12 months ended on 31/12/2012 (Audited)
1	Income from Operations					
(a)	Net sales (Net of excise duty)	7,749.19	8,282.56	7,565.30	31,128.68	30,669.09
(b)	Other Operating Income	45.38	34.31	42.54	167.65	252.22
	Total Income from Operations (net)	7,794.57	8,316.87	7,607.84	31,296.33	30,921.31
2	Expenses					
(a)	Cost of material consumed	5,925.39	5,955.85	6,036.50	23,741.36	24,837.48
(b)	Employee benefits expense	149.54	143.10	156.70	634.18	635.21
(c)	Depreciation	196.07	192.19	181.62	762.17	653.62
(d)	Other expenses	385.59	347.99	326.38	1,438.56	1,399.38
	Total Expenses	6,656.59	6,639.13	6,701.20	26,576.27	27,525.69
3	Profit from Operations before Other Income, Finance Costs & Exceptional Items (1-2)	1,137.98	1,677.74	906.64	4,720.06	3,395.62
4	Other Income	167.75	104.55	96.40	651.33	654.30
5	Profit from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	1,305.73	1,782.29	1,003.04	5,371.39	4,049.92
6	Finance Costs	0.53	0.60	0.38	2.01	1.58
	Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	1,305.20	1,781.69	1,002.66	5,369.38	4,048.34
8	Exceptional Items	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7-8)	1,305.20	1,781.69	1,002.66	5,369.38	4,048.34
10	Tax expense	397.00	587.00	310.00	1,664.75	1,181.85
11	Net Profit from Ordinary Activities after tax (9-10)	908.20	1,194.69	692.66	3,704.63	2,866.49
12	Extraordinary Items [net of tax expense]	-	-	-	-	-
13	Net Profit for the period (11-12)	908.20	1,194.69	692.66	3,704.63	2,866.49
14	Paid-up Equity Share Capital (Face Value Rs. 2 each)	256.50	256.50	256.50	256.50	256.50
15	Reserves excluding revaluation reserves	-	-	-	-	9,162.54
16(i)	Basic & Diluted Earnings Per Share in Rs. (before extraordinary items) (Face Value Rs. 2 each) (not annualised)	7.08	9.32	5.40	28.89	22.33
16(ii)	Basic & Diluted Earnings Per Share in Rs. (after extraordinary items) (Face Value Rs. 2 each) (not annualised)	7.08	9.32	5.40	28.89	22.33

Notes:

- The above results were approved by the Board of Directors in its meeting held on 11th February, 2014 at Gandhinagar.
- The Company has redeemed the 7.5% Redeemable Cumulative Non-convertible Preference Shares (RCNPS) during the quarter ended on 31st March, 2012. Accordingly, dividend on the RCNPS till the date of redemption has been considered in determining the EPS for the respective quarters / periods.
- The Company is in the business of distribution of natural gas. Accordingly, disclosures relating to primary business segments under the Accounting Standard on Segment Reporting (AS - 17) notified pursuant to Companies (Accounting Standards) Rules 2006 as per Section 211(3C) of the Companies Act, 1956 (which, as per clarification issued by the Ministry of Corporate Affairs, continues to apply under section 133 of the Companies Act, 2013) are not relevant to the Company.
- The statutory auditors have carried out a limited review of the financial results for the quarter ended 31st December, 2013.
- The current Financial Year that began on 1 January 2013 has been extended by a period of three months, to close on 31 March 2014, so that the Financial Statements giving effect to such extension shall be compiled for a period of fifteen months from 1 January 2013 to 31 March 2014.
- Previous period figures have been reclassified / regrouped wherever considered necessary to conform to the current period figures.

Place: Gandhinagar
Date : 11th February, 2014



For Gujarat Gas Company Limited


DR. VARESHA SINHA, IAS
CHAIRMAN

GUJARAT GAS COMPANY LIMITED

Regd. Office: 2, Shantisadan Society, Nr. Parimal Garden, Ellisbridge, Ahmedabad - 380 006
web site: www.gujaratgas.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 31st DECEMBER 2013
(Pursuant to Annexure I(Part II) of Clause 41 of Listing Agreement)

Sr. No.	Particulars	3 months ended on 31/12/2013	3 months ended on 30/09/2013	3 months ended on 31/12/2012	12 months ended on 31/12/2013	12 months ended on 31/12/2012
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
(a)	Number of Shares	3,37,30,920	3,37,30,920	4,47,31,250	3,37,30,920	4,47,31,250
(b)	Percentage of Shareholding	26.30%	26.30%	34.88%	26.30%	34.88%
2	Promoters and Promoter Group Shareholding					
(a)	Pledged/ Encumbered					
	- Number of Shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
(b)	Non - encumbered					
	- Number of Shares	9,45,19,080	9,45,19,080	8,35,18,750	9,45,19,080	8,35,18,750
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the company)	73.70%	73.70%	65.12%	73.70%	65.12%

Sr. No.	Particulars	3 months ended on 31/12/2013
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	83
	Disposed of during the quarter	83
	Remaining unresolved at the end of the quarter	Nil

Place: Gandhinagar
Date : 11 February 2014

For Gujarat Gas Company Limited


DR. VARESH SINHA, IAS
CHAIRMAN





talati & talati Chartered Accountants

The Board of Directors,
Gujaratgas Trading Company Limited
2, Shanti Sadan Society, Near Parimal Garden,
Ellisbridge, Ahmedabad – 380006

For Gujaratgas Trading Company Ltd.

Authorised Signatory

Report on Special Purpose Financial Statements

This report is issued in accordance with the terms of our agreement dated March 11, 2014

We have audited the accompanying special purpose financial statements of Gujaratgas Trading Company Limited (the Company), which comprise the balance sheet as at December 31, 2013, and the statement of profit and loss, and cash flow statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these special purpose financial statements in accordance with the Companies (Accounting Standards) Rules, 2006 notified by the Central Government, to the extent considered relevant by it for the purpose for which the special purpose financial statement have been prepared. This includes the design, implementation and maintenance of internal control relevant to the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the



appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

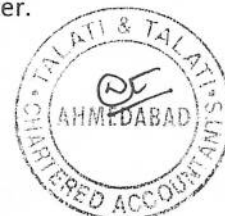
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

- a. In our opinion and to the best of our information and according to the explanations given to us, the special purpose financial statements together with the notes thereon and attached thereto, fairly present, in all material respect, in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2013;
 - ii. in the case of the Statement of Profit and Loss, the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- b. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

Emphasis of Matter – Basis of Preparation

Without modifying our opinion, we draw attention to Note 2(b) to the special purpose financial statements, which describe the basis of its preparation. The special purpose financial statements dealt with by this report have been prepared for the express purpose of enabling the Company to prepare the financial details of the Company as transferor Company in Composite Scheme of Amalgamation and Arrangement between GSPC Gas Company Limited ("GSPC Gas"), Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL"), Gujaratgas Trading Company Limited ("GTCL") and GSPC Distribution Networks Limited ("GDNL") and their respective shareholders (the "Scheme") but not for the presentation to the members of the company at general meeting .The report may however be submitted to BSE Limited, National Stock Exchange, Ahmedabad Stock Exchange and Vadodara Stock Exchange for the purpose of said amalgamation and arrangement. The special purpose financial statement are not the statutory financial statement of the Company and are not intended to, and do not, comply with the disclosure provisions applicable to the Statutory Financial Statements prepared under the Companies Act. Our opinion is not qualified in respect of this matter.



Restriction on Distribution and Use

This report is addressed to the Board of Directors of the Company and has been prepared only for the purpose set out in emphasis of matter paragraph. As a result, the financial statements may not be suitable for any other purpose.

For Talati & Talati
Chartered Accountants
(Firm Regn. No. 110758W)



Aniket Talati

Aniket Talati
(Partner)
Mem No. 131567

Place of Signature: Ahmedabad
Date : 21st April, 2014



GUJARATGAS TRADING COMPANY LIMITED
BALANCE SHEET AS AT 31st DECEMBER 2013

	Note	As at 31-12-2013 Rs. In Thousand	As at 31-12-2012 Rs. In Thousand
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	900	900
Reserves and Surplus	4	140,934	132,919
		<u>141,834</u>	<u>133,819</u>
Non-current liabilities			
Other Long term liabilities		-	12,325
Current liabilities			
Trade payables	5	-	92,919
Other Current liabilities	6	520	4,785
Short-term provisions	7	-	14,753
		<u>520</u>	<u>112,457</u>
Total		<u><u>142,354</u></u>	<u><u>258,601</u></u>
ASSETS			
Non-current assets			
Long-term loan and advances	8	-	12,325
Current assets			
Current investments	9	139,391	148,705
Trade receivables	10	52	93,350
Cash & Bank Balances	11	1,586	3,883
Short-term loans and advance	12	1,325	338
		<u>142,354</u>	<u>246,276</u>
Total		<u><u>142,354</u></u>	<u><u>258,601</u></u>

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached.

For Talati & Talati
Chartered Accountants
(Firm Regn No : 110758W)

Aniket Talati

Aniket Talati
(Partner)
Membership No:131567



Place : Ahmedabad
Date : 21st April, 2014



For and on behalf of the Board

Manish Verma
Mr. Manish Verma
Director

PPG Sarma

Mr. PPG Sarma
Director

NB

Place : Gandhinagar
Date : 21 April 2014



GUJARATGAS TRADING COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st DECEMBER 2013

	Note	Year ended 31-12-2013 Rs. In Thousand	Year ended 31-12-2012 Rs. In Thousand
Income			
Revenue from Operation (Sales of natural gas)		343,624	1,153,657
Other income	14	<u>9,189</u>	<u>9,913</u>
Total Revenue		<u>352,813</u>	<u>1,163,570</u>
Expenses			
Material Purchase (Natural Gas)		343,341	1,152,629
Other expenses	15	<u>1,449</u>	<u>923</u>
Total Expenses		<u>344,790</u>	<u>1,153,552</u>
Profit Before Tax		8,023	10,018
Tax Expenses			
Current Tax		8	15
Profit for the year		<u><u>8,015</u></u>	<u><u>10,003</u></u>
Earnings per equity share (EPS):			
Basic/Diluted Earning per Share of Rs 100 each (in Rs.)	16	890.56	1,111.44

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached.

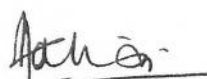
For Talati & Talati
Chartered Accountants
(Firm Regn No : 110758W)


Aniket Talati
(Partner)
Membership No:131567

Place : Ahmedabad
Date : 21st April, 2014



For and on behalf of the Board


Mr. Manish Verma
Director


Mr. PPG Sarma
Director

Place : Gandhinagar
Date : 21 April 2014



GUJARATGAS TRADING COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2013

	Year ended 31-12-2013 Rs. in thousand	Year ended 31-12-2012 Rs. in thousand
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Tax	8,023	10,018
Adjustments for:		
Profit on sale of Investment (Net)	(15)	(5)
Dividend Income	(9,170)	(9,784)
Operating Profit before working capital changes	<u>(1,162)</u>	<u>229</u>
Adjustments for changes in working capital		
Increase/(Decrease) in trade payables	(92,919)	(31,337)
Increase/(Decrease) in other current liabilities	(4,265)	(5,015)
(Increase)/Decrease in trade receivable	93,298	39,988
Cash generated from Operations	<u>(5,048)</u>	<u>3,865</u>
Taxes (paid)/refunded (net of TDS)	(15,748)	(1,693)
Net Cash from Operating Activities	<u>(20,796)</u>	<u>2,172</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(24,671)	(55,285)
Sale of Investments	34,000	30,500
Dividends received	9,170	9,784
Net Cash from Investing activities	<u>18,499</u>	<u>(15,001)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,297)	(12,829)
Cash and Cash Equivalents at the beginning of the year	3,883	16,712
Cash and Cash Equivalents at the end of the year	<u>1,586</u>	<u>3,883</u>
Cash and Cash Equivalents comprise		
Cash in hand	-	2
Balances with Banks		
- In Current Accounts	1,586	3,881
Total Cash and Cash Equivalents at the end of the year	<u>1,586</u>	<u>3,883</u>

As per our report of even date attached.

For Talati & Talati
Chartered Accountants
(Firm Regn No : 110758W)

Aniket Talati

Aniket Talati
(Partner)
Membership No:131567



For and on behalf of the Board

Manish Verma
Mr. Manish Verma
Director

PPG Sarma
Mr. PPG Sarma
Director

Place : Ahmedabad
Date : 21st April, 2014

Place : Gandhinagar
Date : 21 April 2014



GUJARATGAS TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(1) **General Information:**

Gujaratgas Trading Company Limited ("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/or to the end customers.

(2) **Summary of Significant Accounting Policies:**

a) **Use of Estimate**

The preparation of financial statements in conformity with Generally Accepted Accounting Policy requires the management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities, Revenues & Expenses and disclosure of Contingent Liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of the financial statements. Differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

b) **Basis of preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Companies (Accounting Standards) Rules, 2006 as notified by the Central Government. Accounting policies not specifically referred to otherwise, are consistent with those used in the previous years. In applying accounting policies, consideration has been given to prudence, substance over form and materiality.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

c) **Investments**

Investments that are readily realisable and are materially intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Long Term Investments are valued at cost less provision for diminution other than temporary, in value, if any. Current Investments are valued at cost or fair value determined categorywise, whichever is lower.

d) **Foreign currency transactions**

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

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

e) **Revenue Recognition**

(i) Revenue from sale of natural gas is recognised at delivery point when all risks and rewards connected with ownership have been transferred to the buyer. Sale of natural gas are stated at net of value added tax.

(ii) Commitment income from customers for gas sales is recognized on establishment of certainty of receipt of consideration. Delayed payment charges are recognized on establishment of certainty of receipt of consideration.

(iii) Dividend income is recognized when the right to receive the dividend is established.

f) **Earnings Per Share (EPS)**

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

g) **Taxation**

Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognized subject to consideration of prudence in respect of deferred tax assets, on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and laws enacted or substantively enacted at the reporting date. Deferred tax assets are reviewed at each balance sheet date to assess realization.

If there is unabsorbed depreciation or carry forward of losses under the tax laws, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty of its realization supported by convincing evidence. Mat credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income tax during the specified period.

h) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions: Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

The Company does not recognise & disclose contingent assets.

i) **Segment Reporting**

The Company operates in a single segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. Hence, disclosures required as per Accounting Standard-17 on Segment Reporting are not applicable to the company.

j) **Cashflow Statement**

The Cash Flow Statement is prepared under the "Indirect Method" as set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company. In the Cash Flow Statement, cash represents cash on hand and demand deposits with bank. Cash equivalents consist of short term highly liquid investments which are readily convertible into cash.



GUJARATGAS TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(3) Share Capital

	As at 31-12-2013	As at 31-12-2012
a) Authorized Equity Share Capital		
Number of shares of Rs. 100 each	10000	10000
Rs. In Thousand	1,000	1,000
b) Equity Share Capital – shares issued, subscribed and fully paid up		
Number of shares of Rs. 100 each	9000	9000
Rs. In Thousand	900	900

The company has only one class of Equity shares. Each equity shareholder is eligible for one vote per share held. The company does not have share application money pending allotment. The dividend proposed by the Board of Directors is subject to shareholders' approval in the ensuing Annual General Meeting.

c) Reconciliation of the number of Equity Shares

Shares outstanding at the beginning of the year	9000	9000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	9000	9000

d) Shareholder holding more than 5% equity shares and Shares held by holding Company

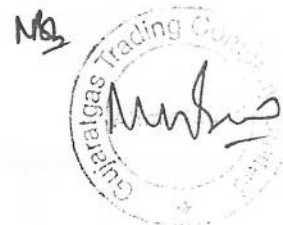
Name of the shareholder	No. of shares held % of shareholding	No. of shares held % of shareholding
Gujarat Gas Company Limited - holding Company and its nominees	9000 100%	9000 100%

The Company is controlled by Gujarat Gas Company Limited which is the beneficial owner of 100% shares. The ultimate parent of the Company was BG Group Plc till 11th June 2013. W.e.f. 12th June 2013, GSPC Distribution Networks Limited has acquired majority shareholding in Gujarat Gas Company Ltd.

e) The Company has not issued or bought back any equity shares during the past 5 years. The Company has not allotted any shares as fully paid pursuant to contracts without payment being received in cash, during the past 5 years.

(4) Reserves & Surplus

	As at 31-12-2013 Rs. In Thousand	As at 31-12-2012 Rs. In Thousand
a) General Reserve		
Balance as at the beginning of the year	26,650	26,650
Balance at the end of the year	26,650	26,650
b) Surplus in Statement of Profit & Loss		
Balance as at the beginning of the year	106,269	96,266
Add: Profit for the period	8,015	10,003
Balance at the end of the year	114,284	106,269
Total	140,934	132,919



GUJARATGAS TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	As at 31-12-2013 Rs. In Thousand	As at 31-12-2012 Rs. In Thousand
(5) Trade payables		
Dues to Micro, Small and Medium Enterprises	-	-
Other Creditors	-	92,919
Total	-	92,919
(6) Other Current Liabilities		
Payables to Non-trade creditors	455	4,686
Other Liabilities (includes TDS,VAT & Service Tax)	65	99
Total	520	4,785
(7) Short-term provisions		
Provision for Taxation (Net of Advance Tax & TDS)	-	14,753
(8) Long term loans & advances		
(Unsecured - considered good)		
Other Receivables	-	12,325
Total	-	12,325
(9) Current Investments		
Investment in Mutual Funds (At cost or fair market value whichever is lower, determined categorywise)		
Units of Mutual Funds (Unquoted)	139,391	148,705
Total	139,391	148,705
Aggregate amount of unquoted investments	139,391	148,705

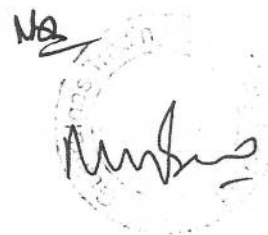


GUJARATGAS TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(9) Current Investments

a) Details of investments in Mutual Funds

Scheme	31-12-2013		31-12-2012	
	No. of units	Rs. in thousand	No. of units	Rs. in thousand
Reliance Liquidity Fund - Dividend	48,680	48,705	53,398	53,426
Birla SL Savings Fund - Dividend	-	-	555,955	55,634
Birla SL Cash Plus - Dividend	440,929	44,179	-	-
HDFC Floating Rate Income Fund - Dividend	-	-	3,932,727	39,645
HDFC Cash Management Fund - Dividend	4,372,448	46,507	-	-
Total	4,862,057	139,391	4,542,080	148,705



GUJARATGAS TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(17) Related Party Transactions

The Company is controlled by Gujarat Gas Company Limited which is the beneficial owner of 100% shares. The ultimate parent of the Company was BG Group Plc till 11th June 2013. The Company is controlled by Gujarat Gas Company Limited which is the beneficial owner of 100% shares. GSPC Distribution Networks Limited ("GDNL") is the holding company of Gujarat Gas Company Limited w.e.f. 12th June 2013. GDNL is part of the GSPC Group.

The following transactions were carried out during the year January to December 2013 in ordinary course of business

Name of the related party	Nature of Relationship	Nature of Transactions	Year ended Rs. In Thousand	Year ended Rs. In Thousand
Gujarat Gas Company Limited	Holding Company	Expense :		
		Service charges paid (including service tax)	337	335
		Income :		
		Sale of Natural Gas	343,624	1,153,657
		Share capital held	900	900
		Balance Receivable	52	93,350
BG Energy Holding Limited	Under Common Control (till 11th June 2013)	Commission on purchases*	1,398	4,276
		Commission on corporate guarantee given to supplier *	452	1,392
		Balance Payable	-	4,585

*Included in gas purchases

Note:

(1) The Company is using the ERP software packages implemented by Gujarat Gas Company Limited being "SAP" since August 2003, without payment of any consideration.

(2) Commission to BG Energy Holdings Limited is payable on performance guarantee issued on behalf of Gujarat Gas Trading Company Limited.

(3) There are no transactions between the company and Sugata Sircar, the director of the company. He was the director of GTCL till 11th December 2013. He was the Managing Director of the holding company Gujarat Gas Company Ltd. till 11th December 2013.

(18) Purchase and Sale of Natural Gas

Product	Purchases		Sales	
	Qty in LSCM	Rs. In Thousand	Qty in LSCM	Rs. In Thousand
Natural Gas	283.47 (1,030.14)	343,341 (1,152,629)	283.47 (1,030.14)	343,624 (1,153,657)

Previous year figures are in brackets

Note:

Material Purchase amount includes loss of Rs. 7,275 thousands (Previous Year gain of Rs. 77 thousands) as foreign exchange fluctuation).

(19) Expenditure in Foreign currency

	Year ended 31-12-2013 Rs. In Thousand	Year ended 31-12-2012 Rs. In Thousand
Material consumed/processed	343,341	1,152,629

(20) The amount of foreign currency payable that are not hedged by a derivative instrument as on 31st December 2013:

	As at 31-12-2013	As at 31-12-2012
Value in Rs. Thousands	Nil	92,919 (includes USD 1,696 thousand)

(21) The provision for income tax has been calculated based on income earned during the year ended December 31, 2013. However the tax year end of the Company being March 31, 2014 the ultimate liability for the Assessment Year 2014-15 will be determined based on the total income of the Company for the year ending March 31, 2014.

(22) Previous year figures have also been regrouped/reclassified wherever considered necessary to conform to current year's figures.

As per our report of even date attached.

For Talati & Talati
Chartered Accountants
(Firm Regn No : 110758W)

Aniket Talati

Aniket Talati
(Partner)
Membership No:131567



For and on behalf of the Board

Manish Verma
Mr. Manish Verma
Director

PPG Sarma
Mr. PPG Sarma
Director




Place : Ahmedabad
Date : 21st April, 2014

Place : Gandhinagar
Date : 21 April 2014

AUDIT REPORT ON SPECIAL PURPOSE FINANCIAL STATEMENTS

The Board of Directors,
Gujarat Gas Financial Services Limited
2, Shanti Sadan Society, Near Parimal Garden,
Ellisbridge, Ahmedabad – 380006

For Gujarat Gas Financial Services Ltd.

Authorized Signatory

Report on Special Purpose Financial Statements

This report is issued in accordance with the terms of our agreement dated March 10, 2014

We have audited the accompanying special purpose financial statements of Gujarat Gas Financial Services Limited (the Company), which comprise the Balance Sheet as at December 31, 2013, and the statement of profit and loss, and cash flow statement for the year ended on that date and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these special purpose financial statements in accordance with the Companies (Accounting Standards) Rules, 2006 notified by the Central Government, to the extent considered relevant by it for the purpose for which the special purpose financial statement have been prepared. This includes the design, implementation and maintenance of internal control relevant to the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the



appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

Based on our audit, we report that :

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- c. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- d. In our opinion and to the best of our information and according to the explanations given to us, the special purpose financial statements together with the notes thereon and attached thereto, fairly present, in all material respect, in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2013;
 - ii. in the case of the Statement of Profit and Loss, the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter – Basis of Preparation

Without modifying our opinion, we draw attention to Note 2(l) to the special purpose financial statements, which describe the basis of its preparation. The special purpose financial statement are not the statutory financial statement of the Company and are not intended to, and do not, comply with the disclosure provisions applicable to the Statutory Financial Statements prepared under the Companies Act. Our opinion is not qualified in respect of this matter.

Other Matter

The special purpose financial statements dealt with by this report have been prepared for the express purpose of enabling the Company to prepare the financial details of the Company as transferor Company in Composite Scheme of Amalgamation and Arrangement between GSPC Gas Company Limited ("GSPC Gas"), Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL"), Gujarat Gas Trading Company Limited ("GTCL") and GSPC Distribution Networks Limited ("GDNL") and their respective shareholders (the "Scheme") but not for the presentation to the members



of the Company at General Meeting .The report may however be submitted to BSE Limited, National Stock Exchange, Ahmedabad Stock Exchange and Vadodara Stock Exchange for the purpose of said amalgamation and arrangement

Restriction on Distribution and Use

Our obligation in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditor of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditor of any financial statement of the Company.

This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purpose set out in Other Matter paragraph. As a result, the financial statements may not be suitable for any other purpose. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose. We understand that the Company will distribute this report where required by relevant law or regulations in India. R. S. Patel & Co., Chartered Accountant neither accepts not assumes any duty, responsibility or liability to any other party or any other purpose.

Place : Ahmedabad
Date : 21/04/2014



For, R. S. Patel & Co.
Chartered Accountants
FRN.107758W

R. S. Patel

Rajan B, Shah
Partner

Membership No.101998



GUJARAT GAS FINANCIAL SERVICES LIMITED
BALANCE SHEET AS AT DECEMBER 31,2013

	Note	As at December 31,2013 Rs. in thousand	As at December 31,2012 Rs. in thousand
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	20,000	20,000
Reserves and surplus	4	322,254	283,982
Current liabilities			
Trade payables	5	43,695	35,169
Other current liabilities	6	6,721	5,780
Short-term provisions	7	1,746	8,719
Total		394,416	353,650
ASSETS			
Non - current assets			
Fixed assets			
Tangible Assets	8	-	-
Non-current investments	9	-	-
Deferred tax assets	10	64,413	72,391
Long-term loans and advances	11	75	225
Current assets			
Inventories	12	152,124	63,911
Trade receivables	13	57,028	32,369
Cash and bank balances	14	51,179	116,158
Short-term loans and advances	15	67,057	60,984
Other current assets	16	2,540	7,612
Total		394,416	353,650

The accompanying notes form an integral part of these financial statements

For, R. S. Patel & Co.

Chartered Accountants
FRN.107758W

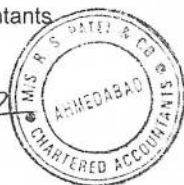
R. S. Patel
Rajan B. Shah

Partner

Membership No.101998

Place : *Ahmedabad*

Date : *21/4/2014*



For and on behalf of the Board

Tapan Ray *PPG Sarma*

Tapan Ray, IAS
Chairman

PPG Sarma
Director

Place : Gandhinagar

Date : April 21, 2014



GUJARAT GAS FINANCIAL SERVICES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED DECEMBER 31,2013

	Note	Year ended December 31,2013 Rs. in thousand	Year ended December 31,2012 Rs. in thousand
Revenue from operations	19	473,998	337,159
Other income	20	7,859	11,828
Total Revenue		481,857	348,987
Expenses:			
Cost of Traded Goods	21	415,351	247,775
Employee Benefits Expense	22	4,257	4,347
Depreciation	8	-	-
Other Expenses	23	5,611	2,089
Total Expenses		425,219	254,211
Profit before tax		56,638	94,776
Tax expenses:			
Current tax		11,759	22,915
Less : MAT Credit Entitlement		1,418	1,653
Net Current tax		10,341	21,262
Income Tax Provision for earlier years written back		-	(59)
Deferred tax		7,978	9,590
Profit for the year		38,319	63,983
Earning per Equity Share (Nominal Value of Rs. 10/- each)	24		
a. Basic		19.16	31.99
b. Diluted		19.16	31.99

The accompanying notes form an integral part of these financial statements

For, R. S. Patel & Co.

Chartered Accountants
FRN:107758W

R. S. Patel
Rajan B. Shah
Partner



Membership No.101998

Place: *Ahmedabad*
Date: *21/11/2014*



For and on behalf of the Board

Tapan Ray *PPG Sarma*

Tapan Ray, IAS
Chairman

PPG Sarma
Director

Place : Gandhinagar
Date : April 21, 2014



3

GUJARAT GAS FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

	Year ended December 31, 2013 Rs. in thousand	Year ended December 31, 2012 Rs. in thousand
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	56,638	94,776
Adjustments for:		
Depreciation	-	-
(Profit)/Loss on sale of fixed assets(Net)	-	-
Interest Income on Term Deposits	(3,293)	(6,216)
Provision for SMC deposit	3,561	-
Provision for Gratuity and Leave encashment	-	258
Operating Profit Before Working Capital Changes	56,906	88,818
Adjustments for changes in working capital		
(Increase)/Decrease In Sundry Debtors	(24,659)	34,007
(Increase)/Decrease In Other Current Assets	4,587	(4,811)
(Increase)/Decrease In Long - Term Loans And Advances	150	(161)
(Increase)/Decrease In Short - Term Loans And Advances	(6,802)	18,624
(Increase)/Decrease In Inventories	(88,213)	17,122
Increase/(Decrease) In Trade Payables	8,526	6,403
Increase/(Decrease) In Other Current Liabilities	740	(21,404)
Cash generated from/(used in) operations	(48,765)	138,598
Taxes Paid (Including TDS)	(13,173)	(54,532)
Net Cash from/(used in) Operating Activities	(61,938)	84,066
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income received on Term Deposits	3,778	5,704
Net Cash from Investing Activities	3,778	5,704
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid (including Corporate Dividend Tax)	(6,819)	(6,739)
Net Cash used in Financing Activities	(6,819)	(6,739)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(64,979)	83,031
Cash & Cash Equivalents at the beginning of the year	116,158	33,127
Cash & Cash Equivalents at the end of the year	51,179	116,158
Closing Cash & Cash Equivalents Comprise of:		
Cash in Hand	-	20
Balance with Scheduled Banks	-	-
-In Current Account	9,712	14,272
-In Dividend Account (Refer Note (b) below)	1,067	866
-In Term Deposit	40,400	101,000
Total Cash & Cash Equivalents as per Cash Flow Statement	51,179	116,158

Notes to Cash Flow Statement:

- The above Cash Flows Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.
- Previous Year figures have been reclassified / regrouped wherever considered necessary to conform to the Current Year's figures.
- Figures in brackets indicate cash outflows.

This is the Cash Flow referred to in our report of even date.

For, R. S. Patel & Co.
Chartered Accountants
FRN.107758W

R. S. Patel
Rajan B. Shah
Partner

Membership No.101998

Place : Ahmedabad

Date : 21/4/2014



For and on behalf of the Board

Tapan Ray
Tapan Ray, IAS
Chairman

PPG Sarma
PPG Sarma
Director

Place : Gandhinagar

Date : April 21, 2014



Note No. 1 - General Information

The Company is primarily engaged in the business of sale of gas connections in India to its holding company, Gujarat Gas Company and other commercial and non commercial customers within India.

Note No. 2 - Significant Accounting Policies

I Basis of preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

II Revenue recognition

Revenue from installation of gas connection is recognised at the time of commissioning of gas connection at customer's premises. Sales revenue comprises of material used and installation charges collected from customers.

III Other income

- (a) Financial income includes interest income on term deposits. Interest income is accrued evenly over the period of the instrument.
- (b) Delayed payment charges are recognised on the basis of certainty of collection.

IV Tangible Assets and Depreciation

(a) Tangible assets:

(i) The Fixed Assets are stated at its acquisition or construction cost and any attributable cost of bringing the asset to its working condition for its intended use and net of accumulated depreciation.

(ii) Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value. Any expected loss is recognised immediately in the Statement of Profit and Loss.

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

(b) Depreciation

Depreciation is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 or over the estimated useful lives of the assets, whichever is higher. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

(c) Impairment

Assessment is done at each period end date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

V Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

VI Inventories

Traded goods comprises of meters, regulators and other spares and support items used for providing gas connections. Inventories are valued at lower of cost and net realisable value. Cost is determined on weighted average cost method.

VII Foreign Currency Transactions

Initial Recognition

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

Subsequent Recognition

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

VIII Employee Benefits

(a) Post-employment benefit plans

i. Defined Contribution Plan

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

ii. Defined Benefit Plan

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.



(b) Long term employment benefits

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

(c) Short term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the services. Short term employee benefits also includes Compensated Absences, which are expected to be availed or encashed within 12 months from the end of the year.

IX Taxes on Income

Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax reflects the impact of timing differences between taxable income and accounting income originating during the year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available which such deferred tax assets can be realised. Deferred tax asset is recognized on carry forward losses (if any) under tax laws, only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. At each reporting date, the unrecognised deferred tax assets is reassessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

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

X Provisions and Contingent Liabilities

Provisions:

Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities:

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

XI Segment Reporting

The Company is primarily engaged in the business of sale of gas connections. Considering the nature of business, its mode of operations, reporting systems and element of risks and returns for its various activities, the company is engaged in one segment only. The Company is primarily operating in the domestic market and there are no reportable geographical segments. Accordingly, information relating to segmental reporting as per Accounting Standard 17 is not required to be furnished.

XII Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable distribution tax thereto for the period. The weighted average number of equity shares outstanding during the respective periods is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

XIII Cash and Cash Equivalents

In cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks.

XIV Finance Leases

As a Lessor

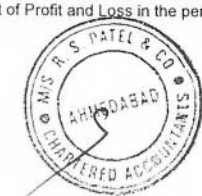
The Company has leased certain tangible assets and such leases where the Company has passed on substantially all the risks and rewards of ownership are classified as finance leases.

Assets given on Lease before April 1, 2001 :

In respect of assets leased before April 1, 2001, the Company follows the recommendation of the Institute of Chartered Accountants of India contained in the Guidance Note on Accounting for Leases. Accordingly lease rentals accounted as income on finance leases are adjusted by creating lease terminal adjustment account so as to recover the capital cost of the leased asset within the tenure of lease agreements or earlier as ascertained by the management.

Assets given on Lease on or after April 1, 2001 :

In respect of assets leased after April 1, 2001, the aggregate of minimum lease payments less unearned finance income is recognised as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance income is recognized over the term of the lease using net investment method, which reflects a constant periodic rate of return. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.



GUJARAT GAS FINANCIAL SERVICES LIMITED
Notes To The Financial Statement

Note No. 3 - Share Capital

Particulars	As at December 31,2013		As at December 31,2012	
	Number	Rs. in thousand		
Authorised				
Equity Shares of Rs.10/- each	7,000,000	70,000	7,000,000	70,000
Preference Shares of Rs.10/- each	5,000,000	50,000	5,000,000	50,000
	12,000,000	70,000	12,000,000	70,000
Issued, Subscribed and Paid up				
Equity Shares of Rs.10/- each fully paid up (Refer foot note (a) below)	2,000,000	20,000	2,000,000	20,000
Total	2,000,000	20,000	2,000,000	20,000

Footnote :

(a) Out of the above 13,97,500 Shares (Previous year 13,97,500 Shares) of Rs.10/- each are held by holding company - Gujarat Gas Company Limited. The Ultimate holding company

(b) Reconciliation of the number of shares - Equity Shares outstanding at the

Particulars	Equity Shares		Equity Shares	
	Year Ended		Year Ended	
	December 31,2013		December 31,2012	
	Number	Rs. in thousand	Number	Rs. in thousand
Shares outstanding at the beginning of the year	2,000,000	20,000	2,000,000	20,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,000,000	20,000	2,000,000	20,000

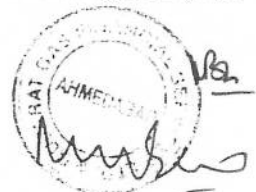
(c) Shareholder holding more than 5 percent shares:

Particulars	Equity Shares		Equity Shares	
	As at December 31,2013		As at December 31,2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gujarat Gas Company Limited	1,397,500	69.88%	1,397,500	69.88%

(d) Rights, preference and restriction attached to share :

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in the proportion of their shareholding.

(e) No shares have been allotted by way of bonus issue or for consideration other than cash during the 5 years immediately preceding December 31,2013. Further, the company has not bought back any shares during the 5 years preceding December 31, 2013.



GUJARAT GAS FINANCIAL SERVICES LIMITED
Notes To The Financial Statement

Note No. 4 - Reserves And Surplus

Particulars	As at	As at
	December 31,2013	December 31,2012
	Rs. in thousand	Rs. in thousand
(a) General Reserve		
Balance as at the beginning of the year	109,944	103,545
Add: Transferred from Profit & Loss Account	-	6,399
Balance as at the end of the year	109,944	109,944
(b) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	174,038	123,427
Add: Net Profit for the current year	38,319	63,983
Less: Appropriations		
Proposed Dividends	-	6,000
Corporate Dividend Tax	47	973
Transfer to General Reserves	-	6,399
Balance as at the end of the year	212,310	174,038
Total	322,254	283,982

Note No. 5 - Trade Payables

Particulars	As at	As at
	December 31,2013	December 31,2012
	Rs. in thousand	Rs. in thousand
Trade Payables		
Dues to Micro, Small and Medium Enterprises	1,088	938
Dues to Others	42,607	34,231
Total	43,695	35,169

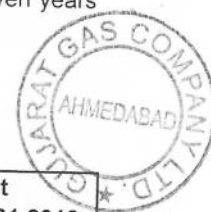
Note No. 6 - Other Current Liabilities

Particulars	As at	As at
	December 31,2013	December 31,2012
	Rs. in thousand	Rs. in thousand
Advances from customers	-	-
Employee Payable	1,102	1,101
Statutory Dues	3,741	2,666
Unpaid Dividend (Refer Note Below)	1,067	866
Other Payable	811	1,147
Total	6,721	5,780

Note: The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.

Note No. 7- Short term provisions

Particulars	As at	As at
	December 31,2013	December 31,2012
	Rs. in thousand	Rs. in thousand
Provision for Employee Benefits : (Refer Note 25)		
For leave encashment	487	482
For Gratuity	1,259	1,264
Other Provisions:		
Proposed Dividend (Including Corporate Dividend Tax)	-	6,973
Total	1,746	8,719



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GUJARAT GAS FINANCIAL SERVICES LIMITED
Notes To The Financial Statement

Note No. 8 - Tangible Fixed Assets

Rs. in thousand

Particulars	Gross Block				Depreciation			Net Block	
	As at January 1, 2013	Additions	Disposals	As at December 31, 2013	As at January 1, 2013	For the year	Disposals	As at December 31, 2013	As at December 31, 2012
Assets given on Lease									
Plant and Equipment	575,875	-	-	575,875	439,287		-	439,287	136,588
Less: Lease Equalisation Reserve	575,875	-	-	575,875	439,287	-	-	439,287	136,588
Net Tangible Assets	575,875	-	-	575,875	136,588	-	-	136,588	(136,588)
Grand Total	575,875	-	-	575,875	575,875	-	-	575,875	-
Previous year	575,875	-	-	575,875	575,875	-	-	575,875	-



GUJARAT GAS FINANCIAL SERVICES LIMITED
Notes To The Financial Statement

Note No. 9 - Non - current investments (At cost)

Particulars	As at December 31,2013 Rs. in thousand	As at December 31,2012 Rs. in thousand
Other Investments		
Unquoted, fully paid-up		
11,600 equity shares of Rs. 10/- each fully paid up (Previous Year 11,600 equity shares of Rs. 10/- each) in Prudential Sugar Corporation Limited (formerly Prudential Mouli Sugars Limited)	116	116
Less: Provision for diminution in value of investment	116	116
Total	-	-

Note No. 10 - Deferred Tax Assets

Major components of deferred tax assets arising on account of timing differences are:

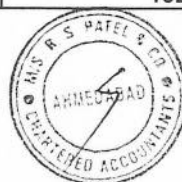
Nature of Timing Differences	As at December 31,2013 Rs. in thousand	As at December 31,2012 Rs. in thousand
Deferred Tax Asset:		
Balance as at the beginning of the year	72,391	81,981
Deferred tax expense/(income) for the year	(7,978)	(9,590)
Balance as at the end of the year	64,413	72,391
In respect of difference in book and tax depreciation	64,414	71,824
In respect of provision for retirement benefits	(1)	567
Net Deferred Tax Asset	64,413	72,391

Note No. 11 - Long - Term Loans And Advances

Particulars	As at December 31,2013 Rs. in thousand	As at December 31,2012 Rs. in thousand
Unsecured, considered good		
Loan to employees	75	225
Total	75	225

Note No. 12 - Inventories

Particulars	As at December 31,2013 Rs. in thousand	As at December 31,2012 Rs. in thousand
Traded Goods	152,124	63,911
Total	152,124	63,911



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GUJARAT GAS FINANCIAL SERVICES LIMITED
Notes To The Financial Statement

Note No. 13 - Trade Receivables

Particulars	As at	As at
	December 31,2013	December 31,2012
	Rs. in thousand	Rs. in thousand
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
Others (Receivable from Holding Company - Gujarat Gas Company Limited)	57,028	32,369
Total	57,028	32,369

Note No. 14 - Cash And Bank Balances

Particulars	As at	As at
	December 31,2013	December 31,2012
	Rs. in thousand	Rs. in thousand
Cash & Cash Equivalents		
Cash on hand	-	20
Bank Balances		
in current accounts	9,712	14,272
Demand deposits (Less then 3 months maturity)	30,300	101,000
Demand deposits (More than 3 months & Less then 12 months maturity)	10,100	-
Other Bank Balances		
Unpaid dividend accounts	1,067	866
Total	51,179	116,158

Note:

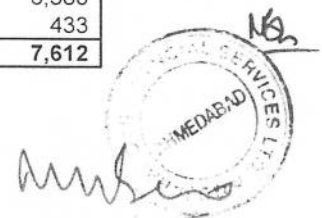
The amounts in dividend accounts are not available for use by the company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date of declaration of the dividend.

Note No. 15 - Short - term loans and advances

Particulars	As at	As at
	December 31,2013	December 31,2012
	Rs. in thousand	Rs. in thousand
Unsecured, considered good		
CENVAT Credit Receivable	1,000	616
Other Deposits	16,877	10,429
Less: Provision for doubtful Deposits	(3,561)	-
Loan to employees	532	562
MAT Credit Entitlement	3,071	1,653
Advance payment of Tax and Tax deducted at source	318,887	305,714
Less : Provision for Taxation	(269,749)	(257,990)
Total	67,057	60,984

Note No. 16 - Other Current Assets

Particulars	As at	As at
	December 31,2013	December 31,2012
	Rs. in thousand	Rs. in thousand
Unsecured, considered good		
Interest accrued on term deposits but not due	114	599
Prepayment to vendors	2,426	6,580
Other Receivable	-	433
Total	2,540	7,612



GUJARAT GAS FINANCIAL SERVICES LIMITED
Notes To The Financial Statement

Note No 17 - Contingent Liabilities

Claims against the company not acknowledged as debt

Income Tax exposures of Rs.1,93,957 Thousands (Previous Year Rs.1,90,563 Thousands)

Interest Tax exposures of Rs.4,146 Thousands (Previous Year Rs.4,146 Thousands)

Note No 18 - Proposed Dividend

	As at December 31,2013 Rs. in thousand	As at December 31,2012 Rs. in thousand
The final dividend proposed for the year is as follows :		
On Equity Shares of Rs. 10 each		
Amount of dividend proposed	-	6,000
Dividend per Equity Share		Rs. 3 per share
Total	-	6,000

Note No. 19 - Revenue From Operations

Particulars	Year ended December 31,2013 Rs. in thousand	Year ended December 31,2012 Rs. in thousand
Traded Goods		
Sale of Gas Connections (Refer Note Below)	473,998	336,871
Sale of Services		
Processing Fees	-	288
Total	473,998	337,159

Note 1. A consolidated amount is charged for material used and Installation Services from the customers, hence separate disclosure regarding amount of sales for each category of material and installation income has not been given.

Note No. 20 - Other Income

Particulars	Year ended December 31,2013 Rs. in thousand	Year ended December 31,2012 Rs. in thousand
Interest income		
Interest on Term Deposits	3,293	6,216
Interest on Income Tax Refund	-	3,035
Other Non operating Income		
Recovery against balances written off in earlier years	1,049	-
Foreign Exchange Gain	-	-
Miscellaneous Income	3,517	2,577
Total	7,859	11,828

Note No. 21 - Installation Cost

Particulars	Year ended December 31,2013 Rs. in thousand	Year ended December 31,2012 Rs. in thousand
Cost of Traded Goods	258,069	169,051
Labour Charges	157,282	76,211
Service Charges	-	2,513
Total	415,351	247,775



GUJARAT GAS FINANCIAL SERVICES LIMITED
Notes To The Financial Statement

Note No. 22 - Employee Benefits Expenses

Particulars	Year ended December 31,2013	Year ended December 31,2012
	Rs. in thousand	Rs. in thousand
Employee benefit expenses		
Salaries and wages and bonus	3,994	3,783
Employer's Contribution to provident and other funds	186	432
Staff welfare expenses	77	132
Total	4,257	4,347

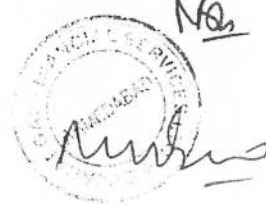
Note No. 23 - Other Expenses

Particulars	Year ended December 31,2013	Year ended December 31,2012
	Rs. in thousand	Rs. in thousand
Other expenses		
Payment to Auditors		
Audit Fees	384	350
Reimbursement of Expenses (including Service Tax)	21	82
Legal and professional fees	935	514
Travelling and conveyance	18	21
Provision for Other Deposit	3,561	
Rates and taxes	7	640
Communication expenses	34	28
Insurance charges	-	160
Advertisement expenses	-	3
Net loss on foreign currency transaction	491	92
Miscellaneous expenses	160	199
Total	5,611	2,089

Note No. 24 - Earnings Per Equity Share

Particulars	Unit	Year ended December 31,2013	Year ended December 31,2012
		Rs. in thousand	Rs. in thousand
Earnings Per Equity Share:			
Net profit after tax		38,319	63,983
Weighted average number of equity shares outstanding during the year	No. of shares	2,000,000	2,000,000
Nominal Value of Equity Shares	Rs.	10.00	10.00
Basic / Diluted Earnings per Share	Rs.	19.16	31.99

Note: The company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the company remain the same.



GUJARAT GAS FINANCIAL SERVICES LIMITED
Notes To The Financial Statement

Note No. 25 - Disclosure as per AS-15 (Revised) 'Employee Benefits' for year ended December 31, 2013

a) Disclosures for Defined Contribution Plans

	(Rs. in thousand)	
	Year ended December 31, 2013	Year ended December 31, 2012
Employer's contribution to Provident Fund	191	178
Total	191	178

b) Disclosures for Defined Benefit Plans

(i) Present Value of Defined Benefit Obligation

	(Rs. in thousand)			
	Gratuity		Leave Encashment	
	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2012
Balance at the beginning of the year	1,264	1,010	482	468
Current Service cost	66	68	39	271
Interest Cost	110	87	43	41
Actuarial (Gains) / Losses	(181)	99	(77)	(298)
Balance at the end of the year	1,259	1,264	487	482

(ii) Expense recognised in the Statement of Profit and Loss

	(Rs. in thousand)			
	Gratuity		Leave Encashment	
	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2012
Current Service Cost	66	68	39	271
Interest Cost	110	87	43	41
Actuarial (Gains) / Losses	(181)	99	(77)	(298)
Total Expense	(5)	254	5	14

(iii) Actuarial Assumptions

The principal actuarial assumptions used are as follows

Discount rate	9.32%	8.16%
Rate of increase in Salary Cost (Refer Note below)	7.00%	7.00%

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



(iv) Amounts recognised in current year and previous four years

(Rs. in thousand)

	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010	Year ended December 31, 2009
Gratuity					
Present Value of defined benefit obligation as at beginning of the year	1,264	1,010	770	664	539
Current Service cost	66	68	57	47	43
Interest Cost	110	87	67	56	44
Actuarial (Gains)/Loss	(181)	99	116	3	38
Present Value of defined benefit obligation as at end of the year	1,259	1,264	1,010	770	664
Leave Encashment					
Defined Benefit Obligation	482	468	364	309	330
Current Service cost	39	271	20	20	11
Interest Cost	43	41	31	26	27
Actuarial (Gains)/Loss	(77)	(298)	53	9	(59)
Present Value of defined benefit obligation as at end of the year	487	482	468	364	309



GUJARAT GAS FINANCIAL SERVICES LIMITED
Notes To The Financial Statement

Note No. 26 - Related Party Disclosures

(a) Names of related parties and nature of relationship:

Holding Company: Gujarat Gas Company Limited
 Fellow Subsidiary: Gujarat Gas Trading Company Limited

(B) Nature of Transaction

Particulars	Year ended December 31,2013 Rs. in thousand	Year ended December 31,2012 Rs. in thousand
Transactions with Holding Company		
Revenue		
Sale of gas connections (including service tax and VAT)	539,380	354,050
Expenses		
Service Charges paid for pre regulatory connections	-	2,513
Dividend Paid	4,193	4,193
Amount receivable at year end	57,028	32,369
Equity Share Capital held	13,975	13,975

Note: The Company is using the "SAP" ERP software packages implemented by Gujarat Gas Company Limited, since August 2003, without payment of any consideration.

For, R. S. Patel & Co.

Chartered Accountants
 FRN.107758W

R B Shah

Rajan B. Shah
 Partner



Membership No.101998

Place: *Ahmedabad*
 Date: *21/4/2014*



For and on behalf of the Board

Tapan Ray *PPG Sarma*

Tapan Ray, IAS
 Chairman

PPG Sarma
 Director *NS*

Place : Gandhinagar
 Date : April 21, 2014





GUJARAT GAS

BOARD OF DIRECTORS

Hasmukh Shah, *Chairman*
Prof. Pradip Khandwalla
Jal Patel
Ajit Kapadia
Bikash C. Bora
Rajeev Khanna (Upto 22 July 2010)
Walter Simpson (w.e.f. 22 July 2010)
Alan Derek Fisher
Shaleen Sharma, *Managing Director*
Rajeshwari Sharma, *Company Secretary*

GROUP HEADS

Devendra Katiyar, *Director – HSSE*
David Brooks, *Director – Technical*
Himanshu K. Upadhyay, *Director – Policy and Corporate Affairs*
Manu Verma, *Director – Commercial*
Nakul Raheja, *General Manager–Regulations & New Business Development*
Priyaranjan Sekhon, *Legal Counsel*
Rajeev Singh, *Director – Human Resources*
Sadhan Banerjee, *Director – Management Services*
Sugata Sircar, *Director – Finance*

BANKERS

HDFC Bank Limited
ICICI Bank Limited
State Bank of India
Kotak Mahindra Bank Limited

AUDITORS

PRICE WATERHOUSE
Chartered Accountants
Building 8, 7th & 8th Floor, Tower B,
DLF Cyber City, Gurgaon – 122 022
Haryana

CORPORATE OFFICE

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

OFFICES

SURAT

Adajan Gam, Post Box. No. 915,
P. O. Navyug College, Surat – 395009

CNG Office (Surat)

CNG Office, 3rd Floor, Swastik House,
Kargil Chowk, Piplod, Surat – 395007

ANKLESHWAR

Surati Bhagol, Umarwada Road,
Via Piramal Naka, Ankleshwar – 393001

BHARUCH

Anand Mangal Society,
Son Talavadi, Bharuch – 392001

VAPI

Chandralok Complex,
Near Cinepark Multiplex,
Selvas Vapi Main Road, Chanod, Vapi

31st Annual General Meeting

Date : 28 April 2011
Day : Thursday
Time : 10.00 a.m.
Venue: H. T. Parekh Convention Centre
Ahmedabad Management Association
ATIRA, Dr. Vikram Sarabhai Marg
Vastrapur, Ahmedabad – 380 015

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NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of Gujarat Gas Company Limited will be held on Thursday, 28 April 2011 at 10.00 a.m. at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad – 380 015, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Directors' Report, the Audited Profit and Loss Account and Cashflow Statement for the year ended on 31 December 2010, the Balance Sheet as that date and the Auditors' Report thereon.
2. To declare dividend on preference shares.
3. To declare dividend on equity shares.
4. To appoint a Director in place of Mr. Derek Fisher, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Bikash C. Bora, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Walter Simpson, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956, read with Article 79 of the Articles of Association of the Company and who holds office till conclusion of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT subject to such approvals, as may be necessary, the Chairman and Independent Directors of the Company be paid Commission for the period of three Financial Years effective from the Financial Year ending 31 December 2010, as set out in the Explanatory Statement annexed to this Notice convening the Thirty First Annual General Meeting.

RESOLVED FURTHER THAT the above commission shall not exceed one percent of the net profits of the Company as provided under section 309(4) of the Companies Act, 1956 ("the Act"), and computed in the manner referred to in section 198 of the Act, or any amendment or re-enactment thereof, in addition to the fees for attending

the meetings of the Board of Directors of the Company or any Committee thereof."

By Order of the Board

GujaratGas Company Limited
Rajeshwari Sharma
Company Secretary

Date : 15 March 2011

Place : Ahmedabad

NOTES:

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto and forms part of the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than forty eight hours before the commencement of the Annual General Meeting.
3. Members/proxies are requested to bring the attendance slip duly filled in for attending the meeting along with copy of the Annual Report for Financial Year 2010.
4. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary, at the Registered Office, so as to reach at least seven days before the date of the meeting to enable the management to keep the required information readily available at the Thirty First Annual General Meeting.
5. Dividend for the Financial Year ended 31 December 2003, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') later this year, pursuant to the provisions of Section 205A of the Companies Act, 1956.
6. Members who have not encashed their dividend warrants for the Financial Year ended 31 December 2003, or any subsequent financial year(s) are requested to lodge their claim with the Company Secretary. In respect of dividend for the Financial Year ended 31 December 2003, it will not be possible to entertain the claims received by the Company Secretary after 10 June 2011. Members are advised that, in terms of the provisions of section 205C of the Companies Act, 1956, no claim shall lie with respect to unclaimed dividend once it is transferred by the Company to IEPF.
7. Members, holding the shares in physical form and wishing to avail the nomination facility, are requested to send the duly filled nomination form to Karvy Computershare Pvt. Ltd, Hyderabad, the Registrar and Share Transfer Agent. Nomination form may be downloaded from the Company's website www.gujaratgas.com under the investors section.
8. Pursuant to SEBI circular, the shareholders holding shares

in physical form are requested to submit the notarised copy of the PAN in compliance of the KYC norms.

EXPLANATORY STATEMENT

Annexed to the Notice convening the Thirty First Annual General Meeting to be held on Thursday, 28 April 2011:

ITEM NO. 4

Mr. Derek Fisher, Director, retires by rotation and being eligible offers himself for re-appointment.

Brief resume and nature of expertise

Mr. Derek Fisher is the President & Managing Director for BG - Asia. Prior to his current assignment, he was the AGM for BG - India. He graduated from Purdue University, US, with a Bachelor Degree in Science Engineering and with a Master Business Administration Degree from Northeastern University, US.

He has extensive experience in exploration and production, power generation and transmission and distribution. He has been the AGM for BG - Tunisia since April 2004, during which period he led the sanctioning and building of the major Hasdrubal project. He has also functioned as the AGM for BG South East Asia and the AGM for BG Philippines.

Prior to joining BG Group in 1998, Derek held a range of senior management posts in the energy and infrastructure sectors, with experience across Asia including India.

Mr. Fisher does not hold any shares and beneficial interest in any shares of your Company. He holds directorship and Membership of the following companies/ committees:

Directorships

Sr. No.	Name of the Company	Designation
1	Gujarat Gas Company Limited	Director
2	Mahanagar Gas Limited	Chairman
3	BG India Energy Pvt. Ltd	Managing Director
4	BG India Energy Services Pvt. Ltd	Managing Director
5	BG LNG Regas India Pvt. Ltd	Managing Director

Membership of Committees

Sr. No.	Name of the Company	Committee	Designation
1	Mahanagar Gas Ltd	IPO Sub Committee	Member
2	Gujarat Gas Company Limited	Pricing Committee	Member
3	Gujarat Gas Company Limited	Remuneration Committee	Member

Your Directors recommend re-appointment of Mr. Derek Fisher as the Director.

The following Promoter-Directors of the Company are deemed to be interested:

- | | |
|-----------------------|-----------------------|
| a) Mr. Hasmukh Shah | b) Mr. Derek Fisher |
| c) Mr. Walter Simpson | d) Mr. Shaleen Sharma |

ITEM NO. 5

Mr. Bikash C. Bora, Director, retires by rotation and being eligible offers himself for re-appointment.

Brief resume and nature of expertise

Mr. Bikash C. Bora, aged about 70, Graduate in Mechanical Engineering and a Fellow of the Institution of Engineers (India), has been associated with the Oil and Gas industry for more than four decades.

After superannuation in 2001 from ONGC, of which he was the Chairman & Managing Director from 1995 to 2001, he has been a Consultant and Advisor to a number of companies engaged in the energy sector through his wholly owned consultancy company, Enercon.

Mr. Bora started his career with Oil India Ltd., as a Production Engineer in 1962 and rose to become the Chairman & Managing Director of the company in 1992, a position he held until 1995, when he moved to ONGC. He was actively involved with a number of important committees and task forces of the Government of India, related to the hydrocarbon and energy industries. He was also associated with a number of technical, social and sports organisations in the country as an important office bearer.

Mr. Bora does not hold any shares or beneficial interest in any shares of your Company.

Mr. Bora holds directorships of the following companies/ committees.

Directorships

Sr. No.	Name of the Company	Designation
1	Gujarat Gas Company Limited	Director
2	Interlink Petroleum Limited	Chairman
3	Assam Hydrocarbon & Energy Company Ltd.	Director

He is the Member of the Audit Committee and the Chairman of Shareholder Grievance Committee of Interlink Petroleum Limited.

Your Directors recommend the re-appointment of Mr. Bikash C. Bora, as the Director of your Company.

No Director other than Mr. Bikash C. Bora is in any way interested or concerned in the said resolution.

ITEM NO. 7

Mr. Walter Simpson was appointed as an Additional Director of the Company, by the Board of Directors at its meeting held on 22 July 2010. As per the provisions of section 260 of the Companies Act, 1956, and the Articles of Association of the Company, he holds the office of director till the conclusion of this Annual General Meeting. A notice under section 257 of the Companies Act, 1956, alongwith the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Director of the Company.

Brief resume and nature of expertise

Mr. Walter Simpson is the President and Managing Director, BG India and is responsible for upstream, midstream and downstream businesses of BG Group in India. He is also Director on the Board of Mahanagar Gas Limited, which is India's largest downstream company by customer base. He holds Masters Degrees in Engineering Science from Oxford University and Petroleum Engineering from Heriot-Watt University, Edinburgh.

Prior to joining the BG India team in 2009, he was the Vice President for Well Engineering and Operations since 2004 at BG Group's head office in Reading, UK.

He joined BG Group in 1999 and worked initially in the UK on BG Group's North Sea Fields before moving to the head office. He has been in the Oil and Gas industry for over 25 years and has extensive international experience, having lived and worked in India, North Africa, the Middle East, South East Asia and Australia.

He does not hold any shares and beneficial interest in any shares of your Company. He holds directorship and Membership of the following companies/ committees:

Directorships

Sr. No.	Name of the Company	Designation
1	Gujarat Gas Company Limited	Director
2	Mahanagar Gas Limited	Director
3	BG India Energy Pvt. Ltd	Director
4	BG India Energy Services Pvt. Ltd	Director
5	BG LNG Regas India Pvt. Ltd	Director
6	BG Exploration & Production India Ltd.	Director
7	BG Bolivia Corporation	Director

Membership of Committees

Sr. No.	Name of the Company	Committee	Designation
1.	Mahanagar Gas Ltd	Audit Committee	Member
2.	Gujarat Gas Company Limited	Pricing Committee	Member
3.	Gujarat Gas Company Limited	Audit Committee	Member

Your Directors recommend the appointment of Mr. Walter Simpson as the Director of your Company.

The following Promoter-Directors of the Company are deemed to be interested:

- Mr. Hasmukh Shah
- Mr. Derek Fisher
- Mr. Walter Simpson
- Mr. Shaleen Sharma

ITEM NO. 8

The Chairman (Promoter-Director) and the Independent Directors are being paid sitting fees for attending the meetings

of the Board of Directors and its Committees. Remuneration by way of commission aggregating to Rupees Twenty One lac, for Financial Year 2009 was paid to these Non-Executive Directors, after the approval of the Board and Shareholders.

The remuneration of the Chairman and the Independent Directors has to be commensurate to the contribution made by them. While acknowledging that the rich experience and the expertise of the above mentioned Directors enables them to significantly contribute to the business of the Company, the Board of Directors, at its meeting held on 28 February 2011, in token of appreciation and gratitude to them, has proposed to pay the following remuneration by way of Commission for the period of three Financial Years effective from the Financial Year ending 31 December 2010, subject to the approval of the shareholders and the Central Government, in addition to the sitting fees being paid:

Mr. Hasmukh Shah,	Chairman (Promoter-Director)	Rs 8.0 lakhs
Mr. Jal Patel,	Chairman, Audit Committee	Rs 6.5 lakhs
Prof Pradip Khandwalla,	Independent Director	Rs 6.5 lakhs
Mr. Ajit Kapadia	Independent Director	Rs 5.0 lakhs
Mr. Bikash C. Bora	Independent Director	Rs.5.0 lakhs

The above commission shall not exceed one percent of the net profits of the Company as provided under section 309(4) of the Companies Act, 1956 ("the Act"), and computed in the manner referred to in section 198 of the Act, or any amendment or re-enactment thereof. The Commission is recommended to be paid for their contribution as well as time spent on operational matters other than at the meetings.

Your directors recommend this Special Resolution for your approval. The following Directors of the Company are deemed to be concerned / interested:

- Mr. Hasmukh Shah
- Mr. Jal Patel
- Prof Pradip Khandwalla
- Mr. Ajit Kapadia
- Mr. Bikash C. Bora

By Order of the Board

Gujarat Gas Company Limited
Rajeshwari Sharma
Company Secretary

Date : 15 March 2011

Place : Ahmedabad

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors have pleasure in presenting the 31st Annual Report and the audited accounts for the year ended on 31 December 2010.

1. FINANCIAL RESULTS

(Rs. in Millions)

Particulars	Consolidated Financials		Stand-alone Financials	
	Current Year	Previous Year	Current Year	Previous Year
Total income	18717.25	14463.05	18676.94	14429.59
Gross profit before interest, depreciation and tax	4380.06	3061.51	4346.37	3035.54
Less: Interest	4.62	1.36	4.62	1.36
Depreciation	542.05	473.82	530.66	460.63
Profit before tax	3833.39	2586.33	3811.09	2573.55
Tax expenses	1243.24	836.11	1223.80	822.30
Net Profit	2590.15	1750.22	2587.29	1751.25
Minority Interest	12.69	8.55	-	-
Profit attributable to Group	2577.46	1741.67	-	-
Add: Undistributed profit of earlier years	5462.26	5112.61	5315.26	4949.01
Balance available for Appropriation	8039.72	6854.28	7902.55	6700.26
Less: Appropriations:				
Transfer to general reserve	261.94	176.99	259.00	176.00
Special reserve as stipulated by RBI	8.43	5.68	0.00	0.00
Preference dividend	10.80	10.80	10.80	10.80
Proposed Equity dividend	1539.00	1026.00	1539.00	1026.00
Corporate dividend tax	251.88	172.55	251.42	172.20
Surplus retained	5967.67	5462.26	5842.33	5315.26
Earning per Share (Rs.)	20.00	13.48	20.08	13.56

2. DIVIDEND

Your Directors recommend for consideration of the shareholders at the Annual General Meeting, payment of dividend for 2010 of Rs.4/- and Special Dividend of Rs. 8/- per equity share of Rs. 2 each and 7.50% dividend i.e. Rs. 0.75 per Redeemable Cumulative Non-convertible Preference Share of Rs. 10 each, involving total payout of Rs. 1801.22 Million, including corporate dividend tax of Rs. 251.42 Million.

Your directors have made this recommendation after careful consideration of the Company's performance and its reserves and an assessment of the fund requirements of the Company for its capital programme in line with its growth strategy as well as the projected earnings from operations.

3. MANAGEMENT ANALYSIS

3.1. Industry Structure and Developments

Natural gas is fast gaining its place in India's large and rapidly growing energy market. Due to the inherent environment friendly nature, ease of handling and greater efficiency, natural gas is proving its utility both as a fuel and feedstock. Natural gas currently constitutes

about 11 % of India's primary energy basket, but with additional availability, including that from the imported route, natural gas is expected to constitute ~23% of the primary energy basket by the year 2020 suggesting a significant growth potential for the natural gas business in India.

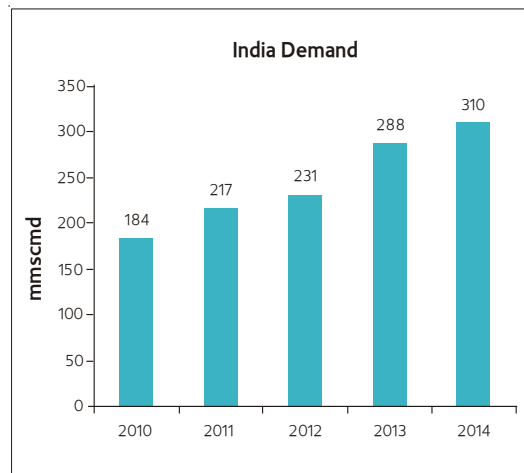
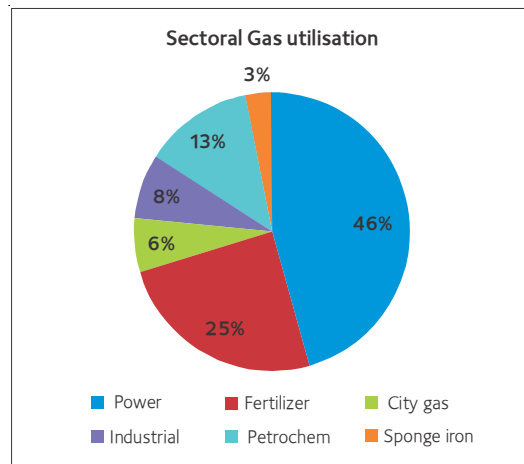
India's gas production has seen a sharp growth during last two years with the commencement of supplies from the D6 fields in the Krishna Godavari basin offshore the Indian east coast. This resulted in balanced demand-supply for a brief period but the second half of the year 2010 saw significant deficit in supplies mainly because of an unexpected reduction in D6 supplies.

The Ministry of Petroleum and Natural Gas (MoPNG), Government of India, under the aegis of the EGOM (Empowered Group of Ministers) allocates gas from the D6 fields as per the Gas Utilisation Policy. Under this policy, preferential allotment is made to units in the core sectors of fertiliser and power. Given that supply from indigenous fields would not be adequate to meet demand over the medium to long term, the country will have to rely significantly on importing Liquefied Natural Gas



(LNG). The consumption of regasified LNG (RLNG) in Indian markets increased through the year, primarily due to the availability of spot cargoes.

Over the medium to long term, Indian gas demand is projected to continue to be far in excess of the availability of gas from indigenous sources, confirming a clear market preference for this environmentally friendly source of energy. While the predominant consumers continued to be the power and fertiliser units, the demand from City Gas Distribution (CGD) customers viz. smaller industrial units, natural gas vehicles, households and commercial establishments, continued to grow. Sectoral gas demand has remained largely consistent over the years, with almost 46% being consumed by power sector followed by the fertiliser sector with a share of 25%. The sector-wise gas demand projections as in the XI – XII Five-Year Plans, together with the projections for all India gas demand in the near to medium term, is illustrated below:



Source: Working Group for P&NG sector for XI plan (2007-12)

3.2. Opportunities and Challenges

The robust projection for growth in the demand for natural gas in the CGD market offers significant opportunities to your Company.

Natural gas is used in various applications and replaces different alternate fuels. There is opportunity to focus on high value markets and further increase penetration in them. This would not only help in increasing value but will also help in mitigating the increasing cost of gas in your Company's portfolio.

Compressed Natural Gas (CNG) remains a high value segment in your Company's markets and is a significant driver for growth. Your Company is focused on expanding the infrastructure of CNG stations in its operational areas to sustain the growth momentum in this business.

Opportunity exists to expand in new geographical areas. Your Company is assessing all such opportunities and has bid for a new geographical area in Gujarat under the third round of bidding launched by the Petroleum and Natural Gas Regulatory Board (PNGRB).

The strong industrial growth in the state of Gujarat, and the conducive business, social and political environment attract large investments to the state. Recent announcements indicate plans for huge additional investments in industrial and urban facilities. It is expected that these investments will create an even stronger demand for natural gas in the state.

The shortfall in the supply of indigenous gas will continue to pose a challenge in the way of business growth. The supply shortfall will largely have to be met with RLNG. As the BG Group is a major global player in LNG and is a marketer of RLNG in India, your Company is expected to have a better access to RLNG supplies.

Your Company is aware of the challenges by way of competition in obtaining licenses for new areas, in running its operations at a high level of safety and integrity and in retaining its key talent. Mitigation plans are in place to address these challenges.

3.3. Operations and Market Performance

Your Company maintained its status as the largest CGD company in India by volumes, despite the ongoing gas supply deficit situation in the country.

Your Company met the challenges of gas sourcing through the year. Whilst 0.60 mmscmd of D6 gas was allocated on a "fall-back" basis by the MoPNG to your Company, no contract could be signed with the suppliers due to inadequate gas production from the D6 fields during the year. However, the Company was successful in procuring RLNG at competitive prices through medium and short term contracts with various suppliers to meet the gas requirements of its customers, and will continue to make concerted efforts to secure such supplies so as to maintain an efficient balance of medium and short term RLNG in its gas sourcing portfolio. This will ensure supply security for your Company's customers and generate flexibility in managing the variations in gas requirements of our various market segments.

Your Company was able to grow gas sales volumes by 17% over the previous year. About 30,000 new



household customers were connected on natural gas during the year, taking the total number of domestic customers of your Company to over 295,000. More than 130,000 vehicles now ply in your Company's operating areas on CNG. Your Company has around 300,000 customers, including industrial units. Sales volumes grew by 20% in the Industrial segment and 16% in the CNG segment.

The average cost of gas for your Company's portfolio increased over the previous year, primarily due to higher proportion of RLNG in the portfolio which made it necessary to align the gas sales prices in the latter part of the year.

3.4. Future Outlook

Demand for natural gas is expected to grow as has been outlined above. It will be critical for your Company to expand its network and CNG station infrastructure in order to meet the growth in demand. Your Company plans to continue extending its network to areas adjacent to its current operations. Opportunities for expansion to new geographical areas will continue to be assessed. Growth in new areas will be through the bidding process set out by the PNGRB.

Your company will endeavour to grow value by identifying and accessing high value market segments.

Your Company will continue to invest in human resources and in systems and processes which strengthen the integrity and safety of your Company's assets. This will be the bedrock for the sustenance and growth of your Company's business.

3.5. Internal Control System and Risk Management

Your Company has a strong internal control framework and an elaborate internal control system to ensure protection of value, ensure adherence to operating standards and to eliminate the risk of fraud.

Control measures are embedded in the operating processes of the Company. Control critical processes are identified and it is ensured that a robust system is in place for such processes. A set of Financial Control Assurance processes is in operation to cover all control critical processes which have financial exposure. These processes draw from international best practices and are vetted by the BG Group. Standard Operating Procedures exist for several other processes.

Your Company believes in automating controls to the extent possible. Controls are therefore embedded in the ERP system operated for financial and procurement transactions, as also in the billing system. System based tools are used to ensure that appropriate segregation of duty exists in the processing of transactions, which helps to ensure controls.

While functional heads have the responsibility to ensure that an effective internal control system is in operation in their respective areas, each employee has the

responsibility to adhere to internal control requirements in his particular area of work. Managers periodically validate and test the adherence to controls in their areas and certify compliance to their superiors. This rolls up through the organisation and the CEO and the CFO certify to the Audit Committee and the Board to the effect that an effective internal control system is in place

The internal auditors of your Company verify the adherence to internal controls on a continuous basis under an Annual Audit Plan approved by the Audit Committee. They also verify compliance to laws and regulations listed in a Compliance Matrix. Verification of controls is also carried out by the BG Group Audit Team and by your Company's statutory auditors from time to time. Observations by auditors are discussed at the quarterly Audit Committee meetings and completion of actions arising out of auditors' observations is monitored.

Risk management is considered to be an effective tool in your Company to deliver its business plan and annual objectives. Risks are deliberated around every significant decision and business activity through an elaborate process where representatives from various functions assess the risks around carrying out the activity and grade each risk on a scale to evaluate likelihood and impact. This helps in the prioritisation of risks which then leads to the drawing up of a mitigation plan and allocation of resources to address the same. The Business Risk Register is updated every quarter through discussions with relevant persons. The top risks are reviewed by the Audit Committee at its quarterly meetings, which also reviews the risk management process from time to time.

Your Company follows the Value Assurance Framework (VAF) for assessing and deciding on all major projects. This is a comprehensive system of assessment, designed to address all relevant aspects of a project at the earliest opportunity so as to ensure the most optimal decision and smooth execution. Your Company also has a system of carrying out Post Investment Appraisals for projects above a threshold value.

3.6 Health, Safety, Security and Environment (HSSE)

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

Your Company believes that outstanding business performance requires outstanding HSSE performance. The safe delivery of projects and operation of its facilities is a critical success factor for your Company's business.

The management of your Company

- believes that all injuries are preventable;
- provides healthy, safe and secure work environments;

- makes a positive contribution to the protection of the environment; and
- goes beyond compliance with local environmental regulation to meet internationally accepted best practice

The management sets HSSE goals, develops improvement plans, monitors implementation of plans and regularly reviews HSSE performance using leading and lagging indicators. Your Company has strong self assurance process as well as independent audit process to ensure that controls are in place to manage HSSE risks effectively. The learning culture in your Company ensures the improvement in the HSSE performance through learning from its own incidents including near miss incidents and significant incidents of other organizations.

Total recordable case frequency (TRCF) for 2010 was 0.73 against target of 1.45 which represents a significant improvement towards goal of "Zero Injury".

Several initiatives were taken up by your Company during the year to further strengthen its HSSE culture . The senior management team led such initiatives, conducted tours of work sites and conducted workshops with employees and contractors of your Company. Your Company has focused on life savers, such as confined space entry, safe systems of work, asset integrity and road safety, Capabilities on handling crisis and disaster management have also been enhanced.

Contribution to Environment

Det Norske Veritas (DNV) has carried out "Surveillance audit" for OHSAS-18001-2007 and Environment Management System (ISO 14001-2004) across your Company's installations and offices in November and have validated the certificate.

Your Company is ISO14001: 2004 certified and is committed to ensure minimum impact to environment through its operations.

Your Company has undertaken or contributed indirectly in various initiatives during the year, which include:

- Reduction in vehicular pollution in Surat and Bharuch districts by establishing new 11 CNG stations in the year. The Company dispenses about 400,000 cubic metres of gas per day of this clean fuel to over 130,000 vehicles through its 42 CNG stations.
- Celebration of World Environment Day with tree plantations at the Company's premises, contractor sites and schools.
- Reduction of 9.38 tonnes of CO₂ through various Green House Gas emissions projects.
- No hazardous chemicals were spilled in to the external environment.

3.7 Contribution to Society

During the year, your Company continued working on the strategy that was developed in 2009 for carrying out activities for Corporate Social Responsibility (CSR), focusing on environmental education and skill development. The strategy also addresses the need for supporting various sustainable development projects to benefit the communities in which your Company operates.

Your Company continued to support the Skill Development Project at ITI Zhagadia. The programme on gas plumbing aims to equip local unemployed youth with technical and safety skills. A batch of 26 trainees completed this programme in the year.

Your Company supported operation of "Prakriti - the environment bus". This was implemented by Centre for Environmental Education, Ahmedabad (CEE) and aimed to create interest on environmental issues amongst school-going children. The bus covered 86 schools and was visited by 15900 persons. Your company also supported a project on Environmental Education in Municipal Schools of Surat that was implemented by Nature Club, Surat. Your Company continued to support Government of Gujarat initiatives to promote enrolment of children from economically weak backgrounds.

Your Company also supported "Auto Rickshaw Chalak Charitable Trust", (ARCCT), Surat, in rolling out an insurance scheme for all auto-rickshaw drivers in Surat.

4. SUBSIDIARIES

4.1 Gujaratgas Trading Company Limited (GTCL)

Gujaratgas Trading Company Limited (GTCL), a wholly-owned subsidiary of the Company is engaged in the business of selling natural gas. During the year under review, GTCL achieved sales of Rs. 1730.32 mn as against Rs. 679.51 mn during the previous year. Total income for the year was Rs. 1736.64 mn including other income of Rs. 6.33 mn as against total income of Rs. 687.57 mn including other income of Rs. 8.06 mn in the previous year.

Profit before tax (PBT) was Rs. 7.01 mn during the year as against Rs. 8.03 mn in the previous year.

The accounts for GTCL are a part of this Annual Report.

4.2 Gujarat Gas Financial Services Limited (GFSL)

Gujarat Gas Financial Services Limited (GFSL), another subsidiary of your Company, carried out the job of installing gas connections for domestic and commercial customers of the Company. While GFSL had the status of a certified Non Banking Financial Company, it has stopped providing lease finance since April 2007. As it no longer meets the norms prescribed by the Reserve Bank of India (RBI) for Non-Banking Financial Companies, the Company has applied to the RBI for surrender of the RBI Certificate of Registration as NBFC.

During the year under review, the income was Rs. 73.59 mn. as compared to Rs. 50.66 mn. in the year 2009 and the profit after tax was Rs. 42.14 mn. as compared to Rs. 28.39 mn. for the previous year.

The accounts of GFSL are a part of this Annual Report.

5. FINANCE

The net cash profits of your Company continued to be strong. A portion of the same was invested in the extension and reinforcement of the Company's pipeline network, expansion of the CNG infrastructure and strengthening of the Information Management systems. Appropriate provisions have been made in the accounts wherever necessary for contingencies, bad debts and diminution in value of investments. During the year under review, your Company has not invited any fixed deposits within the meaning of Section 58A of the Companies Act, 1956.

6. STATUTORY INFORMATION

As required under Section 212 of the Companies Act, 1956, the audited accounts for the year ended on 31 December 2010 and Auditors' Report thereon, along with the Directors' Reports of Gujaratgas Trading Company Limited and Gujarat Gas Financial Services Limited, the subsidiaries of GGCL, are attached to GGCL's balance sheet.

7.1 Energy, Technology and Foreign Exchange

Since the Company is not a scheduled industry, the details in respect of Form A pursuant to Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not required to be furnished. However, the details in respect of Form B pursuant to Rule 2 are submitted as Annexure and forms part of this report.

7.2 Human Relations and Particulars of Employees

Your Company has been named as one of the 100 Best Companies of India to work for, in a survey conducted by the Great Place To Work Institute in association with The Economic Times covering more than 400 companies and 53000 employees. This feat was possible largely due to the Company's core values of Trust, Commitment, Customer Orientation, Teamwork and Growth. The Company employed 584 employees as on December 31, 2010. Resources were efficiently allocated to key projects while strong emphasis was placed on building a culture of execution. The contributions of your employees have resulted in another year of significant business performance.

Your Company further strengthened its focus on competency development through a strategy of appropriate work exposure and learning and development workshops.

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

Particulars of employees in receipt of remuneration exceeding the limits prescribed under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is provided in the Annexure forming part of this Report. In terms of section 219(1) (b) (iv) of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. The Annexure is available for inspection by Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting, and if any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, whereupon a copy would be sent.

7.3 Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("the ESOP 2008")

The details of the Options granted up to 31st December, 2010 under the Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("the ESOP") and other disclosures as required under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are set out in the Annexure to this Report. The Company's Auditors, Price Waterhouse, have certified to the effect that the ESOP has been implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolutions passed by the members in this regard.

The Company formed the Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("the Trust") in November 2008, which administers the ESOP of the Company. The Director - Finance and Director - Human Resource are the Trustees of the Trust.

Under the ESOP, Options are granted, which provide the benefit or right but not the obligation for exercising at a future date, equivalent number of equity shares each of the face value of Rs. 2/- each of Gujarat Gas Company Limited against the Options that have vested under the ESOP. The ESOP provides for graded vesting of Options granted over a period of 4 years from the date of grant. The Options are to be exercised within a maximum period of 2 years from the date of Vesting. Within the Exercise Period, the Option holder has the option to either purchase the shares from the Trust at the Exercise Price or to give a Mandate of Sale of the shares ("the Mandate") to the Trust in accordance with the terms and conditions of the ESOP.

As per the terms and conditions of the ESOP, the Trust purchases out of the funds advanced by the Company, shares from the open market at ruling prices, at different points of time, equivalent to the number of options granted to the employees. These shares purchased by the Trustees are held in their capacity as the Trustees till

the Options are exercised upon Vesting by the Option holders as per the terms of ESOP. The Trust had purchased from the secondary market 19,48,000 equity shares of Rs. 2/- each, as of 31 December 2010 and the same are being held jointly by the trustees of the Trust.

Under the ESOP, these Equity Shares are subsequently to be sold following the Mandate from the Option holders or are to be transferred to the Option holders, as the case may be, at the time of the Exercise of the Options upon Vesting. The Trustees are authorized to execute the purchase and sale of shares of the Company, on behalf of the Option holders, in accordance with the ESOP.

The first date of grant was 1 November 2008, on which 13,55,000 Options were granted to the eligible employees. 25% of these Options granted being 3,38,750 in number, Vested on the expiry of two years from the Grant Date i.e. 30 October 2010. The First Vesting Date for these 3,38,750 Options was 1 November 2010 and accordingly, 2,80,000 Options have been exercised and 58,750 Option remain unexercised which can be Exercised within two years. As per the ESOP, the Options holders had given the Mandate, whereby the Trustees had to sell 2,70,000 equity shares in December 2010, through open market and the difference between the sale price and the Exercise Price, net of charges and taxes were given to the Option holders as per the ESOP.

Also, as per the ESOP, one of the Option holders, upon Vesting, had exercised his right by opting to have 10,000 shares transferred in his name instead of giving the Mandate to sell the shares. Therefore, the Trustees had transferred to the concerned Option holder, these 10,000 equity shares at the pre-determined Exercise Price of Rs. 95.00 per share.

Your Company has not passed any resolution for buy-back of shares.

7.4 Directors' Responsibility Statement

Your Directors hereby state:

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 December 2010 and of the profit of the Company for the year ended on that date;
- iii. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of

the Company and for preventing and detecting fraud and other irregularities;

- iv. that the directors have prepared the annual accounts on a going concern basis.

7.5 Report on Corporate Governance

As stipulated by Clause 49 of the Listing Agreement, the Report on Corporate Governance is given separately in this Annual Report and forms part of this Report. The certificate of Price Waterhouse, Statutory Auditors of the Company regarding compliance with the Corporate Governance Code is enclosed.

8. AUDITORS AND AUDITORS' REPORT

Price Waterhouse, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

9. DIRECTORS

Mr. Derek Alan Fisher and Mr. Bikash C. Bora , the directors retire by rotation at the ensuing Annual General Meeting. Being eligible, they have offered themselves for re-appointment.

For perusal of the shareholders, a brief resume of the Directors being appointed or re-appointed, nature of their expertise, their shareholding in the Company, the names of the companies in which they hold directorship and the details of membership of the committees of the Board are given in the Explanatory Statement to the Notice convening the Annual General Meeting of the Company. The Board of Directors recommends their appointment / re-appointment.

10. APPRECIATION

Your directors appreciate the continued support received from the customers and wish to acknowledge the support and assistance received from the Central and the State Governments, gas suppliers and CNG franchisees.

Your directors place on record their appreciation for the employees for their dedicated performance. Your directors appreciate the contribution made by the contractors and vendors of the Company.

Your directors express their gratitude to its promoter viz. BG Group for their valuable contribution throughout the year and also thank all the shareholders for their continuing support to the Company.

For and on behalf of the Board

HASMUKH SHAH
CHAIRMAN

Date: 28 February 2011

Place: Ahmedabad

ANNEXURE
COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988
FORM – B

Sr. No.	Particulars	Action taken
1 Research and Development (R&D)		
A	Specific areas in which R&D carried out by the Company	Nil
B	Benefits derived as a result of the above R&D	NA
C	Future plan of action	Nil
D	Expenditure on R&D	
	a. Capital	Nil
	b. Recurring	Nil
	c. Total	Nil
	d. Total R&D expenditure as a percentage of total turnover	Nil
2 Technology absorption, adaptation and innovation		
A	Efforts in brief, made towards technology absorption, adaptation and innovation	<ul style="list-style-type: none"> • Development of RFID Technology to identify spurious CNG tank installations (pilot trial for 500 vehicles for a 3 month period initiated.) • Implemented “ Rodent Repellent PE Pipeline” for all new 20 mm PE pipes
B	Benefits derived as a result of the above efforts	<ul style="list-style-type: none"> • Enhance the safety of NGV. • Reduction in rat bites resulting into <ul style="list-style-type: none"> - Reduced PE damages, - Reduction in gas escapes, - Safer network
C	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
	a. Technology imported	
	b. Year of import	
	c. Has technology been fully absorbed?	
	d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	
3 Foreign Exchange Earnings & Outgo		
		Current Year (Rs. in million)
		Previous Year (Rs. in million)
	Total Foreign Exchange earned	Nil
	Total Foreign Exchange outgo	56.04
		47.31

For and on behalf of the Board

HASMUKH SHAH
CHAIRMAN

Date : 28 February 2011
Place : Ahmedabad

ANNEXURE

Statement as at 31 December 2010 pursuant to clause 12 (Disclosures in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

a)	Total number of Options granted	Gujarat Gas Company Limited Employee Stock Option Plan – 2008 14,80,000 Options (2008) 3,40,000 Options (2009) 4,03,000 Options (2010)
b)	(i) Pricing Formula	The Pricing Formula as approved by the Shareholders of the Company provides that the Exercise Price for Grants made in November, 2008, shall be calculated at 10% discount of the latest available closing price of the Shares on the Stock Exchange on which there was highest trading volumes on the date of the Board Meeting in which the grant of Options is approved. The Compensation Committee has decided the Exercise Price for all subsequent grants. The Exercise Price has been calculated as rounded off to the nearest integer.
	(ii) Exercise Price	<p>Rs. 95.00, adjusted on allocation of bonus for 13,93,000 Options granted in November, 2008, (Rs. 189.00, calculated at 10% discount of the Rs. 210.00 being the closing price of the Shares on the NSE having highest trading volumes on 23 October 2008).</p> <p>Rs. 115.00, adjusted on allocation of bonus for 2,89,000 Options granted in May 2009, (Rs. 230.00, calculated at 10% discount of the Rs. 255.00 being the closing price of the Shares on the BSE having largest trading volumes on 29th April 2009).</p> <p>Rs. 143.00, adjusted on allocation of bonus for 21,000 Options granted in August 2009, (Rs. 286.00 calculated at 10% discount of the Rs. 317.40 being the closing price of the Shares on the BSE having largest trading volumes on 27 July 2009).</p> <p>Rs. 219.00, for 95,000 Options granted in March 2010, (Rs. 219.00 calculated at 10% discount of the Rs. 242.95 being the closing price of the Shares on the NSE having largest trading volumes on 3 March 2010).</p> <p>Rs. 277.00, for 1,90,000 Options granted in 22 July 2010, (Rs. 277.00 calculated at 10% discount of the Rs. 308.00 being the closing price of the Shares on the NSE, having largest trading volumes on 23 July 2010).</p> <p>Rs. 352.00, for 1,18,000 Options granted in October 2010, (Rs. 352.00 calculated at 10% discount of the Rs. 391.00 being the closing price of the Shares on the NSE having largest trading volumes on 27 October 2010).</p>
c)	Total number of Options vested	3,38,750 numbers
d)	Total number of Options exercised	2,80,000 numbers
e)	The total number of shares arising as a result of exercise of Options	<p>No new equity shares were issued on exercise of options.</p> <p>The first Vesting Date under the ESOP was 1 November 2010 and accordingly, Option holders had exercised their options for the shares Vested in them. As per the ESOP, the Options holders had given the "Mandate of Sale", whereby the Trustees had to sell 2,70,000 equity shares in December 2010, through open market and the difference between the sale price and the exercise price, net of charges and taxes were given to the option holders as per ESOP.</p> <p>Also, as per the ESOP, one of the Option holders, upon vesting, had exercised his right by opting to have 10,000 shares transferred in his name instead of giving the Mandate of Sale. Therefore, the Trustees had transferred to the concerned Option holder, these 10,000 equity shares at the pre-determined Exercise Price of Rs. 95.00 per share (at the time of grant in November 2008, the Exercise Price was fixed at 10% discount to the ruling market price).</p>
f)	Total number of Options lapsed	58,500 (period prior to issuance of bonus shares) 40,000 (period after issuance of bonus shares)
g)	Variation of terms of Options	NA
h)	Money realised by exercise of Options	Money realized by the GGCL ESOP Trust on exercise of options : Rs. 26.60 Mn

i)	Total number of Options in force	1,786,000
j)	Employee wise details of options granted to:-	Himanshu Upadhyay – 65,000 (Vested and Exercised – 12,500)
	(i) senior managerial personnel;	Outstanding as on date – 52,500
	(ii) any other employee who received a grant in any one year of Option amounting to 5% or more of Option granted during that year.	Nil
	(iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
k)	Diluted Earnings Per Share (EPS) pursuant to issue of equity shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	NA
l)	(i) Method of calculation of employee compensation cost	The employee compensation cost has been calculated based on the Fair Value method of accounting using the Black-Scholes Option Pricing Formula.
	(ii) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed.	NA
	(iii) The impact of this difference on profits and on EPS of the company	NA
m)	Weighted-average exercise prices and weighted-average fair values of options granted for options whose exercise price either equals or exceeds or is less than the market price of the stock	The weighted average exercise price per Option is Rs. 142/- The weighted average fair value per Option at the grant date is Rs 52/-
n)	A description of the method and significant assumptions used during the year to estimate the fair values of options	The fair value of each Option is calculated based on the Fair Value method of accounting using the Black-Scholes Option Pricing Formula. The significant assumptions for estimating the fair value of options : For stock options granted on March 4, 2010: (i) Risk-free interest rate 6.91% (ii) Expected life 3 years (iii) Expected volatility 37.90% (iv) Expected dividends 1.11% (v) The price of the underlying share in market at the time of Option grant – Rs.242.95 (closing price on NSE on 3 March 2010)



For stock options granted on July 26, 2010:

(i) Risk-free interest rate	6.81%
(ii) Expected life	3 years
(iii) Expected volatility	36.78%
(iv) Expected dividends	1.11%
(v) The price of the underlying share in market at the time of Option grant - Rs.308 (closing price on stock exchange on 23 July 2010)	

For stock options granted on October 28, 2010:

(i) Risk-free interest rate	7.54%
(ii) Expected life	3 years
(iii) Expected volatility	35.43%
(iv) Expected dividends	1.11%
(v) The price of the underlying share in market at the time of Option grant - Rs.391 (closing price on NSE on 27 October 2010)	

Note: On 22 September 2009, Bonus Options were allocated on unvested Options in the same ratio as bonus shares (i.e. in the ratio of 1 bonus share for every one equity share) and the Exercise Price thereof was halved, in accordance with the ESOP 2008 read with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

For and on behalf of the Board

HASMUKH SHAH
CHAIRMAN

Date : 28 February 2011
Place: Ahmedabad

**Auditors' Certificate
regarding compliance of conditions of
Corporate Governance**

To The Members of Gujarat Gas Company Limited

We have examined the compliance of conditions of Corporate Governance by Gujarat Gas Company Limited, for the year ended December 31, 2010, as stipulated in clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examinations was carried out in accordance with the Guidance Note on Certifications of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR PRICE WATERHOUSE
Firm Registration Number – 301112E
CHARTERED ACCOUNTANTS

V. Nijhawan
Partner
Membership No. F87228

Date : 28 February 2011
Place : Ahmedabad

A REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance.

1. GGCL's philosophy on Corporate Governance

Your Company believes that corporate governance is driven by the core values of the Company. Your Company promotes the values of customer orientation, team work, commitment, growth and trust. These reflect the Company's approach to all its stakeholders in the course of carrying out its business. The Company's values are portrayed in a set of strong Business Principles. These Business Principles are continuously communicated and reinforced with employees and contractors.

Your Company ensures appropriate disclosures to transparently communicate significant events and information regarding the performance of the Company.

A Whistle Blower Policy is in operation under which a person can raise a complaint. A mechanism exists to address any such complaint in an independent and objective manner.

The Company seeks to comply with all applicable legal, regulatory and license requirements and strives to work constructively with regulatory bodies.

2. Board of Directors

The Board comprises of eight directors of which seven are non-executive directors. Of these seven non-executive directors, four are independent directors. The composition of the Board is in conformity with the provisions of the Corporate Governance Code of the Listing Agreement.

Details of composition of the Board, category of the directors as well as their directorships and memberships in companies/committees including GGCL, private and foreign companies as on 31 December 2010 are given below:

Names of the Directors	Category	Number of Directorship in Companies	Number of Membership/ Chairmanship in Board Committees	
			Membership	Chairmanship
Mr. Hasmukh Shah, Chairman	Promoter & non-executive directors	9	2	6
Mr. Derek Fisher		5	3	-
Mr. Walter Simpson		7	3	-
Prof. Pradip Khandwalla	Non-executive and independent directors	8	4	2
Mr. Jal Patel		8	6	4
Mr. Ajit Kapadia		6	-	1
Mr. B. C. Bora		3	1	1
Mr. Shaleen Sharma, Managing Director	Promoter and executive director	4	2	2

The above details also include membership and chairmanship of the Audit Committees and Shareholders' Grievances Committees. Number of membership/chairmanship of all the directors in the Board Committees are in compliance with the Corporate Governance Code.

During the year, Five Board Meetings were held on 4 March 2010, 22 April 2010, 22 July 2010, 9 September 2010 and 28 October 2010.

Details of attendance of the directors at the Board Meetings held during the Calendar Year 2010 and at the last Annual General Meeting are given as follows:

Names of the directors	Number of Board Meetings held while holding the office	Number of Board Meetings attended while holding the office	Attendance at the last AGM
Mr. Hasmukh Shah	5	4	Yes
Mr. Derek Fisher	5	4	Yes
Mr. Rajeev Khanna	2	2	Yes
Prof. Pradip Khandwalla	5	4	Yes
Mr. Jal Patel	5	5	Yes
Mr. Ajit Kapadia	5	4	Yes
Mr. B. C. Bora	5	4	Yes
Mr. Shaleen Sharma	5	4	Yes
Mr. Walter Simpson	2	1	-

Brief resume of the directors proposed to be appointed or re-appointed are given in the explanatory statement annexed to the Notice convening the Annual General Meeting. None of the directors hold any shares in the Company.

The Board Meetings are generally held in Ahmedabad, where the registered office of the Company is located. The calendar of the Board Meetings is approved in advance for each year. The Board meets at least once a quarter with a gap between two meetings not exceeding four months. It has remained the practice of the Company to place before the Board, all the matters listed in Annexure 1A to Clause 49 of the Listing Agreement. The board agenda papers and other explanatory notes are circulated to the directors in advance. Draft minutes of the meetings of the Board of Directors and its Committees are circulated to the directors for their comments before being recorded in the Minute Books. Similarly, minutes of the subsidiary companies are circulated to the directors as a part of the Board Agenda. The directors also have access to all the information about the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior Management Personnel are invited to attend the Board Meetings and provide clarifications as and when required.

3. Audit Committee

During the year, Mr. Rajeev Khanna ceased to be the member of the Audit Committee and Mr. Walter Simpson was appointed as the member in his place. The present members of the Audit Committee are Mr. Jal Patel, Chairman, Prof. Pradip Khandwalla and Mr. Walter Simpson. All the members of the Committee are non-executive directors. Mr. Patel and Prof. Khandwalla are independent directors. All the members of the Committee are qualified professionals and are financially literate. Mr. Patel and Prof. Khandwalla have accounting or related financial management expertise. Quorum of the Committee is two members, requiring presence of both the independent directors. Mr. Jal Patel, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The terms of reference and powers of the Audit Committee are in compliance with the provisions of the Corporate Governance Code of the Listing Agreements and the Companies Act, 1956. Major terms include overseeing the financial reporting process, review of financial statements, ensuring independence of external auditors, review of internal control systems and overseeing of the internal audit department. The Committee reviews internal audit reports and findings of the statutory auditors. The Committee also reviews the risk register recording the key risks, mitigation plan and responsibility assigned for the risks. Also, all relevant information and reports are placed before the Audit Committee in compliance with the provisions of the Corporate Governance Code.

The Committee invites Senior Management Personnel of GGCL as it considers appropriate, to attend the meetings of the Committee. The internal auditor, head of finance and representative of the statutory auditors are permanent invitees at the meetings. The Company Secretary acts as Secretary to the Committee. Minutes of the Audit Committee Meetings are circulated and discussed at the Board Meetings.

Calendar of the meetings is approved in advance for each year. The Committee met four times during the year under review.

Details of meetings of Audit Committee and attendance

Sr.No.	Date of Meeting	Number of Members	Attendance
1	4 March 2010	3	3
2	22 April 2010	3	3
3	22 July 2010	3	2
4	28 October 2010	3	3

4. Remuneration of Directors

The Board of Directors has constituted a Remuneration Committee comprising of Mr. Jal Patel (Chairman), Prof. Pradip Khandwalla and Mr. Derek Fisher. The terms of reference include review of, and decision on the remuneration of the Managing Director, based on the performance and defined assessment criteria and to consider such other matters as may be required by the Board of Directors from time to time. The Committee makes recommendations for the consideration and approval of the

Board of Directors. The meeting of this Committee was held on 13 April 2010, which was attended by Mr. Jal Patel and Prof. Pradip Khandwala.

The details of managerial remuneration paid to the Managing Director in the year 2010 are given below.

Details of remuneration package of the Managing Director

Elements of remuneration package	Fixed component / Performance linked incentive	C.Y.2010 Amount Rs.
Basic salary	Fixed	7,496,889
Contribution to provident fund and gratuity fund		1,260,231
Perquisites and Allowances	Value of benefits with upper ceiling	
HRA/Rent free accommodation, Medical and other allowance		2,081,750
Gas, electricity and other expenses		93,124
Expenses on cook, sweeper and servant		161,700
Performance bonus	Performance linked incentive	5,931,766
Total		17,025,460

Other Details

Criteria

Major criteria for performance bonus	<ul style="list-style-type: none"> • Health, safety, security & environment. • Profit before tax. • Return on average capital employed. • Volume throughput. • Opex / volume. • Investment (Capex)
--------------------------------------	--

Service contract	For a period of five years commencing from 1 July 2007
Notice period	3 months
Severance fees	Nil
Stock option & pension	Nil

Details of sitting fees paid during the year

Sitting fees are paid to the Chairman and independent directors for attending meetings of the Board of Directors and its Committees. An amount of Rs.20,000 per meeting was paid as sitting fees for attending Board Meetings and Rs.18,000 per meeting for attending Committee Meetings. The Managing Director is not paid sitting fees for attending the meetings of the Board of Directors or its Committees. Total sitting fees paid during the year 2010 amounted to Rs. 8,88,000/-.

Details of commission paid to Directors

In order to bring the remuneration of the Chairman and the independent directors in line with current trends and ensuring that the remuneration is commensurate to the time devoted and the contribution made by them, remuneration by way of following commission for CY 2009 was paid to these non-executive directors, after the approval of the Board and shareholders:

Mr. Hasmukh Shah,	Chairman	Rs 6.0 lakhs
Mr. Jal Patel,	Chairman, Audit Committee	Rs 4.5 lakhs
Prof Khandwala,	Independent director	Rs 4.5 lakhs
Mr. Ajit Kapadia	Independent director	Rs 3.0 lakhs
Mr. Bikash C. Bora	Independent director	Rs. 3.0 lakhs

The above commission was within one percent of the net profits for CY 2009 and calculated in accordance with the provisions of the applicable laws. The Commission was paid for their contribution at the Board and its Committee Meetings as well as time spent on operational matters other than at the meetings.

5. Shareholders' Grievances Committee

GGCL has a Shareholders' Grievances Committee to approve share transfers, transmissions, consolidation, sub-division, etc. and for redressal of complaints / requests received from the shareholders. The present members of the Committee are Prof.

Pradip Khandwalla, the Chairman, Mr. Jal Patel and Mr. Shaleen Sharma. Ms. Rajeshwari Sharma, Company Secretary is the Compliance Officer.

The Committee has sub-delegated powers to the Managing Director to approve share transfers upto 10,000 shares per folio, name deletions and share transmissions. As the shares of the Company are under compulsory demat trading for all investors, this delegation is considered adequate. To facilitate smooth redressal of the shareholders' requests and complaints, the Committee has prescribed time limits for redressing various types of shareholders' requests and complaints. Share transfers and related requests are placed for approval of the Managing Director on a weekly basis. Details of the share transfer requests approved by the Managing Director are placed to the Shareholders' Grievances Committee.

The Company received 115 complaints during the year 2010. All the complaints were resolved to the satisfaction of the shareholders.

6. Compensation Committee

The Compensation Committee of the Board comprises of Prof. Pradip Khandwalla, Chairman, Mr. Jal Patel and Mr. Shaleen Sharma. The Compensation Committee administers and superintends the GGCL – Employee Stock Option Plan 2008 ("the ESOP 2008" or "the Plan"), inter alia including the formulation of the following detailed terms and conditions:

- a. Eligibility and Quantum of options to be granted under the ESOP 2008 per employee and in aggregate;
- b. the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- c. the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- d. the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- e. the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- f. the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues ,merger, sale of division and others.
- g. the grant, vest and exercise of option in case of employees who are on long leave;
- h. Determine the procedure for cash less exercise of Options
- i. Constitution of the Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("the Trust"), to administer the ESOP 2008, through the allocation of the equity shares to be purchased from the market either by the transfer of shares to the employees or by execution of the mandate of sale given by the employee for the sale of equity shares in accordance with the Deed of Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("the Deed of Trust").
- j. direct the trustee(s) of the trust to administer the provisions of the Plan, as and when required, as per the applicable laws and resolve any issue that arises in the administration of the Plan through the Trust;
- k. Any other related or incidental matter.

During the year under review four meetings of the Compensation Committee were held on 4 March 2010, 22 April 2010, 22 July 2010 and 28 October 2010.

7. General Body Meetings

Location and time of last three AGMs / EGMs

Date	Time	Venue
22 April 2010 (AGM)	10.00 a.m.	
30 April 2009 (AGM)	10.00 a.m.	H.T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Vastapur, Ahmedabad-380 015
23 October 2008 (Extraordinary General Meeting)	9.30 a.m.	
2 May 2008 (AGM)	10.00 a.m.	

In the last three Annual General Meetings and one Extraordinary General Meeting, the following special resolutions were passed as per details as follows:

Annual General Meeting held on 22 April 2010

A resolution for grant of approval to the payment of commission for the financial year 2009 to the Chairman and Independent Directors of the Company.

Annual General Meeting held on 30 April 2009

A resolution for grant of approval to the payment of commission for the financial year 2008 to the Chairman and Independent Directors of the Company.

Annual General Meeting held on 2 May 2008

No special resolution was passed at the Annual General Meeting held on 2 May 2008.

Extraordinary General Meeting held on 23 October 2008

1. A resolution for introduction and implementation of Gujarat Gas Company Limited – Employee Stock Option Plan 2008 for the employees of Gujarat Gas Company Limited.
2. A resolution for introduction and implementation of Gujarat Gas Company Limited – Employee Stock Option Plan 2008 for the employees of subsidiaries of Gujarat Gas Company Limited.

Postal Ballot

No special resolution was passed through Postal Ballot in the year 2010 under the provisions of section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001.

8. Disclosures

Related Party Transactions

Related Party Transactions are disclosed in the Notes to Accounts forming part of this Annual Report. Transactions entered into by the Company with the related parties during the year were placed to the Audit Committee for review. There are no pecuniary relationships or transactions with the non-executive directors. A procedure is in place for disclosure of interest by the senior management team.

Whistle Blower policy

GGCL has implemented a Whistle Blower policy covering the contractors and suppliers besides its employees. The policy provides access to the Managing Director and the Chairman of Audit Committee. Persons covered under the policy can lodge their complaints through anonymous e-mails besides usual means of communication like written complaints or over telephone. None of the persons covered under the policy has been denied access to the Audit Committee.

Code of Conduct

GGCL has implemented a Code of Conduct based on its business principles along with implementation framework for its directors and senior management of the Company. The Code of Conduct has also been posted on GGCL website. In compliance with the Code, the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code for the year ended 31 December 2010. A declaration to this effect signed by the Managing Director forms part of this Annual Report.

Other disclosures

1. There are no non-compliances by the Company on any matter related to capital markets, during the last three years. Similarly, there are no penalties or strictures imposed by the stock exchanges, SEBI or any statutory authority on any matter related to capital markets during the last three years.
2. The Company has a detailed Business Risk Management Process which is periodically reviewed by the Board of Directors for determining its effectiveness.
3. The Board of Directors and the Audit Committee periodically review the status of compliances in respect of applicable laws and report thereon by the Internal Audit team.

9. Means of Communication

The Company regularly brings out its Quarterly Results for information of its Shareholders through publications thereof in one English language newspaper, having nation wide circulation and in one regional language newspaper. The Company has its own web site – <http://www.gujaratgas.com>, on which the Quarterly Results, Releases to the stock exchanges and Presentations made to the institutional investors and analysts are displayed.

The Directors' Report deals with all the matters stipulated under the Management Discussion and Analysis Report.

GGCL has not mailed half-yearly results to the shareholders in view of the above-mentioned means of communication adopted by the Company.

The documents referred to but not sent to the persons entitled to received notice of the Annual General Meeting, will be made available for inspection of Shareholders at the Registered Office of the Company during working hours for a period of 21 days before the date of AGM.





10. General Shareholder Information

All the required information has been furnished under the head "Information for Investors".

11. Compliance

GGCL has complied with the mandatory requirements of the Corporate Governance Code. The Board would review implementation of the non-mandatory requirements of the Corporate Governance Code in due course of time. Auditors' certificate regarding compliance with the Corporate Governance Code for the year 2010 is annexed to this report.

For and on behalf of the Board

HASMUKH SHAH
CHAIRMAN

Date: 28 February 2011
Place: Ahmedabad



Certificate of Compliance with the Code of Conduct

To,

The Shareholders,
Gujarat Gas Company Limited

Gujarat Gas Company Limited has in place a Code of Conduct (“the Code”) for its Board of Directors and Senior Management Personnel. I report that the Code has been complied with by the Board of Directors and senior management of the Company for the year under review.

For Gujarat Gas Company Limited

Shaleen Sharma
Managing Director

Date : 17 February 2011
Place : Ahmedabad



INFORMATION FOR INVESTORS

1. Annual General Meeting details

At 10.00 a.m. on Thursday, 28 April 2011 at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad – 380 015.

2. Financial Year

The Company follows Calendar Year as its financial year. Meetings of the Board of Directors of the Company are scheduled on the following dates during the year 2011:

19 January 2011 (already held)	28 February 2011 (already held)
28 April 2011	11 August 2011
3 November 2011	22 December 2011

3. Book Closure Date

The Register of Members and Share Transfer Book of the Company shall remain closed from 23 March 2011 to 25 March 2011 (both days inclusive), for determining the eligibility of the shareholders for dividend on Equity Shares, if declared at the Annual General Meeting.

Shareholders are requested to update their addresses, bank account details and ECS details with the depositories if shares are held in demat form and with the Registrar and Share Transfer Agent if shares are held in physical mode.

4. Dividend Payment

On 5 May 2011

5. Listing on Stock Exchanges and Stock Code

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

Ahmedabad Stock Exchange Limited	20860
Bombay Stock Exchange Limited	523477
National Stock Exchange of India Limited	GUJARATGAS
Vadodara Stock Exchange Limited	23477

Listing fees have been paid for the year 2010-11 and will be paid for the year 2011-12 as per the Listing Agreement with the respective Stock Exchanges.

6. Market Price Data

Market price data on the Bombay Stock Exchange Limited, Mumbai for the year 2010 is given below:

Month	Highest (Rs.)	Lowest (Rs.)
January	264.00	224.00
February	277.70	228.20
March	292.90	239.15
April	298.00	270.00
May	301.70	260.00
June	316.95	280.10
July	318.50	289.00
August	359.10	297.65
September	454.00	339.00
October	421.50	380.00
November	410.00	315.00
December	411.50	357.65

7. Performance in Comparison to BSE Sensex

Performance of share price of your Company in comparison to BSE Sensex for the year 2010 is given on the inside cover page.

8. Registrar and Share Transfer Agents and Share Transfer System

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

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

Karvy Computershare Private Limited, Unit: GUJARAT GAS COMPANY LIMITED, Plot no. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081. Phone Number: 040-4465500, Fax Number: 040-23420814

9. Distribution of shareholding

Distribution of Shareholding as on 31 December 2010 is given below:

Category	No. of Shareholders	Shares held in physical form	Shares held in dematerialised form	Total no. of shares held	% to capital
Resident Individuals	21,016	1,957,650	10,148,102	12,105,752	9.44
Foreign Institutional Investors (FIIs)	33	0	20,358,479	20,358,479	15.87
Non-resident Indians (NRIs)	404	7000	232,679	239,679	0.19
Indian Companies	556	11,010	2,129,175	2,140,185	1.67
Mutual Funds & UTI	31	1000	5,691,202	5,692,202	4.44
Public Financial Institutions, Government Companies and Banks	4	0	141,167	141,167	0.11
Foreign Promoters	1	83,518,750	-	83,518,750	65.12
Others	486	16,000	4,037,786	4,053,786	3.16
Total	22,531	85,511,410	42,738,590	128,250,000	100.00

10. Dematerialisation of shares and liquidity

Equity shares of your Company can be traded in electronic form only by all the investors. Your Company has established connectivity with both the depositories viz. NSDL and CDSL through its Share Transfer Agent.

Equity shares of your Company are regularly traded on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. 34.878% equity shares of the Company are held by non-promoter shareholders.

11. Your Company does not have any GDRs/ADRs/Warrants or any other convertible instruments.

12. Gas receiving locations

Ankleshwar
 Surati Bhagol, Umarwada Road,
 Near Piraman Naka,
 Ankleshwar
 District -Bharuch

Amboli
 Plot no. 70-71,
 Amboli,
 Taluka: Ankleshwar
 District -Bharuch

Vadoli
 Block No. 546/1,
 Village-Vadoli,
 Olpad – Kim State Highway
 Taluka-Olpad,
 District-Surat

Sachin
 Block No. 248,
 GIDC Sachin, Village – Unn,
 Magdalla-Sachin Road,
 Surat

Palsana
 Survey No. 168 & 168/P,
 Village-Lingad,
 Taluka-Palsana,
 District-Surat

Atodara
 R. S. No. 64/1, & 64/2,
 Village-Atodara,
 Olpad- Sayan Road,
 Taluka-Olpad,
 District-Surat

Rahadpore
 Survey no. 75 / 123,
 At and Post Rahadpore,
 Palej-Tankaria Road,
 Bharuch

Surat
 Plot No. 87-88,
 Mayavanshi Mohallo,
 Adajan Gam,
 Surat

Jhagadia
 Plot No-773/A & 773/B,
 GIDC Jhagadia,
 District-Bharuch

Mora (Surat)
 Survey No. 150,
 Opp. Reliance Gate No 3-B,
 Surat-Hazira Road,
 Mora, Surat

Valia
 Block No. 192,
 Kosamdi Village,
 Taluka-Ankleshwar,
 District-Bharuch

Hazira
 Plot No : 364
 Opp. GSPL Guest House,
 Hazira Village,
 Taluka: Choryasi,
 District: Surat

13. Correspondence with the Company

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

Gujarat Gas Company Limited, 2, Shantisadan Society, Nr. Parimal Garden, Ellis Bridge, Ahmedabad – 380006, India. Telephone Numbers: (079) 26462980, 26460095, Fax: (079) 26466249.

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

14. Nomination facility

The Companies Act, 1956 provides for nomination facility to the investors. As a shareholder, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail of this facility especially by the shareholders who currently hold shares in their single name.

Nomination can avoid the process of acquiring right in shares through transmission by law. In case of nomination by the joint holders, such nomination will be effective only on the death of all the holders. Shareholders may write to the Company at the registered office for obtaining the nomination form. The nomination form is also available on the Company's website viz. www.gujaratgas.com. In case the shares held in demat form, you may contact your depository participant for nomination.

15. Unclaimed dividend

The Company has transferred unclaimed dividend for the financial years 1991-92 to 1994-95 to the General Revenue Account of the Central Government. Shareholders, who have not encashed their dividend warrants for the above years, are requested to lodge their claims with the Registrar of Companies, Gujarat, Ahmedabad. Your Company has also transferred unclaimed dividend for the financial years 1995-96 to 1998-99, financial period of April-December 1999 and interim including final dividend for the year 2001 and 2002 to the Investor Education and Protection Fund in compliance with the provisions of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Your Company would be transferring the unclaimed amount of dividend for the calendar year 2003 to the Investor Education and Protection Fund on or after 10 June 2011 in terms of the provisions of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

16. Folio Merging

Members who hold shares in the same order of names in more than one folio are requested to send their requests for merging all their shareholdings into one folio, along with the share certificates, in case of physical shares.

17. Permanent Account Number (PAN) for Security Transactions

The shareholders, who are holding shares in the physical form, are requested to furnish the attested copies of their PAN to Karvy Computershare Private Limited, the Registrar and Share Transfer Agent. This is in view of the direction of SEBI, making PAN as the sole identification number for all security transactions in line with the KYC norms. Based on the said directive, the shareholders, holding physical shares are requested to produce the PAN document as stated above, which shall form a part of the details of shareholders of the Company.

For and on behalf of the Board

HASMUKH SHAH
CHAIRMAN

Date : 28 February 2011
Place : Ahmedabad

Auditors' Report To the Board of Directors of Gujarat Gas Company Limited

1. We have audited the attached consolidated balance sheet of Gujarat Gas Company Limited and its subsidiaries (the Group) as at December 31, 2010, the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of Gujarat Gas Company Limited's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, notified under section 211(3C) of the Companies Act, 1956 and on the basis of the separate audited financial statements of Gujarat Gas Company Limited and its subsidiaries included in the consolidated financial statements.
4. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Gujarat Gas Company Limited and its aforesaid subsidiaries, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the consolidated state of affairs of the Group as at December 31, 2010;
 - (b) in the case of the consolidated profit and loss account, of the consolidated results of operations of the Group for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the consolidated cash flows of the Group for the year ended on that date.

For Price Waterhouse
Firm Registration No. – 301112E
Chartered Accountants

V. Nijhawan
Partner
Membership Number: F87228

Place : Ahmedabad
Date : February 28, 2011

BALANCE SHEET AS AT DECEMBER 31, 2010

	Schedule	Rs. in million	As at 31-12-2010 Rs. in million	As at 31-12-2009 Rs. in million
<u>SOURCES OF FUNDS</u>				
SHAREHOLDER'S FUNDS				
Share Capital	1	400.50		400.50
Stock Options outstanding Account	2	37.96		21.29
Reserves and Surplus	3	<u>8,152.92</u>		<u>7,375.23</u>
			8,591.38	<u>7,797.02</u>
Minority Interest			63.00	51.72
(Refer Note 26 on Schedule 20)				
Deferred Tax Liability (Net)			669.08	560.26
(Refer Note 14 and 34 on Schedule 20)				
DEPOSITS				
(Refer Note 24 on Schedule 20)				
From Customers		2,034.81		1,514.81
From GAIL (India) Limited		<u>38.69</u>		<u>38.69</u>
			2,073.50	<u>1,553.50</u>
TOTAL			11,396.96	<u>9,962.50</u>
<u>APPLICATION OF FUNDS</u>				
FIXED ASSETS				
Gross Block	4	10,191.28		9,139.87
Less : Depreciation		3,547.33		3,040.98
Less : Impairment Loss		<u>29.37</u>		<u>34.63</u>
		6,614.58		<u>6,064.26</u>
Less : Lease Terminal Adjustment Account		<u>255.45</u>		<u>255.45</u>
Net Block		6,359.13		<u>5,808.81</u>
Capital work in progress		780.23		865.74
Capital Inventory		<u>517.68</u>		<u>489.96</u>
			7,657.04	<u>7,164.51</u>
INVESTMENTS	5		5,487.74	4,237.57
AMOUNT RECOVERABLE FROM ESOP TRUST			343.02	243.00
(Refer Note 31 on Schedule 20)				
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	6	188.95		211.27
Lease Receivable	7	72.97		99.45
Sundry Debtors	8	1,411.17		1,138.98
Cash and Bank Balances	9	93.62		79.14
Loans and Advances	10	193.14		263.95
Other Current Assets	11	<u>0.07</u>		<u>0.01</u>
		1,959.92		<u>1,792.80</u>
LESS: CURRENT LIABILITIES AND PROVISIONS	12			
Current Liabilities		2,141.42		2,152.21
Provisions		<u>1,909.34</u>		<u>1,324.06</u>
		4,050.76		<u>3,476.27</u>
NET CURRENT ASSETS			(2,090.84)	(1,683.47)
MISCELLANEOUS EXPENDITURE	13		-	0.89
(To the extent not written off or adjusted)				
TOTAL			11,396.96	<u>9,962.50</u>
Significant Accounting Policies and Notes to the Consolidated Financial Statements	20			

This is the Consolidated Balance Sheet referred to in our report of even date

For Price Waterhouse
Firm Registration Number-301112E
Chartered Accountants

V. Nijhawan
Partner
Membership No. F87228
Place : Ahmedabad
Date : February 28, 2011

The Schedules referred to above form an integral part of the Consolidated Balance Sheet

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Jal Patel Sugata Sircar
Director Finance Director

Rajeshwari Sharma
Company Secretary

Place : Ahmedabad
Date : February 28, 2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2010**

	Schedule	Rs. in million	Year ended 31-12-2010 Rs. in million	Year ended 31-12-2009 Rs. in million
INCOME:				
Income from Operations	14	18,493.26		14,196.73
Other Income	15	223.99		266.32
			18,717.25	14,463.05
EXPENDITURE :				
Material consumed/processed (Refer Note 22 on Schedule 20)		12,864.56		10,031.21
Personnel Expenses	16	498.48		451.06
Operating and Other Expenses	17	973.26		915.60
Depreciation		542.05		473.82
Finance Charges	18	4.62		1.36
Deferred Revenue Expenditure Written off		0.89		3.67
			14,883.86	11,876.72
Profit before Taxes			3,833.39	2,586.33
Tax Expense	19		1,243.24	836.11
Profit after Taxes			2,590.15	1,750.22
Minority Shareholders Interest			12.69	8.55
Profit attributable to the Group			2,577.46	1,741.67
Profit brought forward			5,462.26	5,112.61
Profit available for Appropriations			8,039.72	6,854.28
APPROPRIATIONS :				
Proposed Dividend				
- Preference Shares			10.80	10.80
- Equity Shares			1,539.00	1,026.00
Corporate Dividend Tax on Proposed Dividend			251.88	172.55
Special Reserve (As stipulated by RBI)			8.43	5.68
General Reserve			261.94	176.99
Profit Carried Forward			5,967.67	5,462.26
			8,039.72	6,854.28
Basic/ Diluted Earnings per Share of Rs. 2/- each (Rs.) (Refer Note 13 and 27 on Schedule 20)			20.00	13.48
Significant Accounting Policies and Notes to the Consolidated Financial Statements	20			

This is the Consolidated Profit and Loss Account referred to in our report of even date

For Price Waterhouse

Firm Registration Number-301112E
Chartered Accountants

V. Nijhawan

Partner
Membership No. F87228

Place : Ahmedabad

Date : February 28, 2011

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Jal Patel Sugata Sircar
Director Finance Director

Rajeshwari Sharma
Company Secretary

Place : Ahmedabad

Date : February 28, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010

	Year ended 31-12-2010 Rs. in million	Year ended 31-12-2009 Rs. in million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	3,833.39	2,586.33
Adjustments for:		
Depreciation for the year	542.05	473.82
Provision for Gratuity	9.58	5.33
Provision for Leave Encashment	7.94	6.63
(Profit)/Loss on sale of Fixed Assets (Net)	21.21	9.55
Provision for doubtful debts	2.00	1.09
Provision for Stock Options Account	25.91	18.41
Other Provision	2.18	1.82
Provision for Wealth Tax	0.40	0.40
Provision for Diminution in value of Fixed Assets / Capital Work in Progress	10.03	28.79
Bad Debts written off	-	0.20
Fixed Assets written off	-	5.36
Inventory written off	2.46	9.52
Deferred Revenue Expenditure written off	0.89	3.67
Interest Expense	4.62	1.36
Profit on sale of investment (Net)	(18.12)	(35.30)
Liabilities no longer required Written Back	(1.01)	(13.14)
Reversal of Impairment provision	(15.29)	-
Dividend Income	(157.04)	(156.51)
Unrealised Foreign Exchange Gain (Net)	-	(0.36)
Interest Income	(21.38)	(22.78)
Operating Profit before working capital changes	4,249.82	2,924.19
Adjustments for changes in working capital		
(Increase)/Decrease in Sundry Debtors	(324.05)	(637.05)
(Increase)/Decrease in Amount Recoverable from ESOP trust	(107.34)	(232.50)
(Increase)/Decrease in Loan and Advances	183.17	(37.78)
(Increase)/Decrease in Other Current Assets	(0.06)	1.59
(Increase)/Decrease in Inventories	19.86	(34.31)
Increase/(Decrease) in Current Liabilities	88.45	549.75
Cash generated from operations	4,109.85	2,533.89
Taxes paid (Net of refunds)	(1,236.24)	(773.40)
Net Cash from Operating Activities	2,873.61	1,760.49
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,151.47)	(1,537.30)
Sale of Fixed Assets	14.50	41.90
Purchase of Investments	(19,561.05)	(14,224.71)
Sale of Investments	18,329.01	13,568.06
Net investment in Finance Lease (Net of Capital Recovery)	26.48	27.87
Interest received	21.38	22.78
Dividends received	157.04	156.51
Net Cash used in Investing Activities	(2,164.11)	(1,944.89)

C. CASH FLOW FROM FINANCING ACTIVITIES

	Year ended 31-12-2010 Rs. in million	Year ended 31-12-2009 Rs. in million
Deposits accepted during the year (Net)	520.00	279.81
Interest Paid	(4.62)	(1.36)
Dividend Paid (including Corporate Dividend Tax)	(1,210.40)	(239.59)
Net Cash generated from/(used in) Financing Activities	(695.02)	38.86
NET INCREASE IN CASH AND CASH EQUIVALENTS	14.48	(145.54)
Cash and Cash Equivalents at the beginning of the year	79.14	224.68
Cash and Cash Equivalents at the end of the year	93.62	79.14
Cash and Cash Equivalents comprise		
Cash in hand	0.22	0.20
Cheques in hand	-	9.89
Balances with Scheduled Banks :		
- In Current accounts	47.61	62.28
- In Dividend Accounts (Refer note C below)	9.99	6.27
- In Fixed Deposits Account	35.80	0.50
Total Cash and Cash Equivalents as per Cash Flow statement	93.62	79.14

Notes to Cash Flow Statement

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- Purchases of fixed assets, stated inclusive of movements of capital work in progress and capital inventory, are treated as part of investing activities.
- The balance with the bank for unpaid dividend is not available for use by the company and the money remaining unpaid will be deposited in Investor Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.
- Figures in brackets indicate cash outflows.
- Previous year figures have been reclassified/regrouped wherever considered necessary to conform to the current year figures.

This is the consolidated cash flow referred to in our report of even date

For Price Waterhouse

Firm Registration Number-301112E
Chartered Accountants

V. Nijhawan

Partner
Membership No. F87228

Place : Ahmedabad
Date : February 28, 2011

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Jal Patel Sugata Sircar
Director Finance Director

Rajeshwari Sharma
Company Secretary

Place : Ahmedabad
Date : February 28, 2011

SCHEDULES FORMING PART OF BALANCE SHEET (CONSOLIDATED)

	Rs. in million	As at 31-12-2010 Rs. in million	As at 31-12-2009 Rs. in million
SCHEDULE - 1			
SHARE CAPITAL			
Authorised			
140,000,000 (Previous year 140,000,000) Equity Shares of Rs. 2/- each		280.00	280.00
17,000,000 (Previous year 17,000,000) 7.5% Redeemable Preference Shares of Rs.10/- each		170.00	170.00
TOTAL		<u>450.00</u>	<u>450.00</u>
Issued, Subscribed and Paid up			
128,250,000 (Previous year 128,250,000) Equity Shares of Rs. 2/- each fully paid-up		256.50	256.50
[Out of the above 83,518,750 (Previous year 83,518,750) equity shares are held by holding company BG Asia Pacific Holdings Pte. Limited, the ultimate holding company being BG Group plc.]			
[Out of the above during the Previous year 64,125,000 equity shares allotted as fully paid-up by way of bonus shares out of General Reserve]			
14,400,000 (Previous year 14,400,000) 7.5% Redeemable Cumulative Non Convertible Preference Shares of Rs.10/- each fully paid up, issued to holding company BG Asia Pacific Holdings Pte. Limited		144.00	144.00
[Redeemable at par at any time after five years from the date of allotment (May 18, 2006) but prior to the expiry of twenty years from the date of such allotment; earliest possible date of redemption May 18, 2011]			
TOTAL		<u>400.50</u>	<u>400.50</u>
SCHEDULE - 2			
STOCK OPTIONS OUTSTANDING ACCOUNT			
(Refer Note 31 on Schedule 20)			
Stock Options Outstanding Account		92.90	57.62
Less : Deferred Stock Option Outstanding Account		54.94	36.33
TOTAL		<u>37.96</u>	<u>21.29</u>
SCHEDULE - 3			
RESERVES AND SURPLUS			
GENERAL RESERVE			
As per last Balance Sheet	1,833.54		1,784.80
Add : Transferred from Profit and Loss Account	261.94		176.99
Less : Transfer to Share Capital on issuance of Bonus shares (Refer Note 27 on Schedule 20)	-		128.25
Add : Adjustment to Amount recoverable from ESOP Trust (Refer Note 31 on Schedule 20)	1.91	2,097.39	1,833.54
SPECIAL RESERVE (AS REQUIRED BY RBI)		87.86	79.43
PROFIT AND LOSS ACCOUNT		5,967.67	5,462.26
TOTAL		<u>8,152.92</u>	<u>7,375.23</u>

GUJARAT GAS COMPANY LIMITED (CONSOLIDATED)
SCHEDULES FORMING PART OF BALANCE SHEET (CONSOLIDATED)
SCHEDULE - 4
FIXED ASSETS

(Refer Notes 3, 4, 5, 11, 15, 20, 21, 35 (ii) & 40 on Schedule 20)

(Rs. in million)

Particulars	GROSS BLOCK			DEPRECIATION			IMPAIRMENT LOSS			NET BLOCK		
	As at 01-01-2010	Additions For the year	Deduction/ Adjustments For the year	As at 01-01-2010	For the year	Deduction/ Adjustments For the year	As at 31-12-2010	As at 01-01-2010	For the year	Adjustments/ Reversals	As at 31-12-2010	As at 31-12-2009
TANGIBLE ASSETS												
Land (Refer Note 1 below)	343.14	-	-	-	-	-	-	-	-	-	343.14	343.14
Buildings	321.40	13.99	-	50.96	7.67	-	58.63	-	-	-	276.76	270.44
Plant and Machinery (Refer Note 6 below)	7,132.06	1,027.19	61.91	2,387.40	472.60	33.88	2,826.12	15.29	15.29	-	5,271.22	4,729.37
Furniture, Fixtures and Fittings	64.66	4.27	0.54	25.90	4.40	0.49	29.81	-	-	-	38.58	38.76
Vehicles	93.85	20.95	2.41	31.16	10.70	1.33	40.53	-	-	-	71.86	62.69
Assets given on Finance lease (Prior to April 1, 2001)												
Plant and Machinery	855.50	-	-	435.89	13.52	-	449.41	-	-	-	406.09	419.61
Assets given on Operating lease (After April 1, 2001)												
Plant and Machinery	130.87	-	-	39.55	7.02	-	46.57	19.34	10.03	-	54.93	71.98
INTANGIBLE ASSETS												
Goodwill	1.22	-	-	1.22	-	-	1.22	-	-	-	-	-
Right of Use of Land	37.70	23.64	-	61.34	-	-	-	-	-	-	61.34	37.70
Software/Licences	159.47	26.23	-	68.90	26.14	-	95.04	-	-	-	90.66	90.57
	9,139.87	1,116.27	64.86	10,191.28	542.05	35.70	3,547.33	34.63	10.03	15.29	6,614.58	6,064.26
(Less)/Add:												
Lease Terminal Adjustment	-	-	-	255.45	-	-	255.45	-	-	-	(255.45)	(255.45)
TOTAL	9,139.87	1,116.27	64.86	10,191.28	542.05	35.70	3,802.78	34.63	10.03	15.29	6,359.13	5,808.81
Capital Work in Progress (Refer Note 3 and 4 below)												
Capital Inventory (Net of provision for obsolescence Rs. 5.00 million (previous year Rs. 8.55 million) (Refer Note 5 below)												
TOTAL	9,139.87	1,116.27	64.86	10,191.28	542.05	35.70	3,802.78	34.63	10.03	15.29	7,657.04	7,164.51
Previous Year	7,665.60	1,503.77	29.50	9,139.87	2,837.65	15.04	3,296.43	9.88	24.75	-	5,808.81	489.96

NOTES:

- Land includes Leasehold Land Rs.0.18 million (Previous year Rs.0.18 million)
- Assets given on Operating lease includes Natural gas fired cogeneration unit at its net realisable value of Rs. 18.51 million (Previous year Rs. 28.54 million) for which agreement to lease has been terminated.
- Capital Work in Progress includes Capital Advances Rs. 137.21 million (Previous year Rs. 49.51 million)
- Capital Work in Progress includes Natural gas fired cogeneration units reclassified from finance lease receivables amounting to Nil (Previous year Rs. 11.91 million) for which agreement to lease has been terminated.
- Capital Inventory includes material in transit amounting to Rs. 63.69 million (Previous year Rs. 34.92 million)
- Plant and Machinery includes certain assets at its net realisable value of Nil (Previous year Rs. 1.92 million) which are held for disposal.

SCHEDULES FORMING PART OF BALANCE SHEET (CONSOLIDATED)

	Rs. in million	As at 31-12-2010 Rs. in million	As at 31-12-2009 Rs. in million
SCHEDULE - 5			
INVESTMENTS			
(Refer Note 6 and 28 on Schedule 20)			
A Long Term Investments (At Cost) :			
Equity Shares			
Trade -Unquoted	85.00		124.09
Less : Provision	<u>75.00</u>		<u>104.34</u>
		10.00	19.75
Other than Trade (Quoted)			
11,600 Equity Shares of Rs.10/- each fully paid up (Previous Year 11,600)			
Equity Shares of Rs.10/- each	0.12		0.12
Less: Provision for diminution in value of Investment	<u>0.12</u>		<u>0.12</u>
		-	-
Long Term Investments (A)		<u>10.00</u>	<u>19.75</u>
B Current Investments :			
(At Cost and fair market Value whichever is lower, determined categorywise)			
Other than Trade (Unquoted)			
Units of Mutual Funds		5,477.74	4,217.82
Current Investment (B)		<u>5,477.74</u>	<u>4,217.82</u>
Total Investment (A+B)		<u>5,487.74</u>	<u>4,237.57</u>
Aggregate cost of Unquoted Investments		<u>5,562.85</u>	<u>4,342.03</u>
SCHEDULE - 6			
INVENTORIES			
(Refer Note 7 on Schedule 20)			
Stores and Pipe Fittings		188.95	211.27
TOTAL		<u>188.95</u>	<u>211.27</u>
SCHEDULE - 7			
LEASE RECEIVABLE			
(Refer Note 35 (i) on Schedule 20)			
(Unsecured - considered good, unless otherwise stated)			
Lease Receivable			
- Considered Good		72.97	99.45
TOTAL		<u>72.97</u>	<u>99.45</u>

**SCHEDULES FORMING PART OF BALANCE SHEET (CONSOLIDATED)**

	Rs. in million	As at 31-12-2010 Rs. in million	As at 31-12-2009 Rs. in million
SCHEDULE - 8			
SUNDRY DEBTORS			
Secured - Considered Good			
Exceeding Six Months		3.73	3.58
Others		1,061.79	917.34
Unsecured - Considered Good			
Exceeding Six Months [includes Nil (Previous year Rs. 45.00 million) secured by bank guarantees]		0.77	53.15
Others [includes Rs. 269.57 million (Previous year Rs. 105.65 million) secured by bank guarantees]		344.88	164.91
Unsecured - Considered Doubtful			
Exceeding Six Months	23.26		21.37
Less: Provision for Doubtful Debt	23.26		21.37
		-	-
TOTAL		1,411.17	1,138.98
SCHEDULE - 9			
CASH AND BANK BALANCES			
Cash in hand		0.22	0.20
Cheques in hand		-	9.89
Balances with Scheduled Banks:			
- In Current Accounts		47.61	62.28
- In Dividend Accounts		9.99	6.27
- In Fixed Deposit Account*		35.80	0.50
TOTAL		93.62	79.14
* Includes Term Deposit in an Escrow account as stipulated by RBI Rs. 0.50 million (Previous year Rs. 0.50 million)			
SCHEDULE - 10			
LOANS AND ADVANCES			
(Unsecured - considered good, unless otherwise stated)			
Advances recoverable in Cash or in kind or for value to be received		81.99	40.78
Deposit recoverable		18.63	179.06
Balance due with statutory authorities		40.49	44.11
Advance payment of tax and tax deducted at source	6,490.06		-
Less: Taxation Provision	6,438.03		-
		52.03	-
TOTAL		193.14	263.95
SCHEDULE - 11			
OTHER CURRENT ASSETS			
(Unsecured - considered good, unless otherwise stated)			
Interest Accrued on Term Deposit with Scheduled Bank		0.07	0.01
TOTAL		0.07	0.01

SCHEDULES FORMING PART OF BALANCE SHEET (CONSOLIDATED)

	Rs. in million	As at 31-12-2010 Rs. in million	As at 31-12-2009 Rs. in million
SCHEDULE -12			
CURRENT LIABILITIES AND PROVISIONS			
(A) CURRENT LIABILITIES			
Sundry Creditors			
- Dues to Micro and Small Enterprises (Refer Note 39 on Schedule 20)	14.03		13.87
- Others Creditors	<u>1,657.04</u>		<u>1,799.32</u>
		1,671.07	1,813.19
Deferred Revenue (Refer Note 10 (c) on Schedule 20)		13.64	59.90
Deposit From Collection Centres and CNG Franchisees		22.55	19.49
Advance From Customers		128.09	71.58
Payable to Retrenched Employees (Refer Note 19 (e) on Schedule 20)		0.68	0.68
Investor Education and Protection Fund			
- Unpaid Dividend		9.99	6.27
Other Liabilities		295.40	181.10
		<u>2,141.42</u>	<u>2,152.21</u>
(B) PROVISIONS			
Proposed Dividend		1,803.08	1,210.40
Gratuity and Leave Encashment (Refer Note 32 on Schedule 20) [Includes Short term benefits Rs. 1.42 million (Previous year Rs. 0.42 million)]		51.86	43.74
Other Provisions (Refer Note 36 on Schedule 20)		53.34	51.16
Provision for Taxation	-		5,303.21
Less: Advance Payment of Tax	-		5,285.51
		-	17.70
Provision for Fringe Benefit Tax	33.67		33.67
Less: Advance Payment of Tax	<u>32.61</u>		32.61
		1.06	1.06
		<u>1,909.34</u>	1,324.06
		<u>4,050.76</u>	<u>3,476.27</u>
TOTAL			
SCHEDULE -13			
MISCELLANEOUS EXPENDITURE			
(Refer Note 16 on Schedule 20)			
Deferred Revenue Expenditure			
Voluntary Retirement Scheme:			
Opening Balance:	0.89		4.56
Less: Written Off during the year	<u>0.89</u>		3.67
		-	0.89
		-	-
		-	<u>0.89</u>
TOTAL			

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT (CONSOLIDATED)

	Rs. in million	Year ended 31-12-2010 Rs. in million	Year ended 31-12-2009 Rs. in million
SCHEDULE - 14			
INCOME FROM OPERATIONS			
(Refer Note 10 on Schedule 20)			
Sales of Natural Gas			
Sales of Natural Gas (Gross)	18,421.70		14,086.18
Less: Excise Duty	285.35		217.23
Sales of Natural Gas (Net)		18,136.35	13,868.95
Service and Fitting Income (Net)		143.72	114.32
Gas Transmission Income		174.39	169.46
Lease Income		24.20	24.40
Income from Finance Leases		14.60	19.60
TOTAL		18,493.26	14,196.73
SCHEDULE - 15			
OTHER INCOME			
Income from Investments (Refer Note 10 (g) on Schedule 20)			
Long Term Investments			
Dividend from Trade Investment		6.14	2.00
Current Investments			
Dividend from Mutual Funds		150.91	154.51
Interest on Bank Fixed Deposits		0.85	3.10
[Gross, Tax deducted at source Rs. 0.08 million (Previous year Rs. 0.97 million)]			
Interest on Others (Customer & Staff Advances) (Refer Note 10 (h) on Schedule 20)		21.38	18.30
[Gross, Tax deducted at source Rs. 0.02 million (Previous year Rs. 0.01 million)]			
Interest on Income Tax Refund		0.71	4.50
Profit on Sale of Current Investments	32.45		35.43
Less : Loss on Sale of Current Investments	14.33		0.13
		18.12	35.30
Liabilities no longer required Written Back		1.01	13.14
Foreign Exchange Fluctuations Gain (Net)		1.48	0.50
Miscellaneous Income		23.39	34.97
TOTAL		223.99	266.32
SCHEDULE - 16			
PERSONNEL EXPENSES			
(Refer Note 9 on Schedule 20)			
Salaries, Wages and Bonus (Refer Note 32 (iii) on Schedule 20)		418.61	383.12
Contribution to Provident and Other Funds (Refer Note 32 (i) & (ii) on Schedule 20)		30.43	22.98
Welfare Expenses (Refer Note 31 on Schedule 20)		49.44	44.96
TOTAL		498.48	451.06

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNTS (CONSOLIDATED)

	Rs. in million	Year ended 31-12-2010 Rs. in million	Year ended 31-12-2009 Rs. in million
SCHEDULE - 17			
OPERATING AND OTHER EXPENSES			
Stores and Chemicals consumed		39.95	26.39
Power and Fuel		174.87	175.27
Rent		30.02	25.73
Rates and Taxes		5.44	8.32
Repairs:			
- To Buildings	6.41		4.52
- To Plant and Machinery	147.11		157.02
- To Others	92.30		72.24
		245.82	233.78
Insurance		15.10	12.60
Stationery and Printing		9.05	9.23
Advertisement Expenses		13.88	14.10
Communication Expenses		17.79	18.33
Vehicle Hire Charges		45.81	33.24
Travelling Expenses		25.32	23.55
Donation		2.39	1.03
Legal, Professional and Consultancy		129.62	104.27
Loss on Sale of Fixed assets (Net)		5.92	9.55
Bad debts / Advances written off		-	0.20
Wealth Tax		0.40	0.40
Other Provision (Refer Note 36 on Schedule 20)		2.18	1.82
Provision for Doubtful Debts		2.00	1.09
Provision for Diminution in the value of Fixed Assets / Capital Work in Progress (Refer Note 40 on Schedule 20)		10.03	28.79
Assets written off		-	5.36
Provision / write off for inventory obsolescence		2.46	9.52
Service Charges		88.51	73.10
Agency & Contract Staff Expenses (including security service charges)		45.22	35.57
Miscellaneous Expenses		61.48	64.36
TOTAL		973.26	915.60
SCHEDULE - 18			
FINANCE CHARGES			
Interest-Others		4.62	1.36
TOTAL		4.62	1.36
SCHEDULE - 19			
TAX EXPENSE			
(Refer Notes 14, 34 and 38 on Schedule 20)			
Current Income Tax		1,176.28	773.23
Deferred Income Tax		66.96	61.87
Fringe Benefit Tax		-	1.01
TOTAL		1,243.24	836.11

SCHEDULE - 20

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Significant Accounting Policies:

1. Accounting Convention:

The Financial statements have been prepared to comply in all material respects with all applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. Consolidation of Financial Statements:

These financial statements comprise a consolidation of the financial statements of Gujarat Gas Company Limited and its subsidiary undertakings (collectively referred to as 'the Group').

The results of the undertakings acquired/disposed off are consolidated from/to the date when effective control passes to/from the group.

The financial statements have been prepared in accordance with the principles and procedures laid down in the Accounting Standard 21 'Consolidated Financial Statements'.

3. Goodwill:

On the acquisition of an undertaking, the difference between the purchase consideration and the value of the net assets acquired is recognised as Goodwill.

Goodwill which has a limited useful economic life is amortised over a period of five years on a straight line basis from the year of creation.

4. Fixed Assets:

(a) Fixed Assets including assets given on lease are stated at their original cost including freight, duties, customs and other incidental expenses relating to acquisition or construction.

(b) Expenditure incurred during the period of construction including all direct and indirect expenses, incidental to construction are carried forward and on completion, the costs are allocated to the respective fixed assets.

(c) Capital inventory represents items of capital nature lying in the store valued at cost on First In First Out method.

(d) Capital spares are capitalised with the cost of the plant and machinery and depreciated over the useful life of the asset.

(e) In respect of assets leased before April 1, 2001, the company follows the recommendation of the Institute of Chartered Accountants of India contained in the Guidance Note on Accounting for Leases. Accordingly lease rentals accounted as income on finance leases are adjusted by creating lease terminal adjustment account so as to recover the capital cost of the leased asset within the tenure of lease agreements or earlier as ascertained by the management.

5. Depreciation / Amortisation:

(a) Depreciation on assets including assets given on lease is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

(b) Depreciation on assets purchased / acquired during the year is charged from the beginning of the month of the purchase of the asset. Similarly depreciation on assets sold/discarded during the year is charged upto the end of the month preceding the month of sale of asset.

(c) No depreciation is being charged on Right of Use of Land being perpetual in nature.

(d) Licenses/Software are amortized over a period of six years from the date of its availability for use by the Company.

(e) Depreciation on assets given on finance lease prior to April 1, 2001 is provided over the period of lease.

6. Investments:

Long term Investments are valued at cost and any decline in value other than temporary is appropriately provided.

Current investments are stated at lower of cost and fair market value determined category wise. Cost is determined as per weighted average cost formula.

7. Inventories:

Stores and Pipes fittings are valued at lower of cost and net realisable value. Cost is determined on First In First Out method.

8. Foreign currency transactions:

Foreign currency transactions are accounted for at the exchange rate prevailing on the transaction date. Year-end monetary assets and liabilities in foreign currency are translated at the applicable year-end exchange rates and the resultant difference is recognised as gain / loss for the year.

The premium or discount arising on forward exchange contracts including those entered into to hedge the foreign currency risks of a firm commitment or highly probable forecast transaction is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contracts is recognised as income or as expense for the year.

9. Employee Benefits:

(a) Post-employment benefit plans

- i. Defined Contribution Plan - Contributions to provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.
- ii. Defined Benefit Plan - The liability in respect of gratuity and leave encashment is determined using Projected Unit Credit Method with actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period in which they occur.

Contributions in respect of gratuity are made to the approved Gratuity Fund of the Group. The gratuity obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of gratuity fund.

(b) Short term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the services.

(c) Employee Stock Option Plan

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

10. Revenue Recognition:

- (a) Revenue on sale of natural gas is recognised on transfer of title to customers at delivery point. Sales are billed bi-monthly for domestic customers, monthly for commercial and non-commercial customers and fortnightly for industrial customers. Spot sales of gas to industrial customers are billed as per the terms mutually agreed between the parties. Revenue on sale of Compressed Natural Gas (CNG) are recognised on sale of gas to customers from retail outlets.
- (b) Gas Transmission income is recognized in the same period in which the related volumes of gas are delivered to the customers.
- (c) Commitment income from customers for gas sales and gas transmission is recognized on establishment of certainty of receipt of consideration.
- (d) Asset given on lease on or after April 1, 2001:
 - i. Income from Finance Leases

In accordance with the provisions of Accounting Standard 19 on Leases, the aggregate of minimum lease payments less unearned finance income is recognized as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance Income is recognized over the term of the lease using net investment method, which reflects a constant periodic rate of return.
 - ii. Income from Operating Leases

Lease Income from Operating Leases have been recognised in the Profit & Loss Account on a straight line basis over the lease term, as required by AS - 19 on Leases.
 - iii. Initial direct costs incurred for negotiating and arranging a lease agreements are recognised immediately in the profit and loss account.

- (e) The difference between the amounts charged from customers for gas connections and actual consumptions of material and labour charges is disclosed as Service and Fitting Income (Net) under Income from operations.
- (f) In respect of the financial services business, the Group follows the prudential norms for income recognition and provides for / writes off Non-performing Assets as per the prudential norms prescribed by the Reserve Bank of India or earlier as ascertained by the management.
- (g) Dividend income is recognised when the right to receive dividend is established.
- (h) Delayed payment charges are recognized on the basis of certainty of collection.

11. Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of a qualifying asset is capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

12. Operating Leases:

Lease rentals are recognised as an expense on straight line basis over the term of the lease.

13. Earning Per Share (EPS):

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

14. Taxation:

Tax expense for the year, comprising current tax, deferred tax and fringe benefit tax is included in determining the net profit for the year.

A provision is made for the current tax and fringe benefit tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at current or substantively enacted tax rates.

Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

15. Impairment of Assets:

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' net selling price and its value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

16. Miscellaneous Expenditure:

Expenditure on Voluntary Retirement Scheme (VRS) of employees is amortised in equal installments from the year in which the same is incurred till periods ended December 31, 2010 in accordance with the transitional provision of Accounting Standard - 15, Employee Benefits.

17. Provision and Contingencies:

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

18. Segment Reporting:

The accounting policies applicable to the reportable segments are the same as those used in the preparation of the consolidated financial statements as set out above.

Segment revenue and expenses include amounts which can be directly identifiable to the segment or allocable on a reasonable basis.

Segment assets and liabilities include all operating assets and liabilities related to the respective segment.

Inter segment transfers are accounted for at cost plus a reasonable mark-up.

NOTES TO ACCOUNTS:

19. Contingent Liabilities:

- (a) Claims against the group not acknowledged as debts Rs. 13.57 million (Previous year Rs. 11.15 million).
- (b) Claims of Rs. 27.92 million (Previous year Rs. 25.86 million) against the Group have been disputed by the Group. The Group is, however, indemnified by an insurance policy.
- (c) Income tax exposures of Rs. 376.92 million (Previous year Rs. 320.04 million)

In respect of holding company, Gujarat Gas Company Limited:

- (i) Includes income tax demand of Rs. 53.46 million (Previous year Rs. 53.46 million) relating to Assessment Years 1998-99, 1999-00 and 2000-01 due to disallowance of interest on debentures issued for the Hazira Ankleshwar pipeline and incurred during its construction, claimed as revenue expenditure. The amount of Rs. 53.46 million (Previous year Rs. 53.46 million) has been paid under protest.

CIT (Appeals) has ruled in favour of the company and deleted the demand of Rs. 6.87 million pertaining to A.Y. 2000-01. The Income-tax department has preferred an appeal in ITAT against the said order of CIT (Appeals) but ITAT allowed the claim for A.Y.2000-2001. The appeal for the other two years is pending with the ITAT.

- (ii) Includes income tax demand of Rs.123.41 million (Previous year Rs. 122.38 million) including interest on tax, relating to Assessment Years 1995-96 to 2007-08 due to disallowance of depreciation claimed on leased assets. The total amount paid by company / adjusted by tax authorities on account of above demand aggregates to Rs.122.41 million (Previous year Rs.121.67 million). The total tax exposure (though actually paid), net of interest on tax, on account of the above for all the years aggregates to Rs.115.32 million (Previous year Rs. 115.04 million). The company's appeals against the above demands are pending with ITAT for Assessment years 1996-97, 1997-98, 1998-99 and 1999-00, 2001-02 and 2002-03. The company's appeal for A.Y. 2005-06, 2006-07 and 2007-08 is pending with CIT (A). For A.Y. 2000-01, 2003-04 and 2004-05 the matter has been decided in the company's favour by the ITAT. The High Court of Gujarat has allowed the company's claim on the same issue for A.Y. 1995-96 and this is likely to have a positive consequential effect on all the subsequent years.

- (iii) Includes income tax demand for Rs.11.68 million (Previous year Rs.7.99 million) for disallowances under Section 14A on account of expenditure incurred for earning exempt income for A.Y. 2004-05, 2005-06, 2006-07 and 2007-08. The total amount paid by company / adjusted by tax authorities on account of above demand aggregates to Rs. 7.99 million (Previous Year Rs.1.39 million). The Appeal for A.Y. 2005-06, 2006-07 and 2007-08 is pending with CIT (A) and for A.Y 2004-05 with ITAT.

For A.Y. 2000-01 the Tribunal has disallowed the similar expenses under Section 14A and has asked the Assessing Officer to re-examine the tax levy as per Rule 8D of the Income Tax Rules, 1962 and hence the amount can not be quantified at this stage. The Company has preferred an appeal with the High Court against the above order of the Tribunal.

- (iv) Includes income tax demand for Rs.12.42 million (Previous year Rs.12.42 million) for certain disallowances for A.Y. 2003-04 to 2006-07. The demand is towards disallowances on account of bad debts written off, inventory written off, deposits written off and treatment of Cenvat credit balance as income. The total amount paid by company / adjusted by tax authorities on account of above demand aggregates to Rs. 8.67 million (Previous year Rs. 8.67 million). The appeal for A.Y. 2005-06 and 2006-07 is pending with CIT (A) and for A.Y. 2003-04 and 2004-05 with ITAT.

In respect of subsidiary company, Gujarat Gas Financial Services Limited:

- i. Includes income tax demand of Rs. 12.56 million (Previous year Rs. 12.56 million) including interest on tax, relating to A.Y. 1996-97 due to disallowance of depreciation claimed on leased assets. The total amount paid by company / adjusted by tax authorities towards above demand aggregates to Rs. 12.56 million (Previous year Rs. 12.56 million). Income tax demand for the years A.Y. 1997-98 to A.Y. 2000-01, on the same issue, amounts to Rs. 4.93 million.

The total tax exposure, net of interest on tax, on account of the above for all the years aggregates to Rs. 17.49 million (Previous year Rs. 17.49 million). The appeals for all the above years are pending with the ITAT.

The Assessing Officer has also levied a penalty under section 271(1)(c) for A.Y. 1996-97, amounting Rs. 6.77 million (Previous year Rs. 6.77 million). The penalty demand has been reduced by Rs. 4.14 million after adjusting the refund of various years. The appeal against this is pending with the ITAT.

- ii. Includes income tax demand of Rs. 5.46 million (Previous year Rs. 5.46 million) for the A.Y. 1996-97 on account of disallowance of loss on sale of securities as business loss. The Company preferred an appeal against the above demand and CIT (A) has quashed the demand. However, the Income Tax Department has filed an appeal against the above order.



iii. Includes income tax demand of Rs. 14.42 million (Previous year Rs. 14.42 million) for the A.Y. 2001-02 on account of disallowance of claim for bad debts. The Company has paid an amount of Rs. 7.60 million (Previous year Rs. 7.60 million) out of the above demand. The ITAT had ruled partly in favour of the company by allowing bad debts towards bill discounting transactions. An appeal has been preferred with the High Court against the ITAT order. The High Court has restored back the matter to the ITAT and matter is pending with ITAT. Further the Assessing Officer has also levied a penalty under section 271(1)(c) of the Income Tax Act 1961, amounting Rs.10.01 million. The Company's appeal was decided by the ITAT in its favour.

iv. Includes income tax demand of Rs. 14.81 million (Previous year Rs. 14.81 million) for the A.Y. 2002-03 on account of disallowance of claim for bad debts (Rs. 14.00 million) and professional expenses (Rs. 0.81 million). The total amount paid by company / adjusted by tax authorities towards above demand aggregates to Rs. 8.83 million (Previous year Rs. 8.83 million). Recently the ITAT has ruled partly in favour of the company by allowing bad debts towards bill discounting transactions. An appeal has been preferred with the High Court against the ITAT order. Recently the High Court has restored back the matter to the ITAT and matter is pending with ITAT.

Includes income tax demand of Rs. 2.86 million (Previous year Rs. 2.86 million) for the A.Y. 2003-04 on account of disallowance of claim for bad debts. Recently the ITAT has ruled in favour of the Company and has allowed claim of bad debts. Department may prefer an appeal against the ITAT's order.

Includes income tax demand of Rs. 0.23 million (Previous year Rs. 0.23 million) for A.Y. 2004-05 on account of disallowance of claim for bad debts. The appeal for A.Y. 2004-05 is pending with the ITAT.

v. Includes income tax demand of Rs. 20.14 million (Previous year Rs. 20.14 million) for A.Y. 2006-07 on account of disallowance of service charges paid to GGCL and inventory written off during the year. The total amount paid by company / adjusted by tax authorities towards above demand aggregates to Rs.18.28 million (Previous year Rs.18.28 million). The CIT (A) has decided the appeal partly in our favour by allowing the service charges as deductible business expenditure. The appeal is pending with the ITAT.

vi. Includes income tax demand of Rs. 25.35 million (Previous year Rs. 25.35 million) for the A.Y. 2007-08 on account of disallowance of service charges paid to GGCL. The total amount paid by company / adjusted by tax authorities towards above demand aggregates to Rs.18.96 million (Previous year Nil). The Company has preferred an appeal before the CIT (A) against the said order.

vii. Includes income tax demand of Rs. 34.77 million (Previous year Nil) for the A.Y. 2008-09 on account of disallowance of service charges paid to GGCL. The Company has preferred an appeal before the CIT (A) against the said order.

In respect of holding company, GujaratGas Trading Company Limited:

i. Includes demand of Rs. 11.20 million (Previous year Rs. 11.20 million) for the A.Y. 2007-08 on account of disallowance of commission on purchase paid to BG Energy Holdings Limited and disallowance of expenditure u/s 14A as per Rule 8D of the Income tax Rules 1962. The total amount paid or adjusted by tax authorities towards above demand aggregates to Rs. 5.25 million (Previous year Nil). The Company has preferred an appeal before the CIT (A) against the said order.

ii. Includes demand of Rs.12.45 million (Previous year Nil) for the A.Y. 2008-09 on account of disallowance of commission paid to BG Energy Holdings Limited, disallowance of expenditure u/s 14A as per Rule 8D of the Income tax Rules 1962 and treatment of VAT refund as taxable income. The Company has preferred an appeal before the CIT (A) against the said order.

(d) Interest tax exposures of Rs. 4.15 million (Previous year Rs. 4.15 million). The interest tax authorities in the assessment contented that the activities of the Company are chargeable to interest tax and raised a total demand of Rs. 56.40 million (Previous year Rs. 56.40 million) for the Assessment Years 1995-96 to 2000-01. The Company had filed an appeal against the above demands and CIT (A) ruled in favour of the Company for the Assessment Years 1995-96, 1996-97, 1997-98, 1998-99 and 2000-01 and quashed the demands for these years aggregating to Rs. 50.27 million (Previous year Rs. 50.27 million). However for A.Y.1999-2000, CIT (A) ruled against the company and raised a demand of Rs. 4.15 million (Previous year Rs. 4.15 million). The Company has paid an amount of Rs.1.25 million (Previous year Rs.1.25 million) out of the above demand. ITAT had ruled partly against the Company and had asked the Assessing Officer to re-examine the levy. The Company had preferred an appeal before the High Court against the ITAT order. Recently the High Court has restored back the matter to the ITAT and matter is pending with ITAT.

Further, the Assessing Officer has levied a penalty in A.Y.1999-2000 under section 13 of the Interest Tax Act 1974, amounting Rs. 1.98 million (Previous year Rs. 1.98 million). The Company preferred an appeal against the above demand and CIT (A) ruled in favour of the Company and quashed the penalty demand. The appeal is pending with the ITAT.



(e) The Company had retrenched 8 employees in the year 2002 under the provisions of The Industrial Disputes Act, 1949. The employees had filed an appeal against the above retrenchment in a labour court. The Company had reached a settlement with two of the above employees and had provided for Rs. 0.68 million (Previous year Rs. 0.68 million), being the compensation payable to the remaining employees under The Industrial Disputes Act, 1949. Any additional amount due to the employees will be determined based on decision by the labour court and hence amount payable ultimately cannot be ascertained at this stage.

20. Estimated amount of contracts net of advances remaining to be executed on capital account and not provided for Rs. 285.86 million (Previous year Rs. 125.48 million).

21. The Group had constructed a civil structure aggregating to Rs.19.04 million (Previous year Rs. 19.04 million) on land which is not yet owned by the Group. The management is confident of obtaining the requisite approvals of the Government Authorities for transfer of ownership of land.

22. Material consumed includes:

(a) Rs. 30.25 million (Previous year Rs. 30.30 million) towards Internal consumption of Gas.

(b) Gain of Rs. 19.47 million (Previous year Rs. 21.82 million) as foreign exchange fluctuations.

23. Obligations on Operating Leases:

The group has taken premises for office and residential use for its employees under cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to Rs. 12.39 million (Previous year Rs. 7.69 million). The lease agreement typically ranges from 1 to 5 years.

24. Deposits from customers have been considered as a source of long term funds since the same are refundable only on termination/modification of the gas sale agreement.

25. The undertakings which have been consolidated in these financial statements are as follows:

Name of the Undertaking	Relationship	Country of Incorporation	Proportionate beneficial ownership interest/ voting power
Gujarat Gas Financial Services Limited	Subsidiary	India	69.88%
Gujaratgas Trading Company Limited	Subsidiary	India	100%

26. Minority Interest:

Minority Interest of Rs. 63.00 million as at December 31, 2010 represents the interest of minority shareholders with an aggregate shareholding of 30.12% in the subsidiary company Gujarat Gas Financial Services Limited. Reconciliation of Minority Interest is given below:

	Year ended December 31, 2010 (Rs. in million)	Year ended December 31, 2009 (Rs. in million)
Opening balance	51.72	44.22
Add: Share in Current Year Profit	12.69	8.56
Less: Share in Proposed Dividend and Corporate Dividend Tax	1.41	1.06
Closing Balance	63.00	51.72

27. Earnings per share:

	Year ended December 31, 2010 (Rs. in million)	Year ended December 31, 2009 (Rs. in million)
Net Profit after tax attributable to the Group (Rs. in million)	2,577.46	1,741.67
Less: Preference Dividend and corporate dividend tax on preference dividend (Rs. in million)	12.55	12.59
Net Profit attributable to Equity Shareholders (Rs. in million)	2,564.91	1,729.08
Weighted average number of equity shares outstanding during the year (No. in million)	128.25	128.25
Basic earnings per share of Rs 2/- each (in Rs.)	20.00	13.48

The Group does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earning per share of the Group remain the same.

28. Accounting for Joint Venture:

The Company's joint ventures "Petroleum Infrastructure Limited"(incorporated in India with 50% stake being held by the Company) and "Sensus Metering Systems India Limited" (incorporated in India with 49% stake being held by the Company) are under liquidation. Therefore, the Company's interest in the joint ventures has been accounted for in accordance with Accounting Standard 13 "Accounting for Investments" and has not been disclosed as per Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures".

In case of Sensus Metering Systems India Limited, the assets of the joint venture has been liquidated and all liabilities have been paid off. The resultant proceeds of joint venture has been distributed to Company which is higher than the carrying value of Investment (net of provision made in earlier years for diminution in the value of investments). Company does not expect to receive any further amount from joint venture and hence remaining carrying value of investments in joint venture and related provision has been adjusted in the books of accounts.

In case of Petroleum Infrastructure Limited, the investments have been written down to the realizable value.

- 29.** The Company is procuring natural gas from one of the suppliers on the basis of a Term Sheet agreed with the supplier effective April 1, 2008. Under the terms of the agreement with the supplier, the Term Sheet shall be superseded by a Gas Sales and Transmission Contract (GSTC) as and when the same is finalised. The GSTC would be effective from April 1, 2008. Pending the finalisation of the GSTC, the gas procurement cost is being recorded in the books of account on the basis of the terms provided in the Term Sheet.

30. Segmental Reporting:

The group is primarily in the business of distribution of Natural gas through pipelines from sources of supply to centers of demand and to the end customers. The group also builds pipelines required to make the gas available to the end customer. The other activity of the group comprises leasing of natural gas fired Cogeneration units, the income from which is not material in financial terms.

Further, the group is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard on Segment Reporting (AS - 17) are not relevant to the Company.

31. Employee Stock Option Plan 2008:

The group implemented an Employee Stock Option Plan 2008 ('ESOP 2008') which provides for the allotment of equity shares of Rs. 2/- each to eligible employees of the group. The Scheme is administered by an ESOP Trust (Gujarat Gas Company Limited Employee Stock Option Welfare Trust) which purchases, out of the funds advanced by the group, the shares equivalent to the number of options granted, for allotment to the grantees. The Finance Director and Human Resource Director are the trustees of the said trust. The trustees can purchase or sell the shares from the market as per the approved scheme.

Pursuant to the above scheme the group has granted options as mentioned here below convertible into equity shares of Rs. 2/- each to employees of the group. The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options were approved by board of directors and shareholders. The Scheme provides for graded vesting of options granted over a period of 4 years from the date of grant

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

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

Details of movement under the Stock option plan for the year ended December 31, 2010 is as follows:

	Year ended December 31, 2010		Year ended December 31, 2009	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)
Options outstanding at the beginning of the year	1,663,000	99	740,000	189
Options granted during the year	-	-	170,000	233
Less: Options forfeited during the period prior to issuance of bonus shares (refer note below)	-	-	58,500	198
Less: Options expired during the period	-	-	-	-
Less: Options exercised during the period	-	-	-	-
Options outstanding before issuance of bonus shares (refer note below)	-	-	851,500	197
Add: Increase in options on account of bonus issue	-	-	851,500	-
Options granted during the year	403,000	285	-	-
Less: Options exercised during the year	280,000	95	-	-
Less: Options forfeited during the period after issuance of bonus shares	-	-	40,000	97
Options outstanding at end of the year	1,786,000	142	1,663,000	99

Note:

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

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. The weighted average fair value of options granted on 4 March 2010, 26 July 2010 and 28 October 2010 is Rs. 86.10, Rs. 106.64 and Rs.136.19 per option respectively. The weighted average remaining contractual life of options outstanding as on December 31, 2010 is 3.46 years (Previous year 3.93 years).

In accordance with Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities Exchange Board of India, an amount of Rs. 25.91 million (Previous year Rs. 18.41 million) has been recognised as an expense in Welfare Expenses (Schedule 16) and corresponding liability has been disclosed as Stock Options Outstanding Account (Schedule 2). The balance of Rs. 37.96 million (Previous year Rs. 21.29 million) in Stock Options Outstanding Account (Schedule 2) represents the amortised cost of stock options outstanding. Further the group has made a partial advance of Rs. 343.02 million (Previous year Rs. 243.00 million) on an estimated basis for the purchase of shares equivalent to the number of options granted which is utilized for the purpose.



The Company has adjusted Rs. 1.91 million (Previous year Nil) to General Reserve as the difference between the cost incurred by the ESOP Trust for the purchase of shares and the exercise price of those shares which have been exercised by the employees during the current year, in accordance with Guidance Note on accounting for Employee share based payment, issued by the ICAI.

32. Disclosures as per AS - 15 (Revised) 'Employee Benefits' for year ended December 31, 2010:

	Year ended December 31, 2010	Year ended December 31, 2009
(Rs. in million)		
(i) Disclosures for Defined Contribution Plans		
Employer's contribution to Provident Fund	20.85	17.65
(ii) Disclosures for Defined Benefit Plans - Gratuity (Funded)		
<u>Change in the defined benefit obligations</u>		
Defined benefit obligation as at beginning of the year	65.50	52.87
Service cost	6.93	5.92
Interest cost	5.51	4.36
Actuarial loss/(gain)	2.72	3.50
Benefits paid	<u>(0.64)</u>	<u>(1.15)</u>
Defined benefit obligation as at year end	<u>80.02</u>	<u>65.50</u>
<u>Change in plan assets</u>		
Fair value of plan assets as at beginning of the year	55.13	37.29
Expected return on plan assets	5.62	4.16
Contributions by employer	9.72	10.53
Actuarial (loss)/gain	(0.04)	4.30
Benefits paid	<u>(0.64)</u>	<u>(1.15)</u>
Fair value of plan assets as at year end	<u>69.79</u>	<u>55.13</u>
Present value of unfunded obligations	<u>10.23</u>	<u>10.37</u>
The Net amount recognized in the statement of Profit & Loss is as follows		
Current Service cost	6.93	5.92
Interest cost	5.51	4.36
Expected return on plan assets	(5.62)	(4.16)
Net actuarial loss/(gain) recognised	<u>2.76</u>	<u>(0.79)</u>
Net amount recognised	<u>9.58</u>	<u>5.33</u>
Actual return on Plan Assets	5.58	8.46
The major categories of plan assets as a percentage of total plan assets as at year end are as follows:		
Government of India Securities	-	2%
Insurer Managed Funds	100%	98%
The principal actuarial assumptions used are as follows		
Discount Rate	8.40%	8.25%
Expected rate of return on Plan Assets	9.00%	9.00%
Rate of increase in Compensation Levels (Refer Note below)	7.00%	7.00%

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

	(Rs. in million)	
	Year ended December 31, 2010	Year ended December 31, 2009
(iii) Disclosures for Defined Benefit Plans – Leave Encashment (Unfunded)		
<u>Change in the defined benefit obligations</u>		
Defined benefit obligation as at beginning of the year	32.96	27.27
Service cost	3.71	2.27
Interest cost	2.77	2.25
Actuarial loss/(gain)	1.46	2.11
Benefits paid	<u>(0.66)</u>	<u>(0.94)</u>
Defined benefit obligation as at year end	40.24	32.96
The Net amount recognized in the statement of Profit & Loss is as follows		
Current Service cost	3.71	2.27
Interest cost	2.77	2.25
Net actuarial loss/(gain) recognised	<u>1.46</u>	<u>2.11</u>
Net amount recognised	7.94	6.63
The principal actuarial assumptions used are as follows		
Discount Rate	8.40%	8.25%
Rate of increase in Compensation Levels (Refer Note below)	7.00%	7.00%

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

(iv) Additional Disclosures as per AS- 15

Change in the defined benefit obligations - Gratuity (Funded)

	(Rs. in million)			
	Year ended December 31, 2010	Year ended December 31, 2009	Year ended December 31, 2008	Year ended December 31, 2007
Present Value of defined benefit obligation as at beginning of the year	65.50	52.87	38.54	35.45
Current Service cost	6.93	5.92	5.33	4.11
Interest Cost	5.51	4.36	2.89	2.89
Actuarial (gain)/loss	2.72	3.50	8.14	(0.51)
Benefits Paid	(0.64)	(1.15)	(2.03)	(3.40)
Present Value of defined benefit obligation as at end of the year	80.02	65.50	52.87	38.54

Change in plan assets - Gratuity (Funded)

	(Rs. in million)			
	Year ended December 31, 2010	Year ended December 31, 2009	Year ended December 31, 2008	Year ended December 31, 2007
Fair value of plan assets as at beginning of the year	55.13	37.29	32.65	24.21
Expected return on plan assets	5.62	4.16	3.32	2.70
Contributions by employer	9.72	10.53	8.96	6.80
Actuarial (loss)/gain	(0.04)	4.30	(5.60)	2.04
Benefits paid	(0.64)	(1.15)	(2.04)	(3.10)
Fair value of plan assets as at year end	69.79	55.13	37.29	32.65
Present value of unfunded obligations	10.23	10.37	15.58	5.89

**Change in the defined benefit obligations - Leave Encashment (Unfunded)**

(Rs. in million)

	Year ended December 31, 2010	Year ended December 31, 2009	Year ended December 31, 2008	Year ended December 31, 2007
Present Value of defined benefit obligation as at beginning of the year	32.96	27.27	22.66	17.39
Current Service cost	3.71	2.27	2.05	4.87
Interest Cost	2.77	2.25	1.70	1.42
Actuarial (gain)/loss	1.46	2.11	2.43	1.62
Benefits Paid	(0.66)	(0.94)	(1.57)	(2.64)
Present Value of defined benefit obligation as at end of the year	40.24	32.96	27.27	22.66

- (v) Expected contributions to be paid to the Gratuity plan during the year ending December 31, 2011 can not be ascertained at this stage.

33. Related Party Transactions :

The Company is controlled by BG Asia Pacific Holdings Pte. Limited which owns 65.12% of the Company's shares. The ultimate parent of the group is BG Group plc.

The following related party transactions were carried out during the year in the ordinary course of business:

(Rs. in million)				
Name of the Related Party	Nature of Relationship	Nature of Transaction	Year ended December 31, 2010	Year ended December 31, 2009
BG International Limited	Under common control	Reimbursement of salary for seconded personnel (Paid) (including Tax Deducted at Source)	14.63	34.57
		Reimbursement of Software License	6.62	35.34
		Amount payable at the year end	128.55	114.21
BG Asia Pacific Holdings Pte. Limited	Holding company	Dividend paid		
		- Equity	668.09	125.27
		- Preference	10.80	10.80
		- Issuance of bonus shares	-	83.52
Sensus Metering Systems India Limited	Joint Venture	Share Capital held		
		- Equity	167.03	167.03
		- Preference	144.00	144.00
		Provision no logner required written back	0.86	-
BG Energy Holding Limited	Under common control	Investment at year end	-	39.09
		Provision for diminution in value of investment	-	29.34
		Commission on purchases	2.34	4.00
Petroleum Infrastructure Limited	Joint Venture	Commission on corporate guarantee given to supplier	6.06	6.14
		Amount payable at year end	16.13	7.74
		Bad debts recovered	0.50	1.80
Mahanagar Gas Limited	Under common control	Investment at year end	75.00	75.00
		Provision for diminution in value of investment	75.00	75.00
		Provision no longer required written back	-	1.71
BG India Energy Private Limited	Under common	Expense:		
		Legal and Professional	-	1.74
		Reimbursement of Expenses (Paid)	-	0.34
		Amount payable at the year end	-	1.31
BG India Energy Solutions Pvt. Limited	Under common control	Purchase of Natural Gas (Net of VAT)	4,399.18	176.99
		Amount payable at the year end	410.95	-



(Rs. in million)

Name of the Related Party	Nature of Relationship	Nature of Transaction	Year ended December 31, 2010	Year ended December 31, 2009
BG Exploration and Production India Limited	Under common control	Income:		
		Service charges for secondment of employees	10.50	3.47
		Reimbursement of Expenses (Received)	3.57	2.03
		Expenses:		
		Legal and Professional	61.70	53.12
		Reimbursement of Expenses (Paid)	6.46	1.85
		Amount payable at the year end	54.41	50.90
Shaleen Sharma	Key Management Personnel	Remuneration as Managing Director	17.03	15.27
Nirja Sharma	Relative of Key Management Personnel	Lease Rent paid	0.09	0.39
Gujarat Gas Company Limited Employee Stock Option Welfare Trust	Enterprise controlled by the Company	Advance paid for purchase of shares (Net) (Excluding adjustment of Rs. 7.32 million on account of exercise of options during the year)	107.34	232.50
		Amount Receivable at the year end	343.02	243.00
Gujarat Gas Company Limited Employees Gratuity Trust Fund	Enterprise controlled by the Company	Contribution paid	9.72	10.54

	Year ended December 31, 2010 (Rs. in million)	Year ended December 31, 2009 (Rs. in million)
34. Deferred Tax :		
(A) The movement in deferred tax account is as follows:		
Opening Balance	560.26	498.39
Provision for current year deferred tax liability (Net)	66.96	61.87
Adjustment for prior year (with provision for taxation)	41.86	-
Closing Balance	<u>669.08</u>	<u>560.26</u>
(B) Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws. The following amounts are shown in the balance sheet:		
Deferred Tax Liabilities	773.53	687.66
Deferred Tax Assets	<u>(104.45)</u>	<u>(127.40)</u>
	<u>669.08</u>	<u>560.26</u>
(C) Break up of deferred tax assets/liabilities:		
Deferred Tax Liabilities:		
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	773.53	687.66
TOTAL (A)	<u>773.53</u>	<u>687.66</u>
Deferred Tax Assets:		
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:		
Provision for doubtful debts	7.72	7.27
Provision for diminution of investment	-	6.37
Provision for diminution in the value of		
Fixed assets / Capital Work in Progress	44.65	58.13
Expenditure under section 43B of the Income Tax Act	52.08	55.63
TOTAL (B)	<u>104.45</u>	<u>127.40</u>
Net Deferred Tax Liability	<u>669.08</u>	<u>560.26</u>
TOTAL (A-B)		

35. Assets given on lease:

Leasing operations of the Group mainly involves leasing of gas based generator sets under Operating and Finance lease arrangements.

i) Assets given on finance lease on or after April 1, 2001:

Under finance lease arrangements, the lease agreements have been entered for a fixed period of 6 years, at the end of which the ownership of assets will be transferred to the lessee on payment of consideration specified in the Lease Agreements.

	Year ended December 31, 2010				Year ended December 31, 2009			
	Gross Investment in the lease	Unearned Finance Income	Service Tax	Present Value of Minimum Lease Payments receivable	Gross Investment in the lease	Unearned Finance Income	Service Tax	Present Value of Minimum Lease Payments receivable
Total	92.08	16.26	2.85	72.97	134.70	30.85	4.40	99.45
Out of the above, receivable:								
Not Later than 1 year	42.64	-	-	30.67	42.62	-	-	26.48
Later than 1 year and not later than 5 years	49.44	-	-	42.30	92.08	-	-	72.97
Later than 5 years	-	-	-	-	-	-	-	-

ii) Asset given on operating lease on or after April 1, 2001:

The ownership of the gas based generators sets remains with the Group throughout the life of these generators. The lease agreement typically ranges from 6 to 12 years.

	Year ended December 31, 2010 Rs. in million	Year ended December 31, 2009 Rs. in million
36. Pursuant to AS 29 - The Disclosure relating to Provisions are given below:		
Opening Balance	51.16	49.34
Additions during the Year	<u>2.18</u>	<u>1.82</u>
Closing Balance	<u><u>53.34</u></u>	<u><u>51.16</u></u>

The provision relates to estimated outflow of cash expected to be paid in relation to sale of gas pipelines.

Due to its very nature it is not possible to estimate the timing of resulting cash flows.

37. Managerial Remuneration

i) Managing Director		
- Salary and Bonus	13.67	11.88
- Allowances	1.16	1.03
- Perquisites	0.94	1.17
- P.F. and Gratuity	<u>1.26</u>	<u>1.19</u>
	17.03	15.27
ii) Commission to Non Whole Time Directors	3.10	2.10
iii) Directors' Sitting Fees	0.96	1.13

38. The provision for income tax has been calculated based on income earned during the year ended December 31, 2010 in accordance with Guidance Note on measurement of Income Tax expense for Interim Financial Reporting. However, the tax year end of the Company being March 31, 2011 the ultimate liability for the Assessment Year 2011-12 will be determined based on the total income of the Company for the year ending March 31, 2011. The provision for wealth tax has been made based on the net wealth as on December 31, 2010. However the ultimate liability for the Assessment Year 2011-12 will be determined based on the net wealth as on March 31, 2011.

39. Disclosures as required by the Micro, Small and medium Enterprises development Act, 2006 are as under.

Particulars	(Rs. in million)	
	Year ended December 31, 2010	Year ended December 31, 2009
The principal amount remaining unpaid as at the end of accounting year [including Interest due thereon - Nil (Previous year - Nil)]	14.11	13.90
Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid at the end of accounting year	0.05	0.03
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	0.02

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



40. Capital Work in Progress includes investment of Rs. 254.90 million (Previous year Rs. 254.90 million) for setting up a City Gas Distribution (CGD) network in Valsad and Navsari district, Union Territories of Silvassa and Daman which has not yet commenced operations. The Company is exploring options of utilising this investment. However, considering the uncertainty involved in the utilisation of this network, the Company, based on engineering estimates, has made a provision of Rs. 105.04 million (Previous year Rs. 105.04 million) to bring the carrying value of the investment to its expected recoverable amount.
41. In view of the general clarification issued by the Institute of Chartered Accountants of India on Accounting Standard 21 "Consolidated Financial Statements", the consolidated financial statements do not include notes such as quantitative information, forex earnings/expense etc. which are not necessary to present true and fair view of the financial statements.
42. Previous year figures have been reclassified/regrouped wherever considered necessary to conform to the current year figures.

For Price Waterhouse

Firm Registration Number – 301112E
Chartered Accountants

V. Nijhawan

Partner
Membership No. F87228

Place : Ahmedabad

Date : February 28, 2011

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Jal Patel Sugata Sircar
Director Finance Director

Rajeshwari Sharma
Company Secretary

Place : Ahmedabad

Date : February 28, 2011

Auditors' Report To the Members of Gujarat Gas Company Limited

1. We have audited the attached Balance Sheet of Gujarat Gas Company Limited, as at December 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2010;
 - ii) in case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse
Firm Registration No. – 301112E
Chartered Accountants

V. Nijhawan
Partner
Membership Number: F87228

Place : Ahmedabad
Date : February 28, 2011

Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' report of even date to the members of Gujarat Gas Company Limited on the financial statements for the year ended December 31, 2010]

- i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii) a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system;
- v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government of India, under clause (d) of sub-section (1) of Section 209 of the Act, has prescribed the maintenance of cost records. The company is in the process of preparing the cost records and accounts for the year.
- ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the company examined by us, the particulars of income tax as at December 31, 2010 which have not been deposited on account of dispute as follows:

Name of the statute	Nature of Dues	Amount (Rs. in million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Corporate Tax	4.08	Assessment Year 2007-08	Commissioner of Income Tax (Appeals)

There are no dues of wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

- x) The Company does not have accumulated losses as at December 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provision of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
- xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi) During the year, the company has not obtained any term loans.
- xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The Company has not issued any debentures during the year and there are no debentures outstanding as at the year end.
- xx) The Company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Price Waterhouse
Firm Registration No. – 301112E
Chartered Accountants

V. Nijhawan
Partner
Membership Number: F87228

Place : Ahmedabad
Date : February 28, 2011

BALANCE SHEET AS AT DECEMBER 31, 2010

	Schedule	Rs. in million	As at 31-12-2010 Rs. in million	As at 31-12-2009 Rs. in million
SOURCES OF FUNDS				
SHAREHOLDER'S FUNDS				
Share Capital	1	400.50		400.50
Stock Options Outstanding Account	2	37.96		21.29
Reserves and Surplus	3	<u>7,911.61</u>		<u>7,123.63</u>
			8,350.07	7,545.42
			718.52	604.86
DEFERRED TAX LIABILITY (Net) (Refer Notes 12 and 29 on Schedule 19)				
DEPOSITS (Refer Note 20 on Schedule 19)				
From Customers		2,034.81		1,514.81
From GAIL (India) Limited		<u>38.69</u>		<u>38.69</u>
			2,073.50	1,553.50
			<u>11,142.09</u>	<u>9,703.78</u>
TOTAL				
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	4	9,669.54		8,580.93
Less : Depreciation		3,181.42		2,686.46
Less : Impairment Loss		<u>29.37</u>		<u>34.63</u>
		6,458.75		5,859.84
Less : Lease Terminal Adjustment Account		<u>118.86</u>		<u>118.86</u>
Net Block		6,339.89		5,740.98
Capital work in progress		780.23		865.73
Capital Inventory		<u>517.68</u>		<u>489.96</u>
			7,637.80	7,096.67
			5,348.74	4,121.54
			343.02	243.00
INVESTMENTS				
AMOUNT RECOVERABLE FROM ESOP TRUST (Refer Note 26 on Schedule 19)				
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	6	105.91		110.92
Lease Receivables	7	72.97		99.45
Sundry Debtors	8	1,411.17		1,138.98
Cash and Bank Balances	9	48.59		72.16
Loans and Advances	10	<u>156.89</u>		<u>266.22</u>
		1,795.53		1,687.73
LESS: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	11	2,076.67		2,116.65
Provisions		<u>1,906.33</u>		<u>1,329.40</u>
		3,983.00		3,446.05
NET CURRENT ASSETS				
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
	12		(2,187.47)	(1,758.32)
			-	0.89
			<u>11,142.09</u>	<u>9,703.78</u>
Significant Accounting Policies and Notes to Accounts 19				

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse

Firm Registration Number – 301112E
Chartered Accountants

V. Nijhawan

Partner
Membership No. F87228

Place : Ahmedabad

Date : February 28, 2011

The Schedules referred to above form an integral part of the Balance Sheet

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Jal Patel Sugata Sircar
Director Finance Director

Rajeshwari Sharma
Company Secretary

Place : Ahmedabad

Date : February 28, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2010

	Schedule	Rs. in million	Year ended 31-12-2010 Rs. in million	Year ended 31-12-2009 Rs. in million
INCOME:				
Income from Operations (Gross)	13	18,745.69		14,393.61
Less: Excise Duty on Gas Sales		285.35		217.22
Income from Operations (Net)		18,460.34		14,176.39
Other Income	14	216.60		253.20
			18,676.94	14,429.59
EXPENDITURE:				
Material consumed / processed (Refer Note 19 and 25 on Schedule 19)		12,866.44		10,032.06
Personnel Expenses	15	495.23		447.97
Operating and Other Expenses	16	968.01		910.35
Depreciation		530.66		460.63
Finance Charges	17	4.62		1.36
Deferred Revenue Expenditure Written off		0.89		3.67
			14,865.85	11,856.04
Profit before Taxes			3,811.09	2,573.55
Tax Expense	18		1,223.80	822.30
Profit after Taxes			2,587.29	1,751.25
Profit brought forward			5,315.26	4,949.01
Profit available for Appropriations			7,902.55	6,700.26
APPROPRIATIONS:				
Proposed Dividend				
- Preference Shares			10.80	10.80
- Equity Shares			1,539.00	1,026.00
Corporate Dividend Tax			251.42	172.20
Transfer to General Reserve			259.00	176.00
Profit Carried Forward			5,842.33	5,315.26
			7,902.55	6,700.26
Basic/ Diluted Earnings per Share of Rs. 2/- each (Rs.) (Refer Notes 11 and 22 on Schedule 19)			20.08	13.56
Significant Accounting Policies and Notes to Accounts	19			

This is the Profit and Loss Account referred to in our report of even date

For Price Waterhouse

Firm Registration Number – 301112E
Chartered Accountants

V. Nijhawan

Partner
Membership No. F87228

Place : Ahmedabad

Date : February 28, 2011

The Schedules referred to above form an integral part of the Profit and Loss Account

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Jal Patel Director

Sugata Sircar
Finance Director

Rajeshwari Sharma
Company Secretary

Place : Ahmedabad

Date : February 28, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010

	Year ended 31-12-2010 Rs. in million	Year ended 31-12-2009 Rs. in million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	3,811.09	2,573.55
Adjustments for:		
Depreciation for the year	530.66	460.63
Provision for Gratuity	9.47	5.20
Provision for Leave Encashment	7.88	6.65
Provision for Diminution in the value of Fixed Assets / Capital Work in Progress	10.03	28.79
(Profit)/ Loss on sale of Fixed Assets (Net)	21.21	9.55
Provision for Doubtful Debts	2.00	1.09
Provision for Stock Options Account	25.91	18.41
Provision for Wealth Tax	0.40	0.40
Other Provisions	2.18	1.82
Bad Debts written off	-	0.20
Fixed assets written off	-	5.36
Inventory written off	2.46	9.51
Deferred Revenue Expenditure written off	0.89	3.67
Interest Expense	4.62	1.36
(Profit)/Loss on sale of investment (Net)	(18.12)	(35.30)
Liabilities no longer required Written Back	(0.91)	(13.03)
Reversal of Impairment Provision	(15.29)	-
Dividend Income	(152.82)	(154.18)
Interest Income	(21.37)	(19.85)
Operating Profit before working capital changes	4,220.29	2,903.83
Adjustments for changes in working capital		
(Increase)/Decrease in Sundry Debtors	(274.20)	(180.60)
(Increase)/Decrease in Amount Recoverable from ESOP trust	(107.34)	(232.50)
(Increase)/Decrease in Loan and Advances	183.17	(5.17)
(Increase)/Decrease in Inventories	2.54	(10.58)
Increase/(Decrease) in Current Liabilities	38.00	200.43
Cash generated from operations	4,062.46	2,675.41
Taxes paid (Net of refunds)	(1,209.82)	(766.78)
Net Cash from Operating Activities	2,852.64	1,908.63
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,188.68)	(1,559.46)
Sale of Fixed Assets	14.50	41.90
Purchase of Investments	(19,499.09)	(14,177.08)
Sale of Investments	18,290.01	13,547.04
Net investment in Finance Lease (Net of Capital Recovery)	26.48	27.90
Interest received	21.37	19.85
Dividends received	152.82	154.18
Net Cash used in Investing Activities	(2,182.59)	(1,945.67)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Deposits accepted during the year (Net)	520.00	279.81
Interest Paid	(4.62)	(1.36)
Dividend Paid (including Corporate Dividend Tax)	(1,209.00)	(237.71)
Net Cash generated from/(used in) Financing Activities	(693.62)	40.74

NET INCREASE IN CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents at the beginning of the year

Cash and Cash Equivalents at the end of the year

Closing Cash and Cash Equivalents comprise:

Cash in hand

Cheques in hand

Balances with Scheduled Banks :

- In Current Accounts

- In Dividend Accounts

(Refer note C below)

Total Cash and Cash Equivalents as per Cash Flow statement

Year ended 31-12-2010 Rs. in million	Year ended 31-12-2009 Rs. in million
(23.57)	3.70
72.16	68.46
48.59	72.16
0.20	0.18
-	9.89
38.88	56.24
9.51	5.85
48.59	72.16

Notes to Cash Flow Statement:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- Purchases of fixed assets, stated inclusive of movements of capital work in progress and capital inventory, are treated as part of investing activities.
- The balance with the bank for unpaid dividend is not available for use by the company and the money remaining unpaid will be deposited in Investor Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.
- Previous Year figures have been regrouped and reclassified wherever considered necessary to conform to current year's figures.
- Figures in brackets indicate Cash outflow.

This is the Cash Flow Statement referred to in our report of event date

For Price Waterhouse

Firm Registration Number – 301112E

Chartered Accountants

V. Nijhawan

Partner

Membership No. F87228

Place : Ahmedabad

Date : February 28, 2011

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Jal Patel Sugata Sircar
Director Finance Director

Rajeshwari Sharma
Company Secretary

Place : Ahmedabad

Date : February 28, 2011

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31-12-2010 Rs. in million	As at 31-12-2009 Rs. in million
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
140,000,000 (Previous year 140,000,000) Equity Shares of Rs. 2/- each	280.00	280.00
17,000,000 (Previous year 17,000,000) 7.5% Redeemable Preference Shares of Rs.10/- each	170.00	170.00
TOTAL	450.00	450.00
Issued, Subscribed and Paid up		
128,250,000 (Previous year 128,250,000) Equity Shares of Rs. 2/- each fully paid-up [Out of the above 83,518,750 (Previous year 83,518,750) equity shares are held by holding company BG Asia Pacific Holdings Pte. Limited , the ultimate holding company being BG Group plc.] [Out of the above during the Previous year 64,125,000 equity shares allotted as fully paid-up by way of bonus shares out of General Reserve]	256.50	256.50
14,400,000 (Previous year 14,400,000) 7.5% Redeemable Cumulative Non Convertible Preference Shares of Rs.10/- each fully paid up, issued to holding company BG Asia Pacific Holdings Pte. Limited [redeemable at par at any time after five years from the date of allotment (May 18, 2006) but prior to the expiry of twenty years from the date of such allotment; earliest possible date of redemption May 18, 2011]	144.00	144.00
TOTAL	400.50	400.50
SCHEDULE - 2		
STOCK OPTIONS OUTSTANDING ACCOUNT (Refer Note 26 on Schedule 19)		
Stock Options Outstanding Account	92.90	57.62
Less : Deferred Stock Option Outstanding Account	54.94	36.33
TOTAL	37.96	21.29
SCHEDULE - 3		
RESERVES AND SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	1,808.37	1,760.62
Add : Transferred from Profit and Loss Account	259.00	176.00
Add : Adjustment to Amount recoverable from ESOP Trust (Refer Note 26 on Schedule 19)	1.91	-
Less : Transfer to Share Capital on issuance of Bonus shares (Refer Note 22 on Schedule 19)	-	128.25
	2,069.28	1,808.37
PROFIT AND LOSS ACCOUNT	5,842.33	5,315.26
TOTAL	7,911.61	7,123.63

GUJARAT GAS COMPANY LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE - 4

FIXED ASSETS

(Refer Notes 2,3,9,13,17,18,31 (ii) and 45 on Schedule 19)

(Rs. in million)

Particulars	GROSS BLOCK			DEPRECIATION			IMPAIRMENT LOSS			NET BLOCK	
	As at 01-01-2010	Additions For the year	Deduction/ Adjustments For the year	As at 01-01-2010	For the year	Deduction/ Adjustments For the year	As at 01-01-2010	For the year	Adjustments/ Reversals	As at 31-12-2010	As at 31-12-2009
Tangible Assets:											
Land (Refer Note 1 below)	343.14	-	-	-	-	-	-	-	-	343.14	343.14
Buildings	321.40	13.99	-	50.96	7.67	-	58.63	-	-	276.76	270.44
Plant and Machinery (Refer Note 6 below)	7,151.57	1,064.39	61.91	2,385.41	474.77	33.88	2,826.30	15.29	15.29	5,327.75	4,750.87
Furniture, Fixtures and Fittings	63.68	4.27	0.54	25.03	4.36	0.49	28.90	-	-	38.51	38.65
Vehicles	93.47	20.95	2.41	30.78	10.70	1.33	40.15	-	-	71.86	62.69
Assets given on Finance Lease (Prior to April 1, 2001)											
Plant and Machinery	279.63	-	-	85.83	-	-	85.83	-	-	193.80	193.80
Assets given on Operating Lease (After April 1, 2001)											
Plant and Machinery (Refer Note 2 below)	130.87	-	-	39.55	7.02	-	46.57	19.34	10.03	54.93	71.98
Intangible Assets:											
Software/License	159.47	26.23	-	68.90	26.14	-	95.04	-	-	90.66	90.57
Right of use of Land	37.70	23.64	-	61.34	-	-	-	-	-	61.34	37.70
	8,580.93	1,153.47	64.86	2,686.46	530.66	35.70	3,181.42	34.63	15.29	6,458.75	5,859.84
(Less)/Add:											
Lease Terminal Adjustment	-	-	-	118.86	-	-	118.86	-	-	(118.86)	(118.86)
TOTAL	8,580.93	1,153.47	64.86	2,805.32	530.66	35.70	3,300.28	34.63	15.29	6,339.89	5,740.98
Capital Work in Progress (Refer Notes 3 and 4 below)											
Capital Inventory [net of provision for obsolescence Rs. 5.00 million (previous year Rs. 8.55 million) (Refer Note 5 below)]											
TOTAL	8,580.93	1,153.47	64.86	2,805.32	530.66	35.70	3,300.28	34.63	15.29	7,637.80	7,096.67
Previous Year	7,084.50	1,525.93	29.50	2,359.74	460.63	15.05	2,805.32	9.88	-	5,740.98	5,740.98

NOTES :

- Land includes Leasehold Land Rs. 0.18 million (Previous year Rs. 0.18 million).
- Assets given on Operating lease includes Natural gas fired cogeneration unit at its net realisable value of Rs. 18.51 million (Previous year Rs. 28.54 million) for which agreement to lease has been terminated.
- Capital Work in Progress includes Capital Advances Rs. 137.21 million (Previous year Rs. 49.51 million)
- Capital Work in Progress includes Natural gas fired cogeneration units reclassified from finance lease receivables amounting to Nil (Previous year Rs. 11.91 million) for which agreement to lease has been terminated.
- Capital Inventory includes material in transit amounting to Rs. 63.69 million (Previous year Rs. 34.92 million).
- Plant and Machinery includes certain assets at its net realisable value of Nil (Previous year Rs. 1.92 million) which are held for disposal.

SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in million	As at 31-12-2010 Rs. in million	As at 31-12-2009 Rs. in million
SCHEDULE - 5			
INVESTMENTS			
(Refer Notes 4, 24 and 30 on Schedule 19)			
A Long Term Investments :			
(At Cost)			
Equity Shares			
Trade -Unquoted	100.27		139.36
Less: Provision	75.00		104.34
Long Term Investments (A)		25.27	35.02
B Current Investments :			
(At Cost and Fair market value whichever is lower, determined categorywise)			
Other than Trade (Unquoted)			
Units of Mutual Funds		5,323.47	4,086.52
Current Investment (B)		5,323.47	4,086.52
Total Investment (A+B)		5,348.74	4,121.54
Aggregate cost of Unquoted Investments		5,423.74	4,225.88
SCHEDULE - 6			
INVENTORIES			
(Refer Note 5 on Schedule 19)			
Stores and Pipe Fittings		105.91	110.92
TOTAL		105.91	110.92
SCHEDULE - 7			
LEASE RECEIVABLES			
(Refer Note 31 (i) on Schedule 19)			
(Unsecured - considered good, unless otherwise stated)			
Lease Receivables		72.97	99.45
TOTAL		72.97	99.45
SCHEDULE - 8			
SUNDRY DEBTORS			
For Sales and Service Charges			
Secured - Considered Good			
Exceeding Six Months		3.73	3.58
Others		1,061.79	917.34
Unsecured - Considered Good			
Exceeding Six Months		0.77	53.15
[includes Nil (Previous year Rs. 45.00 million) secured by bank guarantees]			
Others		344.88	164.91
[includes Rs. 269.57 million (Previous year Rs. 105.65 million) secured by bank guarantees]			
Unsecured - Considered Doubtful			
Exceeding Six Months	23.26		21.26
Less: Provision for Doubtful Debt	23.26		21.26
TOTAL		1,411.17	1,138.98

SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in million	As at 31-12-2010 Rs. in million	As at 31-12-2009 Rs. in million
SCHEDULE - 9			
CASH AND BANK BALANCES			
Cash in hand		0.20	0.18
Cheques in hand		-	9.89
Balances with Scheduled Banks :			
- In Current Accounts		38.88	56.24
- In Dividend Accounts		9.51	5.85
TOTAL		48.59	72.16
SCHEDULE - 10			
LOANS AND ADVANCES			
(Unsecured - considered good, unless otherwise stated)			
Advances recoverable in Cash or in kind or for value to be received		73.20	59.92
Deposit recoverable		18.63	179.05
Balance due with Government Authorities		27.92	27.25
Advance payment of tax and tax deducted at source	6,073.56		-
Less: Provision for Taxation	6,036.42		-
TOTAL		37.14	-
SCHEDULE - 11			
CURRENT LIABILITIES AND PROVISIONS			
(A) CURRENT LIABILITIES			
Sundry Creditors			
- Dues to Micro and Small Enterprises (Refer Note 44 on Schedule 19)	13.83		9.77
- Other Creditors	1,475.58		1,537.09
Deferred Revenue		1,489.41	1,546.86
(Refer Note 8(c) on Schedule 19)		13.64	59.90
Deposit From Collection Centres and CNG Franchisees		22.55	19.50
Advance From Customers		93.12	38.57
Due to Subsidiaries		161.91	273.90
Investor Education and Protection Fund			
- Unpaid Dividend		9.51	5.85
Other Liabilities		286.53	172.07
		2,076.67	2,116.65
(B) PROVISIONS			
Proposed Dividend		1,801.22	1,209.00
[Including Corporate Dividend tax Rs. 251.42 million (Previous Year Rs. 172.20 million)]			
Gratuity and Leave encashment		50.73	42.76
[Includes short term employee benefit Rs. 1.42 million (Previous Year Rs. 0.42 million)] (Refer Note 27 on Schedule 19)			
Other Provisions		53.34	51.16
(Refer Note 32 on Schedule 19)			
Provision for Taxation	-		4,925.88
Less: Advance payment of tax and tax deducted at source	-		4,900.44
			25.44
Provision for Fringe Benefit Tax	33.60		33.60
Less: Advance Payment of Tax	32.56		32.56
		1.04	1.04
TOTAL		1,906.33	1,329.40
		3,983.00	3,446.05

SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in million	As at 31-12-2010 Rs. in million	As at 31-12-2009 Rs. in million
SCHEDULE - 12			
MISCELLANEOUS EXPENDITURE			
(Refer Note 14 on Schedule 19)			
Deferred Revenue Expenditure			
Voluntary Retirement Scheme:			
Opening Balance	0.89		4.56
Less: Written Off during the year	0.89		3.67
		-	0.89
TOTAL		-	0.89

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	Rs. in million	Year ended 31-12-2010 Rs. in million	Year ended 31-12-2009 Rs. in million
SCHEDULE - 13			
INCOME FROM OPERATIONS			
(Refer Note 8 on Schedule 19)			
Natural Gas Sales (Gross)		18,421.70	14,086.18
Gas Transmission Income		174.39	169.46
Service and Fitting Income (Net)		110.80	93.98
Lease Income		24.20	24.40
Income from Finance Leases		14.60	19.59
TOTAL		18,745.69	14,393.61
SCHEDULE - 14			
OTHER INCOME			
Income from Investments			
(Refer Note 8(f) on Schedule 19)			
Long Term			
Dividend from Subsidiary Company		2.10	2.80
Dividend from Trade Investment		6.14	2.00
Current			
Dividend from Mutual Funds		144.58	149.38
Interest on Others (Customers and Staff advances)		21.37	15.35
[Gross, Tax deducted at source Rs. 0.02 million (Previous year Rs. 0.01 million)]			
(Refer note 8 (g) on Schedule 19)			
Interest on Inome Tax Refund		-	4.50
Profit on Sale of Current Investments	32.45		35.43
Less: Loss on Sale of Current Investments	(14.33)		(0.13)
		18.12	35.30
Liabilities no longer required Written Back		0.91	13.03
Foreign Exchange Fluctuations Gain (Net)		1.14	0.30
Miscellaneous Income		22.24	30.54
TOTAL		216.60	253.20

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	Rs. in million	Year ended 31-12-2010 Rs. in million	Year ended 31-12-2009 Rs. in million
SCHEDULE - 15			
PERSONNEL EXPENSES			
(Refer Note 7 on Schedule 19)			
Salaries, Wages and Bonus		415.75	380.43
(Refer Note 27 (iii) on Schedule 19)			
Contribution to Provident and Other Funds		30.19	22.74
(Refer note 27 (i) & (ii) on Schedule 19)			
Welfare Expenses		49.29	44.80
(Refer note 26 on Schedule 19)			
TOTAL		495.23	447.97
SCHEDULE - 16			
OPERATING AND OTHER EXPENSES			
Stores and Chemicals consumed		39.95	26.39
Power and Fuel		174.87	175.27
Rent		30.02	25.73
Rates and Taxes		2.61	4.81
Repairs:			
- To Buildings	6.41		4.52
- To Plant and Machinery	147.11		157.02
- To Others	92.30		72.24
		245.82	233.78
Insurance		15.07	12.60
Stationery and Printing		9.05	9.23
Advertisement Expenses		13.88	14.10
Communication Expenses		17.79	18.33
Vehicle Hire Charges		45.81	33.24
Travelling Expenses		25.32	23.55
Donation		2.39	1.03
Legal, Professional and Consultancy		127.62	102.76
Loss on Sale of Fixed assets (Net)		5.92	9.55
Bad debts / Advances written off		-	0.20
Wealth Tax		0.40	0.40
Other Provision		2.18	1.82
(Refer Note 32 on Schedule 19)			
Provision for Doubtful Debts		2.00	1.09
Provision for Diminution in the value of Fixed Assets / Capital Work in Progress		10.03	28.79
(Refer Note 45 on Schedule 19)			
Assets written off		-	5.36
Provision / write off for inventory obsolescence		2.46	9.51
Service Charges		88.51	73.10
Agency & Contract Staff Expenses (including security service charges)		45.22	35.57
Miscellaneous Expenses		61.09	64.14
TOTAL		968.01	910.35

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

		Year ended 31-12-2010 Rs. in million	Year ended 31-12-2009 Rs. in million
SCHEDULE - 17			
FINANCE CHARGES			
Interest - Others		4.62	1.36
	TOTAL	4.62	1.36
SCHEDULE - 18			
TAX EXPENSE			
(Refer Notes 12, 29 and 43 on Schedule 19)			
Current Income tax		1,152.00	746.50
Deferred Income tax		71.80	74.80
Fringe benefit tax		-	1.00
	TOTAL	1,223.80	822.30

SCHEDULE -19
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting Convention:

The Financial statements have been prepared to comply in all material respects with all applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. Fixed Assets :

- (a) Fixed Assets including assets given on lease are stated at their original cost including freight, duties, customs and other incidental expenses relating to acquisition or construction.
- (b) Expenditure incurred during the period of construction including all direct and indirect expenses, incidental to construction are carried forward and on completion, the costs are allocated to the respective fixed assets.
- (c) Capital inventory represents items of capital nature lying in the store valued at cost on First In First Out method.
- (d) Capital spares are capitalised with the cost of the plant and machinery and depreciated over the useful life of the asset.
- (e) In respect of assets leased before April 1, 2001, the company follows the recommendation of the Institute of Chartered Accountants of India contained in the Guidance Note on Accounting for Leases. Accordingly lease rentals accounted as income on finance leases are adjusted by creating lease terminal adjustment account so as to recover the capital cost of the leased asset within the tenure of lease agreements or earlier as ascertained by the management.

3. Depreciation/Amortisation:

- (a) Depreciation on assets including assets given on lease is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.
- (b) Depreciation on assets purchased/acquired during the year is charged from the beginning of the month of the purchase of the asset. Similarly depreciation on assets sold / discarded during the year is charged upto the end of the month preceding the month of sale of asset.
- (c) No depreciation is being charged on Right of Use of Land being perpetual in nature.
- (d) Licenses/Software are amortized over a period of six years from the date of its availability for use by the Company.

4. Investments:

Long term Investments are valued at cost and any decline in value other than temporary is appropriately provided.

Current investments are stated at lower of cost and fair market value determined categorywise. Cost is determined as per weighted average cost formula.

5. Inventories:

Stores and Pipes fittings are valued at lower of cost and net realisable value.. Cost is determined on First In First Out method.

6. Foreign currency transactions:

Foreign currency transactions are accounted for at the exchange rate prevailing on the transaction date. Year-end monetary assets and liabilities in foreign currency are translated at the applicable year-end exchange rates and the resultant difference is recognised as gain / loss for the year.

The premium or discount arising on forward exchange contracts including those entered into to hedge the foreign currency risks of a firm commitment or highly probable forecast transaction is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contracts is recognised as income or as expense for the year.

7. Employee Benefits:

- (a) Post-employment benefit plans
 - i. Defined Contribution Plan - Contributions to provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.
 - ii. Defined Benefit Plan -.The liability in respect of gratuity and leave encashment is determined using Projected Unit Credit Method with actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period in which they occur.

Contributions in respect of gratuity are made to the approved Gratuity Fund of the Company. The gratuity obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of gratuity fund.

(b) Short term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the services.

(c) Employee Stock Option Plan

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

8. Revenue Recognition :

(a) Revenue on sale of natural gas is recognised on transfer of title to customers at delivery point. Sales are billed bi-monthly for domestic customers, monthly for commercial and non-commercial customers and fortnightly for industrial customers. Spot sales of gas to industrial customers are billed as per the terms mutually agreed between the parties. Revenue on sale of Compressed Natural Gas (CNG) are recognised on sale of gas to customers from retail outlets.

(b) Gas Transmission income is recognized in the same period in which the related volumes of gas are delivered to the customers.

(c) Commitment income from customers for gas sales and gas transmission is recognized on establishment of certainty of receipt of consideration.

(d) Assets given on lease after April 1, 2001:

i. Income from Finance Leases

In accordance with the provisions of Accounting Standard 19 on Leases, the aggregate of minimum lease payments less unearned finance income is recognized as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance Income is recognized over the term of the lease using net investment method, which reflects a constant periodic rate of return.

ii. Income from Operating Leases

Lease Income from Operating Leases has been recognised in the Profit & Loss Account on a straight line basis over the lease term, as required by AS – 19 on Leases.

iii. Initial direct costs incurred for negotiating and arranging lease agreements are recognised immediately in the profit and loss account.

(e) The difference between the amounts charged from customers for gas connections and actual consumption of material and labour charges is disclosed as Service and Fitting Income (Net) under Income from operations.

(f) Dividend income is recognised when the right to receive dividend is established.

(g) Delayed payment charges are recognized on the basis of certainty of collection.

9. Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

10. Operating Leases:

Lease rentals are recognised as an expense on straight line basis over the term of the lease.

11. Earnings Per Share (EPS):

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

12. Taxation:

Tax expense for the year, comprising current tax, deferred tax and fringe benefit tax, is included in determining the net profit for the year.

A provision is made for the current tax and fringe benefit tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at current or substantively enacted tax rates.

Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

13. Impairment of Assets:

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' net selling price and its value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

14. Miscellaneous Expenditure:

Expenditure on Voluntary Retirement Scheme (VRS) of employees is amortised in equal installments from the year in which the same is incurred till periods ended December 31, 2010 in accordance with the transitional provision of Accounting Standard - 15, Employee Benefits.

15. Provision and Contingencies:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

NOTES TO ACCOUNTS:

16. Contingent Liabilities:

- (a) Claims against the company not acknowledged as debts Rs.13.57 million (Previous year Rs.11.15 million).
- (b) Claims of Rs. 27.92 million (Previous year Rs. 25.86 million) against the Company have been disputed by the Company. The Company is, however, indemnified by an insurance policy.
- (c) Income tax related exposures Rs. 200.97 million (Previous year Rs. 196.24 million)
 - (i) Includes income tax demand of Rs. 53.46 million (Previous year Rs. 53.46 million) relating to Assessment Years 1998-99, 1999-00 and 2000-01 due to disallowance of interest on debentures issued for the Hazira Ankleshwar pipeline and incurred during its construction, claimed as revenue expenditure. The amount of Rs. 53.46 million (Previous year Rs. 53.46 million) has been paid under protest.
CIT (Appeals) has ruled in favour of the company and deleted the demand of Rs.6.87 million pertaining to A.Y. 2000-01. The Income-tax department has preferred an appeal in ITAT against the said order of CIT (Appeals) but ITAT allowed the claim for A.Y. 2000-2001. The appeal for the other two years is pending with the ITAT.
 - (ii) Includes income tax demand of Rs.123.41 million (Previous year Rs. 122.38 million) including interest on tax, relating to Assessment Years 1995-96 to 2007-08 due to disallowance of depreciation claimed on leased assets. The total amount paid by company / adjusted by tax authorities on account of above demand aggregates to Rs.122.41 million (Previous year Rs.121.67 million). The total tax exposure (though actually paid), net of interest on tax, on account of the above for all the years aggregates to Rs.115.32 million (Previous year Rs. 115.04 million). The company's appeals against the above demands are pending with ITAT for Assessment years 1996-97, 1997-98, 1998-99, 1999-00, 2001-02 and 2002-03. The company's appeal for A.Y. 2005-06, 2006-07 and 2007-08 is pending with CIT (A). For A.Y. 2000-01, 2003-04 and 2004-05 the matter has been decided in the company's favour by the ITAT. The High Court of Gujarat has allowed the company's claim on the same issue for A.Y. 1995-96 and this is likely to have a positive consequential effect on all the subsequent years.
 - (iii) Includes income tax demand for Rs.11.68 million (Previous year Rs.7.99 million) for disallowances under Section 14A on account of expenditure incurred for earning exempt income for A.Y. 2004-05, 2005-06, 2006-07 and 2007-08. The total amount paid by company / adjusted by tax authorities on account of above demand aggregates to Rs.7.99 million (Previous Year Rs.1.39 million). The Appeal for A.Y. 2005-06, 2006-07 and 2007-08 is pending with CIT (A) and for A.Y 2004-05 with ITAT.

For A.Y. 2000-01 the Tribunal has disallowed the similar expenses under Section 14A and has asked the Assessing Officer to re-examine the tax levy as per Rule 8D of the Income Tax Rules, 1962 and hence the amount can not be quantified at this stage. The Company has preferred an appeal with the High Court against the above order of the Tribunal.

- (iv) Includes income tax demand for Rs.12.42 million (Previous year Rs.12.42 million) for certain disallowances for A.Y. 2003-04 to 2006-07. The demand is towards disallowances on account of bad debts written off, inventory written off, deposits written off and treatment of Cenvat credit balance as income. The total amount paid by company / adjusted by tax authorities on account of above demand aggregates to Rs. 8.67 million (Previous year Rs. 8.67 million). The appeal for A.Y. 2005-06 and 2006-07 is pending with CIT (A) and for A.Y. 2003-04 and 2004-05 with ITAT.
17. Estimated amount of contracts net of advances remaining to be executed on capital account and not provided for Rs. 285.86 million (Previous year Rs. 125.48 million).
18. The company had constructed a civil structure aggregating to Rs. 19.04 million (Previous year Rs.19.04 million) on land which is not yet owned by the Company. The management is confident of obtaining the requisite approvals of the Government Authorities for transfer of ownership of land.
19. **Material consumed includes:**
- (a) Rs. 30.25 million (Previous year Rs. 30.30 million) towards internal consumption of Gas.
- (b) Gain of Rs. 19.47 million (Previous year Rs. 21.82 million) as foreign exchange fluctuations.
20. Deposits from customers have been considered as a source of long term funds since the same are refundable only on termination / modification of the gas sale agreement.

21. Obligations on Operating Leases:

The company has taken premises for office and residential use for its employees under cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to Rs. 12.39 million (Previous year Rs. 7.69 million). The lease agreement typically ranges from 1 to 5 years.

22. Earnings per share (EPS):

	Year ended December 31, 2010	Year ended December 31, 2009
Net Profit after tax (Rs. in million)	2,587.29	1,751.24
Less: Preference Dividend and corporate dividend tax on preference dividend (Rs. in million)	12.55	12.59
Net Profit attributable to Equity Shareholders (Rs. in million)	2,574.74	1,738.65
Weighted average number of equity shares outstanding during the year (No. in million)	128.25	128.25
Basic earnings per share of Rs. 2/- each (in Rs.)	20.08	13.56

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earning per share of the company remain the same.

23. Segment Reporting:

The company is primarily in the business of distribution of Natural gas through pipelines from sources of supply to centers of demand and to the end customers. The company also builds pipelines required to make the gas available to the end customer. The other activity of the company comprises leasing of natural gas fired Cogeneration units, the income from which is not material in financial terms.

Further, the Company is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard on Segment Reporting (AS -17) are not relevant to the Company.

24. Accounting for Joint Venture:

The Company's joint ventures "Petroleum Infrastructure Limited" (incorporated in India with 50% stake being held by the Company) and "Sensus Metering Systems India Limited" (incorporated in India with 49% stake being held by the Company) are under liquidation. Therefore, the Company's interest in the joint ventures has been accounted for in accordance with Accounting Standard 13 "Accounting for Investments" and has not been disclosed as per Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures".

In case of Sensus Metering Systems India Limited, the assets of the joint venture has been liquidated and all liabilities have been paid off. The resultant proceeds of joint venture has been distributed to Company which is higher than the carrying value of Investment (net of provision made in earlier years for diminution in the value of investments). Company does not expect to receive any further amount from joint venture and hence remaining carrying value of investments in joint venture and related provision has been adjusted in the books of accounts.

In case of Petroleum Infrastructure Limited, the investments have been written down to the realizable value. (Refer Note 30 on Schedule 19)

25. The Company is procuring natural gas from one of the suppliers on the basis of a Term Sheet agreed with the supplier effective April 1, 2008. Under the terms of the agreement with the supplier, the Term Sheet shall be superseded by a Gas Sales and Transmission Contract (GSTC) as and when the same is finalised. The GSTC would be effective from April 1, 2008. Pending the finalisation of the GSTC, the gas procurement cost is being recorded in the books of account on the basis of the terms provided in the Term Sheet.

26. Employee Stock Option Plan 2008:

The Company implemented an Employee Stock Option Plan 2008 ('ESOP 2008') which provides for the allotment of equity shares of Rs. 2/- each to eligible employees of the Company and its subsidiaries. The Scheme is administered by an ESOP Trust (Gujarat Gas Company Limited Employee Stock Option Welfare Trust) which purchases, out of the funds advanced by the Company, the shares equivalent to the number of options granted, for allotment to the grantees. The Finance Director and Human Resource Director are the trustees of the said trust. The trustees can purchase or sell the shares from the market as per the approved scheme.

Pursuant to the above scheme the Company has granted options as mentioned here below convertible into equity shares of Rs. 2/- each to employees of the Company and its subsidiaries. The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options were approved by board of directors and shareholders. The Scheme provides for graded vesting of options granted over a period of 4 years from the date of grant.

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

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

Details of movement under the Stock option plan for the year ended December 31, 2010 is as follows:

	Year ended December 31, 2010		Year ended December 31, 2009	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)
Options outstanding at the beginning of the year	1,663,000	99	740,000	189
Options granted during the year	-	-	170,000	233
Less: Options forfeited during the period prior to issuance of bonus shares (refer note below)	-	-	58,500	198
Less: Options expired during the period	-	-	-	-
Less: Options exercised during the period	-	-	-	-
Options outstanding before issuance of bonus shares (refer note below)	-	-	851,500	197
Add: Increase in options on account of bonus issue	-	-	851,500	-
Options granted during the year	403,000	285	-	-
Less: Options exercised during the year	280,000	95	-	-
Less: Options forfeited during the period after issuance of bonus shares	-	-	40,000	97
Options outstanding at end of the year	1,786,000	142	1,663,000	99

Note:

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

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. The weighted average fair value of options granted on 4 March 2010, 26 July 2010 and 28 October 2010 is Rs. 86.10, Rs. 106.64 and Rs.136.19 per option respectively. The weighted average remaining contractual life of options outstanding as on December 31, 2010 is 3.46 years (Previous year 3.93 years).

In accordance with Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities Exchange Board of India, an amount of Rs. 25.91 million (Previous year Rs. 18.41 million) has been recognised as an expense in Welfare Expenses (Schedule 15) and corresponding liability has been disclosed as Stock Options Outstanding Account (Schedule 2). The balance of Rs. 37.96 million (Previous year Rs. 21.29 million) in Stock Options Outstanding Account (Schedule 2) represents the amortised cost of stock options outstanding. Further the company has made a partial advance of Rs. 343.02 million (Previous year Rs.243.00 million) on an estimated basis for the purchase of shares equivalent to the number of options granted which is utilized for the purpose.

The Company has adjusted Rs. 1.91 million (Previous year Nil) to General Reserve as the difference between the cost incurred by the ESOP Trust for the purchase of shares and the exercise price of those shares which have been exercised by the employees during the current year, in accordance with Guidance Note on accounting for Employee share based payment, issued by the ICAI.

27. Disclosures as per AS - 15 (Revised) 'Employee Benefits' for year ended December 31, 2010:

	Year ended December 31, 2010	Year ended December 31, 2009
(Rs. in million)		
(i) Disclosures for Defined Contribution Plans		
Employer's contribution to Provident Fund	20.72	17.54
(ii) Disclosures for Defined Benefit Plans - Gratuity (Funded)		
<u>Change in the defined benefit obligations</u>		
Defined benefit obligation as at beginning of the year	64.83	52.33
Service cost	6.88	5.88
Interest cost	5.45	4.32
Actuarial loss/(gain)	2.72	3.46
Benefits paid	<u>(0.64)</u>	<u>(1.16)</u>
Defined benefit obligation as at year end	<u>79.24</u>	<u>64.83</u>
<u>Change in plan assets</u>		
Fair value of plan assets as at beginning of the year	55.13	37.29
Expected return on plan assets	5.62	4.16
Contributions by employer	9.72	10.53
Actuarial (loss)/gain	(0.04)	4.30
Benefits paid	<u>(0.64)</u>	<u>(1.15)</u>
Fair value of plan assets as at year end	<u>69.79</u>	<u>55.13</u>
Present value of unfunded obligations	<u>9.45</u>	<u>9.70</u>
The Net amount recognized in the statement of Profit & Loss is as follows		
Current Service cost	6.88	5.88
Interest cost	5.45	4.32
Expected return on plan assets	(5.62)	(4.16)
Net actuarial loss/(gain) recognised	<u>2.76</u>	<u>(0.84)</u>
Net amount recognised	<u>9.47</u>	<u>5.20</u>
Actual return on Plan Assets	5.58	8.46
The major categories of plan assets as a percentage of total plan assets as at year end are as follows:		
Government of India Securities	-	2%
Insurer Managed Funds	100%	98%
The principal actuarial assumptions used are as follows:		
Discount Rate	8.40%	8.25%
Expected rate of return on Plan Assets	9.00%	9.00%
Rate of increase in Compensation Levels (Refer Note below)	7.00%	7.00%

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

	(Rs. in million)	
	Year ended December 31, 2010	Year ended December 31, 2009
(iii) Disclosures for Defined Benefit Plans - Leave Encashment (Unfunded)		
<u>Change in the defined benefit obligations</u>		
Defined benefit obligation as at beginning of the year	32.64	26.93
Service cost	3.69	2.26
Interest cost	2.74	2.22
Actuarial loss/(gain)	1.45	2.17
Benefits paid	(0.66)	(0.94)
Defined benefit obligation as at year end	39.86	32.64
The Net amount recognized in the statement of Profit & Loss is as follows		
Current Service cost	3.69	2.26
Interest cost	2.74	2.22
Net actuarial loss/(gain) recognised	1.45	2.17
Net amount recognised	7.88	6.65
The principal actuarial assumptions used are as follows:		
Discount Rate	8.40%	8.25%
Rate of increase in Compensation Levels (Refer Note below)	7.00%	7.00%

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

(iv) Additional Disclosures as per AS- 15
Change in the defined benefit obligations - Gratuity (Funded) (Rs. in million)

	Year ended December 31, 2010	Year ended December 31, 2009	Year ended December 31, 2008	Year ended December 31, 2007
Present Value of defined benefit obligation as at beginning of the year	64.83	52.33	38.18	34.95
Current Service cost	6.88	5.88	5.29	4.08
Interest Cost	5.45	4.32	2.86	2.85
Actuarial (gain)/loss	2.72	3.46	8.03	(0.60)
Benefits Paid	(0.64)	(1.16)	(2.03)	(3.10)
Present Value of defined benefit obligation as at end of the year	79.24	64.83	52.33	38.18

Change in plan assets - Gratuity (Funded) (Rs. in million)

	Year ended December 31, 2010	Year ended December 31, 2009	Year ended December 31, 2008	Year ended December 31, 2007
Fair value of plan assets as at beginning of the year	55.13	37.29	32.65	24.21
Expected return on plan assets	5.62	4.16	3.32	2.70
Contributions by employer	9.72	10.53	8.96	6.80
Actuarial (loss)/gain	(0.04)	4.30	(5.60)	2.04
Benefits paid	(0.64)	(1.15)	(2.04)	(3.10)
Fair value of plan assets as at year end	69.79	55.13	37.29	32.65
Present value of unfunded obligations	9.45	9.70	15.04	5.53

Change in the defined benefit obligations - Leave Encashment (Unfunded)

(Rs. in million)

	Year ended December 31, 2010	Year ended December 31, 2009	Year ended December 31, 2008	Year ended December 31, 2007
Present Value of defined benefit obligation as at beginning of the year	32.64	26.93	22.41	17.10
Current Service cost	3.69	2.26	2.02	4.85
Interest Cost	2.74	2.22	1.68	1.39
Actuarial (gains)/loss	1.45	2.17	2.39	1.54
Benefits Paid	(0.66)	(0.94)	(1.57)	(2.47)
Present Value of defined benefit obligation as at end of the year	39.86	32.64	26.93	22.41

- (v) Expected contributions to be paid to the Gratuity plan during the year ending December 31, 2011 can not be ascertained at this stage.

28. Related Party Transactions:

The Company is controlled by BG Asia Pacific Holdings Pte. Limited which owns 65.12% of the Company's shares. The ultimate parent of the group is BG Group plc.

The following related party transactions were carried out during the year in the ordinary course of business:

Name of the Related Party	Nature of Relationship	Nature of Transaction	(Rs. in million)	
			Year ended December 31, 2010	Year ended December 31, 2009
BG International Limited	Under common control	Reimbursement of salary for seconded personnel (Paid) (including Tax Deducted at Source)	14.63	34.57
		Reimbursement of Software License charges	6.62	35.34
		Amount payable at the year end	128.55	114.21
BG Asia Pacific Holdings Pte. Limited	Holding company	Dividend paid		
		- Equity	668.09	125.27
		- Preference	10.80	10.80
		Issuance of bonus shares	-	83.52
		Share Capital held		
		- Equity	167.03	167.03
		- Preference	144.00	144.00
Gujarat Gas Financial Services Limited (Refer Note below)	Subsidiary	Income:		
		Service Charges for domestic gas connections	2.49	23.20
		Dividend	2.10	2.80
		Expense :		
		Cost of domestic gas connections (Paid)	276.05	191.35
		Reimbursement of Alteration charges	19.99	15.06
		Investment at year end	14.00	14.00
Amount payable at the year end	33.75	28.65		
Gujaratgas Trading Company Limited (Refer Note below)	Subsidiary	Income:		
		Service charges (including service tax)	0.33	0.33
		Expenses:		
		Purchase of Natural Gas (Net of VAT)	1,730.32	679.51
		Investment at year end	1.27	1.27
Amount payable at the year end	128.16	245.25		
Sensus Metering Systems India Limited	Joint Venture	Provision no longer required written back	0.86	-
		Investment at year end	-	39.09
		Provision for diminution in value of investment	-	29.34
Petroleum Infrastructure Limited	Joint Venture	Bad debts recovered	0.50	1.80
		Investment at year end	75.00	75.00
		Provision for diminution in value of investment	75.00	75.00
Mahanagar Gas Limited	Under common control	Provision no longer required written back	-	1.71



(Rs. in million)				
Name of the Related Party	Nature of Relationship	Nature of Transaction	Year ended December 31, 2010	Year ended December 31, 2009
BG India Energy Private Limited	Under common control	Expense:		
		Legal and Professional	-	1.74
		Reimbursement of Expenses (Paid)	-	0.34
		Amount payable at the year end	-	1.31
BG India Energy Solutions Pvt. Limited	Under common control	Purchase of Natural Gas (Net of VAT)	4,399.18	176.99
		Amount payable at the year end	410.95	-
BG Exploration and Production India Limited	Under common control	Income:		
		Service charges for secondment of employees	10.50	3.47
		Reimbursement of Expenses (Received)	3.57	2.03
		Expenses:		
		Legal and Professional	61.70	53.12
		Reimbursement of Expenses (Paid)	6.46	1.85
		Amount payable at the year end	54.41	50.90
Shaleen Sharma	Key Management Personnel	Remuneration as Managing Director	17.03	15.27
Nirja Sharma	Relative of Key Management Personnel	Lease Rent paid	0.09	0.39
Gujarat Gas Company Limited Employee Stock Option Welfare Trust	Enterprise controlled by the Company	Advance paid for purchase of shares (Net) (Excluding adjustment of Rs. 7.32 million on account of exercise of options during the year)	107.34	232.50
		Amount Receivable at the year end	343.02	243.00
Gujarat Gas Company Limited Employees Gratuity Trust Fund	Enterprise controlled by the Company	Contribution paid	9.72	10.54

Note:

Gujarat Gas Financial Services Limited and Gujaratgas Trading Company Limited have been using the ERP software packages implemented by Gujarat Gas Company Limited being "SAP" and "Gas Distribution and Billing System" since August 2003 and August 2004 respectively without payment of any consideration.

	Year ended December 31, 2010 (Rs. in million)	Year ended December 31, 2009 (Rs. in million)
29. Deferred Tax:		
(A) The movement in deferred tax account is as follows:		
Opening Balance	604.86	530.06
Provision for current year deferred tax liability (Net)	71.80	74.80
Adjustment for prior year (with provision for taxation)	41.86	-
Closing Balance	<u>718.52</u>	<u>604.86</u>
(B) Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws. The following amounts are shown in the balance sheet:		
Deferred Tax Liabilities	822.60	731.25
Deferred Tax Assets	<u>(104.08)</u>	<u>(126.39)</u>
	<u>718.52</u>	<u>604.86</u>
(C) Break up of deferred tax assets/liabilities:		
Deferred Tax Liabilities:		
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	822.60	731.25
Total (A)	<u>822.60</u>	<u>731.25</u>
Deferred Tax Assets:		
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:		
Provision for doubtful debts	7.72	7.23
Provision for diminution of investment	-	6.37
Provision for Diminution in the value of Fixed Assets / Capital Work in Progress	44.65	58.13
Expenditure under section 43B of the Income Tax Act	51.71	54.66
Total (B)	<u>104.08</u>	<u>126.39</u>
Net Deferred Tax Liability (A-B)	<u>718.52</u>	<u>604.86</u>

	As at December 31, 2010 (Rs. in million)	As at December 31, 2009 (Rs. in million)
30. Details of investment in Schedule 5 are:		
INVESTMENTS		
A Long Term Investments (At cost)		
Trade Investments :		
1. In Shares of Subsidiary Company (Unquoted) :		
1,397,500	Equity Shares of Rs. 10/- each fully paid in Gujarat Gas Financial Services Limited	14.00
9,000	Equity Shares of Rs. 100/- each fully paid in Gujaratgas Trading Company Limited	1.27
2. In Equity Shares of Associate Companies (Unquoted) :		
3,909,293	Equity Shares of Rs. 10/- each fully paid in Sensus Metering Systems India Limited	-
	Less : Provision	29.34
7,500,000	Equity Shares of Rs. 10 /- each fully paid in Petroleum Infrastructure Limited	75.00
	Less : Provision	75.00
3. Other (Unquoted)		
20,000,000	Equity Shares of Rs. 1/- each fully paid in Gujarat State Petroleum Corporation Limited	10.00
Long Term Investments (A)		25.27
B Current Investments (At cost and fair market value whichever is lower, determined categorywise)		
Other than Trade - Unquoted		
- Units of Mutual Funds		
	5,323.47	4,086.52
Current Investment (B)		5,323.47
Total Investment (A+B)		5,348.74
Notes :		
1	Aggregate cost of Unquoted Investments	5,423.74
2	Quantitative Movement of Investments from January 1, 2010 to December 31, 2010 is given below	4,225.88

Scheme	No. of units at the beginning of the year	Opening Value (Rs in million)	No. of Units Purchased	No. of Units sold	No. of Units in hands at the year end	Cost of units in hands at the year end at lower of cost and fair market value (Rs.in million)
Birla Cash Plus Insti. Premium.- Dividend	-	-	269,664,913	269,664,913	-	-
Birla Fixed Term Plan - Series CF -Growth	-	-	6,979,129	1	6,979,128	69.79
Birla Medium Term Plan- INSTL-Fornightly - Dividend	-	-	5,023,706	-	5,023,706	51.04
Birla Quarterly Interval Series 4 -Dividend	-	-	3,000,000	-	3,000,000	30.00
Birla Sun Life Cash Manager - IP -Dividend	-	-	84,870,847	84,870,847	-	-
Birla Sun Life Fixed Term Plan Series CC - Growth	-	-	3,000,000	-	3,000,000	30.00
Birla Sun Life Fixed Term Plan Series CD - Growth	-	-	3,000,000	-	3,000,000	30.00
Birla Sun Life Flating Rate Fund -Long Term -INSTL - Weekly Dividend	-	-	28,187,332	28,187,332	-	-
Birla Sun Life Interval Income Fund- Instl -Quarterly Series 1 - Dividend	-	-	5,000,000	-	5,000,000	50.00
Birla Sun Life Interval Income Fund Retail Qtrly Series -1 Dividend	-	-	8,000,000	5,000,000	3,000,000	30.00
Birla Sun Life Interval Income Fund Retail Qtrly Series -2 Dividend	-	-	5,000,000	5,000,000	-	-
Birla Sun Life short term FMP series 2 Dividend	-	-	3,000,000	-	3,000,000	30.00
Birla Sun Life Dynamic Bond Fund-Retail plan Dividend	9,869,318	101.35	2,861,558	9,579,921	3,150,955	32.51
Birla Sun life Floating Rate Fund - Retail - Long Term - Growth- Yearly	3,423,509	50.00	-	3,423,509	-	-
Birla Sun Life Income Plus - Quarterly- Dividend	1,770,076	21.10	7,722	-	1,777,798	21.19
Birla Sun Life Liquid Plus -Insti.- Dividend	3,999,035	40.01	84,901,741	88,900,776	-	-
Birla Sun Life Savings Fund Inst -Growth	14,519,268	250.00	-	8,657,660	5,861,608	100.93
Birla Sun Life short Term Fund Insti.- Dividend	-	-	97,059,203	97,059,203	-	-
Birla Sun Life Short Term Opportunities Fund -INSTL- Weekly Dividend	-	-	14,297,830	4,995,316	9,302,514	93.08
Birla Sun Life short term FMP Series 3 Dividend	-	-	5,001,514	-	5,001,514	50.02
BNP Paribas Fixed Term Fund Ser 19E Dividend	-	-	3,000,000	-	3,000,000	30.00
DSP Black Rock short Term Fund - Weekly Dividend	15,099,249	153.78	62,041,389	77,140,638	-	-
DSP BlackRock Liquidity Fund-Institutional Plan Dividend	-	-	923,853	923,853	-	-
DSP BlackRock Money Manager Fund Institutional Plan Dividend	-	-	325,480	325,480	-	-
DWS Insta Cash Plus Fund - Institutional Plan Dividend	-	-	91,739,844	91,739,844	-	-
DWS Treasury Fund Cash - Institutional Plan -Dividend	-	-	19,427,340	14,946,307	4,481,033	45.03
DWS Ultra Short Term Fund - Institutional Dividend	-	-	82,499,982	82,499,982	-	-
Fidelity Cash Fund Inst. - Dividend	-	-	37,000,469	37,000,469	-	-
Fidelity FMP Series 2 Plan B -Dividend	-	-	2,750,000	2,750,000	-	-
Fidelity FMP Series 2 Plan E -Dividend	-	-	2,000,000	2,000,000	-	-
Fidelity FMP Series 3 - Plan A -Dividend	-	-	3,000,000	3,000,000	-	-
Fidelity FMP Series 3 - Plan B -Dividend	-	-	3,000,343	3,000,343	-	-
Fidelity FMP Series 3 - Plan C - Dividend	-	-	2,500,573	2,500,573	-	-
Fidelity FMP Series 3 - Plan D - Dividend	-	-	2,750,000	2,750,000	-	-
Fidelity FMP Series 3 - Plan F - Growth Option	-	-	2,000,000	-	2,000,000	20.00
Fidelity FMP Series 4 - Plan A -Dividend	-	-	3,001,319	-	3,001,319	30.01
Fidelity FMP Series 4 - Plan D -Dividend	-	-	2,750,000	-	2,750,000	27.50
Fidelity FMP Series 4 Plan B Dividend	-	-	3,043,917	-	3,043,917	30.44
Fidelity Ultra Short Term Debt Fund Super Institutional - Dividend	-	-	64,084,131	31,439,748	32,644,383	326.61
Fidelity Ultra Short Term Debt Fund Super Institutional-Growth	12,771,175	150.00	-	12,771,175	-	-
Fortis Money Manager Plus Institutional Plan Dividend	51,977	0.52	81,636,936	81,688,913	-	-
Fortis Money Plus Institutional Growth	10,961,948	150.00	-	10,961,948	-	-
Fortis Overnight Fund - Institutional Dividend	-	-	46,502,623	46,502,623	-	-
HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale -Dividend	-	-	44,174,290	44,174,290	-	-
HDFC Floating Rate Income-STP-Wholesale Option Growth	16,179,136	250.00	-	16,179,136	-	-
HDFC Floating Rate Income-STP-Wholesale Pl. Dividend	3,969,467	40.02	37,414,340	41,383,807	-	-
HDFC High Interest Fund - Quarterly Dividend	8,709,925	103.14	-	8,709,925	-	-
HDFC Liquid Premium Plan Dividend	-	-	19,170,022	19,170,022	-	-
HDFC Short Term Plan - Dividend	4,936,737	50.88	31,150	4,967,887	-	-
IDFC Cash Fund - Super Inst Plan C - Dividend	-	-	10,448,917	10,448,917	-	-
IDFC Cash Fund -Inst plan B - Dividend	-	-	60,893,067	60,893,067	-	-
IDFC Money Manager Fund - Investment Plan Inst. Plan B - Growth	17,903,555	252.34	-	17,903,555	-	-
IDFC Money Manager Fund -Investment Plan inst plan B - Dividend	-	-	70,318,838	70,318,838	-	-
IDFC Money Manager Fund -TP- Super Inst Plan C- Dividend	4,136,364	41.37	30,323,232	10,203,877	24,255,719	242.59
IDFC Savings Advantage Fund - Plan A - Dividend	-	-	101,729	101,729	-	-
IDFC Savings Advantage Fund - Plan A - Monthly Dividend	-	-	65,441	-	65,441	66.01
IDFC Ultra Short Term Fund - Monthly Dividend	-	-	3,816,162	-	3,816,162	38.51



Scheme	No. of units at the beginning of the year	Opening Value (Rs in million)	No. of Units Purchased	No. of Units sold	No. of Units in hands at the year end	Cost of units in hands at the year end at lower of cost and fair market value (Rs. in million)
JM Fixed Maturity fund XVI Yearly Plan - institutional Growth Plan (408)	3,000,000	30.00	-	3,000,000	-	-
JM High Liquidity - Super Institutional Dividend	-	-	37,940,914	37,940,914	-	-
JM Money Manager Fund Regular Plan -Dividend	-	-	8,319,157	-	8,319,157	83.28
JM Money Manager Fund Super Plan - Dividend	-	-	3,997,547	-	3,997,547	40.02
JM Money Manager- Super Plus Plan - Dividend	-	-	35,461,325	34,517,700	943,625	9.44
JPMORGAN India Liquid Fund -Super Inst. Dividend	-	-	106,283,164	106,283,164	-	-
JPMORGAN India Treasury Fund - Super Inst. Dividend	-	-	94,378,948	94,378,948	-	-
Kotak FMP 370 Days Series 6 - Growth	-	-	2,000,000	-	2,000,000	20.00
Kotak Liquid Institutional Premium Dividend	-	-	270,622,002	270,622,002	-	-
Kotak Bond (Short Term) -Monthly Dividend	5,046,218	51.14	34,875	5,081,093	-	-
Kotak Flexi Debt Scheme Institutional - Growth	31,374,096	350.00	-	17,813,722	13,560,374	151.28
Kotak Flexi Debt Scheme Institutional-Dividend	34,590,859	347.55	264,235,691	298,826,550	-	-
Kotak Floater Long Term - Dividend	-	-	9,434,458	9,434,458	-	-
Kotak FMP 370 Days series 8 -Growth	-	-	2,000,272	-	2,000,272	20.00
Kotak FMP 370Days Series 2 - Growth	-	-	5,000,000	-	5,000,000	50.00
Kotak FMP 370Days Series 3 - Growth	-	-	5,000,000	-	5,000,000	50.00
Kotak Quarterly Interval Plan Series 10-Dividend	-	-	5,750,000	-	5,750,000	57.50
Kotak Quarterly Interval plan Series 1 -Dividend	-	-	5,000,000	-	5,000,000	50.00
Kotak Quarterly Interval Plan Series 2 - Dividend	-	-	4,999,780	3,000,000	1,999,780	20.00
Kotak Quarterly Interval Plan Series 3 - Dividend	-	-	3,499,580	-	3,499,580	35.00
Kotak Quarterly Interval plan Series 4-Dividend	-	-	8,000,000	-	8,000,000	80.00
Kotak Quarterly Interval Plan Series 6 -Dividend	-	-	5,000,000	-	5,000,000	50.00
Kotak Quarterly Interval Plan Series 8 - Dividend	-	-	8,000,000	-	8,000,000	80.00
Kotak Quarterly Interval Plan Series 9-Dividend	-	-	4,999,612	-	4,999,612	50.00
Kotak Quarterly Interval Pln Series 7 - Dividend	-	-	4,999,750	-	4,999,750	50.00
Prudential ICICI - Flexible Income Plan Dividend	808,769	85.52	7,920,833	8,729,602	-	-
Prudential ICICI Banking and PSU Debt Fund Weekly Dividend	-	-	20,150,882	-	20,150,882	201.83
Prudential ICICI Blended Plan B - Institutional - Dividend	-	-	10,567,349	-	10,567,349	109.75
Prudential ICICI Flexible Income Plan Premium - Growth	1,778,001	300.00	-	1,178,063	599,938	101.23
Prudential ICICI FMP Series 49 - 1 Year Plan B Institutional Growth	3,000,000	30.00	-	3,000,000	-	-
Prudential ICICI Insti.Liquid Super Insti. Dividend	-	-	6,784,344	6,784,344	-	-
Prudential ICICI Institutional Short Term Plan -Dividend	4,124,596	50.00	-	4,124,596	-	-
Prudential ICICI Interval Fund Annual Interval Plan I -Insti	-	-	3,997,433	-	3,997,433	40.00
Prudential ICICI Interval Fund I Quarterly Interval plan - Institutional	-	-	2,027,289	-	2,027,289	20.27
Prudential ICICI Interval Fund II Quarterly Plan F Institutional Dividend	-	-	5,000,000	5,000,000	-	-
Prudential ICICI Interval Fund II Quarterly Plan Institutional Dividend	-	-	4,060,204	-	4,060,204	40.60
Prudential ICICI Interval Fund IV Quarterly Plan B Institutional Dividend	-	-	7,000,258	-	7,000,258	70.00
Prudential ICICI Long Term Floating Rate Plan C - Weekly Dividend	-	-	5,070,798	1,999,400	3,071,398	30.73
Prudential ICICI Medium Term Plan Premium Plus Monthly Dividend	-	-	4,982,164	4,982,164	-	-
Reliance Fixed Horizon Fund -XII- Series 3 - Institutional plan - Growth	5,000,000	50.00	-	5,000,000	-	-
Reliance Fixed Horizon Fund -XV- Series 3 - Dividend	-	-	6,000,470	-	6,000,470	60.00
Reliance Fixed Horizon Fund XV Series 7 -Growth Plan	-	-	2,000,000	-	2,000,000	20.00
Reliance Fixed Horizon Fund XVI Series-1 Growth Option	-	-	4,000,532	-	4,000,532	40.01
Reliance Floating Rate Fund - Short Term Plan -Dividend	-	-	3,012,297	3,012,297	-	-
Reliance Income Fund -Retail Plan - Monthly Dividend	4,967,487	56.52	14,804	4,982,291	-	-
Reliance Interval Fnd - Quarterly pla Series I -Institutional Dividend	-	-	8,025,621	-	8,025,621	80.34
Reliance Liquid Plus Institutional- Dividend	185,704	185.92	982,384	1,117,926	50,162	50.23
Reliance Liquidity Fund - Dividend	1,201,988	12.02	128,588,612	129,790,600	-	-
Reliance Money Manager Fund - Institutional Option - Growth	283,105	350.00	-	160,767	122,338	151.25
Reliance Monthly Interval fund - Series II - Institutional Dividend	-	-	7,999,185	3,499,405	4,499,780	45.01
Reliance Monthly Interval Fund -Series-I -Institutional Dividend	-	-	9,996,997	-	9,996,997	100.00
Reliance Quarterly Interval Fund - series II - Institutional Dividend	-	-	4,998,555	-	4,998,555	50.01



Scheme	No. of units at the beginning of the year	Opening Value (Rs in million)	No. of Units Purchased	No. of Units sold	No. of Units in hands at the year end	Cost of units in hands at the year end at lower of cost and fair market value (Rs. in million)
Reliance Quarterly Interval Fund - series III - Institutional Dividend	-	-	6,996,971	-	6,996,971	70.00
Reliance Short Term Fund -Quarterly Dividend option	3,718,329	50.00	-	3,718,329	-	-
Religare Active Income Fund Institutional - Monthly Dividend	-	-	4,051,580	-	4,051,580	40.62
Religare Active Income Fund Institutional - Quarterly Dividend	-	-	5,882,488	-	5,882,488	60.00
Religare Credit Opportunities Fund- Insti. Mthly. Dividend	-	-	38,772,596	38,772,596	-	-
Religare Fixed Maturity Plan Series - II Plan A 13 Months- Growth	-	-	3,000,000	-	3,000,000	30.00
Religare Fixed Maturity Plan Series - II Plan F 13 Months- Growth	-	-	3,000,000	-	3,000,000	30.00
Religare Fixed Maturity plan series - III D (370 Days) Growth	-	-	2,000,000	-	2,000,000	20.00
Religare Fixed Maturity Plan Series - IV A (3Mth.) Dividend	-	-	5,000,000	-	5,000,000	50.00
Religare Fixed Maturity Plan Series - IV C (3Mth.) Dividend	-	-	4,700,000	-	4,700,000	47.00
Religare Liquid Fund- Institutional Dividend	-	-	66,590,880	66,590,880	-	-
Religare Ultra Short Term Fund - Institutional Dividend	-	-	35,688,698	16,205,490	19,483,208	195.17
SBI Debt Fund Series - 90 days 35 -Dividend	-	-	5,000,000	-	5,000,000	50.00
SBI Debt Fund Series - 90 days 36 -Dividend	-	-	4,000,000	-	4,000,000	40.00
SBI Debt Fund Series - 90 days 37 -Dividend	-	-	5,000,000	-	5,000,000	50.00
SBI Premier Liquid Fund -Institutional -Dividend	-	-	103,934,134	103,934,134	-	-
SBI SHF Ultra Short Term Fund -Institutional Plan	-	-	82,932,705	82,932,705	-	-
Sundaram - Flexible Fund ST inst -Dividend	-	-	5,044,904	5,044,904	-	-
Sundaram BNP Interval Fund Qly -Plan-D -Institutional Dividend	-	-	4,000,386	-	4,000,386	40.00
Sundaram -BNP Money Fund Inst. -Dividend	-	-	79,010,012	79,010,012	-	-
Sundaram BNP Paribas Lqi. Plus Super Institutional Dividend	-	-	85,431,179	73,262,746	12,168,433	122.13
Sundaram Bond Saver Institutional (Bonus)	465,435	5.00	-	-	465,435	5.00
Sundaram Interval Fund - Qty -Plan C -Institutional Dividend	-	-	2,000,000	-	2,000,000	20.00
Sundaram Interval Fund Qtly Plan B -Institutional Dividend	-	-	2,000,246	2,000,246	-	-
Sundaram Interval Fund Qtly Plan E -Institutional Dividend	-	-	2,000,210	-	2,000,210	20.00
TATA Fixed Income Portfolio Fund Scheme A2 institutional	-	-	1,999,999	-	1,999,999	20.00
TATA Fixed Income Portfolio Fund Scheme A3 Inst Monthly	-	-	5,000,000	-	5,000,000	50.00
TATA Fixed Income Portfolio Fund Scheme A3 regular Monthly dividend	-	-	2,942,215	-	2,942,215	30.00
TATA Fixed Income Portfolio Fund Scheme B2 Inst Monthly	-	-	6,494,767	2,500,000	3,994,767	40.00
TATA Fixed Income Portfolio Fund Scheme B3 Inst Monthly	-	-	1,996,466	-	1,996,466	20.00
TATA Fixed Income Portfolio Fund Scheme B3 Inst Quarterly	-	-	3,000,000	-	3,000,000	30.00
TATA Fixed Maturity plan Series 26 A - Growth	-	-	2,000,000	-	2,000,000	20.00
TATA Fixed Maturity plan Series 26 C - Growth	-	-	3,000,000	-	3,000,000	30.00
TATA Fixed Maturity Plan Series 27 Scheme A Growth	-	-	3,000,000	-	3,000,000	30.00
Tata Floater Fund - Growth	25,864,179	350.17	-	25,864,179	-	-
Tata Floater Fund - Dividend	-	-	100,510,992	97,517,853	2,993,139	30.04
TATA Floating Rate Fund STP- Insti.Plan Dividend	-	-	22,368,863	22,368,863	-	-
Tata Liquid Super High Invest. Dividend	-	-	345,488	345,488	-	-
Templeton India TMA Institutional Dividend	-	-	1,680,582	1,680,582	-	-
Templeton Ultra Short Bond Fund Super Insti. - Dividend	-	-	172,677,301	172,677,301	-	-
UTI - Liquid Plus Fund Institutional Plan Dividend	28,164	28.17	267,767	295,931	-	-
UTI FIIF - Series II - Quarterly Interval Plan VII - Inst. Dividend	-	-	3,000,157	-	3,000,157	30.00
UTI FIIF- Annual Interval Plan Series - I - Institutional	-	-	1,553,419	-	1,553,419	20.00
UTI FIIF- Monthly Interval plan II -Institutional Dividend	-	-	3,750,000	-	3,750,000	37.50
UTI FIIF- Series II - Quarterly Interval Plan IV -Institutional Dividend	-	-	7,000,102	-	7,000,102	70.00
UTI FIIF- Series II - Quarterly Interval Plan V -Institutional Dividend	-	-	9,051,294	-	9,051,294	90.52
UTI FIIF -Monthly Interval Plan Series -I -Institutional Dividend	-	-	6,000,357	-	6,000,357	60.01
UTI FIIF -Quarterly Interval Plan Series -I -Institutional Dividend	-	-	4,999,720	-	4,999,720	50.00
UTI FIIF -Quarterly Interval Plan Series -VI -Institutional Dividend	-	-	8,999,823	-	8,999,823	90.00
UTI Floating Rate Fund Short Term Insti. Dividend	-	-	536,122	484,626	51,496	51.54
UTI Liquid Cash Plan Institutional Daily Income Option	-	-	247,716	247,716	-	-
UTI Money Market Fund - Daily Dividend Option	-	-	883,172	883,172	-	-
UTI Short Term Income Fund -Income Option	-	-	6,807,221	6,807,221	-	-
UTI Short Term Income Fund Institutional Income Options	-	-	3,000,000	-	3,000,000	30.00
UTI Short Term Income Fund -Institutional -Income - Dividend	-	-	5,000,004	2,950,491	2,049,513	20.90
UTI Treasury Advantage Fund - Institutional Plan (Growth Option)	82,063	100.00	-	82,063	-	-
	253,819,732	4,086.52	3,513,879,504	3,284,173,958	483,525,278	5,323.47

31. Assets given on lease:

Leasing operations of the company mainly involves leasing of gas based generator sets under Operating and Finance lease arrangements.

i) Assets given on finance lease:

Under finance lease arrangements, the lease agreements have been entered for a fixed period of 6 years, at the end of which the ownership of assets will be transferred to the lessee on payment of consideration specified in the Lease Agreements.

	Year ended December 31, 2010				Year ended December 31, 2009			
	Gross Investment in the lease	Unearned Finance Income	Taxes	Present Value of minimum Lease payments receivable	Gross Investment in the lease	Unearned Finance Income	Taxes	Present Value of minimum Lease payments receivable
Total	92.08	16.26	2.85	72.97	134.70	30.85	4.40	99.45
Out of the above, receivable:								
Not Later than 1 year	42.64	-	-	30.67	42.62	-	-	26.48
Later than 1 year and not later than 5 years	49.44	-	-	42.30	92.08	-	-	72.97
Later than 5 years	-	-	-	-	-	-	-	-

ii) Asset given on operating lease:

The ownership of the gas based generator sets remains with the company throughout the life of these generators. The lease agreement typically ranges from 6 to 12 years.

32. Pursuant to AS 29 - The Disclosure relating to Provisions are given below:

	Year ended December 31, 2010 Rs. in million	Year ended December 31, 2009 Rs. in million
Opening Balance	51.16	49.34
Additions during the Year	2.18	1.82
Closing Balance	<u>53.34</u>	<u>51.16</u>

The provision relates to estimated outflow of cash expected to be paid in relation to sale of gas pipelines. Due to its very nature it is not possible to estimate the timing of resulting cash flows.

	Rs. in million	Year ended December 31, 2010 Rs. in million	Year ended December 31, 2009 Rs. in million
33. Managerial Remuneration			
a) Computation of Net Profit in accordance with Section 349/198 of the Companies Act, 1956 and calculation of commission payable to Non Whole-Time Directors			
Profit before Tax as per Profit and Loss Account		3,811.09	2,573.55
Add:			
Depreciation as per Books of account	530.66		460.63
Provision for doubtful debts	2.00		1.09
Provision for Diminution in the value of Fixed Assets / Capital Work in Progress	10.03		28.79
Commission to Non Whole Time Directors	3.10		2.10
Directors' Sitting Fees	0.89		1.06
Other Provision	2.18		1.82
		548.86	495.49
Less:			
Depreciation under section 350 of the Companies Act, 1956	530.66		
		530.66	460.63
Profit as per Section 349		3,829.29	2,608.41
Add : Director's remuneration		17.03	15.27
Profit as per Section 198		3,846.32	2,623.68
Maximum Commission under Section 309 of the Companies Act, 1956 @ 1%		38.46	26.24
Commission Payable to Non Whole Time Directors: (Subject to the approval of Board of Directors and Shareholders)		3.10	2.10
b) Remuneration Paid To Directors			
i) Managing Director			
- Salary and Bonus	13.67		11.88
- Allowances	1.16		1.03
- Perquisites	0.94		1.17
- P.F. and Gratuity	1.26		1.19
		17.03	15.27
ii) Commission to Non Whole Time Directors		3.10	2.10
iii) Directors' Sitting Fees		0.89	1.06
34. Payments to Auditors			
- Audit Fees		4.50	4.50
- Reimbursement of Expenses (Including Service Tax)		0.72	0.74
		5.22	5.24
35. Value of Imports calculated on C.I.F. Basis			
Capital Goods		28.34	19.80
Spare parts		21.69	21.19
		50.03	40.99

36. Value of Imported & Indigenous Raw Material and Stores and spares and percentage thereof to the total consumption:

	Year ended December 31, 2010		Year ended December 31, 2009	
	Percentage	Rs. in million	Percentage	Rs. in million
(a) Raw Materials - Natural Gas				
- Indigenous	100%	12,866.44	100%	10,032.06
(b) Stores and spares				
- Imported	11%	5.19	24%	9.75
- Indigenous	89%	40.93	76%	30.39
TOTAL	100%	46.12	100%	40.14

37. Purchases, Production / Processed and Sales :

Natural Gas	Year ended December 31, 2010		Year ended December 31, 2009	
	Qty (in LSCM)	Rs. in million	Qty (in LSCM)	Rs. in million
Purchased / Processed	12,285.37	12,866.44	10,513.04	10,032.06
Sales*	12,123.60	18,136.36	10,351.64	14,086.18

* Excluding line loss and internal consumption of 161.77 LSCM (Previous year 161.40 LSCM)

38. Licensed and Installed Capacity :

The Company is operating on the basis of commitment made for gas purchase by its suppliers under the agreements, hence it has no relevance for capacity in respect thereof.

39. Materials Consumed:

	Units	Qty.	Rs. in million
Natural Gas	LSCM	12,285.37	12,866.44
	LSCM	(10,513.04)	(10,032.06)

Previous year figures are in brackets

40. Expenditure in foreign currency

	Year ended December 31, 2010 Rs. in million	Year ended December 31, 2009 Rs. in million
(i) Travelling expenses	0.86	0.96
(ii) Subscription	0.22	0.27
(iii) Training	0.11	0.57
(iv) Legal & Professional	4.82	4.51

41. Dividends remitted by company in foreign currency during the year:

Particulars	Amount (Rs. in million)	No. of Non Resident Shareholders	No. of Shares	Year ended
Final Dividend				
- Equity	668.09 (125.27)	1 (1)	83,511,750 (41,755,875)	December 31, 2009 December 31, 2008
- Preference	10.80 (10.80)	1 (1)	14,400,000 (14,400,000)	December 31, 2009 December 31, 2008

Previous year figures are in brackets

42. The subsidiary company Gujarat Gas Financial Services Limited has proposed final dividend at 20% and this will be accounted for in the books on declaration by the Company.

43. The provision for income tax has been calculated based on income earned during the year ended December 31, 2010 in accordance with Guidance Note on measurement of Income Tax expense for Interim Financial Reporting. However the tax year end of the Company being March 31, 2011 the ultimate liability for the Assessment Year 2011-12 will be determined based on the total income of the Company for the year ending March 31, 2011. The provision for wealth tax has been made based on the net wealth as on December 31, 2010. However the ultimate liability for the Assessment Year 2011-12 will be determined based on the net wealth as on March 31, 2011.
44. Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

Particulars	(Rs. in million)	
	Year ended December 31, 2010	Year ended December 31, 2009
Principal amount remaining unpaid as at the end of accounting year [including Interest due thereon - Nil (Previous Year - Nil)]	13.83	9.77
Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid at the end of accounting year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Note: The above disclosure has been made based on the information provided by the management.

45. Capital Work in Progress includes investment of Rs. 254.90 million (Previous year Rs. 254.90 million) for setting up a City Gas Distribution (CGD) network in Valsad and Navsari district, Union Territories of Silvassa and Daman which has not yet commenced operations. The Company is exploring options of utilising this investment. However, considering the uncertainty involved in the utilisation of this network, the Company, based on engineering estimates, has made a provision of Rs. 105.04 million (Previous year Rs. 105.04 million) to bring the carrying value of the investment to its expected recoverable amount.
46. Previous year figures have been reclassified/regrouped wherever considered necessary to conform to the current year figures.

For Price Waterhouse

Firm Registration Number – 301112E
Chartered Accountants

V. Nijhawan

Partner
Membership No. F87228

Place : Ahmedabad
Date : February 28, 2011

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Jal Patel Sugata Sircar
Director Finance Director

Rajeshwari Sharma
Company Secretary

Place : Ahmedabad
Date : February 28, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE AS PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I. REGISTRATION DETAILS		
Registration No.	:	3623
State Code	:	04
Balance Sheet Date	:	31-12-2010
II. CAPITAL RAISED DURING THE YEAR (Amount Rs. in million)		
Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs. in million)		
Total Liabilities	:	15,125.09
Total Assets	:	15,125.09
Sources of Funds		
Paid-up Capital	:	400.50
Reserves and Surplus	:	7,911.61
Stock Options Outstanding Account	:	37.96
Secured Loans	:	Nil
Deferred Tax Liability	:	718.52
Unsecured Loans	:	Nil
Deposits	:	2,073.50
Applications of Funds		
Net Fixed Assets	:	7,637.80
Investments	:	5,348.74
Amount Recoverable from ESOP Trust	:	343.02
Net Current Assets	:	(2,187.47)
Miscellaneous Expenditure	:	Nil
Accumulated Losses	:	Nil
IV. PERFORMANCE OF THE COMPANY (Amount Rs. in million)		
Total Turnover	:	18,676.94
Total Expenditure	:	14,865.85
Profit Before Tax	:	3,811.09
Profit After Tax	:	2,587.29
Earnings Per Share (Rs.) (Annualized)	:	20.08
Dividend Rate (%)	:	600%
V. GENERIC NAME OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY (As per monetary terms)		
Item Code No. (ITC Code)	:	-
Product Description	:	PROCESSING, TRANSMISSION & DISTRIBUTION OF NATURAL GAS

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANY**

Name of the subsidiary	Gujaratgas Trading Company Ltd.
1. The financial year of the Subsidiary Company ended on	31st December 2010
2. (a) No. of Equity Shares held by Gujarat Gas Company Limited in the subsidiary as on 31st December, 2010	9,000 Equity Shares of Rs. 100/- each fully paid up (Previous year 9,000)
(b) Extent of interest of Gujarat Gas Company Limited in the capital of the subsidiary	100% (Previous year 100%)
3. Net Aggregate amount of profits of the subsidiary so far as it concerns the members of Gujarat Gas Company Limited, and is not dealt with in the Company's accounts	
(a) Profit for the financial year ended on 31st December, 2010 of the subsidiary.	Rs. 6.15 million (Previous year Rs. 4.07 million)
(b) Profit for the previous financial years of the subsidiary since it became subsidiary of Gujarat Gas Company Limited.	Rs. 106.87 million (Previous year Rs. 102.80 million)
4. Net Aggregate amount of Profit of the subsidiary so far as dealt with or provision is made for those Profit in Gujarat Gas Company Limited's accounts.	
(a) For the subsidiary's Financial year ended on 31st December, 2010	Nil (Previous year Nil)
(b) For its previous financial years since it became the subsidiary of Gujarat Gas Company Ltd.	Rs. 137.50 million (Previous year Rs. 137.50 million)

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Place : Ahmedabad
Date : February 28, 2011

Jal Patel Sugata Sircar Rajeshwari Sharma
Director Finance Director Company Secretary

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANY**

Name of the subsidiary	Gujarat Gas Financial Services Ltd.
1. The financial year of the Subsidiary Company ended on	31st December 2010
2. (a) No. of Equity Shares held by Gujarat Gas Company Limited in the subsidiary as on 31st December, 2010	13,97,500 Equity Shares of Rs. 10/- each fully paid up (Previous year 13,97,500)
(b) Extent of interest of Gujarat Gas Company Limited in the capital of the subsidiary	69.88% (Previous year 69.88%)
3. Net Aggregate amount of profits of the subsidiary so far as it concerns the members of Gujarat Gas Company Limited, and is not dealt with in the Company's accounts	
(a) Profit for the financial year ended on 31st December, 2010 of the subsidiary.	Rs. 28.98 million (Previous year Rs. 19.49 million)
(b) Profit for the previous financial years of the subsidiary since it became subsidiary of Gujarat Gas Company Limited.	Rs. 111.41 million (Previous year Rs. 94.02 million)
4. Net Aggregate amount of Profit of the subsidiary so far as dealt with or provision is made for those Profit in Gujarat Gas Company Limited's accounts	
(a) For the subsidiary's Financial year ended on 31st December, 2010	Rs. 2.10 million (Previous year Rs. 2.80 million)
(b) For its previous financial years since it became the subsidiary of Gujarat Gas Company Ltd.	Rs. 64.14 million (Previous year Rs. 62.04 million)

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Place : Ahmedabad
Date : February 28, 2011

Jal Patel Sugata Sircar Rajeshwari Sharma
Director Finance Director Company Secretary

GUJARATGAS TRADING COMPANY LIMITED DIRECTORS' REPORT

Dear Shareholders,

Your Directors are glad in presenting the 30th Annual Report together with the audited accounts of Gujaratgas Trading Company Limited for the year ended on 31 December 2010

FINANCIAL RESULTS

Particulars	(Rs. in Lac)	
	Current year ended on 31.12.2010	Previous year ended on 31.12.2009
Total income	17,366.44	6875.66
Profit before tax	70.10	80.22
Tax (Current)	8.60	39.54
Profit after tax	61.50	40.68
Add: Profit brought forward from previous year	802.03	761.35
Profit available for appropriation	863.53	802.03
Transfer to general reserve	-	-
Proposed dividend	-	-
Corporate dividend tax	-	-
Surplus retained	863.53	802.03

DIVIDEND

Your directors do not recommend any dividend for the year under review.

OPERATIONS

Your Company, the wholly-owned subsidiary of Gujarat Gas Company Limited is engaged in the business of selling natural gas. During the year under review, your Company achieved sales of Rs. 17,303.16 lacs as against Rs. 6795.05lacs during the previous year. The total income for the year was Rs. 17,366.44 lacs including other income of Rs. 63.28 lacs as against total income of Rs. 6875.66 lacs including other income of Rs. 80.61 lacs in the previous year. The Profit before tax (PBT) was Rs. 70.10 lacs during the year as against Rs. 80.22 lacs in the previous year.

STATUTORY INFORMATION

Energy, Technology and Foreign Exchange

The particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not required to be reported as your Company is a trading company. During the year under review, there were no foreign exchange transaction.

Particulars of Employees

Since no employee of the Company, whether employed throughout the year or any part thereof, is in receipt of remuneration exceeding the limits prescribed under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, no particulars are being provided thereunder.

Fixed Deposits

During the year under review, your Company has not invited any fixed deposits within the meaning of Section 58A of the Companies Act, 1956.

Directors' Responsibility Statement

Your directors hereby state

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31 December 2010 and of the profit of the company for the year ended on that date;
- iii. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the directors have prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

Price Waterhouse, the Statutory Auditors of the Company, retires at the ensuing Annual General Meeting and are eligible for re-appointment.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

DIRECTORS

Prof. Pradip Khandwalla, an independent director on the Board of Directors of the holding company viz. Gujarat Gas Company Limited, is also a director of your Company.

Prof. Pradip Khandwalla retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment. Your directors recommend his re-appointment.

APPRECIATION

Your directors hereby place on record their appreciation for the support received from its customers, the Central and State Governments and its bankers.

Your directors are grateful to the promoter viz. Gujarat Gas Company Limited and BG Group for their valuable contribution throughout the year and also thank the shareholders for their support to the Company.

For and on behalf of the Board

Shaleen Sharma
Chairman

Date: 28 February 2011
Place: Ahmedabad

Auditors' Report To the Members of Gujaratgas Trading Company Limited

1. We have audited the attached Balance Sheet of GujaratGas Trading Company Limited, as at December 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2010;
 - ii) in case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse
Firm Registration No. – 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership Number: F87228

Place : Ahmedabad
Date : February 28, 2011

Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' report of even date to the members of Gujaratgas Trading Company Limited on the financial statements for the year ended December 31, 2010]

- i) a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- ii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase and sale of gas. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- iii) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Act which are required to be entered in the register required to be maintained under that section.
- iv) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- v) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- vi) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of income tax as at December 31, 2010 which have not been deposited on account of dispute are as follows:

Name of the statute	Nature of Dues	Amount (Rs. in thousand)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	5,951	Assessment Year 2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	12,452	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)

There are no dues of sales tax, service tax and value added tax which have not been deposited on account of a dispute.

- viii) The Company does not have accumulated losses as at December 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xi) The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
- xii) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xiii) In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xiv) The Company has not obtained any term loans.
- xv) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xvi) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xvii) The Company has not issued any debentures during the year and there are no debentures outstanding as at the year end.

- xviii) The Company has not raised any money by public issues during the year.
- xix) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- xx) The other clauses (i) and (ii) of paragraph 4 of the Companies (Auditors' Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable in the case of the company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

For Price Waterhouse
Firm Registration No. – 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership Number: F87228

Place : Ahmedabad
Date : February 28, 2011



GUJARATGAS TRADING COMPANY LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2010

	Schedule	Rs. in thousand	As at 31-12-2010 Rs. in thousand	As at 31-12-2009 Rs. in thousand
<u>SOURCES OF FUNDS</u>				
SHAREHOLDER'S FUNDS				
Share Capital	1	900		900
Reserves and Surplus	2	<u>113,003</u>	<u>113,903</u>	<u>106,853</u>
TOTAL			<u><u>113,903</u></u>	<u><u>107,753</u></u>
<u>APPLICATION OF FUNDS</u>				
INVESTMENTS	3		154,253	131,292
DEFERRED TAX ASSET (Refer Note 6 and 13 on Schedule 10)			-	624
CURRENT ASSETS, LOANS AND ADVANCES				
Sundry Debtors	4	128,158		245,247
Cash and Bank Balances	5	1,430		2,991
Loans and Advances	6	<u>12,574</u>		<u>16,861</u>
		<u>142,162</u>		<u>265,099</u>
LESS: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	7	159,623		262,227
Provisions		<u>22,889</u>		<u>27,035</u>
		<u>182,512</u>		<u>289,262</u>
NET CURRENT ASSETS			<u>(40,350)</u>	<u>(24,163)</u>
TOTAL			<u><u>113,903</u></u>	<u><u>107,753</u></u>
Significant Accounting Policies and Notes to Accounts	10			

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse
Firm Registration Number – 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership No. F87228

Place : Ahmedabad
Date : February 28, 2011

The Schedules referred to above form an integral part of the Balance Sheet

For and on behalf of the Board

Shaleen Sharma Sugata Sircar
Chairman Director

Place : Ahmedabad
Date : February 28, 2011

GUJARATGAS TRADING COMPANY LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2010

	Schedule	Rs. in thousand	Year ended 31-12-2010 Rs. in thousand	Year ended 31-12-2009 Rs. in thousand
INCOME:				
Sale of Natural Gas (Traded) (Refer Note 4(i) and (ii) on Schedule 10)		1,730,316		679,505
Other Income	8	<u>6,328</u>	<u>1,736,644</u>	<u>8,061</u>
				687,566
EXPENDITURE:				
Purchase of Natural Gas [Includes foreign exchange gain of Rs. 9,709 thousand (Previous year gain of Rs. 950 thousand)]		1,728,443		678,652
Operating and Other Expenses	9	<u>1,191</u>	<u>1,729,634</u>	<u>892</u>
				679,544
Profit before Taxes			<u>7,010</u>	<u>8,022</u>
Tax Expense				
(Refer Note 6 and 13 on Schedule 10)				
Current Tax			236	4,578
Deferred Tax			<u>624</u>	<u>(624)</u>
			<u>860</u>	<u>3,954</u>
Profit after Taxes			<u>6,150</u>	<u>4,068</u>
Profit Brought Forward			<u>80,203</u>	<u>76,135</u>
Profit Carried Forward			<u>86,353</u>	<u>80,203</u>
Basic/Diluted Earning per Share of Rs. 100/- each (Rs.)				
(Refer Note 5 and 9 on Schedule 10)			<u>683.33</u>	<u>452.00</u>
Significant Accounting Policies and Notes to Accounts	10			

This is the Profit and Loss Account referred to in our report of even date

For Price Waterhouse
Firm Registration Number – 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership No. F87228

Place : Ahmedabad
Date : February 28, 2011

The Schedules referred to above form an integral part of the Profit and Loss Account

For and on behalf of the Board

Shaleen Sharma Sugata Sircar
Chairman Director

Place : Ahmedabad
Date : February 28, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010**

	Year ended on 31-12-2010 Rs. in thousand	Year ended on 31-12-2009 Rs. in thousand
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	7,010	8,022
Adjustments for:		
Profit on sale of investment (Net)	(3)	(1)
Dividend Income	(6,325)	(5,124)
Unrealised Foreign Exchange Gain	-	(356)
Interest Income	-	(2,936)
Operating Profit before working capital changes	682	(395)
Adjustments for changes in working capital		
(Increase)/Decrease in Sundry Debtors	117,089	(182,416)
(Increase)/Decrease in Loan and Advances	4,287	230
Increase/(Decrease) in Current Liabilities	(102,604)	178,283
Cash generated from Operations	19,454	(4,298)
Taxes (paid)/refunded	(4,382)	21,185
Net Cash from Operating Activities	15,072	16,887
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(61,958)	(47,624)
Sale of Investments	39,000	21,021
Interest received (Net of taxes)	-	2,936
Dividends received	6,325	5,124
Net Cash from Investing activities	(16,633)	(18,543)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,561)	(1,656)
Cash and Cash Equivalents at the beginning of the year	2,991	4,647
Cash and Cash Equivalents at the end of the year	1,430	2,991
Cash and Cash Equivalents comprise		
Cash in hand	2	5
Balances with Scheduled Banks		
- In Current Accounts	1,428	2,986
Total Cash and Cash Equivalents as per Cash Flow statement	1,430	2,991

Notes to Cash Flow Statement:

- Cash and Cash equivalents represents cash and bank balances only.
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- Figures in brackets indicate outflow.
- Previous year figures have been reclassified/regrouped wherever considered necessary to conform to the current year figures.

This is the cash flow statement referred to in our report of even date.

For Price Waterhouse
Firm Registration Number – 012754N
Chartered Accountants

For and on behalf of the Board

V. Nijhawan
Partner
Membership No. F87228

Shaleen Sharma Sugata Sircar
Chairman Director

Place : Ahmedabad
Date : February 28, 2011

Place : Ahmedabad
Date : February 28, 2011



SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31-12-2010 Rs. in thousand	As at 31-12-2009 Rs. in thousand
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
10,000 (Previous year 10,000) Equity Shares of Rs.100/- each	1,000	1,000
TOTAL	<u>1,000</u>	<u>1,000</u>
Issued, Subscribed and Paid up		
9,000 (Previous year 9,000) Equity Shares of Rs.100/- each fully paid-up	900	900
[Of the above 9,000 (Previous year 9,000) fully paid up shares are held by holding company Gujarat Gas Company Limited and its nominees. The ultimate holding company being BG Group plc.]		
TOTAL	<u>900</u>	<u>900</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
General Reserve	26,650	26,650
(As per last balance sheet)		
Profit and Loss Account	86,353	80,203
TOTAL	<u>113,003</u>	<u>106,853</u>
SCHEDULE - 3		
INVESTMENTS		
(Refer Note 2 and 14 on Schedule 10)		
Current Investments		
(At cost and Fair market value whichever is lower, determined categorywise)		
Unquoted - other than trade		
Units of Mutual Funds	154,253	131,292
TOTAL	<u>154,253</u>	<u>131,292</u>
Aggregate cost of Unquoted Investments	<u>154,253</u>	131,292
SCHEDULE - 4		
SUNDRY DEBTORS		
Unsecured - Considered Good		
Others	128,158	245,247
[Includes Rs.128,158 thousand (Previous year Rs. 245,247 thousand) due from Gujarat Gas Company Ltd, maximum balance due during the year Rs. 444,730 thousand (Previous year Rs. 663,631 thousand)]		
TOTAL	<u>128,158</u>	<u>245,247</u>
SCHEDULE - 5		
CASH AND BANK BALANCES		
Cash in hand	2	5
Balances with Scheduled Banks		
- In Current Accounts	1,428	2,986
TOTAL	<u>1,430</u>	<u>2,991</u>



SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in thousand	As at 31-12-2010 Rs. in thousand	As at 31-12-2009 Rs. in thousand
SCHEDULE - 6			
LOANS AND ADVANCES			
(Unsecured - considered good, unless otherwise stated)			
Service Tax Recoverable		12,574	16,861
TOTAL		12,574	16,861
SCHEDULE - 7			
CURRENT LIABILITIES AND PROVISIONS			
(A) CURRENT LIABILITIES			
Sundry Creditors		-	-
- Dues to Micro and Small Enterprises*		-	-
- Other Creditors		154,322	257,797
Other Liabilities		5,301	4,430
		159,623	262,227
(B) PROVISIONS			
Provision for Taxation	198,026		197,790
Less: Advance payment of Tax and Tax Deducted at Source	175,137		170,755
		22,889	27,035
TOTAL		22,889	27,035
		182,512	289,262

* As per the information available with the management, there are no outstanding dues payable to Micro and Small Enterprises.

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

		Year ended 31-12-2010 Rs. in thousand	Year ended 31-12-2009 Rs. in thousand
SCHEDULE - 8			
OTHER INCOME			
Dividend from Mutual Funds (Current) (Refer Note 4 (iii) on Schedule 10)		6,325	5,124
Interest on Income Tax refund		-	2,936
Profit on sale of Current Investments		3	1
TOTAL		6,328	8,061
SCHEDULE - 9			
OPERATING AND OTHER EXPENSES			
Rates and Taxes		3	2
Legal, Professional and Consultancy		854	561
Miscellaneous Expenses		334	329
TOTAL		1,191	892

SCHEDULE -10

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Significant Accounting Policies:

1. Accounting Convention :

The Financial statements have been prepared to comply in all material respects with all applicable accounting principles in India, the applicable accounting standard notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. Investments:

Current investments are stated at lower of cost and fair market value determined category wise. Cost is determined as per weighted average cost formula.

3. Foreign currency transactions:

Foreign currency transactions are accounted for at the exchange rate prevailing on the transaction date. Year-end monetary assets and liabilities in foreign currency are translated at the applicable year-end exchange rates and the resultant difference is recognized as gain / loss for the year.

4. Revenue Recognition:

- (i) Sale of natural gas is recognized on transfer of title to customers at delivery point. Sales are billed fortnightly to industrial customers. Spot sale of gas to industrial customers is billed as per the terms mutually agreed between the parties.
- (ii) Commitment Income from customers for gas sales and gas transmission are recognized on establishment of certainty of receipt of consideration.
- (iii) Dividend income is recognized when the right to receive the dividend is established.
- (iv) Delayed payment charges are recognized on the basis of certainty of collection.

5. Earnings Per Share (EPS):

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

6. Taxation:

Tax expense for the year, comprising current tax and deferred tax, is included in determining the net profit for the year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at substantively enacted tax rates.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

7. Provision and Contingencies:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

Notes to Accounts:

8. Contingent Liability:

Income Tax exposures of Rs. 23,653 thousand (Previous Year Rs. 11,201 thousand)

- a. Includes demand of Rs. 11,201 thousand (Previous year Rs. 11,201 thousand) for the A.Y. 2007-08 on account of disallowance of commission on purchase paid to BG Energy Holdings Limited and disallowance of expenditure u/s 14A as per Rule 8D of the Income tax Rules 1962. The total amount paid or adjusted by tax authorities towards above demand aggregates to Rs. 5250 thousand (Previous year Nil). The Company has preferred an appeal before the CIT (A) against the said order.
- b. Includes demand of Rs.12,452 thousand (Previous year Nil) for the A.Y. 2008-09 on account of disallowance of commission paid to BG Energy Holdings Limited, disallowance of expenditure u/s 14A as per Rule 8D of the Income tax Rules 1962 and treatment of VAT refund as taxable income. The Company has preferred an appeal before the CIT (A) against the said order.

**9. Earnings per share:**

	Year ended 31-12-2010	Year ended 31-12-2009
Net Profit/(Loss) attributable to Shareholders (Rs. in thousand)	6,150	4,068
Weighted average number of equity shares outstanding during the year (No. in thousand)	9	9
Basic earnings per share of Rs. 100/- each (in Rs.)	683.33	452.00

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

10. Segment Reporting:

The Company operates in a single segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. Hence, disclosures required as per Accounting Standard on Segment Reporting (AS – 17) are not applicable to the company.

11. Payment to Auditors:

	Year ended 31-12-2010 (Rs. in thousand)	Year ended 31-12-2009 (Rs. in thousand)
Audit fees	150	150
Reimbursement of Expenses (Including service tax)	23	33

12. Related Party Transactions:

The Company is controlled by Gujarat Gas Company Limited which is the beneficial owner of 100% shares. The ultimate parent of the Company is BG Group Plc.

The following transactions were carried out during the year in ordinary course of business:

Name of the related party	Nature of Relationship	Nature of Transactions	Amount (Rs. in thousand)	
			Year ended 31-12-2010	Year ended 31-12-2009
Gujarat Gas Company Ltd.	Holding Company	Expense:		
		Service charges paid (including Service Tax)	331	331
		Income:		
		Sale of Natural Gas	1,730,316	6,79,505
		Share capital held	900	900
BG Energy Holding Ltd.	Under Common Control	Balance Receivable	1,28,158	2,45,247
		Commission on purchases	2,338	3,995
		Commission on corporate guarantee given to supplier	6,058	6,137
		Balance Payable	16,133	7,737

Note: The Company is using the ERP software packages implemented by Gujarat Gas Company Limited being "SAP" since August 2003, without payment of any consideration.

13. The Company estimates the deferred tax using the enacted or substantially enacted rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. The movement of provision for deferred tax is given below:

	Year ended December 31, 2010 (Rs. in thousand)	Year ended December 31, 2009 (Rs. in thousand)
Opening Balance (a)	624	-
Provision for current year deferred tax (liability) / asset (b)	(624)	624
Closing Balance (a+b)	-	624
Break up of deferred tax assets:		
Tax impact of expenses not allowed as expenses in current year allowed as expense in subsequent year	-	624

14. Investments:

	As at 31-12-2010 (Rs. in Thousand)	As at 31-12-2009 (Rs. in Thousand)
Current Investments (Unquoted):		
- Units of Mutual Funds	154,253	131,292
Notes:		
1) Aggregate cost of unquoted investment	154,253	131,292
2) Movement in investment from 1st January, 2010 to 31 st December, 2010 is given below		

Scheme	No. of units at the beginning of the year	Opening Value (Rs. in thousand)	No. of Units Purchased	No. of Units sold	No. of Units in hands at the year end	Cost of units in hands at the year end at lower of cost and fair market value (Rs. in thousand)
Birla Sunlife Interval Income Retail Qtrly Seri-1 Dividend	-	-	3,000,000	3,000,000	-	-
Birla Sunlife Cash Plus-Inst. Prem - Dividend	-	-	1,996,376	1,996,376	-	-
Birla Sunlife Savings Fund Instl-Dividend	6,992,451	69,972	6,806,715	5,396,330	8,402,836	84,085
HDFC Cash Management Fund-Savings Plan-Dividend	-	-	1,222,356	1,222,356	-	-
HDFC Floating Rate Income Fund-Short Term Plan -Wholesale-Dividend	2,876,079	28,993	1,456,557	-	4,332,636	43,677
Reliance Money Manager Fund-Institutional option-Dividend	-	-	749,826	749,826	-	-
Reliance Money Manager Fund-Institutional option- Dividend	32,290	32,327	9,149	14,979	26,460	26,491
TOTAL	9,900,820	131,292	15,240,979	12,379,867	12,761,932	154,253

15. Purchases and Sales of traded goods:

Product	Purchases		Sales	
	Qty. in LSCM	Rs. in thousand	Qty. in LSCM	Rs. in thousand
Natural Gas	1,871.71 (852.49)	1,728,443 (678,652)	1,871.71 (852.49)	1,730,316 (679,505)

Previous year figures are in brackets.

16. Expenditure in Foreign Currency (Paid):

	Year ended 31-12-2010 Rs. in thousand	Year ended 31-12-2009 Rs. in thousand
Commission	-	11,824

17. The Provision for Current Tax has been calculated based on income earned during the year ended December 31, 2010 in accordance with Guidance Note on measurement of Income Tax expense for Interim Financial Reporting. However the tax year end of the Company being March 31, 2011, the ultimate liability for the Assessment Year 2011 - 12 will be determined on the total income of the Company for the year ending March 31, 2011.

18. Managerial Remuneration:

	Year ended 31-12-2010 Rs. in thousand	Year ended 31-12-2009 Rs. in thousand
Directors' Sitting Fees	72	72

19. Previous year figures have been reclassified / regrouped wherever considered necessary to conform to the current year figures.

For Price Waterhouse

Firm Registration Number – 012754N
Chartered Accountants

For and on behalf of the Board

V. Nijhawan

Partner
Membership No. F87228

Shaleen Sharma Sugata Sircar
Chairman Director

Place : Ahmedabad
Date : February 28, 2011

Place : Ahmedabad
Date : February 28, 2011



**BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE AS
PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

I. REGISTRATION DETAILS		
Registration No.	:	4091
State Code	:	04
Balance Sheet Date	:	31-12-2010
II. CAPITAL RAISED DURING THE YEAR (Amount Rs. in thousand)		
Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement (Preferential Allotment)	:	Nil
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs. in thousand)		
Total Liabilities	:	296,415
Total Assets	:	296,415
Sources of Funds		
Paid-up Capital	:	900
Reserves and Surplus	:	113,003
Secured Loans	:	Nil
Unsecured Loans	:	Nil
Deposits	:	Nil
Applications of Funds		
Net Fixed Assets	:	Nil
Investments	:	154,253
Net Current Assets	:	(40,350)
Miscellaneous Expenditure/ Accumulated Losses	:	Nil
Deferred Tax Assets	:	Nil
IV. PERFORMANCE OF THE COMPANY (Amount Rs. in thousand)		
Total Turnover	:	1,736,644
Total Expenditure	:	1,729,634
Profit / (Loss) Before Tax	:	7,010
Profit / (Loss) After Tax	:	6,150
Earnings Per Share (Rs.) (Annualized)	:	683.33
Dividend Rate (%)	:	Nil
V. GENERIC NAME OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY (As per monetary terms)		
Item Code No. (ITC Code)	:	-
Product Description	:	TRADING IN NATURAL GAS

GUJARAT GAS FINANCIAL SERVICES LIMITED DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the Seventeenth Directors' Report of Gujarat Gas Financial Services Limited together with the audited annual accounts for the year ending on 31 December 2010.

FINANCIAL PERFORMANCE

Particulars	(Rupees in thousand)	
	Calendar Year 2010	Calendar Year 2009
Net Income	73,587	50,664
Operating expenditure	(7,623)	(7,751)
Profits before depreciation, interest, provision for NPA and tax	65,964	42,913
<u>Less:</u>		
Depreciation	(67)	(72)
Interest	-	-
Profit before write-offs and NPAs	65,897	42,841
Profit before Tax	65,897	42,841
<u>Less:</u>		
Provision for Tax – current and deferred	(23,758)	(14,450)
Profit after Tax	42,139	28,391
Add: Surplus of earlier years	65,278	47,484
Amount available for appropriations	107,417	75,875
Appropriations:		
Transfer to General Reserve	4,214	1,420
Transfer to Reserve Fund (as stipulated by RBI)	8,428	5,679
Dividend	4,000	3,000
Dividend Distribution Tax	664	498
Surplus	90,111	65,278

During the year under review, the net income was Rs. 73.59 mn. as compared to Rs. 50.66 mn. in the year 2009 and the profit after tax was Rs. 42.14 mn. as compared to Rs. 28.39 mn. for the previous year.

DIVIDEND

In view of the overall performance and financial position of the Company, Directors are pleased to recommend payment of dividend at the rate of 20% i.e. Rs. 2/- per share on fully paid equity shares of Rs. 10 each. The proposed dividend will involve total payout of Rs.4.66 million inclusive of dividend distribution tax of Rs. 0.66 million.

APPROPRIATIONS

As stipulated by Reserve Bank of India (RBI), 20% of the pre-dividend profits i.e. Rs. 8.43 million (previous year Rs. 5.68 million) is being transferred to the Reserve Fund. Also, a sum of Rs. 4.21 million (previous year Rs.1.42 million) is proposed to be transferred to General Reserve.

DISCUSSION ON OPERATIONS

Business

Your Company carried out the job of installing gas connections for domestic customers of GGCL and commercial customers of the Company. While GFSL has the status of a certified Non Banking Financial Company, it has stopped providing lease finance since April 2007.

Investments

During the year, the Company maintained its investments in bank deposits. The total portfolio of investment in bank deposits was Rs. 35.80 million, as on 31 December 2010.

HEALTH, SAFETY, SECURITY & ENVIRONMENT (HSS&E)

The HSS&E policies are being strictly implemented and progress is monitored on a continual basis. Employees were provided training in behavior based safety and safety interventions. The employees were encouraged to report hazards and "near misses".

RBI REGISTRATION

Your Company continues to be registered with Reserve Bank of India as a Non Banking Financial Company and categorized as a 'Non-Deposit Accepting Company'. As it no longer meets the norms prescribed by the Reserve Bank of India (RBI) for Non-Banking Financial Companies, the Company has applied to the RBI for surrender of the RBI Certificate of Registration as NBFC.

PRUDENTIAL NORMS

Your Company has complied with accounting policies in respect of income recognition. Since the Company had been registered as Non-Banking Finance Company and categorized as a 'Non-Deposit Accepting Company', it is no longer required to



comply with RBI guidelines related to public deposit mobilization like maintenance of Statutory Liquidity Ratio, Capital Adequacy Ratio and other reporting norms.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Shaleen Sharma and Mr. Sugata Sircar, Directors of the Company. Mr. Shaleen Sharma is Chairman of the Audit Committee.

FINANCE AND INSURANCE

- Your Company remains a zero debt company.
- During 2010, in terms of the provisions of Investor Education and Protection Fund (Awareness and Protection of Investor) Rules 2001, an aggregate amount of Rs. 0.054 million, of unpaid or unclaimed dividends were transferred to the Investor Education and Protection Fund.
- The Company's office assets, stocks, risks are adequately insured.

HUMAN RESOURCES

The number of employees as on 31 December 2010 were four.

STATUTORY INFORMATION

- There are no employees, whether employed throughout the year or any part thereof, in receipt of remuneration exceeding the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.
- Since the Company is not a schedule industry details in respect of conservation of energy, technology absorption is not required to be furnished.
- During the period, there were no foreign exchange earnings whereas the foreign exchange outgo was to the extent of Rs. 17.57 million. Information pursuant to Part II of Schedule VI of the Companies Act, 1956, has been given in the notes to the accounts.
- Pursuant to the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998, a report from the statutory auditors to the Board of Directors, has been received by the Company. This report has certified that the Company has complied with all the Directions and Prudential Norms as prescribed under the Reserve Bank of India Act. However the Company has not engaged in any hire purchase or leasing activity.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217(2AA) of the Companies Act, 1956, your directors hereby state that:

1. In the preparation of the annual accounts for year 2010, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
2. The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a

true and fair view of the state of affairs of the Company at the end of the calendar year and of the profit or loss of the Company for that period.

3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 (as amended), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The directors had prepared the annual accounts on a going concern basis.

AUDITORS REPORT

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

AUDITORS

Price Waterhouse, the Statutory Auditors of the Company retire at the conclusion of the Annual General Meeting and are eligible for reappointment. The Company has obtained from Price Waterhouse a written certificate to the effect that their re-appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956. The shareholders are requested to re-appoint the Auditors and to fix their remuneration.

DIRECTORS

Mr. Shaleen Sharma retires by rotation at the ensuing Annual General Meeting. Being eligible, he offers himself for re-appointment.

APPRECIATION

Your directors wish to express their sincere appreciation to all the valuable customers for their continuing association with the Company. Your directors express their gratitude to its promoter, Gujarat Gas Company Limited for its valuable contribution throughout the year. Your directors also thank the shareholders for their continuing support to the Company and to the neighbouring communities. Your directors express their appreciation of efforts put in by all employees of the Company and also wish to thank government agencies including Reserve Bank of India for extending support to the Company's business.

For & on behalf of the Board

Shaleen Sharma
Chairman

Place: Ahmedabad
Dated: 24 February, 2011

**AUDITORS' REPORT TO THE MEMBERS OF
GUJARAT GAS FINANCIAL SERVICES LIMITED**

1. We have audited the attached Balance Sheet of Gujarat Gas Financial Services Limited, as at December 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we further give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price WaterhouseFirm Registration No.- 301112E
Chartered Accountants**V. Nijhawan**Partner
Membership Number F-87228Place: Gurgaon
Date: February 24, 2011

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' report of even date to the members of Gujarat Gas Financial Services Limited on the financial statements for the year ended December 31, 2010]

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - b) The fixed assets of the Company including those leased out are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 - c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii) a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have been confirmed by them. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system;
- v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Act which are required to be entered in the register required to be maintained under that section.
- vi) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the Products of the Company.
- ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
 - b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute. The particulars of dues of income-tax as at December 31, 2010 which have not been deposited on account of a dispute as detailed below.

Name of the Statute	Nature of Dues	Amount (Rs. in Thousand)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Penalty u/s 271(1)(C)	2,660	A.Y. 1996-97	ITAT
	Income Tax & Interest thereon	6,822	A.Y. 2001-02	High Court
	Income Tax & Interest thereon	5,986	A.Y. 2002-03	High Court
	Income Tax & Interest thereon	1,853	A.Y. 2006-07	ITAT
	Income Tax & Interest thereon	6,390	A.Y. 2007-08	CIT (Appeals)
	Income Tax & Interest thereon	34,766	A.Y. 2008-09	CIT (Appeals)
Interest Tax Act, 1974	Interest Tax	2,896	A.Y. 1999-00	High Court

- x) The Company does not have accumulated losses as at December 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanation given to us, the Company does not have any dues payable to any financial institution or bank or debenture holders as at the balance sheet date.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provision of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
- xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi) The Company has not obtained any term loans.
- xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The Company has not issued any debentures during the year and there are no debentures outstanding as at the year end.
- xx) The Company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Price Waterhouse
 Firm Registration No.- 301112E
 Chartered Accountants

V. Nijhawan
 Partner
 Membership Number F-87228

Place: Gurgaon
 Date: February 24, 2011



The Board of Directors,
Gujarat Gas Financial Services Limited
Gujarat

Dear Sirs,

Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998

We have audited the annual accounts of Gujarat Gas Financial Services Limited for the year ended December 31, 2010. As required by the Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998, on the basis of such checks as we considered appropriate and as per information and explanation given to us we report that:

A. In the case of all non-banking financial companies

1. The Company has obtained a certificate of registration from Reserve Bank of India under section 45IA of the Reserve Bank of India Act, 1934.

B. In the case of a non-banking financial company not accepting public deposits

1. The Board of Directors of the Company has passed a resolution dated January 27, 2011 for the non-acceptance of any public deposits.
2. The Company has not accepted any public deposits during the year under our report.
3. The Company has complied with the prudential norms on income recognition, accounting standards, assets classification and provision for bad and doubtful debts, as specified in the directions issued by the Reserve Bank of India in the terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For Price Waterhouse

Firm Registration No.- 301112E
Chartered Accountants

V. Nijhawan

Partner
Membership Number F-87228

Place: Gurgaon
Date: February 24, 2011

**GUJARAT GAS FINANCIAL SERVICES LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2010**

	Schedule	Rs. in thousand	As at 31-12-2010 Rs. in thousand	As at 31-12-2009 Rs. in thousand
SOURCES OF FUNDS				
Shareholders' Funds				
Capital	1	20,000		20,000
Reserves and Surplus	2	189,181		151,706
			209,181	171,706
			209,181	171,706
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	3	578,630		578,630
Less : Depreciation		441,746		441,679
		136,884		136,951
Less : Lease Terminal Adjustment		136,588		136,588
Net Block			296	363
Investments	4		-	-
Deferred Tax Asset			74,694	74,408
(Refer Note A9 & B10 on Schedule 17)				
Current Assets, Loans and Advances				
Inventories	5	83,035		100,349
Sundry Debtors	6	33,755		28,652
Cash and Bank Balances	7	43,594		3,997
Other Current Assets	8	68		10
Loans and Advances	9	46,572		44,297
		207,024		177,305
Less: Current Liabilities and Provisions	10			
Current Liabilities		67,025		75,889
Provisions		5,808		4,481
		72,833		80,370
Net Current Assets			134,191	96,935
			209,181	171,706
Significant Accounting Policies and Notes to Accounts	17			

This is the Balance Sheet referred to in our report of even date

The schedules referred to above form an integral part of the Balance Sheet.

For Price Waterhouse
Firm Registration No.- 30112E
Chartered Accountants

For and on behalf of the Board

Shaleen Sharma **Sugata Sircar**
Chairman Director

V. Nijhawan
Partner
Membership No. F87228

Chintan Trivedi
Company Secretary

Place : Gurgaon
Date : February 24, 2011

Place : Ahmedabad
Date : February 24, 2011



GUJARAT GAS FINANCIAL SERVICES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2010

	Schedule	Rs. in thousand	Year ended 31-12-2010 Rs. in thousand	Year ended 31-12-2009 Rs. in thousand
INCOME				
Income from operations	11	280,436		276,464
Other Income	12	2,296		4,743
			282,732	281,207
EXPENDITURE				
Installation Cost (Refer note B 2 on Schedule 17)	13	209,145		230,543
Personnel Expenses	14	3,261		3,091
Administration and Other Expenses	15	4,362		4,660
Depreciation		67		72
			216,835	238,366
Profit before Taxes			65,897	42,841
Tax Expense	16		23,758	14,450
Profit after Taxes			42,139	28,391
Profit brought forward			65,278	47,484
Profit available for Appropriation			107,417	75,875
Appropriations				
Proposed Dividend			4,000	3,000
Corporate Dividend Tax			664	498
Transferred to Special Reserve (As stipulated by RBI)			8,428	5,679
Transferred to General Reserve			4,214	1,420
Profit Carried Forward			90,111	65,278
			107,417	75,875
Basic / Diluted Earnings per Share of Rs.10/- each (Refer note A8 & B8 on Schedule 17)			21.07	14.20
Significant Accounting Policies and Notes to Accounts	17			

This is the Profit and Loss Account referred to in our report of even date.

For Price Waterhouse
Firm Registration No.- 301112E
Chartered Accountants

V. Nijhawan
Partner
Membership No. F87228

Place : Gurgaon
Date : February 24, 2011

The schedules referred to above form an integral part of the Profit and Loss Account.

For and on behalf of the Board

Shaleen Sharma
Chairman

Sugata Sircar
Director

Chintan Trivedi
Company Secretary

Place : Ahmedabad
Date : February 24, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010

	Year ended 31-12-2010 Rs. in thousand	Year ended 31-12-2009 Rs. in thousand
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxes	65,897	42,841
Adjustments for:		
Depreciation	67	72
Liabilities no longer required written back	(102)	(112)
Provision for gratuity and leave encashment	161	105
Operating Profit Before Working Capital Changes	66,023	42,906
Adjustments for changes in working capital		
(Increase)/Decrease In Sundry Debtors	(5,001)	(28,785)
(Increase)/Decrease In Other Current Assets	(58)	1,588
(Increase)/Decrease In Loans And Advances	(4,286)	(4,206)
(Increase)/Decrease In Inventories	17,314	(23,720)
Increase/(Decrease) In Current Liabilities and Provisions	(8,864)	(102,872)
Cash generated from/(used in) operations	65,128	(115,089)
Taxes (Paid) / Received	(22,033)	(27,804)
Net Cash from/(used in) Operating Activities	43,095	(142,893)
B. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid including Tax on Dividend	(3,498)	(4,680)
Net Cash used in Financing Activities	(3,498)	(4,680)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	39,597	(147,573)
Cash & Cash Equivalents at the beginning of the year	3,997	151,570
Cash & Cash Equivalents at the end of the year	43,594	3,997
Closing Cash & Cash Equivalents Comprise of:		
Cash in Hand	17	18
Balance with scheduled banks		
-In Current Accounts	7,294	3,061
-In Term Deposits	35,800	500
-In Dividend Accounts	483	418
Total Cash & Cash Equivalents as per Cash Flow Statement	43,594	3,997

**Notes to Cash Flow Statement:**

- a The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- b Term Deposit includes balance in Escrow account as stipulated by RBI Rs. 500 Thousands (Previous Year Rs. 500 thousands).
- c The balance with the bank for unpaid dividend is not available for use by the company and the money remaining unpaid will be deposited in Investor Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.
- d Previous Year figures have been reclassified / regrouped wherever considered necessary to conform to the Current Year's figures.
- e Figures in bracket indicate Cash outflows.

This is the Cash Flow referred to in our report of even date.

This is the Cash Flow referred to in our report of even date

For Price Waterhouse

Firm Registration No.- 301112E
Chartered Accountants

V. Nijhawan

Partner

Membership No. F87228

Place : Gurgaon

Date : February 24, 2011

For and on behalf of the Board**Shaleen Sharma**

Chairman

Sugata Sircar

Director

Chintan Trivedi

Company Secretary

Place : Ahmedabad

Date : February 24, 2011

GUJARAT GAS FINANCIAL SERVICES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in thousand	As at 31-12-2010 Rs. in thousand	As at 31-12-2009 Rs. in thousand
SCHEDULE-1			
CAPITAL			
A. Authorised			
70,00,000 (Previous year 70,00,000) Equity Shares of Rs.10/- each	70,000		70,000
50,00,000 (Previous year 50,00,000) Preference Shares of Rs.10/- each	<u>50,000</u>	120,000	<u>50,000</u> 120,000
B. Issued, Subscribed and paid up			
20,00,000 Equity Shares of Rs.10/- each fully paid up (Previous year 20,00,000 Equity Shares of Rs.10/- each)		20,000	20,000
[Out of the above 13,97,500 Shares (Previous year 13,97,500 Shares) of Rs.10/- each are held by holding Company - Gujarat Gas Company Limited, ultimate holding company being BG Group plc]		<u>20,000</u>	<u>20,000</u>
SCHEDULE-2			
RESERVES AND SURPLUS			
General Reserve			
Opening Balance	6,998		5,578
Add : Transferred from Profit & Loss Account	<u>4,214</u>	11,212	<u>1,420</u> 6,998
Special Reserve (as required by RBI)			
Opening Balance	79,430		73,751
Add : Transferred from Profit & Loss Account	<u>8,428</u>	87,858	<u>5,679</u> 79,430
Profit & Loss Account			
		<u>90,111</u>	65,278
		<u>189,181</u>	<u>151,706</u>

**SCHEDULE - 3
FIXED ASSETS**

(Refer note A2(b) & A3 on Schedule 17)

Rs. in thousand

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.01.2010	Additions during the year	Sales/Adj. during the year	Balance as at 31.12.2010	As at 01.01.2010	Additions during the year	Sales/Adj. during the year	Balance as at 31.12.2010	As at 31.12.2009
A. Assets given on Lease (Standard Asset)									
Plant & Machinery	575,875	-	-	575,875	439,287	-	-	439,287	136,588
Total - (A)	575,875	-	-	575,875	439,287	-	-	439,287	136,588
B. Other Assets									
Computer	1,083	-	-	1,083	1,083	-	-	1,083	-
Office Equipment & Electrical Installation	673	-	-	673	423	27	-	450	250
Furniture & Fixture	973	-	-	973	862	38	-	900	111
Vehicle	26	-	-	26	24	2	-	26	2
Total - (B)	2,755	-	-	2,755	2,392	67	-	2,459	363
Total -(A)+(B)	578,630	-	-	578,630	441,679	67	-	441,746	136,951
Lease Terminal Adjustment	-	-	-	-	136,588	-	-	136,588	(136,588)
Total	578,630	-	-	578,630	578,267	67	-	578,334	363
Previous Year	578,630	-	-	578,630	578,195	72	-	578,267	363

GUJARAT GAS FINANCIAL SERVICES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in thousand	As at 31-12-2010 Rs. in thousand	As at 31-12-2009 Rs. in thousand
SCHEDULE -4			
INVESTMENTS			
(Refer Note A4 and B4 on Schedule 17)			
LONG TERM - OTHERS			
Other than trade- Quoted shares			
11,600 equity shares of Rs. 10/- each fully paid up (previous year 11,600 equity shares of Rs. 10/- each)	116		116
Less: Provision for diminution in value of investment	<u>116</u>	-	<u>116</u>
		-	-
		-	-
		-	-
SCHEDULE-5			
INVENTORIES			
(Refer Note A5 on Schedule 17)			
Stores and Pipe Fittings (at cost)		<u>83,035</u>	100,349
		<u>83,035</u>	<u>100,349</u>
SCHEDULE-6			
SUNDRY DEBTORS			
(Unsecured)			
Considered Good			28,652
Other Debts*	<u>33,755</u>	<u>33,755</u>	<u>28,652</u>
Considered Doubtful			102
Debts outstanding for a period exceeding six months	-		102
Less: Provision for Doubtful Debts	<u>-</u>	-	<u>102</u>
		-	-
[*Includes Rs.33,755 thousand (Previous Year Rs. 28,652 thousand) due from Gujarat Gas Company Ltd, maximum balance outstanding during the year Rs. 34,146 thousand (Previous Year Rs. 41,310 thousand)]		<u>33,755</u>	<u>28,652</u>
SCHEDULE-7			
CASH AND BANK BALANCES			
Cash in hand		17	18
Balances with Scheduled Banks			
In Current Accounts		7,294	3,061
In Term Deposit *		35,800	500
In Dividend Accounts		483	418
		<u>43,594</u>	<u>3,997</u>
* Includes Term Deposit in an Escrow account as stipulated by RBI Rs. 500 thousand (Previous Year Rs. 500 thousand)			
SCHEDULE-8			
OTHER CURRENT ASSETS			
(Unsecured, considered good, unless otherwise stated)			
Interest accrued on Term Deposits with Scheduled Banks		68	10
		<u>68</u>	<u>10</u>



GUJARAT GAS FINANCIAL SERVICES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in thousand	As at 31-12-2010 Rs. in thousand	As at 31-12-2009 Rs. in thousand
SCHEDULE-9			
LOANS AND ADVANCES			
(Unsecured, considered good, unless otherwise stated)			
Advances recoverable in cash or in kind or for Value to be received.		8,797	9,524
Advance payment of tax and tax deducted at source	241,364		214,318
Less: Provision of Taxation	<u>203,589</u>		<u>179,545</u>
		<u>37,775</u>	<u>34,773</u>
		<u>46,572</u>	<u>44,297</u>
SCHEDULE-10			
CURRENT LIABILITIES & PROVISION			
A. Current Liabilities			
Sundry Creditors			
- Dues to Micro and Small Enterprises (Refer Note B13 on Schedule 17)		199	4,100
- Other Creditors		27,138	33,083
Advances from Customers		34,957	33,011
Payable to Retrenched Employees (Refer Note B1(c) on Schedule 17)		677	677
Investor Education and Protection Fund			
- Unpaid Dividend*		483	418
Other liabilities		3,571	4,600
* To be credited to Investor Education and Protection Fund, when due.			
		<u>67,025</u>	<u>75,889</u>
B. Provisions			
Provision for:			
Proposed Dividend		4,664	3,498
Gratuity (Refer Note B9 (i) (a) on Schedule 17)		770	664
Leave Encashment (Refer Note B9 (i) (b) on Schedule 17)		364	309
Fringe Benefit Tax	68		68
Less: Advance payment of Fringe Benefit Tax	<u>58</u>		<u>58</u>
		<u>10</u>	<u>10</u>
		<u>5,808</u>	<u>4,481</u>

GUJARAT GAS FINANCIAL SERVICES LIMITED
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	Rs. in thousand	Year ended 31-12-2010 Rs. in thousand	Year ended 31-12-2009 Rs. in thousand
SCHEDULE-11			
INCOME FROM OPERATIONS			
(Refer Note A 2 on Schedule 17)			
Income from Processing Fees		166	741
Installation Income		279,403	272,611
Interest :			
On Term Deposits [Gross, Tax deducted at source Rs.75 thousand (Previous Year Rs. 974 thousand)	861		3,105
From Customers	6		7
		<u>867</u>	<u>3,112</u>
		<u>280,436</u>	<u>276,464</u>
SCHEDULE-12			
OTHER INCOME			
Provision No Longer Required Written Back		102	112
Interest on Income Tax Refund		706	672
Foreign Exchange Gain		338	201
Miscellaneous Income		1,150	3,758
		<u>2,296</u>	<u>4,743</u>
SCHEDULE-13			
INSTALLATION COST			
Cost of Material Consumed		137,829	149,893
Labour Charges		68,823	57,446
Service Charges (Refer Note B3 on Schedule 17)		2,493	23,204
		<u>209,145</u>	<u>230,543</u>
SCHEDULE-14			
PERSONNEL EXPENSES			
Salaries and Allowances (Refer B 9 (i) (b) on schedule 17)		2,859	2,689
Contribution to Provident & Other Funds (Refer Note B 9 (i) (a) & B 9 (ii) on Schedule 17)		239	240
Staff Welfare and other expenses		163	162
		<u>3,261</u>	<u>3,091</u>
SCHEDULE-15			
ADMINISTRATION AND OTHER EXPENSES			
Insurance		33	-
Rates and Taxes		2,829	3,507
Legal and Professional Charges		1,149	962
Miscellaneous Expenses		351	191
		<u>4,362</u>	<u>4,660</u>
SCHEDULE-16			
TAX EXPENSES			
(Refer Note A 9 & B 7 on Schedule 17)			
Current Income Tax		24,044	22,153
Deferred Income Tax		(286)	(7,708)
Fringe Benefit Tax		-	5
		<u>23,758</u>	<u>14,450</u>

**SCHEDULE - 17****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES****1) Accounting Convention:**

The Financial Statements have been prepared to comply in all material respects with all applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2) Revenue Recognition:

(a) Sale of gas connection is recognised at the time of commissioning of gas connection at customer's premises. Sales revenue is solely comprised of material recovery charges and installation charges collected from customers.

(b) Assets given on Lease on or after April 1, 2001

In accordance with the provisions of Accounting Standard 19 on Leases issued by the Institute of Chartered Accountants of India, the Company has classified all its leases as finance leases. Accordingly the aggregate of minimum lease payments less unearned finance income is recognised as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

(c) In respect of other heads of income, the Company follows the practice of accounting for such income on an accrual basis. Delayed payment charges are recognised on the basis of certainty of collection.

(d) The Company follows the prudential norms for income recognition and provides for / writes off Non-performing Assets as per the prudential norms prescribed by the Reserve Bank of India or earlier as ascertained by the management.

3) Fixed Assets:

(a) Fixed assets including assets given on finance lease are stated at their original cost including freight, duties, customs & other incidental expenses relating to acquisition or construction.

(b) Depreciation on assets excluding assets given on finance lease is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase. Depreciation on assets purchased /acquired during the year is charged from the beginning of the month of the purchase of the asset. Similarly depreciation on assets sold / discarded during the year is charged up to the end of the month preceding the month of sale of asset.

(c) Depreciation on assets leased prior to April 1, 2001 is provided over the period of lease.

(d) The carrying value of fixed assets, which is in excess of the higher of its value in use, or net realizable value is recognised as an impairment loss.

(e) In respect of assets leased before April 1, 2001, the company follows the recommendation of the Institute of Chartered Accountants of India contained in the Guidance Note on Accounting for Leases. Accordingly lease rentals accounted as income on finance leases are adjusted by creating lease terminal adjustment account so as to recover the capital cost of the leased asset within the tenure of lease agreements or earlier as ascertained by the management.

4) Investments:

Securities classified as long term investments are valued at cost and any decline in value, other than temporary, is appropriately adjusted.

5) Inventories:

Stores and Pipe fittings are valued at lower of cost and net realizable value. Cost is determined on First in First Out method.

6) Retirement Benefits:**Post-employment benefit plans**

Defined Contribution Plan - Contributions to Provident Fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.

Defined Benefit Plan -The liability in respect of gratuity and leave encashment is determined using Projected Unit Credit Method with actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur.

Short term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences and performance incentives.

7) Foreign Currency Transactions:

Foreign currency transactions are accounted for at the exchange rate prevailing at the transaction date. Year end monetary assets & liabilities in foreign currency are translated at the applicable year end exchange rates and the resultant difference is recognised as gain/loss for the year.

8) Earnings Per Share (EPS):

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (and include the post tax effect of any extra ordinary items). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

9) Taxation:

Tax expense for the year, comprising current tax, deferred tax and fringe benefit tax, is included in determining the net profit for the year.

A provision is made for the current tax and fringe benefit tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at current or substantively enacted tax rates.

Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

10) Impairment:

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

11) Provision and Contingencies:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

B. NOTES TO ACCOUNTS

1 Contingent Liabilities:

a. Income Tax exposures of Rs.152,299 thousand (Previous year Rs. 112,604 thousand)

i) Includes income tax demand of Rs. 12,557 thousand (Previous year Rs. 12,557 thousand) including interest on tax, relating to AY 1996-97 due to disallowance of depreciation claimed on leased assets. The total amount paid by Company / adjusted by tax authorities towards above demand aggregates to Rs. 12,557 thousand (Previous year Rs. 12,557 thousand). Income tax demand for the years AY 1997-98 to AY 2000-01, on the same issue, amounts to Rs.4,929 thousand.

The total tax exposure, net of interest on tax, on account of the above for all the years aggregates to Rs. 17,486 thousand (Previous year Rs. 17,486 thousand). The appeals for all the above years are pending with the ITAT.

The Assessing Officer has also levied a penalty under section 271(1) (c) for AY 1996-97, amounting Rs. 6,773 thousand (Previous year Rs. 6,773 thousand). The penalty demand has been reduced by Rs. 4,113 thousand after adjusting the refund of various years. The appeal against this is pending with the ITAT.

ii) Includes income tax demand of Rs. 5,462 thousand (Previous year Rs. 5,462 thousand) for the AY 1996-97 on account of disallowance of loss on sale of securities as business loss. The Company preferred an appeal against the above demand and CIT (A) has quashed the demand. However, the Income Tax Department has filed an appeal against the above order.

iii) Includes income tax demand of Rs. 14,422 thousand (Previous year Rs. 14,422 thousand) for the AY 2001-02 on account of disallowance of claim for bad debts. The Company has paid an amount of Rs. 7,600 thousand (Previous year Rs. 7,600 thousand) out of the above demand. The ITAT had ruled partly in favour of the company by allowing bad debts towards bill discounting transactions. An appeal has been preferred with the High Court against the ITAT order. The High Court has restored back the matter to the ITAT and matter is pending with ITAT. Further the Assessing Officer has also levied a penalty under section 271(1)(c) of the Income Tax Act 1961, amounting Rs. 10,007 thousand. The Company's appeal was decided by the ITAT in its favour.



- iv) Includes income tax demand of Rs. 14,812 thousand (Previous year Rs. 14,812 thousand) for the AY 2002-03 on account of disallowance of claim for bad debts (Rs. 13,997 thousand) and professional expenses (Rs. 815 thousand). The total amount paid by company / adjusted by tax authorities towards above demand aggregates to Rs. 8,826 thousand (Previous year Rs. 8826 thousand). Recently the ITAT has ruled partly in favour of the company by allowing bad debts towards bill discounting transactions. An appeal has been preferred with the High Court against the ITAT order. Recently the High Court has restored back the matter to the ITAT and matter is pending with ITAT.
- v) Includes income tax demand of Rs. 2,855 thousand (Previous year Rs. 2,855 thousand) for the AY 2003-04 on account of disallowance of claim for bad debts. Recently the ITAT has ruled in favour of the Company and has allowed claim of bad debts. Department may prefer an appeal against the ITAT's order.
- vi) Includes income tax demand of Rs. 227 thousand (Previous year Rs.227 thousand) for AY 2004-05 on account of disallowance of claim for bad debts. The appeal for AY 2004-05 is pending with the ITAT.
- vii) Includes income tax demand of Rs. 20,135 thousand (Previous year Rs. 20,135 thousand) for the AY 2006-07 on account of disallowance of service charges paid to GGCL and inventory written off during the year. The total amount paid by company / adjusted by tax authorities towards above demand aggregates to Rs.18,283 thousand(Previous year Rs.18,283 thousand) The CIT (A) has decided the appeal partly in our favour by allowing the service charges as deductible business expenditure. The appeal is pending with the ITAT.
- viii) Includes income tax demand of Rs. 25,354 thousand (Previous year Rs. 25,354 thousand) for the AY 2007-08 on account of disallowance of service charges paid to GGCL. The total amount paid by company / adjusted by tax authorities towards above demand aggregates to Rs.18,963 thousand(Previous year Nil).The Company has preferred an appeal before the CIT (A) against the said order.
- ix) Includes income tax demand of Rs. 34,766 thousand (Previous year Nil)for the AY 2008-09 on account of disallowance of service charges paid to GGCL. The Company has preferred an appeal before the CIT (A) against the said order.
- b. Interest tax exposures of Rs. 4,146 thousand (Previous year Rs. 4,146 thousand). The interest tax authorities in the assessment contented that the activities of the Company are chargeable to interest tax and raised a total demand of Rs. 56,395 thousand (Previous year Rs. 56,395 thousand) for the Assessment Years 1995-96 to 2000-01. The Company had filed an appeal against the above demands and CIT (A) ruled in favour of the Company for the Assessment Years 1995-96, 1996-97, 1997-98, 1998-99 and 2000-01 and quashed the demands for these years aggregating to Rs. 50,267 thousand (Previous year Rs. 50,267 thousand). However for AY 1999-2000, CIT (A) ruled against the Company and raised a demand of Rs. 4,146 thousand (Previous year Rs.4,146 thousand). The Company has paid an amount of Rs.1,250 thousand (Previous year Rs.1,250 thousand) out of the above demand. ITAT had ruled partly against the Company and had asked the Assessing Officer to re-examine the levy. The Company had preferred an appeal before the High Court against the ITAT order. Recently the High Court has restored back the matter to the ITAT and matter is pending with ITAT.
- Further, the Assessing Officer has levied a penalty in AY 1999-2000 under section 13 of the Interest Tax Act 1974, amounting Rs. 1,982 thousand (Previous year Rs.1,982 thousand). The Company preferred an appeal against the above demand and CIT (A) ruled in favour of the Company and quashed the penalty demand. The appeal is pending with the ITAT.
- c. The Company had retrenched 8 employees in the year 2002 under the provisions of The Industrial Disputes Act, 1949. The employees had filed an appeal against the above retrenchment in a labour court. The Company had reached a settlement with two of the above employees and had provided for Rs. 677 Thousand (Previous Year Rs. 677 thousand), being the compensation payable to the remaining employees under The Industrial Disputes Act, 1949. Any additional amount due to the employees will be determined based on decision by the labour court and hence amount payable ultimately cannot be ascertained at this stage.

2) Detail of each class of goods traded as at December 31, 2010:

	Rs. In thousand					
	As at December 31, 2010			As at December 31, 2009		
	Qty. (Nos.)	Amount	Total	Qty. (Nos.)	Amount	Total
Opening Stock						
Meters	20,403	26,316		7,181	15,573	
Regulators	11,979	12,181		8,271	9,430	
Others (Refer Note below)		61,852	100,349	-	51,626	76,629
Purchases						
Meters	31,753	32,972		51,642	50,896	
Regulators	20,758	21,521		27,724	25,665	
Others (Refer Note below)		66,022	120,515		97,052	173,613
Consumption						
Meters	38,836	-		38,420	-	
Regulators	22,480	-		24,016	-	
Others (Refer Note below)			137,829	-	-	149,893
Closing Stock						
Meters	13,320	20,390		20,403	26,316	
Regulators	10,257	11,167		11,979	12,181	
Others (Refer Note below)		51,478	83,035		61,852	100,349

Note: Others include spares and support items for meters and regulators.

3) Services charges represent amounts paid to Gujarat Gas Company Limited, the holding Company, for use of office premises, common facilities and employees. The same has been disclosed under Schedule 13 - Installation Cost.

4) Details of investments as listed in Schedule 4 are as follows:

	As at December 31, 2010			As at December 31, 2009		
	Face Value Rs.	Number	Rs. in thousand	Face Value Rs.	Number	Rs. in thousand
SHARES-FULLY PAID UP						
Unquoted Equity Shares of Prudential Sugar Corporation Limited (formerly Prudential Mouli Sugars Limited)	10	11,600	116	10	11,600	116
TOTAL			116			116

5) Auditors' Remuneration:

	Year ended December 31, 2010 (Rs. In thousand)	Year ended As at December 31, 2009 (Rs. in thousand)
Audit Fees	350	350
Fees for the RBI certification	25	25
Out of Pocket Expenses (including service tax)	31	65
	406	440

6) Value of imports calculated on CIF basis:

	Year ended December 31, 2010 (Rs. In thousand)	Year ended December 31, 2009 (Rs. in thousand)
Spares	17,567	39,010

7) The provision for income tax has been calculated based on income earned during the year ended December 31, 2010 in accordance with Guidance Note on measurement of Income Tax expense for Interim Financial Reporting. However the tax year end of the company being March 31, 2011, the ultimate liability for the A.Y. 2011 - 12 will be determined on the total income of the company for the year ending March 31, 2011.

**8) Earnings Per Share (EPS):**

Particulars	Year ended December 31, 2010 (Rs. In thousand)	Year ended December 31, 2009 (Rs. in thousand)
Net Profit attributable to Equity Shareholders (Rs. In Thousands)	42,139	28,391
Weighted average number of equity shares outstanding during the year. (No. in Thousands)	2,000	2,000
Basic Earning per Share of Rs 10/- each (in Rs.)	21.07	14.20

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same

9) Disclosures as per AS - 15(Revised) 'Employee Benefits' for year ended December 31, 2010:

(i) Disclosures for Defined Benefit Plans

	Year ended December 31, 2010	(Rs in thousand) Year ended December 31, 2009
a Gratuity (Unfunded)		
<u>Change in the defined benefit obligations</u>		
Defined benefit obligation at beginning of the year	664	539
Service cost	47	43
Interest cost	56	44
Actuarial loss/(gain)	3	38
Benefits paid	-	-
Defined benefit obligation at the end of the year	770	664
<u>Change in plan assets</u>	N.A.	NA
Present value of unfunded obligations	770	664
The Net amount recognized in the statement of Profit & Loss are as follows		
Current Service cost	47	43
Interest cost	56	44
Expected return on plan assets	-	-
Net actuarial loss/(gain) recognised	3	38
Net amount recognised during the year	106	125
The principal actuarial assumptions used are as follows		
Discount rate	8.40%	8.25%
Rate of increase in compensation levels (Refer Note)	7.00%	7.00%
b Leave Encashment		
<u>Change in the defined benefit obligations</u>		
Defined benefit obligation at beginning of the year	309	330
Service cost	20	11
Interest cost	26	27
Actuarial loss/(gain)	9	(59)
Benefits paid	-	-
Defined benefit obligation at the end of the year	364	309
The Net amount recognized in the statement of Profit & Loss for year ended are as follows		
Current Service cost	20	11
Interest cost	26	27
Net actuarial loss/(gain) recognised	9	(59)
Net amount recognised during the year	55	(21)
The principal actuarial assumptions used are as follows		
Discount rate	8.40%	8.25%
Rate of increase in compensation levels (Refer Note)	7.00%	7.00%
Note :- The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
(ii) Disclosures for Defined Contribution Plans		
Employer's contribution towards Provident Fund	133	115
	133	115



(iii) Additional Disclosures as required by AS- 15

		Rs in thousand			
		Year ended 31-Dec-10	Year ended 31-Dec-09	Year ended 31-Dec-08	Year ended 31-Dec-07
a.	Gratuity (Unfunded)				
	Change in the defined benefit obligations				
	Present Value of defined benefit obligation as at beginning of the year	664	539	361	498
	Current Service cost	47	43	37	30
	Interest Cost	56	44	27	41
	Actuarial (Gains)/Loss	3	38	114	86
	Benefits Paid	-	-	-	(294)
	Present Value of defined benefit obligation as at end of the year	770	664	539	361
b.	Leave Encashment (Unfunded)				
	Change in the defined benefit obligations				
	Present Value of defined benefit obligation as at beginning of the year	309	330	244	302
	Current Service cost	20	11	27	18
	Interest Cost	26	27	18	25
	Actuarial (Gains)/Loss	9	(59)	41	65
	Benefits Paid	-	-	-	(166)
	Present Value of defined benefit obligation as at end of the year	364	309	330	244

10. Deferred Tax:

(A) The movement in deferred tax asset account is as follows:

	Amount in Rs. thousand	
	Year ended December 31, 2010	Year ended December 31, 2009
Opening Balance	74,408	66,700
Provision for current year deferred tax asset	286	7,708
Closing Balance	74,694	74,408

(B) Break up of deferred tax assets

	Amount in Rs. thousand	
	Year ended December 31, 2010	Year ended December 31, 2009
Deferred Tax Assets:		
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	74,317	74,022
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:		
Provision for doubtful debts	-	35
Expenditure under section 43B of the Income Tax Act	377	351
	74,694	74,408

11. Segment Reporting under Accounting Standard 17:

The company is primarily engaged in the business of sale of gas connections. Prior to that, the Company was engaged in the business of Lease financing. Considering the nature of business, its mode of operations, reporting systems and element of risks and returns for its various activities, the company is engaged in one segment only. The company is primarily operating in the domestic market and there are no reportable geographical segments. Accordingly, information relating to segmental reporting as per Accounting Standard 17 is not required to be furnished.

12. Related Party disclosures under Accounting Standard 18:

The following transaction were carried out during the year in ordinary course of business.

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount (Rs. In thousand)	
			Year ended December 31, 2010	Year ended December 31, 2009
Gujarat Gas Company Limited	Holding Company	Income		
		Sale of gas connections	276,052	191,347
		Alteration Income	19,986	15,056
		Expenses		
		Service Charges paid for pre regulatory connections	2,493	23,204
		Dividend Paid	2,096	2,795
		Amount receivable at year end	33,755	28,652
Equity Share Capital held	13,975	13,975		

Note : The Company is using the ERP software packages implemented by Gujarat Gas Company Limited being "SAP" & "Gas Distribution and Billing System" since August 2003 , without payment of any consideration.

**13. Disclosures required by the Micro, Small and Medium Enterprises and Development Act, 2006 are as under:**

Particulars	Amount (Rs. in thousand)	
	Year ended December 31, 2010	Year ended December 31, 2009
The principal amount remaining unpaid as at the end of accounting year [including Interest due thereon - 82 thousand (Previous Year - 33 thousand)]	281	4133
Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid at the end of accounting year	82	33
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	20

Note : The above disclosure has been made based on the information provided by the management.

14. During the year, the Company has applied for de-registration as an Non-Banking Finance Company with Reserve Bank of India, vide application dated June 8, 2010. The Company, registered as an Non-Banking Finance Company, had ceased its leasing and financing activities since the year 2007. Pending RBI's approval, the Company has complied with the requirements of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

15. Information required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007:

Particulars	(Rs. In thousand)		(Rs. In thousand)	
	Year Ended December 31, 2010		Year Ended December 31, 2009	
Liabilities side :	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue

- (1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:

(a) Debentures				
Secured	Nil	Nil	Nil	Nil
Unsecured (other than falling within the meaning of public deposits*)	Nil	Nil	Nil	Nil
(b) Deferred Credits	Nil	Nil	Nil	Nil
(c) Term Loans	Nil	Nil	Nil	Nil
(d) Inter-corporate loans and borrowing	Nil	Nil	Nil	Nil
(e) Commercial Paper	Nil	Nil	Nil	Nil
(f) Other Loans (specify nature)	Nil	Nil	Nil	Nil

* Please see Note (a) below



Particulars	(Rs. In thousand)		(Rs. In thousand)	
	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2010	Year Ended December 31, 2009
Liabilities side :	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				
(a) Secured		Nil		Nil
(b) Unsecured		8,865		9,534
(3) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities				
(i) Lease assets including lease rentals under sundry debtors :				
(a) Financial lease		Nil		102
(b) Operating lease		Nil		Nil
(ii) Stock on hire including hire charges under sundry debtors:				
(a) Assets on hire		Nil		Nil
(b) Repossessed Assets		Nil		Nil
(iii) Hypothecation loans counting towards EL/HP activities				
(a) Loans where assets have been repossessed		Nil		Nil
(b) Loans other than (a) above		Nil		Nil
(4) Break-up of Investments :				
Current Investments :		N.A.		N.A.
1 Quoted :				
(i) Shares :				
(a) Equity				
(b) Preference				
(ii) Debentures and Bonds				
(iii) Units of mutual funds				
(iv) Government Securities				
(v) Others (please specify)				
2 Unquoted :				
(i) Shares :				
(a) Equity				
(b) Preference				
(ii) Debentures and Bonds				
(iii) Units of mutual funds				
(iv) Government Securities				
(v) Others (please specify)				
Long Term investments :				
1 Quoted :				
(i) Shares :				
(a) Equity		Nil		Nil
(b) Preference		Nil		Nil
(ii) Debentures and Bonds		Nil		Nil
(iii) Units of mutual funds		Nil		Nil
(iv) Government Securities		Nil		Nil
(v) Others (please specify)		Nil		Nil



2 Unquoted :			
(i) Shares :			
(a) Equity	116		116
(b) Preference	Nil		Nil
(ii) Debentures and Bonds	Nil		Nil
(iii) Units of mutual funds	Nil		Nil
(iv) Government Securities	Nil		Nil
(v) Others (please specify)	Nil		Nil

(5) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :

Please see Note (b) below

Category	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties **						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2 Other than related parties	-	8,865	8,865	-	9,636	9,636
Total	-	8,865	8,865	-	9,636	9,636

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	(Rs. In thousand) Year Ended December 31, 2010		(Rs. In thousand) Year Ended December 31, 2009	
	Market Value / Break up or fair value of NAV	Book Value (net of provisions)	Market Value / Break up or fair value of NAV	Book Value (net of provisions)
1 Related Parties **				
(a) Subsidiaries	Nil	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil	Nil
2 Other than related parties	Nil	-	Nil	-
Total	-	-	Nil	-

** As per Accounting Standard notified under section 211(3C) of Companies Act, 1956.



	(Rs. In thousand) Year Ended December 31, 2010	(Rs. In thousand) Year Ended December 31, 2009
(7) Other information		
Particulars	Amount	Amount
(i) Gross Non-Performing Assets		
(a) Related parties	Nil	Nil
(b) Other than related parties	Nil	102
(ii) Net Non-Performing Assets		
(a) Related parties	Nil	Nil
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	Nil	Nil

Notes:

- a. As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
 - b. Provisioning norms followed are as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
16. Previous year's figure have been regrouped, where necessary, to conform to current year's classification.

For Price Waterhouse

Firm Registration No.- 301112E
Chartered Accountants

V. Nijhawan

Partner

Membership No. F87228

Place : Gurgaon

Date : February 24, 2011

For and on behalf of the Board**Shaleen Sharma**

Chairman

Sugata Sircar

Director

Chintan Trivedi

Company Secretary

Place : Ahmedabad

Date : February 24, 2011



Information pursuant to part (IV) of the Companies Act, 1956

**BALANCE SHEET ABSTRACT AND COMPANY'S
GENERAL BUSINESS PROFILE**

I. REGISTRATION DETAILS	
Registration No.	: 21778 of 1994
State Code	: 04
Balance Sheet Date	: 31-12-2010
II. CAPITAL RAISED DURING THE YEAR	
(Amount Rs. in thousands)	
Public Issue	: Nil
Rights Issue	: Nil
Bonus Issue	: Nil
Private Placement	: Nil
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	
(Amount Rs. in thousands)	
Total Liabilities	: 282,014
Total Assets	: 282,014
Sources of Funds	
Paid-up Capital	: 20,000
Reserves and Surplus	: 189,181
Secured Loans	: Nil
Unsecured Loans	: Nil
Deferred Tax Liability	: Nil
Applications of Funds	
Net Fixed Assets	: 296
Investments	: Nil
Net Current Assets	: 134,191
Miscellaneous Expenditure	: Nil
Accumulated Losses	: Nil
Deferred Tax Assets	: 74,694
IV. PERFORMANCE OF THE COMPANY	
(Amount Rs. in thousands)	
Total Income	: 282,732
Total Expenditure	: 216,835
Profit Before Tax	: 65,897
Profit After Tax	: 42,139
Earnings Per Share (Rs.)	: 21.07
Dividend Rate (%)	: 20%
V. GENERIC NAME OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY (As per monetary terms)	
Item Code No. (ITC Code)	: -
Product Description	: Lease Financing, Hire Purchase & Investments and sale of Gas Connections



GUJARAT GAS

GUJARAT GAS COMPANY LIMITED

Registered Office: 2, Shantisadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006

I/Weof
 being member(s) of the Gujarat Gas Company Limited, hereby appoint of
 or failing him of as my / our proxy to
 vote for me / us on my / our behalf, at the THIRTY FIRST ANNUAL GENERAL MEETING of the Company to be held on Thursday,
 28 April 2011 at 10.00 a.m. at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram
 Sarabhai Marg, Vastrapur, Ahmedabad – 380 015 and at any adjournment thereof.

Signed at (place) this day of, 2011.

DP ID & Client ID / Membership Folio No.....

No. of Shares held.....



IMPORTANT

1. Revenue Stamp of Fifteen paise is to be affixed on this form.
2. The Form should be signed across the stamp as per specimen signature registered with the Company.
3. The Companies Act, 1956 provides that an instrument appointing a proxy shall be deposited at the Registered Office of the Company, not less than FORTY EIGHT HOURS before the time fixed for holding the Meeting.
4. A Proxy need not be a Member.



ATTENDANCE SLIP



GUJARAT GAS

GUJARAT GAS COMPANY LIMITED

Registered Office: 2, Shantisadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006

To be handed over at the entrance of the Meeting Hall

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

I hereby record my presence at the THIRTY FIRST ANNUAL GENERAL MEETING of the company at 10.00 a.m. at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad – 380 015 on Thursday, 28th April 2011.

.....

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



GUJARAT GAS

GUJARAT GAS COMPANY LIMITED

BOARD OF DIRECTORS

Hasmukh Shah, *Chairman*

Jal Patel

Prof. Pradip Khandwalla

Ajit Kapadia

Walter Simpson

Martha Desmond (w.e.f. 3 November 2011)

Sudhir Mankad (w.e.f. 10 January 2012)

Shaleen Sharma, *Managing Director*

Alan Derek Fisher (Upto 3 November 2011)

Bikash C. Bora (Upto 18 August 2011)

Rajeshwari Sharma, *Company Secretary*

GROUP HEADS

Arun Ramakrishnan, *Head – Strategy and Regulations*

Chirag Brahmabhatt, *Head – HR and Administration*

Himanshu K. Upadhyay, *Director – Policy and Corporate Affairs*

Manu Verma, *Director – Commercial*

Nitin Patil, *Director – Technical & Incharge - HSSE*

Sadhan Banerjee, *Director – Management Services*

Siddharth Shetty, *Director – Legal and Governance*

Sugata Sircar, *Director – Finance*

SUBSIDIARY COMPANIES

Gujarat Gas Financial Services Ltd.

BOARD OF DIRECTORS

Shaleen Sharma

Sugata Sircar

Sadhan Banerjee

Gujaratgas Trading Company Ltd.

BOARD OF DIRECTORS

Shaleen Sharma

Sugata Sircar

Prof. Pradip Khandwalla

32nd Annual General Meeting

Date : 26 April 2012

Day : Thursday

Time : 10.00 a.m.

Venue: H. T. Parekh Convention Centre

Ahmedabad Management Association

ATIRA, Dr. Vikram Sarabhai Marg

Vastrapur, Ahmedabad – 380 015

BANKERS

HDFC Bank Limited

ICICI Bank Limited

State Bank of India

Kotak Mahindra Bank Limited

AUDITORS

PRICE WATERHOUSE

Chartered Accountants

Building 8, 7th & 8th Floor Tower B,

DLF Cyber City Gurgaon – 122 022

Haryana

REGISTERED OFFICE

2, Shanti Sadan Society, Near Parimal Garden

Ellisbridge, Ahmedabad – 380 006

OFFICES

SURAT

Adajan Gam, Post Box No. 915,

P.O. Navyug College, Surat-395009

CNG Office (Surat)

CNG Office, 3rd Floor, Swastik House,

Kargil Chowk, Piplod, Surat-395007

ANKLESHWAR

Surati Bhagol, Umarwada Road

Via Piramal Naka, Ankleshwar-393001

BHARUCH

Anand Mangal Society,

Son Talavadi, Bharuch-392001

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NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Members of Gujarat Gas Company Limited will be held on Thursday, 26 April 2012 at 10.00 a.m. at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad – 380 015, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Directors' Report, the Audited Profit and Loss Account and Cashflow Statement for the year ended on 31 December 2011, the Balance Sheet as that date and the Auditors' Report thereon.
2. To declare Dividend on Preference Shares.
3. To confirm payment of Interim Dividend and declare Final Dividend on Equity Shares.
4. To appoint a Director in place of Mr. Jal Patel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Prof. Pradip Khandwalla, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Ms. Martha Desmond, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956, read with Article 79 of the Articles of Association of the Company and who holds office till conclusion of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing her candidature for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Sudhir Mankad, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956, read with Article 79 of the Articles of Association of the Company and who holds office till conclusion of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of

the Company, liable to retire by rotation."

By Order of the Board

Gujarat Gas Company Limited
Rajeshwari Sharma
Company Secretary

Date : 14 March 2012

Place : Ahmedabad

NOTES:

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto and forms part of the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than forty eight hours before the commencement of the Annual General Meeting.
3. Members/proxies are requested to bring the attendance slip duly filled in for attending the meeting along with copy of the Annual Report for Financial Year 2011.
4. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary, at the Registered Office, so as to reach at least seven days before the date of the meeting to enable the management to keep the required information readily available at the Thirty Second Annual General Meeting.
5. Members are advised that pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/unclaimed for a period of seven years, are required to be transferred to the Investor Education and Protection Fund of the Central Government ('IEPF'). After such transfer, no claim of the members whatsoever shall lie on the said amount. Therefore, Members are advised to encash their Dividend Warrants immediately on receipt. Members who have not encashed their Dividend Warrants for the Financial Year ended 31 December 2004, or any subsequent Financial Year(s) are requested to lodge their claim with the Company Secretary. In respect of Dividend for the Financial Year ended 31 December 2004, it will not be possible to entertain the claims received by the Company Secretary after 10 June 2012.
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Reports can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their



e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to get their e-mail addresses registered with Karvy Computershare Private Limited, RTA of the Company.

7. The Board of Directors, in its meeting held on 3 November 2011, had declared an Interim Dividend of Rs. 10.00 per Share on the paid-up Equity Share Capital of the Company, which was paid on 22 November 2011. Members who have not received or not encashed their dividend warrants may approach Karvy Computershare Pvt. Ltd, Registrar & Share Transfer Agent of the Company, for revalidating the warrants or for obtaining duplicate warrants.
8. SEBI has made it mandatory for the transferee(s) to furnish a copy of PAN Card to the Company/ RTAs for registration of transfers and for securities market transactions and off market/ private transactions involving transfer of shares of listed companies in physical form. Accordingly, members holding shares in physical mode should attach a copy of their PAN Card for every transfer request sent to the Company / RTA.
9. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding the shares in physical form may obtain and send the ECS mandate form to Karvy Computershare Pvt. Ltd, RTA of the Company. Those holding shares in Electronic form may obtain and send the ECS mandate form directly to their Depository Participant (DP). Those who have already furnished the ECS mandate form to the Company /RTA/DP with complete details need not send it again.
The Shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Karvy Computershare Private Limited, RTA of the Company to enable them to print these details on the dividend warrants.
10. Members, holding the shares in physical form and wishing to avail the nomination facility, are requested to send the duly filled nomination form to Karvy Computershare Pvt. Limited, Hyderabad, the RTA. Nomination form may be downloaded from the Company's website www.gujaratgas.com under the investors section.
11. Pursuant to SEBI circular, the shareholders holding shares in physical form are requested to submit the notarised copy of the PAN in compliance of the KYC norms.
12. Members are requested to notify immediately any change of address:
 - i) to their Depository Participant (DP) in respect of shares held in dematerialized form, and
 - ii) to the Company at its Registered Office or to its RTA, Karvy Computershare Pvt. Ltd in respect of their physical shares, if any, quoting their folio number.

EXPLANATORY STATEMENT

Annexed to the Notice convening the Thirty Second Annual General Meeting to be held on Thursday, 26 April 2012:

ITEM NO. 4

Mr. Jal Patel, Director, retires by rotation and being eligible offers himself for re-appointment.

Brief resume and nature of expertise

Mr. Jal Patel is an Associate Member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Company Secretaries of India. He possesses professional experience of more than 48 years.

Since 1962, he was associated with the German FAG Group of Bearing Companies and has handled various managerial functions. In 1977, he took over as the Managing Director. Subsequently he was promoted as the Vice Chairman and Managing Director before retiring in the year 2000. His area of expertise includes Finance, Accounts and Administration.

He is also actively involved with various social and welfare associations and federations as well as various trusts.

Mr. Jal Patel does not hold any shares or beneficial interest in any shares of your Company. He is on the Board of your Company from March 2001. He is also the Chairman of the Audit Committee and a member of the Shareholder's Grievance Committee of your Company since April 2001. He is also the member of the Compensation Committee and the Chairman of the Remuneration Committee of the Company.

Apart from Gujarat Gas Company Ltd., Mr. Jal Patel holds directorships and memberships of the following companies/ committees.

Directorships

Sr. No.	Name of the Company	Designation
1.	ABC Bearings Limited	Director
2.	Shri Dinesh Mills Limited	Director
3.	INEOS ABS (India) Limited	Director
4.	Jewel Consumer Care Pvt. Limited	Director
5.	Munjhal Auto Industries Limited	Director
6.	Eimco Elecon India Limited	Director

Committee Memberships

Sr. No.	Name of the Company	Committee	Designation
1	ABC Bearings Limited	Audit Committee	Chairman
2	Shri Dinesh Mills Limited	Shareholder Grievance Committee	Member
3	INEOS ABS (India) Limited	Audit Committee and Shareholder Grievance Committee	Member
4	Eimco Elecon India Limited	Audit Committee	Chairman



Your Directors recommend the re-appointment of Mr. Jal Patel, as a Director of the Company.

No Director other than Mr. Jal Patel, is in any way interested or concerned in the said resolution.

ITEM NO. 5

Prof. Pradip Khandwalla, Director, retires by rotation and being eligible offers himself for re-appointment.

Brief resume and nature of expertise

Prof. Pradip Khandwalla is an Associate Member of the Institute of the Chartered Accountants of India. He has done his MBA from Wharton, Pennsylvania and Ph.D from Carnegie-Mellon, USA.

Prof. Khandwalla's research and teaching contributions have been in organizational theory and design and restructuring of organizations for management of excellence, innovative turn-around management, effective management of public enterprises and governmental organizations and creativity and innovations. He has been consultant to many Indian and international organizations in the areas of team building, innovative excellence, management and organizational restructuring and creative training.

He taught at McGill University, Canada for several years. He was associated with the Indian Institute of Management, Ahmedabad, as a professor from 1975 to 2002. He was L&T Chair Professor of Organisational behavior at IIMA from 1985 to 1991 and then the Director of IIMA up to 1996.

He has made an excellent contribution in the areas of management, organizational sciences etc., by authoring over a dozen books and 80 papers and articles in Indian and foreign journals and learned anthologies. He has served on the editorial/advisory boards of several Indian and international journals. He has been awarded the "Lifetime Achievement Award in the field of HR" by the World HRD Congress for his immense contributions in enriching the field of management science, organizational behavior and leadership.

He has served on the Board of Directors of numerous companies and on the governing councils of several institutions He has served as a member of Government of India's National Renewal Fund and as the trustee of India Brand Equity Fund Trust. He has won many international and Indian awards. Several International Who's Who carry his biographical entry.

Prof. Khandwalla does not hold any shares or beneficial interest in any shares of your Company. He is on the Board of Directors of your Company since March 2001. He is also the Chairman of the Shareholder's Grievance Committee and a member of the Audit Committee of your Company since April 2001. He is also the Chairman of the Compensation Committee and a member of the Remuneration Committee of the Company.

Apart from Gujarat Gas Company Limited, Prof. Pradip Khandwalla holds directorships of the following companies/committees.

Directorships

Sr. No.	Name of the Company	Designation
1.	Gujaratgas Trading Company Limited	Director
2.	Micro Inks Limited	Director
3.	Grow Talent Company Limited	Director
4.	Cadila Pharmaceuticals Limited	Director
5.	Aga Khan Rural Support Programme (India) Section 25	Director

Committee Memberships

Sr. No.	Name of the Company	Committee	Designation
1.	Micro Inks Limited	Audit Committee	Member
2.	Cadila Pharmaceuticals Limited	Audit Committee	Member

Your Directors recommend the re-appointment of Prof. Pradip Khandwalla, as a Director of the Company.

No Director other than Prof. Pradip Khandwalla is in any way interested or concerned in the said resolution.

ITEM NO. 7

Ms. Martha Desmond was appointed as an Additional Director of the Company, by the Board of Directors at its meeting held on 3 November 2011. As per the provisions of section 260 of the Companies Act, 1956, and the Articles of Association of the Company, she holds the office of Director till the conclusion of this Annual General Meeting. A notice under section 257 of the Companies Act, 1956, alongwith the requisite deposit has been received from a shareholder, signifying the intention to propose her candidature for appointment as the Director of the Company.

Brief resume and nature of expertise

Ms. Martha Desmond is the Deputy Managing Director, BG India and is responsible for supporting the delivery of upstream and midstream BG businesses and leading strategic projects to improve performance across the BG portfolio in India.

She joined the BG Group, UK in the BG Advance team in 2006 from Thames Water Plc, where she had served as Business Services Director for the International Region for over five years. Her Career experience spans over a wide variety of business activities in the past 10 years including mergers and acquisitions and restructures and divestments. At BG Group, she pioneered various path breaking HR initiatives across the technical functions leading to the strong positioning that the technical community enjoys in the Industry. Her last assignment at BG Group was as HR Director – Central functions.



She does not hold any shares or beneficial interest in any shares of your Company. She is a member of the Pricing Committee of your Company.

Apart from Gujarat Gas Company Limited, She is also a director in Mahanagar Gas Limited (MGL) and holds memberships of the Committees of the Board of Directors of MGL, viz. HR Sub – Committee, Nomination Committee and the Shareholders Issues & Grievances Redressal Committee.

Your Directors recommend the appointment of Ms. Martha Desmond as the Director of your Company.

The following Promoter-Directors of the Company are deemed to be interested:

- a) Mr. Hasmukh Shah
- b) Mr. Walter Simpson
- c) Mr. Shaleen Sharma
- d) Ms. Martha Desmond

ITEM NO. 8

Mr. Sudhir Mankad was appointed as an Additional Director of the Company, by the Board of Directors at its meeting held on 10 January 2012. As per the provisions of section 260 of the Companies Act, 1956, and the Articles of Association of the Company, he holds the office of Director till the conclusion of this Annual General Meeting. A notice under section 257 of the Companies Act, 1956, alongwith the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Director of the Company.

Brief resume and nature of expertise

Mr. Sudhir Mankad is a retired IAS officer and has been engaged in the profession of Public Administration and Industrial Policy Management. He holds a Masters degree in History from Delhi University and a Diploma in Development Studies from Cambridge University.

He has served in senior positions, both in Government of India and in the Government of Gujarat. His last assignment was of the Chief Secretary, Government of Gujarat. He has served as Director / Chairman on the Board of several cement, power, fertiliser and finance companies. He is the Chairman of Bhavnagar Energy Co. Ltd and Gujarat International Finance Tec-City Ltd. He is also the Chairman of Gujarat Institute of Desert Ecology (GUIDE) and is associated with several educational institutions.

He does not hold any shares and beneficial interest in any shares of your Company. Apart from Gujarat Gas Company Limited, he holds the following directorships and memberships:

Directorships

Sr. No.	Name of the Company	Designation
1.	Gujarat International Finance Tec-City Co Ltd.	Chairman
2.	Bhavnagar Energy Company Ltd.	Chairman
3.	IL&FS Education and Technology Services Ltd.	Director
4.	Deepak Nitrite Limited	Director
5.	Gruh Finance Limited	Director
6.	Shri Dinesh Mills Limited	Director
7.	Navin Fluorine International Limited	Director
8.	IL&FS Skills Development Corporation Limited	Director

Membership of Committees

Sr. No.	Name of the Company	Committee	Designation
1.	Deepak Nitrite Limited	Audit Committee	Member
2.	Gruh Finance Limited	Shareholder Governance Committee	Member

Your Directors recommend the appointment of Mr. Sudhir Mankad, as the Director of the Company.

No Director other than Mr. Sudhir Mankad is in any way interested or concerned in the said resolution.

By Order of the Board

Gujarat Gas Company Limited
Rajeshwari Sharma
Company Secretary

Date : 14 March 2012

Place : Ahmedabad

**DIRECTORS' REPORT****DEAR SHAREHOLDERS,**

Your Directors have pleasure in presenting the 32nd Annual Report and the audited accounts for the year ended on 31 December 2011.

1. FINANCIAL RESULTS

(Rs. in Millions)

Particulars	Consolidated Financials		Stand-alone Financials	
	Current Year	Previous Year	Current Year	Previous Year
Total income	24,750.78	18,717.25	24,704.43	18,676.94
Gross profit before interest, depreciation and tax	4,534.24	4,380.06	4,496.63	4,346.37
Less: Interest	1.49	4.62	1.49	4.62
Depreciation	602.04	542.05	593.33	530.66
Profit before tax	3,930.71	3,833.39	3,901.81	3,811.09
Tax expenses	1,182.46	1,243.24	1,163.00	1,223.80
Net Profit	2,748.25	2,590.15	2,738.81	2,587.29
Minority Interest	13.48	12.69	-	-
Profit attributable to Group	2,734.77	2,577.46	2,738.81	2,587.29
Add: Undistributed profit of earlier years	5,967.67	5,462.26	5,842.33	5,315.26
Balance available for Appropriation	8,702.44	8,039.72	8,581.14	7,902.55
Less: Appropriations:				
Transfer to general reserve	277.13	261.94	274.00	259.00
Special reserve as stipulated by RBI	-	8.43	-	-
Preference dividend	10.80	10.80	10.80	10.80
Proposed Equity dividend	1,539.00	1,539.00	1,539.00	1,539.00
Corporate dividend tax on proposed dividend	252.08	251.88	251.42	251.42
Interim Dividend	1,282.50	-	1,282.50	-
Corporate dividend tax on interim dividend	208.05	-	208.05	-
Surplus retained	5,132.88	5,967.67	5,015.37	5,842.33
Earning per Share (Rs.)	21.23	20.00	21.26	20.08

2. DIVIDEND

During CY 2011, your Company paid on 22 November 2011, the Interim Dividend of Rs. 10/- per share of the face value of Rs. 2/- each and the Board of Directors have further recommended a final dividend of Rs. 12/- per share of the face value of Rs. 2/- each, on the paid up equity share capital, subject to approval of shareholders, thus paying a total dividend of Rs. 22/- per share of the face value of Rs. 2/- on the paid up equity share capital for the CY 2011. A sum of Rs. 274 million is proposed to be transferred to the General Reserve during the year.

Your Directors further recommend for consideration of the shareholders at the Annual General Meeting, the payment of 7.50% dividend i.e. Rs. 0.75 per Redeemable Cumulative Non-convertible Preference Share of Rs. 10 each.

The total payout on account of above dividends is of Rs. 1788.66 Million, including corporate dividend tax of Rs. 249.66 Million.

Your Directors have made this recommendation after careful consideration of the Company's performance

and its reserves and an assessment of the fund requirements of the Company for its capital programme in line with its growth strategy as well as the projected earnings from operations.

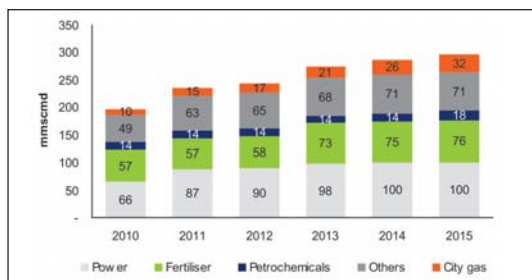
3. MANAGEMENT ANALYSIS**3.1. Industry Outlook and Developments**

The Oil and Gas sector in India has been instrumental in fuelling the growth of the Indian economy and hence presents a significant opportunity for investors in the years to come. The New Exploration Licensing Policy (NELP), conceived to address the increasing demand supply gap of energy in India, has attracted the interest of both domestic private sector players and some foreign players during the nine rounds of bidding. Significant investments are also planned in Refining, LNG regasification capacity expansion and City Gas Distribution (CGD).

India's consumption of natural gas has risen faster than any other fuel in recent years. Natural gas contribution towards India's primary energy basket is forecast to grow from 11% currently to ~20% of the primary energy basket by the year 2025. On the supply side, for a brief

period during 2009-10, it seemed like the gas supply fulfilled the demand mainly due to significant increase in production from the prolific eastern offshore KG-D6 fields. However, the current supplies from these fields have been fully absorbed and the gas demand in the medium to long term is expected to be significantly higher than supplies. Given that supply from indigenous fields would not be adequate to meet demand over the medium to long term, the country will have to rely significantly on import of Liquefied Natural Gas (LNG). The consumption of regasified LNG (RLNG) in Indian markets increased through the year, primarily due to the availability of spot cargoes in addition to supplies under the longer term contracts.

The projected gas demand is likely to increase from 196 mmscmd in 2010 to 297 mmscmd in 2015 (CRISIL estimates) confirming a clear market preference for this environmentally friendly source of energy. Demand for natural gas in the CGD segment is expected to grow at a compounded annual growth rate of 26% over the same period. The estimated growth in demand for the natural gas industry and for the CGD sector is shown below:



(CRISIL estimates)

The Petroleum and Natural Gas Regulatory Board (PNGRB) was constituted in 2007, which has, among other mandates in the downstream hydrocarbon sector, the mandate of regulating the CGD business. The PNGRB has outlined its vision of expanding the CGD network to over 300 cities in India, a part of which, bidding has been initiated through four rounds for 28 cities. The demand for natural gas remains strong even with the changing economies of gas cost as the product retains an overall benefit to alternate fuels on several aspects.

3.2. Opportunities and Challenges

The CGD industry in India is at a nascent stage; currently accounting for only about 8%-9% of the gas consumed in the country. The per capita for natural gas consumption is 56 scm/year compared to the global average of 429 scm/year. While the per capita consumption in Gujarat at 398 scm/year is significantly higher than the national average, the high rate of urban and industrial growth in the state enables a steady increase in demand for natural gas.

CGD projects in the state and in India present significant opportunities for investment.

Natural gas is used in various applications and replaces different alternate fuels. Your Company has been focusing on increasing penetration in high value segments in its markets. This not only helps in increasing value but also helps in mitigating the increasing cost of gas.

Your company continues to assess new geographical areas for expansion of its pipeline network and will be deciding on bidding for new areas as and when the PNGRB invites bids for new CGDs.

The Ministry of Petroleum & Natural Gas (MoPNG) is encouraging supply of Compressed Natural Gas (CNG) for the transport segment and Piped Natural Gas (PNG) for the residential segment. The MoPNG has finalised the 'Vision-2015' for the oil sector for 'Consumer Satisfaction and Beyond', wherein 200 cities are to be provided CNG by the year 2015. CNG remains a high value segment in your Company's markets and is a significant driver for growth. Your Company is focused on expanding the infrastructure of CNG stations in its operational areas, which are located in the heart of India's only CNG Corridor, to sustain the growth momentum in this business.

The continued focus on strong industrial growth in the state of Gujarat and the conducive business cum socio-political environment attracts large investments to the state. Recent announcements indicate plans for significant additional investments in manufacturing and urban facilities. It is expected that these investments will create an even stronger demand for natural gas in the Gujarat state in the years to come.

The declining availability of gas from its indigenous sources will continue to pose a challenge to the growth of this business. The supply shortfall will largely be met with imported RLNG. Your Company has been procuring RLNG since 2009 and has established strong credentials with various RLNG suppliers for supply security; RLNG is now a significant portion of your Company's portfolio and is successfully sold in its markets.

Your Company is aware of the challenges in obtaining licenses for new areas, in running its operations at a high level of safety & integrity and in augmenting its gas supplies. Mitigation plans are in place to address these challenges.



3.3 Operations and Market Performance

Your Company maintained its status as the largest private sector CGD Company in India by volumes, despite the ongoing gas supply deficit situation in the country.

Your Company met the challenges of gas sourcing through the year by successfully procuring RLNG at competitive prices through medium term and short term contracts with various suppliers to meet the gas requirements of its customers, and will continue to make concerted efforts to secure such supplies so as to maintain an efficient balance of medium and short term RLNG in its gas sourcing portfolio. This will ensure supply security for your Company's customers and generate flexibility in managing the variations in gas requirements of our various market segments.

Despite significant challenges like expensive gas supplies compared to previous years, your Company was able to grow gas sales volumes by 3% over the previous year. About 30,000 new household customers were connected on natural gas during the year, taking the total number of domestic customers of your Company to over 325,000. More than 165,000 vehicles now ply in your Company's operating areas on CNG. Your Company has c. 330,000 customers, including industrial and commercial units. Sales volumes grew by 12% in the residential segment and 14% in the CNG segment.

3.4. Future Outlook

Demand for natural gas is expected to grow as has been outlined above. It will be critical for your Company to expand its network and CNG station infrastructure in order to meet the growth in demand. Your Company plans to continue extending its network to areas adjacent to its current operations. Opportunities for expansion to new geographical areas will continue to be assessed. Growth in new areas will be through the bidding process set out by the PNGRB.

Your Company will endeavour to grow value by identifying and accessing high value market segments.

Your Company will continue to invest in human resources and in systems and processes which strengthen the integrity and safety of your Company's assets. This will be the bedrock for the sustenance and growth of your Company's business.

3.5. Internal Control System and Risk Management

Your Company has a strong internal control framework and an elaborate internal control system to ensure protection of value, ensure adherence to operating standards and to eliminate the risk of fraud.

Your Company follows a comprehensive management assurance process which deals with the broad aspects of risks, compliances and assurances. The Internal Control Framework has identified various areas where internal controls are critical including Financial Control Assurance (FCA) processes which clearly lay down the procedures

to be followed for activities which have a bearing on control risk. Various policies and operating procedures have also been laid down to ensure internal control and compliance to statutory requirements as to the company's policies and standards.

Your Company believes in automating controls to the extent possible. The Company has implemented various software solutions like SAP R3 and Procurement, Gas Distribution Billing System (GDBS), Geographical Information System (GIS), etc. A process of gaining assurance has been implemented through the Letter of Assurance procedure, which is wide in scope and includes internal control and risk management. The procedure cascades the responsibilities for ensuring compliance to critical processes through the levels of management.

The Company has implemented a comprehensive compliance matrix for various groups and activities. Compliances by various groups are regularly reviewed by the Internal Audit team with reference to the Compliance Matrix. Review of the compliances made by various groups and periodic update of the Compliance Matrix helps in sustaining a strong compliance environment. The Internal Audit Team carries out reviews of internal controls as a part of an approved audit plan. Regular reviews of audit non-conformities and the findings of investigations carried out by the internal audit team, provides the feedback to the management and the Audit Committee on the status of internal controls in place, and helps in ensuring corrective action.

Risk management is considered to be an effective tool in your Company to deliver its business plan and annual objectives. A register is prepared to capture the risks perceived for the business with inputs from various groups. The same is reviewed by the group heads and by the Executive Committee. The most critical risks are reviewed by the Audit Committee on a quarterly basis.

Your Company follows the Value Assurance Framework (VAF) for assessing and deciding on all major projects. This is a comprehensive system of assessment, designed to address all relevant aspects of a project at the earliest opportunity so as to ensure the most optimal decision and smooth execution. Your Company also has a system of carrying out Post Investment Appraisals for projects above a threshold value.

3.6 Health, Safety, Security and Environment (HSSE)

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

Your Company believes that outstanding business performance requires outstanding HSSE performance.

The safe delivery of projects and operation of its facilities is a critical success factor for your Company's business.

The management of your Company:

- o believes that all injuries are preventable;
- o provides healthy, safe and secure work environments;
- o makes a positive contribution to the protection of the environment; and
- o goes beyond compliance with local environmental regulation to meet internationally accepted best practices

The management sets HSSE goals, develops improvement plans, monitors implementation of plans and regularly reviews HSSE performance using leading and lagging indicators. Your Company has strong self assurance process as well as independent audit process to ensure that controls are in place to manage HSSE risks effectively. The learning culture in your Company ensures the improvement in the HSSE performance through learning from its own incidents including near miss incidents and significant incidents of other organisations.

Total Recordable Case Frequency (TRCF) for 2011 was 0.13 against target of Zero (0) which represents a significant improvement towards goal of "Zero Injury".

Several initiatives were taken up by your Company during the year to further strengthen its HSSE culture. The senior management team led such initiatives, conducted tours of work sites and focused on employee engagement programs, such as campaigning for HSSE "Life Savers" such as Working at Height, Electrical Safety and Excavation. An Industrial Hygiene Survey was carried out for the Adajan Office in Surat in line with the Health Risk Control plan. A Safety Culture Maturity Survey was carried out across your Company's offices and sites and workshops were conducted with employees and contractors. The Company has progressed safety initiatives like third party damage prevention, enhancing HSSE culture among contractors, and driving safety. A thorough safety audit of the CNG operations was also carried out by a third party and crisis management capabilities of the business as a whole was strengthened through training of responsible persons and crisis management exercises during the year.

Contribution to Environment

Det Norske Veritas (DNV) has carried out "EHSMS periodic audit" for OHSAS-18001-2007 and Environment Management System (ISO 14001-2004) across your Company's installations and offices in December. Celebration of World Environment Day on June 5 was done at all locations followed by events like tree plantation activities, "Save Power" day, car pooling, "No Print" day - all leading an effort to reduce the carbon foot print.

Your Company has undertaken or contributed indirectly in various initiatives during the year, which include a significant contribution towards reduction of 160.78 tones of CO₂ through various Green House Gas emissions reduction projects.

3.7 Contribution to Society

During the year, your Company continued working on the strategy that was developed in 2009 for carrying out activities for Corporate Social Responsibility (CSR), focusing on environmental education and skill development. The strategy also addresses the need for supporting various sustainable development projects to benefit the communities in which your Company operates.

Your Company continued to support the Skill Development Project in 2011 also. This year, your Company supported extension of the programme to two new NGOs- specifically Sewa Rural's *Vivekananda* Gramin Tekniki Kendra (Gumandev-Bharuch) and Vocational Training Center, Vaghaldhara. The programme on gas plumbing aims to equip local unemployed youth with technical and safety skills. Two batches totalling 83 trainees completed this programme in the year.

Your Company supported operation of "Prakriti" - the environment bus. This project was implemented by the Centre for Environmental Education, Ahmedabad (CEE) and aimed to create interest on environmental issues amongst school-going children. "Prakriti" covered 168 venues and was visited by 26000 persons.

Your Company continued to support initiatives for education of children from economically weak backgrounds.

Your Company has also supported improvements in living conditions of excavation labour. More than 300 improved tents were issued to contractors and health camps and crèches covering camp residents were initiated.

4. SUBSIDIARIES

4.1 Gujaratgas Trading Company Limited (GTCL)

Gujaratgas Trading Company Limited (GTCL), a wholly-owned subsidiary of the Company is engaged in the business of selling natural gas. During the year under review, GTCL achieved sales of Rs. 1326.65 mn as against Rs. 1730.32 mn during the previous year. Total income for the year was Rs. 1336.38 mn including other income of Rs. 9.73 mn as against total income of Rs. 1736.64 mn including other income of Rs. 6.33mn in the previous year.

Profit before tax (PBT) was Rs. 9.99 mn during the year as against Rs. 7.01 mn in the previous year.

The accounts for GTCL are a part of this Annual Report.



4.2 Gujarat Gas Financial Services Limited (GFSL)

Gujarat Gas Financial Services Limited (GFSL), another subsidiary of your Company, carried out the job of installing gas connections for domestic and commercial customers of the Company. While GFSL earlier had the status of a certified Non Banking Financial Company (NBFC), it has surrendered its NBFC status to the Reserve Bank of India as it has stopped providing lease finance since April 2007.

During the year under review, the Net Total Income was Rs. 78.29 mn. as compared to Rs. 73.59 mn. in the year 2010 and the profit after tax was Rs. 44.75 mn. as compared to Rs. 42.14 mn. for the previous year.

The accounts of GFSL are a part of this Annual Report.

5. FINANCE

The net cash profits of your Company increased over the previous year. Investments were made in extension of pipeline network and in reinforcements and upgradation of existing network as required. Investments were also made to upgrade the IT solutions and hardware of your Company to enhance reliability and enable scalability. A portion of the cash profits generated during the year has been paid out as interim dividend. Appropriate provisions have been made in the accounts wherever necessary for contingencies, bad debts and diminution in value of investments. During the year under review, your Company has not invited any fixed deposits within the meaning of Section 58A of the Companies Act, 1956.

6. STATUTORY INFORMATION

As required under Section 212 of the Companies Act, 1956, the audited accounts for the year ended on 31 December 2011 and Auditors' Report thereon, along with the Directors' Reports of Gujaratgas Trading Company Limited and Gujarat Gas Financial Services Limited, the subsidiaries of GGCL, are attached to GGCL's balance sheet.

7.1 Energy, Technology and Foreign Exchange

Since the Company is not a scheduled industry, the details in respect of Form A pursuant to Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not required to be furnished. However, the details in respect of Form B pursuant to Rule 2 are submitted as Annexure-1 and forms part of this report.

7.2 Human Relations and Particulars of Employees

Your Company employed 604 employees as on 31 December 2011. During the year, your Company continued its focus on building capabilities and developing competencies of its employees through a robust Annual Development Review process. The Company also carried out an employee engagement survey through M/S Towers Watson, wherein 91 % employees participated

and the engagement score is 86 % which is higher than the national average score. To promote diversity and encouraging women employees, your Company has introduced Women's Network for all women employees. The Company has also introduced Flexi pay empowering employees to decide on their pay structure.

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

There is no employee in receipt of remuneration exceeding the limits prescribed under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended and so no details are required to be given.

7.3 Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("the ESOP 2008")

The details of the Options granted up to 31 December 2011 under the Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("the ESOP") and other disclosures as required under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are set out in the Annexure - 2 to this Report. The Company's Auditors, Price Waterhouse, have certified to the effect that the ESOP has been implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolutions passed by the members in this regard.

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

Under the ESOP, Options are granted, which provide the benefit or right but not the obligation for exercising at a future date, equivalent number of equity shares each of the face value of Rs. 2/- of Gujarat Gas Company Limited against the Options that have vested under the ESOP. The ESOP provides for graded vesting of Options granted, over a period of 4 years from the date of grant. The Options are to be exercised within a maximum period of 2 years from the date of Vesting. Within the Exercise Period, the Option holder has the option to either purchase the shares from the Trust at the Exercise Price or to give a Mandate of Sale of the shares ("the Mandate") to the Trust in accordance with the terms and conditions of the ESOP.

As per the terms and conditions of the ESOP, the Trust purchases out of the funds advanced by the Company, shares from the open market at ruling prices, at different



points of time, equivalent to the number of options granted to the employees. These shares purchased by the Trustee(s) are held in their capacity as the Trustee(s) till the Options are exercised upon Vesting by the Option holders as per the terms of ESOP. The Trust had purchased from the secondary market 19,48,000 equity shares of Rs. 2/- each, as of 31 December 2011 in the name of the Trustee(s) of the Trust.

Under the ESOP, these Equity Shares are subsequently sold following the Mandate from the Option holders or transferred to the Option holders, as the case may be, at the time of the Exercise of the Options upon Vesting. Accordingly, the Trustee(s) sold 7,14,250 equity shares till December 2011, through open market and the difference between the sale price and the Exercise Price, net of charges and taxes were given to the Option holders as per the ESOP.

The Trustee(s) are authorized to execute the purchase and sale of shares of the Company, on behalf of the Option holders, in accordance with the ESOP.

Your Company has not passed any resolution for buy-back of shares.

7.4 Directors' Responsibility Statement

Your Directors hereby state:

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 December 2011 and of the profit of the Company for the year ended on that date;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the annual accounts on a going concern basis.

7.5 Report on Corporate Governance

As stipulated by Clause 49 of the Listing Agreement, the Report on Corporate Governance is given separately in this Annual Report and forms part of this Report. The certificate of Price Waterhouse, Statutory Auditors of the Company regarding compliance with the Corporate Governance Code is enclosed.

8. AUDITORS AND AUDITORS' REPORT

Price Waterhouse, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

9. DIRECTORS

Prof. Pradip Khandwalla and Mr. Jal Patel, the Directors retire by rotation at the ensuing Annual General Meeting. Being eligible, they have offered themselves for re-appointment.

For perusal of the shareholders, a brief resume of the Directors being appointed or re-appointed, nature of their expertise, their shareholding in the Company, the names of the companies in which they hold directorship and the details of membership of the committees of the Board are given in the Explanatory Statement to the Notice convening the Annual General Meeting of the Company. The Board of Directors recommends their appointment / re-appointment.

10. APPRECIATION

Your Directors appreciate the continued support received from the customers and wish to acknowledge the support and assistance received from the Central and the State Governments, gas suppliers and CNG franchisees.

Your directors place on record their appreciation for the employees for their dedicated performance. Your Directors appreciate the contribution made by the contractors and vendors of the company.

Your directors express their gratitude to its promoter viz. BG Group for their valuable contribution throughout the year and also thank all the shareholders for their continuing support to the Company.

For and on behalf of the Board

HASMUKH SHAH
CHAIRMAN

Date: 23 February 2012
Place: Ahmedabad



ANNEXURE-1
Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988
FORM – B

Sr. No.	Particulars	Action taken
1	Research and Development (R&D)	
A	Specific areas in which R&D carried out by the Company	Nil
B	Benefits derived as a result of the above R&D	NA
C	Future plan of action	Nil
D	Expenditure on R&D	
	a. Capital	Nil
	b. Recurring	Nil
	c. Total	Nil
	d. Total R&D expenditure as a percentage of total turnover	Nil
2	Technology absorption, adaptation and innovation	
A	Efforts in brief, made towards technology absorption, adaptation and innovation	Developed RFID Technology for validating CNG tank installations in vehicles prior to CNG filling. Pilot trial successfully conducted for 500 vehicles for a period of 3 months. Trial witnessed by representatives from other City Gas Distribution companies and statutory authorities like PNGRB and PESO.
B	Benefits derived as a result of the above efforts	Enhance the safety of Natural Gas Vehicles, passengers & general public.
C	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
	a. Technology imported	
	b. Year of import	
	c. Has technology been fully absorbed?	
	d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	
3	Foreign Exchange Earnings & Outgo	
		Current Year (Rs. in million)
		Previous Year (Rs. in million)
	Total Foreign Exchange earned	Nil
	Total Foreign Exchange outgo	21.66
		56.04

For and on behalf of the Board

HASMUKH SHAH
CHAIRMAN

Date : 23 February 2012
Place : Ahmedabad

ANNEXURE-2

Statement as at 31 December 2011 pursuant to clause 12 (Disclosures in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

a)	Total number of Options granted	Gujarat Gas Company Limited Employee Stock Option Plan – 2008 14,80,000 Options (2008) 3,40,000 Options(2009) 4,03,000 Options (2010) 84,000 Options (2011)
b)	(i) Pricing Formula	The Pricing Formula as approved by the Shareholders of the Company provides that the Exercise Price for Grants made in November, 2008, shall be calculated at 10% discount of the latest available closing price of the Shares on the Stock Exchange on which there was highest trading volumes on the date of the Board Meeting in which the grant of Options is approved. The Compensation Committee has decided the Exercise Price for all subsequent grants. The Exercise Price has been calculated as rounded off to the nearest integer.
	(ii) Exercise Price	<p>Rs. 95.00, adjusted on allocation of bonus for 13,93,000 Options granted in November, 2008, (Rs. 189.00, calculated at 10% discount of Rs. 210.00 being the closing price of the Shares on the NSE having highest trading volumes on 23 October 2008).</p> <p>Rs. 115.00, adjusted on allocation of bonus for 2,89,000 Options granted in May 2009, (Rs. 230.00, calculated at 10% discount of Rs. 255.00 being the closing price of the Shares on the BSE having largest trading volumes on 29th April 2009).</p> <p>Rs. 143.00, adjusted on allocation of bonus for 21,000 Options granted in August 2009, (Rs. 286.00 calculated at 10% discount of Rs. 317.40 being the closing price of the Shares on the BSE having largest trading volumes on 27 July 2009).</p> <p>Rs. 219.00, for 95,000 Options granted in March 2010, (Rs. 219.00 calculated at 10% discount of Rs. 242.95 being the closing price of the Shares on the NSE having largest trading volumes on 3 March 2010).</p> <p>Rs. 277.00, for 1,90,000 Options granted in 22 July 2010, (Rs. 277.00 calculated at 10% discount of Rs. 308.00 being the closing price of the Shares on the NSE, having largest trading volumes on 23 July 2010).</p> <p>Rs. 352.00, for 1,18,000 Options granted in October 2010, (Rs. 352.00 calculated at 10% discount of Rs. 391.00 being the closing price of the Shares on the NSE having largest trading volumes on 27 October 2010).</p> <p>Rs. 337.00, for 84,000 Options granted in April 2011, (Rs. 337.00 calculated at 10% discount of Rs. 374.45 being the closing price of the Shares on the NSE having largest trading volumes on 27 April 2011).</p>
c)	Total number of Options vested	3,38,750 numbers (2010) 7,24,500 numbers (2011)
d)	Total number of Options exercised	2,80,000 numbers (2010) 4,34,250 numbers (2011)
e)	The total number of shares arising as a result of exercise of Options	<p>No new equity shares were issued on exercise of options.</p> <p>The first Vesting Date under the ESOP was 1 November 2010 and accordingly, Option holders had exercised their options for the shares vested in them. As per the ESOP, the Options holders had given the "Mandate of Sale", whereby the Trustees had to sell 2,70,000 equity shares in December 2010, through open market and the difference between the sale price and the exercise price, net of charges and taxes were given to the option holders as per ESOP.</p> <p>Also, as per the ESOP, one of the Option holders, upon vesting, had exercised his right by opting to have 10,000 shares transferred in his name instead of giving the Mandate of sale. Therefore, the Trustees had transferred to the concerned Option holder, these 10,000 equity shares at the pre-determined Exercise Price of Rs. 95.00 per share (at the time of grant in November 2008, the Exercise Price was fixed at 10% discount to the ruling market price).</p>



Under the ESOP, further options vested on 11 May 2011, 1 August 2011 and 1 November 2011. Accordingly, the Option holders had exercised their options for the shares vested in them. As per the ESOP, the Options holders had given the "Mandate of Sale", whereby the Trustees had to sell 6,250 equity shares in March 2011, 91,500 equity shares in August 2011, 5,000 equity shares in September 2011 and 3,31,500 equity shares in December 2011, through open market and the difference between the sale price and the exercise price, net of charges and taxes were given to the option holders as per ESOP.

f)	Total number of Options lapsed	98,500 (till 31 December 2010) 1,07,000 (during CY 2011)
g)	Variation of terms of Options	NA
h)	Money realised by exercise of Options	Money realized by the GGCL ESOP Trust on exercise of options : Rs. 26.60 Mn (2010) Rs. 42.90 Mn (2011)
i)	Total number of Options in force	1,786,000 (2010) 1,328,750 (2011)
j)	Employee wise details of options granted to;-	Himanshu Upadhyay – 65,000 (Vested and Exercised – 12,500) – (2010) (Vested and Exercised – 3,750) – (2011) Outstanding as on date – 48,750
	(i) senior managerial personnel;	Nitin Patil – 50,000 (Vested and Exercised – 12,500) – (2011) Outstanding as on date – 37,500
	(ii) any other employee who received a grant in any one year of Option amounting to 5% or more of Option granted during that year.	Nil
	(iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
k)	Diluted Earnings Per Share (EPS) pursuant to issue of equity shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	NA
l)	(i) Method of calculation of employee compensation cost	The employee compensation cost has been calculated based on the Fair Value method of accounting using the Black-Scholes Option Pricing Formula.
	(ii) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed.	NA
	(iii) The impact of this difference on profits and on EPS of the company	NA
m)	Weighted-average exercise prices and weighted-average fair values of options granted for options whose exercise price	The weighted average exercise price per Option is Rs. 162/- of the outstanding options as at 31-Dec-2011. The weighted average fair value per Option at the grant date is Rs 60/-



	either equals or exceeds or is less than the market price of the stock	of the outstanding options as at 31 -Dec-2011.
n)	A description of the method and significant assumptions used during the year to estimate the fair values of options	The fair value of each Option is calculated based on the Fair Value method of accounting using the Black-Scholes Option Pricing Formula. The significant assumptions for estimating the fair value of options : For stock options granted on April 28, 2011: (i) Risk-free interest rate 8.39% (ii) Expected life 3 years (iii) Expected volatility 34.32% (iv) Expected dividends 2.50% (v) The price of the underlying share in market at the time of Option grant - Rs.374.00 (closing price on BSE on 27 April 2011)

Note: On 22 September 2009, Bonus Options were allocated on unvested Options in the same ratio as bonus shares (i.e. in the ratio of 1 bonus share for every one equity share) and the Exercise Price thereof was halved, in accordance with the ESOP 2008 read with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

For and on behalf of the Board

HASMUKH SHAH
CHAIRMAN

Date : 23 February 2012
Place: Ahmedabad



**Auditors' Certificate
regarding compliance of conditions of Corporate Governance**

To The Members of Gujarat Gas Company Limited

We have examined the compliance of conditions of Corporate Governance by Gujarat Gas Company Limited, for the year ended December 31, 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's directors. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR PRICE WATERHOUSE

Firm Registration Number – 301112E

CHARTERED ACCOUNTANTS

V. Nijhawan

Partner

Membership No. F87228

Date : 23 February 2012

Place : Gurgaon

A REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance.

1. GGCL's philosophy on Corporate Governance

Your Company believes that corporate governance is driven by the core values of the Company. Your Company promotes the values of customer orientation, team work, commitment, growth and trust. These reflect the Company's approach to all its stakeholders in the course of carrying out its business. The Company's values are portrayed in a set of strong Business Principles. These Business Principles are continuously communicated and reinforced with employees and contractors.

Your Company ensures appropriate disclosures to transparently communicate significant events and information regarding the performance of the Company.

A Whistle Blower Policy is in operation under which a person can raise a complaint. A mechanism exists to address any such complaint in an independent and objective manner.

The Company seeks to comply with all applicable legal, regulatory and license requirements and strives to work constructively with regulatory bodies.

2. Board of Directors

The Board comprises of eight directors of which seven are non-executive directors. Of these seven non-executive directors, four are independent directors. The composition of the Board is in conformity with the provisions of the Corporate Governance Code of the Listing Agreement. Mr. B.C. Bora an Independent Director of the Company resigned as the Director of the Company on 18 August 2011 and Mr. Sudhir Mankad has been appointed as an Independent Director in his place on 10 January 2012. The said appointment was within the permissible time frame as per Clause 49 of the Listing Agreement.

Details of composition of the Board, category of the directors as well as their directorships and memberships in companies/committees including private and foreign companies as on 31 December 2011 are given below:

Names of the Directors	Category	Number of Directorships held (other than GGCL)	Number of Board Committees (other than GGCL) in which Chairman / Member	
			Membership	Chairmanship
Mr. Hasmukh Shah, Chairman	Promoter & non-executive directors	7	2	2
Mr. Martha Desmond		1	1	-
Mr. Walter Simpson		7	1	-
Prof. Pradip Khandwalla	Non-executive and independent directors	5	2	-
Mr. Jal Patel		6	3	2
Mr. Ajit Kapadia		9	-	1
Mr. Shaleen Sharma, Managing Director	Promoter and executive director	2	-	1

The above details represents Membership/ Chairmanship of two Committees viz. Audit Committee and Shareholder's/ Investor's Grievance Committee as per Clause 49 of the Listing Agreement.

During the year, Six Board Meetings were held on 19 January 2011, 28 February 2011, 28 April 2011, 11 August 2011, 3 November 2011 and 9 December 2011.

Details of attendance of the directors at the Board Meetings held during the Calendar Year 2011 and at the last Annual General Meeting are given below:



Names of the directors	Number of Board Meetings held while holding the office	Number of Board Meetings attended while holding the office	Attendance at the last AGM
Mr. Hasmukh Shah	6	6	Yes
Mr. Derek Fisher	4	3	Yes
Mr. Walter Simpson	6	6	Yes
Prof. Pradip Khandwalla	6	5	Yes
Mr. Jal Patel	6	6	Yes
Mr. Ajit Kapadia	6	5	Yes
Mr. B. C. Bora	4	4	Yes
Mr. Shaleen Sharma	6	6	Yes
Ms. Martha Desmond	2	2	-

Brief resume of the directors proposed to be appointed or re-appointed are given in the explanatory statement annexed to the Notice convening the Annual General Meeting. None of the directors hold any shares in the Company.

The Board Meetings are generally held in Ahmedabad, where the registered office of the Company is located. The calendar of the Board Meetings is approved in advance for each year. The Board meets at least once a quarter with a gap between two meetings not exceeding four months. It has remained the practice of the Company to place before the Board, all the matters listed in Annexure 1A to Clause 49 of the Listing Agreement. The board agenda papers and other explanatory notes are circulated to the directors in advance. Draft minutes of the meetings of the Board of Directors and its Committees are circulated to the directors for their comments before being recorded in the Minute Books. Similarly, minutes of the subsidiary companies are circulated to the directors as a part of the Board Agenda. The directors also have access to all the information about the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior Management Personnel are invited to attend the Board Meetings and provide clarifications as and when required.

3. Audit Committee

The present members of the Audit Committee are Mr. Jal Patel, Chairman, Prof. Pradip Khandwalla and Mr. Walter Simpson. All the members of the Committee are non-executive directors. Mr. Patel and Prof. Khandwalla are independent directors. All the members of the Committee are qualified professionals and are financially literate. Mr. Patel and Prof. Khandwalla have accounting or related financial management expertise. Quorum of the Committee is two members, requiring presence of both the independent directors. Mr. Jal Patel, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The terms of reference and powers of the Audit Committee are in compliance with the provisions of the Corporate Governance Code of the Listing Agreements and the Companies Act, 1956. Major terms include overseeing the financial reporting process, review of financial statements, ensuring independence of external auditors, review of internal control systems and overseeing of the internal audit department. The Committee reviews internal audit reports and findings of the statutory auditors. The Committee also reviews the risk register recording the key risks, mitigation plan and responsibility assigned for the risks. Also, all relevant information and reports are placed before the Audit Committee in compliance with the provisions of the Corporate Governance Code.

The Committee invites Senior Management Personnel of GGCL as it considers appropriate, to attend the meetings of the Committee. The internal auditor, head of finance and representative of the statutory auditors are permanent invitees at the meetings. The Company Secretary acts as Secretary to the Committee. Minutes of the Audit Committee Meetings are circulated and discussed at the Board Meetings.

Calendar of the meetings is approved in advance for each year. The Committee met four times during the year under review.

Details of meetings of Audit Committee and attendance

Sr.No.	Date of Meeting	Number of Members	Attendance
1	28 February 2011	3	3
2	28 April 2011	3	3
3	11 August 2011	3	3
4	3 November 2011	3	3

4. Remuneration of Directors

The Board of Directors has constituted a Remuneration Committee comprising of Mr. Jal Patel (Chairman), Prof. Pradip Khandwalla and Ms. Martha Desmond. The terms of reference include review of, and decision on the remuneration of the Managing Director, based on the performance and defined assessment criteria and to consider such other matters as may be required by the Board of Directors from time to time. The Committee makes recommendations for the consideration and approval of the Board of Directors.

The details of managerial remuneration paid to the Managing Director in the year 2011 are given below.

Details of remuneration package of the Managing Director

Elements of remuneration package	C.Y.2011 Amount Rs.
Fixed Component	15,086,691
Basic salary	9,099,655
Contribution to PF and other funds	3,751,071
Perquisites and allowances	2,235,965
Performance linked incentive	1,910,812
Total	16,997,503

Other Details

Criteria

Major criteria for performance bonus	<ul style="list-style-type: none"> • Health, safety, security & environment. • Profit before tax. • Return on average capital employed. • Volume throughput. • Opex / volume. • Investment (Capex)
--------------------------------------	--

Service contract	For a period of five years commencing from 1 July 2007
Notice period	3 months
Severance fees	Nil
Stock option & pension	Nil

Details of sitting fees paid during the year

Sitting fees are paid to the Chairman and Independent Directors for attending meetings of the Board of Directors and its Committees. An amount of Rs.20,000 per meeting was paid as sitting fees for attending Board Meetings and Rs.18,000 per meeting for attending Committee Meetings. The Managing Director is not paid sitting fees for attending the meetings of the Board of Directors or its Committees. Total sitting fees paid during the year 2011 amounted to Rs. 9,52,000/-.

Details of commission paid to Directors

In order to bring the remuneration of the Chairman and the Independent Directors in line with current trends and ensuring that the remuneration is commensurate to the time devoted and the contribution made by them, remuneration by way of following commission for CY 2010 was paid to these non-executive directors, after the approval of the Board and shareholders:

Mr. Hasmukh Shah,	Chairman	Rs 8.0 lakhs
Mr. Jal Patel,	Chairman, Audit Committee	Rs 6.5 lakhs
Prof Khandwalla,	Independent director	Rs 6.5 lakhs
Mr. Ajit Kapadia	Independent director	Rs 5.0 lakhs
Mr. Bikash C. Bora	Independent director	Rs. 5.0 lakhs

The above commission was within one percent of the net profits for CY 2010 and calculated in accordance with the provisions of the applicable laws. The Commission was paid for their contribution at the Board and its Committee Meetings as well as time spent on operational matters other than at the meetings.

5. Shareholders' Grievances Committee

GGCL has a Shareholders' Grievances Committee to approve share transfers, transmissions, consolidation, sub-division, etc. and for redressal of complaints / requests received from the shareholders. The present members of the Committee are Prof. Pradip Khandwalla, the Chairman, Mr. Jal Patel and Mr. Shaleen Sharma. Ms. Rajeshwari Sharma, Company Secretary is the Compliance Officer.

The Committee has sub-delegated powers to the Managing Director to approve share transfers upto 10,000 shares per folio, name deletions and share transmissions. As the shares of the Company are under compulsory demat trading for all investors, this delegation is considered adequate. To facilitate smooth redressal of the shareholders' requests and complaints, the Committee has prescribed time limits for redressing various types of shareholders' requests and complaints. Share transfers



and related requests are placed for approval of the Managing Director on a weekly basis. Details of the share transfer requests approved by the Managing Director are placed to the Shareholders' Grievances Committee.

The Company received 252 complaints during the year 2011. All the complaints were resolved to the satisfaction of the shareholders.

6. Compensation Committee

The Compensation Committee of the Board comprises of Prof. Pradip Khandwalla, Chairman, Mr. Jal Patel and Mr. Shaleen Sharma. The Compensation Committee administers and superintends the GGCL – Employee Stock Option Plan 2008 (“the ESOP 2008” or “the Plan”), inter alia including the formulation of the following detailed terms and conditions:

- a. Eligibility and Quantum of options to be granted under the ESOP 2008 per employee and in aggregate;
- b. the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- c. the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- d. the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- e. the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- f. the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.
- g. the grant, vest and exercise of option in case of employees who are on long leave;
- h. Determine the procedure for cash less exercise of Options;
- i. Constitution of the Gujarat Gas Company Limited Employee Welfare Stock Option Trust (“the Trust”), to administer the ESOP 2008, through the allocation of the equity shares to be purchased from the market either by the transfer of shares to the employees or by execution of the mandate of sale given by the employee for the sale of equity shares in accordance with the Deed of Gujarat Gas Company Limited Employee Welfare Stock Option Trust (“the Deed of Trust”).
- j. direct the trustee(s) of the trust to administer the provisions of the Plan, as and when required, as per the applicable laws and resolve any issue that arises in the administration of the Plan through the Trust;
- k. Any other related or incidental matter.

During the year under review four meetings of the Compensation Committee were held on 28 February 2011, 28 April 2011, 11 August 2011 and 3 November 2011.

7. General Body Meetings

Location and time of last three AGMs / EGMs

Date	Time	Venue
28 April 2011 (AGM)	10.00 a.m.	
22 April 2010 (AGM)	10.00 a.m.	H.T. Parekh Convention Centre, Ahmedabad Management Association,
30 April 2009 (AGM)	10.00 a.m.	ATIRA, Vastrapur, Ahmedabad-380 015
23 October 2008 (Extraordinary General Meeting)	09.30 a.m.	

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

Annual General Meeting held on 28 April 2011

A resolution for grant of approval to the payment of commission for the period of three financial years effective from the financial year ending 31 December 2010 to the Chairman and Independent Directors of the Company.

Annual General Meeting held on 22 April 2010

A resolution for grant of approval to the payment of commission for the financial year 2009 to the Chairman and Independent Directors of the Company.

Annual General Meeting held on 30 April 2009

A resolution for grant of approval to the payment of commission for the financial year 2008 to the Chairman and Independent Directors of the Company.

Extraordinary General Meeting held on 23 October 2008

1. A resolution for introduction and implementation of Gujarat Gas Company Limited – Employee Stock Option Plan 2008 for the employees of Gujarat Gas Company Limited.
2. A resolution for introduction and implementation of Gujarat Gas Company Limited – Employee Stock Option Plan 2008 for the employees of subsidiaries of Gujarat Gas Company Limited.

Postal Ballot

No special resolution was passed through Postal Ballot in the year 2011 under the provisions of section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001.

8. Disclosures

Related Party Transactions

Related Party Transactions are disclosed in the Notes to Accounts forming part of this Annual Report. Transactions entered into by the Company with the related parties during the year were placed to the Audit Committee for review. There are no pecuniary relationships or transactions with the non-executive directors. A procedure is in place for disclosure of interest by the senior management team.

Whistle Blower policy

GGCL has implemented a Whistle Blower policy covering the contractors and suppliers besides its employees. The policy provides access to the Managing Director and the Chairman of Audit Committee. Persons covered under the policy can lodge their complaints through anonymous e-mails besides usual means of communication like written complaints or over telephone. None of the persons covered under the policy has been denied access to the Audit Committee.

Code of Conduct

GGCL has implemented a Code of Conduct based on its business principles along with implementation framework for its directors and senior management of the Company. The Code of Conduct has also been posted on GGCL website. In compliance with the Code, the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code for the year ended 31 December 2011. A declaration to this effect signed by the Managing Director forms part of this Annual Report.

Other disclosures

1. There are no non-compliances by the Company on any matter related to capital markets, during the last three years. Similarly, there are no penalties or strictures imposed by the stock exchanges, SEBI or any statutory authority on any matter related to capital markets during the last three years.
2. The Company has a detailed Business Risk Management Process which is periodically reviewed by the Board of Directors for determining its effectiveness.
3. The Board of Directors and the Audit Committee periodically review the status of compliances in respect of applicable laws and report thereon by the Internal Audit team.

9. Means of Communication

The Company regularly brings out its Quarterly Results for information of its Shareholders through publications thereof in one English language newspaper, having nation wide circulation and in one regional language newspaper. The Company has its own web site – <http://www.gujaratgas.com>, on which the Quarterly Results and Presentations made to the institutional investors and analysts are displayed.

The Directors' Report deals with all the matters stipulated under the Management Discussion and Analysis Report.

GGCL has not mailed half-yearly results to the shareholders in view of the above-mentioned means of communication adopted by the Company.

The documents referred to but not sent to the persons entitled to receive notice of the Annual General Meeting, will be made available for inspection of Shareholders at the Registered Office of the Company during working hours for a period of 21 days before the date of AGM.

**10. General Shareholder Information**

All the required information has been furnished under the head "Information for Investors".

11. Compliance

GGCL has complied with the mandatory requirements of the Corporate Governance Code. The Board would review implementation of the non-mandatory requirements of the Corporate Governance Code in due course of time. Auditors' certificate regarding compliance with the Corporate Governance Code for the year 2011 is annexed to this report.

For and on behalf of the Board

HASMUKH SHAH
CHAIRMAN

Date: 23 February 2012
Place: Ahmedabad



Certificate of Compliance with the Code of Conduct

To,
The Shareholders,
Gujarat Gas Company Limited

Gujarat Gas Company Limited has in place a Code of Conduct ("the Code") for its Board of Directors and Senior Management Personnel. I report that the Code has been complied with by the Board of Directors and senior management of the Company for the CY2011.

For Gujarat Gas Company Limited

Shaleen Sharma
Managing Director

Date : 3 February 2012
Place : Ahmedabad



INFORMATION FOR INVESTORS

1. Annual General Meeting details

At 10.00 a.m. on Thursday, 26 April 2012 at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad – 380 015.

2. Financial Year

The Company follows Calendar Year as its financial year. Meetings of the Board of Directors of the Company are scheduled on the following dates during the year 2012:

10 January 2012 (already held)	23 February 2012 (already held)
26 April 2012	26 July 2012
25 October 2012	20 December 2012

3. Book Closure Date

The Register of Members and Share Transfer Book of the Company shall remain closed from 20 March 2012 to 22 March 2012(both days inclusive), for determining the eligibility of the shareholders for dividend on Equity Shares, if declared at the Annual General Meeting.

Shareholders are requested to update their addresses, bank account details and ECS details with the depositories if shares are held in demat form and with the Registrar and Share Transfer Agent if shares are held in physical mode.

4. Dividend Payment

On 10 May 2012

5. Listing on Stock Exchanges and Stock Code

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

Ahmedabad Stock Exchange Limited	20860
Bombay Stock Exchange Limited	523477
National Stock Exchange of India Limited	GUJRATGAS
Vadodara Stock Exchange Limited	23477

Listing fees have been paid for the year 2011 -12 and will be paid for the year 2012-13 as per the Listing Agreement with the respective Stock Exchanges.

6. Market Price Data

Market price data on the Bombay Stock Exchange Limited, Mumbai for the year 2011 is given below:

Month	Highest (Rs.)	Lowest (Rs.)
January	419.00	345.00
February	363.00	310.05
March	419.00	350.00
April	394.00	362.00
May	419.50	336.20
June	399.95	365.00
July	430.60	382.65
August	462.00	386.00
September	463.00	417.20
October	448.35	410.00
November	459.00	360.00
December	377.00	330.00

7. Performance in Comparison to BSE Sensex

Performance of share price of your Company in comparison to BSE Sensex for the year 2011 is given on the inside cover page.

8. Registrar and Share Transfer Agents and Share Transfer System

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

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

Karvy Computershare Private Limited, Unit: GUJARAT GAS COMPANY LIMITED, Plot no. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081. Phone Number: 040-44655000, Fax Number: 040-23420814

9. Distribution of shareholding

Distribution of Shareholding as on 31 December 2011 is given below:

Category	No. of Shareholders	Shares held in physical form	Shares held in dematerialised form	Total no. of shares held	% to capital
Resident Individuals	23,882	1,854,400	8,396,080	10,250,480	7.99
Foreign Institutional Investors (FIIs)	54	0	20,665,674	20,665,674	16.11
Non-resident Indians (NRIs)	509	7000	265,961	272,961	0.21
Indian Companies	585	8010	3,557,439	3,565,449	2.78
Mutual Funds & UTI	38	1000	6,276,407	6,277,407	4.89
Public Financial Institutions, Government Companies and Banks	2	0	138,335	138,335	0.11
Foreign Promoters	1	0	83,518,750	83,518,750	65.12
Others	550	15,000	3,545,944	3,560,944	2.79
Total	25,621	1,885,410	126,364,590	128,250,000	100.00

10. Dematerialisation of shares and liquidity

Equity shares of your Company can be traded in electronic form only by all the investors. Your Company has established connectivity with both the depositories viz. NSDL and CDSL through its Share Transfer Agent.

Equity shares of your Company are regularly traded on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. 34.878% equity shares of the Company are held by non-promoter shareholders.

11. Your Company does not have any GDRs/ADRs/Warrants or any other convertible instruments.

12. Gas receiving locations

Ankleshwar
Surati Bhagol, Umarwada Road,
Near Piraman Naka,
Ankleshwar
District -Bharuch

Amboli
Plot no. 70-71,
Amboli,
Taluka: Ankleshwar
District -Bharuch

Vadoli
Block No. 546/1,
Village-Vadoli,
Olpad – Kim State Highway
Taluka-Olpad,
District-Surat

Sachin
Block No. 248,
GIDC Sachin, Village – Unn,
Magdalla-Sachin Road,
Surat

Palsana
Survey No. 168 & 168/P,
Village-Lingad,
Taluka-Palsana,
District-Surat

Atodara
R. S. No. 64/1, & 64/2,
Village-Atodara,
Olpad- Sayan Road,
Taluka-Olpad,
District-Surat

Rahadpore
Survey no. 75 / 123,
At and Post Rahadpore,
Palej-Tankaria Road,
Bharuch

Surat
Plot No. 87-88,
Mayavanshi Mohallo,
Adajan Gam,
Surat

Jhagadia
Plot No-773/A & 773/B,
GIDC Jhagadia,
District-Bharuch

Mora (Surat)
Survey No. 150,
Opp. Reliance Gate No 3-B,
Surat-Hazira Road,
Mora, Surat

Valia
Plot No. 192,
Kosamdi Village,
Taluka-Ankleshwar,
District-Bharuch

Hazira
Plot No : 364
Opp. GSPL Guest House,
Hazira Village,
Taluka: Choryasi,
District: Surat

13. Correspondence with the Company

Shareholders are requested to correspond with the Company through e-mail to get faster response. Address for correspondence is: Gujarat Gas Company Limited, 2, Shantisadan Society, Nr. Parimal Garden, Ellis Bridge, Ahmedabad – 380006, India. Telephone Numbers: (079) 26462980, 26460095, Fax: (079) 26466249.



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

14. Nomination facility

The Companies Act, 1956 provides for nomination facility to the investors. As a shareholder, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail of this facility especially by the shareholders who currently hold shares in their single name.

Nomination can avoid the process of acquiring right in shares through transmission by law. In case of nomination by the joint holders, such nomination will be effective only on the death of all the holders. Shareholders may write to the Company at the registered office for obtaining the nomination form. The nomination form is also available on the Company's website viz. www.gujaratgas.com. In case the shares held in demat form, you may contact your depository participant for nomination.

15. Unclaimed dividend

The Company has transferred unclaimed dividend for the financial years 1991-92 to 1994-95 to the General Revenue Account of the Central Government. Shareholders, who have not encashed their dividend warrants for the above years, are requested to lodge their claims with the Registrar of Companies, Gujarat, Ahmedabad. Your Company has also transferred unclaimed dividend for the financial years 1995-96 to 1998-99, financial period of April-December 1999 and interim including final dividend for the year 2001, 2002 and 2003 to the Investor Education and Protection Fund in compliance with the provisions of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Your Company would be transferring the unclaimed amount of dividend for the calendar year 2004 to the Investor Education and Protection Fund on or after 10 June 2012 in terms of the provisions of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

16. Folio Merging

Members who hold shares in the same order of names in more than one folio are requested to send their requests for merging all their shareholdings into one folio, along with the share certificates, in case of physical shares.

17. Permanent Account Number (PAN) for Security Transactions

The shareholders, who are holding shares in the physical form, are requested to furnish the attested copies of their PAN to Karvy Computershare Private Limited, the Registrar and Share Transfer Agent. This is in view of the direction of SEBI, making PAN as the sole identification number for all security transactions in line with the KYC norms. Based on the said directive, the shareholders, holding physical shares are requested to produce the PAN document as stated above, which shall form a part of the details of shareholders of the Company.

18. Green Initiative

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notices/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participant.

For and on behalf of the Board

HASMUKH SHAH
CHAIRMAN

Date : 23 February 2012
Place : Ahmedabad



Auditors' Report
To the Board of Directors of Gujarat Gas Company Limited

1. We have audited the attached consolidated balance sheet of Gujarat Gas Company Limited (the "Company") and its subsidiaries hereinafter referred to as the "Group" (refer Note 25 on Schedule 20 to the attached consolidated financial statements) as at December 31, 2011, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard-21 Consolidated Financial Statements notified under sub-section 3C of Section 211 of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at December 31, 2011;
 - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Price Waterhouse
Firm Registration No. – 301112E
Chartered Accountants

V. Nijhawan
Partner
Membership Number: F87228

Place : Gurgaon
Date : February 23, 2012



CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2011

	Schedule	As at 31-12-2011 Rs. in million	As at 31-12-2010 Rs. in million
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	400.50	400.50
Stock Options Outstanding Account	2	48.51	37.96
Reserves and Surplus	3	7,582.81	8,152.92
		8,031.82	8,591.38
Minority Interest		74.40	63.00
(Refer Note 26 on Schedule 20)			
Deferred Tax Liability (Net)		738.99	669.08
(Refer Note 14 and 34 on Schedule 20)			
DEPOSITS			
(Refer Note 42 on Schedule 20)			
From Customers		2,525.19	2,034.81
From GAIL (India) Limited		38.69	38.69
		2,563.88	2,073.50
TOTAL		11,409.09	11,396.96
APPLICATION OF FUNDS			
FIXED ASSETS			
	4		
Gross Block		11,087.35	10,191.28
Less : Depreciation		4,120.59	3,547.33
Less : Impairment Loss		-	29.37
		6,966.76	6,614.58
Less : Lease Terminal Adjustment Account		255.45	255.45
Net Block		6,711.31	6,359.13
Capital work in progress		1,084.89	780.23
Capital Inventory		530.90	600.72
		8,327.10	7,740.08
INVESTMENTS	5	5,011.79	5,487.74
AMOUNT RECOVERABLE FROM ESOP TRUST		302.42	343.02
(Refer Note 31 on Schedule 20)			
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	157.51	105.91
Lease Receivable	7	34.02	72.97
Sundry Debtors	8	1,839.10	1,411.17
Cash and Bank Balances	9	142.49	93.62
Loans and Advances	10	193.16	193.14
Other Current Assets	11	0.09	0.07
		2,366.37	1,876.88
LESS: CURRENT LIABILITIES AND PROVISIONS	12		
Current Liabilities		2,660.65	2,141.42
Provisions		1,937.94	1,909.34
		4,598.59	4,050.76
NET CURRENT ASSETS		(2,232.22)	(2,173.88)
MISCELLANEOUS EXPENDITURE	13	-	-
(To the extent not written off or adjusted)			
TOTAL		11,409.09	11,396.96
Significant Accounting Policies and Notes to the Consolidated Financial Statements	20		

This is the Consolidated Balance Sheet referred to in our report of even date

For Price Waterhouse
Firm Registration Number-301112E
Chartered Accountants

V. Nijhawan
Partner
Membership No. F87228

Place : Gurgaon
Date : February 23, 2012

The Schedules referred to above form an integral part of the Consolidated Balance Sheet

For and on behalf of the Board

Hasmukh Shah
Chairman

Jal Patel Sugata Sircar
Director Finance Director

Place : Ahmedabad
Date : February 23, 2012

Shaleen Sharma
Managing Director

Rajeshwari Sharma
Company Secretary

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011**

	Schedule	Year ended 31-12-2011 Rs. in million	Year ended 31-12-2010 Rs. in million
INCOME:			
Income from Operations	14	24,185.91	18,493.26
Other Income	15	564.87	223.99
		<u>24,750.78</u>	<u>18,717.25</u>
EXPENDITURE:			
Material consumed/processed (Refer Note 22 on Schedule 20)		18,395.41	12,864.56
Personnel Expenses	16	607.81	498.48
Operating and Other Expenses	17	1,213.32	973.26
Depreciation		602.04	542.05
Finance Charges	18	1.49	4.62
Deferred Revenue Expenditure Written off		-	0.89
		<u>20,820.07</u>	<u>14,883.86</u>
Profit before Taxes		3,930.71	3,833.39
Tax Expense	19	1,182.46	1,243.24
Profit after Taxes		2,748.25	2,590.15
Minority Shareholders Interest		13.48	12.69
Profit attributable to the Group		2,734.77	2,577.46
Profit brought forward		5,967.67	5,462.26
Profit available for Appropriations		8,702.44	8,039.72
APPROPRIATIONS :			
Interim Dividend		1,282.50	-
Corporate Dividend Tax on Interim Dividend		208.05	-
Proposed Dividend			
- Preference Shares		10.80	10.80
- Equity Shares		1,539.00	1,539.00
Corporate Dividend Tax on Proposed Dividend		252.08	251.88
Special Reserve (As stipulated by RBI)		-	8.43
General Reserve		277.13	261.94
Profit Carried Forward		5,132.88	5,967.67
		<u>8,702.44</u>	<u>8,039.72</u>
Basic/ Diluted Earnings per Share of Rs. 2/- each (Rs.)		21.23	20.00
(Refer Note 13 and 27 on Schedule 20)			
Significant Accounting Policies and Notes to the Consolidated Financial Statements	20		

This is the Consolidated Profit and Loss Account referred to in our report of even date

For Price Waterhouse
Firm Registration Number-301112E
Chartered Accountants

V. Nijhawan
Partner
Membership No. F87228

Place : Gurgaon
Date : February 23, 2012

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account

For and on behalf of the Board

Hasmukh Shah
Chairman

Jal Patel Sugata Sircar
Director Finance Director

Place : Ahmedabad
Date : February 23, 2012

Shaleen Sharma
Managing Director

Rajeshwari Sharma
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011**

	Year ended 31-12-2011 Rs. in million	Year ended 31-12-2010 Rs. in million
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Tax	3,930.71	3,833.39
Adjustments for:		
Depreciation for the year	602.04	542.05
Provision for Gratuity	14.07	(0.14)
Provision for Leave Encashment	10.13	7.27
(Profit)/Loss on sale of Fixed Assets (Net)	7.04	5.92
Provision for doubtful debts	-	2.00
Provision for Stock Options Account	25.55	25.91
Other Provision	2.18	2.18
Provision for Wealth Tax	0.40	0.40
Provision for Diminution in value of Fixed Assets / Capital Work in Progress	35.21	10.03
Bad Debts written off	2.01	-
Inventory written off	2.49	2.46
Deferred Revenue Expenditure written off	-	0.89
Interest Expense	1.49	4.62
Inventory written back	(28.42)	-
Profit on sale of investment (Net)	(51.37)	(18.12)
Provision / Liabilities no longer required Written Back	(108.94)	(1.01)
Tax Deducted at Source from Income Received	(7.41)	(5.55)
Dividend Income	(308.23)	(157.04)
Interest Income	(36.65)	(22.25)
Operating Profit before working capital changes	4,092.30	4,233.01
Adjustments for changes in working capital		
(Increase) / Decrease in Sundry Debtors	(268.03)	(324.04)
(Increase) / Decrease in Amount Recoverable from ESOP trust	13.15	(107.34)
(Increase) / Decrease in Loan and Advances	4.85	188.72
(Increase) / Decrease in Other Current Assets	0.01	-
(Increase) / Decrease in Inventories	(25.67)	2.55
Increase / (Decrease) in Current Liabilities	331.89	95.10
Cash generated from operations	4,148.50	4,088.00
Taxes paid (Net of refunds)	(1,110.15)	(1,236.16)
Net Cash from Operating Activities	3,038.35	2,851.84
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,129.84)	(1,134.15)
Sale of Fixed Assets	23.03	14.50
Purchase of Investments	(27,987.71)	(19,561.05)
Sale of Investments	28,515.02	18,329.01
Net investment in Finance Lease (Net of Capital Recovery)	38.95	26.48
Interest received	36.39	22.11
Dividends received	308.23	157.04
Net Cash used in Investing Activities	(195.93)	(2,146.06)

**C. CASH FLOW FROM FINANCING ACTIVITIES**

	Year ended 31-12-2011 Rs. in million	Year ended 31-12-2010 Rs. in million
Deposits accepted during the year (Net)	490.37	520.00
Interest Paid	(1.49)	(4.62)
Dividend Paid (including Corporate Dividend Tax)	(3,282.43)	(1,206.68)
Net Cash generated used in Financing Activities	(2,793.55)	(691.30)
NET INCREASE IN CASH AND CASH EQUIVALENTS	48.87	14.48
Cash and Cash Equivalents at the beginning of the year	93.62	79.14
Cash and Cash Equivalents at the end of the year	142.49	93.62
Cash and Cash Equivalents comprise		
Cash in hand	0.16	0.22
Balances with Scheduled Banks :		
- In Current accounts	100.93	47.61
- In Dividend Accounts (Refer Note c below)	21.20	9.99
- In Term Deposits (Refer Note d below)	20.20	35.80
Total Cash and Cash Equivalents as per Cash Flow Statement	142.49	93.62

Notes to Cash Flow Statement

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- Purchases of fixed assets, stated inclusive of movements of capital work in progress and capital inventory, are treated as part of investing activities.
- The balance with the bank for unpaid dividend is not available for use by the company and the money remaining unpaid will be deposited in Investor Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.
- Term Deposits include balance in escrow account as stipulated by RBI Rs. Nil (Previous year Rs. 0.50 million).
- Figures in brackets indicate cash outflows.
- Previous year figures have been reclassified/regrouped wherever considered necessary to conform to the current year figures.

This is the consolidated Cash Flow Statement referred to in our report of even date

For Price Waterhouse
Firm Registration Number-301112E
Chartered Accountants

V. Nijhawan
Partner
Membership No. F87228

Place : Gurgaon
Date : February 23, 2012

For and on behalf of the Board

Hasmukh Shah
Chairman

Jal Patel Sugata Sircar
Director Finance Director

Place : Ahmedabad
Date : February 23, 2012

Shaleen Sharma
Managing Director

Rajeshwari Sharma
Company Secretary



SCHEDULES FORMING PART OF BALANCE SHEET (CONSOLIDATED)

	Rs. in million	As at 31-12-2011 Rs. in million	As at 31-12-2010 Rs. in million
SCHEDULE - 1			
CAPITAL			
Authorised			
140,000,000 (Previous year 140,000,000) Equity Shares of Rs. 2/- each		280.00	280.00
17,000,000 (Previous year 17,000,000) 7.5% Redeemable Preference Shares of Rs.10/- each		170.00	170.00
TOTAL		450.00	450.00
Issued, Subscribed and Paid up			
128,250,000 (Previous year 128,250,000) Equity Shares of Rs. 2/- each fully paid-up		256.50	256.50
[Out of the above 83,518,750 (Previous year 83,518,750) equity shares are held by holding company BG Asia Pacific Holdings Pte. Limited, the ultimate holding company being BG Group plc.]			
[Out of the above 64,125,000 equity shares allotted as fully paid-up by way of bonus shares out of General Reserve]			
14,400,000 (Previous year 14,400,000) 7.5% Redeemable Cumulative Non Convertible Preference Shares of Rs.10/- each fully paid up, issued to holding company BG Asia Pacific Holdings Pte. Limited		144.00	144.00
[Redeemable at par at any time after five years from the date of allotment (May 18, 2006) but prior to the expiry of twenty years from the date of such allotment]			
TOTAL		400.50	400.50
SCHEDULE - 2			
STOCK OPTIONS OUTSTANDING ACCOUNT			
(Refer Note 31 on Schedule 20)			
Stock Options Outstanding Account		79.38	92.90
Less : Deferred Stock Option Outstanding Account		30.87	54.94
TOTAL		48.51	37.96
SCHEDULE - 3			
RESERVES AND SURPLUS			
GENERAL RESERVE			
As per last Balance Sheet	2,097.39		1,833.54
Add : Transferred from Profit & Loss Account	277.13		261.94
Add : Transferred from Special Reserve (Refer Note 41 on Schedule 20)	87.86		-
Add : Adjustment to Amount recoverable from ESOP Trust (Refer Note 31 on Schedule 20)	(12.45)		1.91
		2,449.93	2,097.39
SPECIAL RESERVE (AS REQUIRED BY RBI)			
	87.86		87.86
Less : Transferred to General Reserve	(87.86)		-
		-	87.86
PROFIT AND LOSS ACCOUNT			
		5,132.88	5,967.67
TOTAL		7,582.81	8,152.92



GUJARAT GAS COMPANY LIMITED (CONSOLIDATED)

SCHEDULES FORMING PART OF BALANCE SHEET (CONSOLIDATED)

SCHEDULE - 4

FIXED ASSETS

(Refer Notes 3,4,5,11, 15, 20, 24, 35 (ii) & 40 on Schedule 20)

(Rs. in million)

Particulars	GROSS BLOCK			DEPRECIATION			IMPAIRMENT LOSS			NET BLOCK	
	As at 01-01-2011	Additions For the year	Deduction/ Adjustments For the year	As at 01-01-2011	For the year	Deduction/ Adjustments For the year	As at 31-12-2011	For the year	Adjustments/ Reversals	As at 31-12-2011	As at 31-12-2010
TANGIBLE ASSETS											
Land (Refer Note 1 below)	343.14	21.39	(37.34)	-	-	-	-	-	-	401.87	343.14
Buildings	335.39	3.61	-	58.63	8.17	-	66.80	-	-	272.20	276.76
Plant and Machinery	8,097.34	880.77	13.69	2,826.12	526.59	6.01	3,346.70	-	-	5,617.72	5,271.22
Furniture, Fixtures and Fittings	68.39	4.29	2.20	29.81	5.69	2.15	33.35	-	-	37.13	38.58
Vehicles	112.39	13.78	9.27	40.53	11.91	5.44	47.00	-	-	69.90	71.86
Assets given on Finance lease (Prior to April 1, 2001)											
Plant and Machinery	855.50	-	-	449.41	12.70	-	462.11	-	-	393.39	406.09
Assets given on Operating lease (After April 1, 2001)											
Plant and Machinery (Refer Note 2 below)	130.87	-	63.05	46.57	7.02	15.18	38.41	29.37	29.37	29.41	54.93
INTANGIBLE ASSETS											
Goodwill	1.22	-	-	1.22	-	-	1.22	-	-	-	-
Right of Use of Land	61.34	-	37.34	-	-	-	-	-	-	24.00	61.34
Software/Licences	185.70	60.44	-	95.04	29.96	-	125.00	-	-	121.14	90.66
	10,191.28	984.28	88.21	3,547.33	602.04	28.78	4,120.59	29.37	29.37	6,966.76	6,614.58
(Less) / Add: Lease Terminal Adjustment	-	-	-	255.45	-	-	255.45	-	-	(255.45)	(255.45)
TOTAL	10,191.28	984.28	88.21	3,802.78	602.04	28.78	4,376.04	29.37	29.37	6,711.31	6,359.13
Capital Work in Progress (Refer Note 3 and 5 below)											
Capital Inventory (Refer Note 4 below)											
TOTAL	10,191.28	984.28	88.21	3,802.78	602.04	28.78	4,376.04	29.37	29.37	8,327.10	7,740.08
Previous Year	9,139.87	1,116.27	64.86	3,296.43	542.05	35.70	3,802.78	34.63	15.29	6,359.13	

NOTES:

- Land includes Leasehold Land Rs. 0.18 million (Previous year Rs. 0.18 million).
- Assets given on Operating lease includes Natural gas fired cogeneration unit at its net realisable value of Rs. 13.73 million (Previous year Rs. 18.51 million) for which agreement to lease has been terminated.
- Capital Work in Progress includes Capital Advances Rs. 141.94 million (Previous year Rs. 137.21 million). Capital Advances are net of provision for doubtful recovery of Rs. 35.21 million (Previous year Nil)
- Capital Inventory includes material in transit amounting to Rs. 63.99 million (Previous year Rs. 63.69 million).
- Capital Work in Progress includes certain assets of Rs. 2,54,90 million (Previous year Nil) which are held for disposal.



SCHEDULES FORMING PART OF BALANCE SHEET (CONSOLIDATED)

	Rs. in million	As at 31-12-2011 Rs. in million	As at 31-12-2010 Rs. in million
SCHEDULE - 5			
INVESTMENTS			
(Refer Note 6 and 28 on Schedule 20)			
A Long Term Investments (At Cost):			
Equity Shares			
Trade -Unquoted	85.00		85.00
Less: Provision	75.00		75.00
		10.00	10.00
Other than Trade (Un Quoted)	0.12		0.12
Less: Provision	0.12		0.12
		-	-
Long Term Investments (A)		10.00	10.00
B Current Investments:			
(At Cost or fair market value whichever is lower, determined categorywise)			
Other than Trade (Unquoted)			
Units of Mutual Funds		5,001.79	5,477.74
Current Investment (B)		5,001.79	5,477.74
Total Investment (A+B)		5,011.79	5,487.74
Aggregate cost of Unquoted Investments		5,086.91	5,562.86
SCHEDULE - 6			
INVENTORIES			
(Refer Note 7 on Schedule 20)			
Stores and Pipe Fittings		157.51	105.91
TOTAL		157.51	105.91
SCHEDULE - 7			
LEASE RECEIVABLE			
(Refer Note 35 (i) on Schedule 20)			
(Unsecured - considered good, unless otherwise stated)			
Lease Receivable			
- Considered Good		34.02	72.97
TOTAL		34.02	72.97



SCHEDULES FORMING PART OF BALANCE SHEET (CONSOLIDATED)

	Rs. in million	As at 31-12-2011 Rs. in million	As at 31-12-2010 Rs. in million
SCHEDULE - 8			
SUNDRY DEBTORS			
Secured - Considered Good			
Secured - Considered Good			
Exceeding Six Months		9.92	3.73
Others		1,211.08	1,061.79
Unsecured - Considered Good			
Exceeding Six Months		3.29	0.77
Others		614.81	344.88
[Includes Rs. 400.96 million (Previous year Rs. 269.57 million) secured by bank guarantees]			
Unsecured - Considered Doubtful			
Exceeding Six Months	21.97		23.26
Less : Provision for Doubtful Debt	21.97		23.26
		-	-
TOTAL		1,839.10	1,411.17
SCHEDULE - 9			
CASH AND BANK BALANCES			
Cash in hand		0.16	0.22
Balances with Scheduled Banks:			
- In Current Accounts		100.93	47.61
- In Dividend Accounts		21.20	9.99
- In Term Deposit*		20.20	35.80
TOTAL		142.49	93.62
* Includes Term Deposit in an Escrow account as stipulated by RBI Rs. Nil (Previous year Rs. 0.50 million)			
SCHEDULE - 10			
LOANS AND ADVANCES			
(Unsecured - considered good, unless otherwise stated)			
Advances recoverable in Cash or in kind or for value to be received		91.00	81.99
Deposit recoverable		24.08	18.63
Balance due with statutory authorities		21.26	40.49
Advance payment of tax and tax deducted at source	7,607.80		6,490.06
Less: Taxation Provision	7,550.98		6,438.03
		56.82	52.03
TOTAL		193.16	193.14
SCHEDULE - 11			
OTHER CURRENT ASSETS			
(Unsecured - considered good, unless otherwise stated)			
Interest Accrued on Term Deposit with Scheduled Bank		0.09	0.07
TOTAL		0.09	0.07



SCHEDULES FORMING PART OF BALANCE SHEET (CONSOLIDATED)

	Rs. in million	As at 31-12-2011 Rs. in million	As at 31-12-2010 Rs. in million
SCHEDULE - 12			
CURRENT LIABILITIES AND PROVISIONS			
(A) CURRENT LIABILITIES			
Sundry Creditors			
- Dues to Micro and Small Enterprises (Refer Note 39 on Schedule 20)	16.20		14.03
- Others Creditors	<u>2,101.52</u>		<u>1,657.04</u>
		2,117.72	1,671.07
Deferred Revenue (Refer Note 10 (c) on Schedule 20)		13.64	13.64
Deposit From Collection Centres and Others		25.38	22.55
Advance From Customers		348.16	128.09
Payable to Retrenched Employees (Refer Note 19 (f) on Schedule 20)		0.68	0.68
Investor Education and Protection Fund*			
- Unpaid Dividend		21.20	9.99
Other Liabilities		<u>133.87</u>	<u>295.40</u>
		2,660.65	<u>2,141.42</u>
* To be credited to Investor Education and Protection Fund, when due.			
(B) PROVISIONS			
Proposed Dividend		1,803.99	1,803.08
Gratuity and Leave Encashment (Refer Note 32 on Schedule 20) [Includes Short term employee benefits Rs. 2.69 million (Previous year Rs. 1.39 million)]		77.37	51.86
Other Provisions (Refer Note 36 on Schedule 20)		55.52	53.34
Provision for Fringe Benefit Tax	33.67		33.67
Less : Advance Payment of Tax	<u>32.61</u>		<u>32.61</u>
		1.06	1.06
		<u>1,937.94</u>	<u>1,909.34</u>
TOTAL		4,598.59	<u>4,050.76</u>
SCHEDULE - 13			
MISCELLANEOUS EXPENDITURE			
(Refer Note 16 on Schedule 20)			
Deferred Revenue Expenditure			
a) Voluntary Retirement Scheme:			
Opening Balance:	-		0.89
Less: Written Off during the year	<u>-</u>		<u>0.89</u>
		-	-
TOTAL		<u>-</u>	<u>-</u>



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT (CONSOLIDATED)

	Rs. in million	Year ended 31-12-2011 Rs. in million	Year ended 31-12-2010 Rs. in million
SCHEDULE - 14			
INCOME FROM OPERATIONS			
(Refer Note 10 on Schedule 20)			
Sales of Natural Gas			
Sales of Natural Gas (Gross)	24,216.45		18,421.70
Less : Excise Duty	397.36		285.35
Sales of Natural Gas (Net)		23,819.09	18,136.35
Service and Fitting Income (Net)		170.84	143.72
Gas Transmission Income		165.54	174.39
Lease Income		21.43	24.20
Income from Finance Leases		9.01	14.60
TOTAL		24,185.91	18,493.26
SCHEDULE - 15			
OTHER INCOME			
Income from Investments (Refer Note 10 (f) on Schedule 20)			
Long Term Investments			
Dividend from Trade Investment		4.00	6.14
Current Investments			
Dividend from Mutual Funds		304.23	150.91
Interest on Term Deposits		2.52	0.85
[Gross, Tax deducted at source Rs. 0.25 million (Previous year Rs. 0.08 million)]			
Interest on Others (Customer & Staff Advances) (Refer Note 10 (g) on Schedule 20)		34.13	21.38
[Gross, Tax deducted at source Rs. 0.03 million (Previous year Rs. 0.02 million)]			
Interest on Income Tax Refund		-	0.71
Profit on Sale of Current Investments	51.58		32.45
Less : Loss on Sale of Current Investments	0.21		14.33
		51.37	18.12
Provision / Liabilities no longer required Written Back		108.94	1.01
Foreign Exchange Fluctuations Gain (Net)		0.24	1.48
Miscellaneous Income		59.44	23.39
TOTAL		564.87	223.99
SCHEDULE - 16			
PERSONNEL EXPENSES			
(Refer Note 9 on Schedule 20)			
Salaries, Wages and Bonus (Refer Note 32 (iii) on Schedule 20)		500.35	418.61
Contribution to Provident and Other Funds (Refer Note 32 (i) & (ii) on Schedule 20)		51.51	30.43
Welfare Expenses (Refer Note 31 on Schedule 20)		55.95	49.44
TOTAL		607.81	498.48



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNTS (CONSOLIDATED)

	Rs. in million	Year ended 31-12-2011 Rs. in million	Year ended 31-12-2010 Rs. in million
SCHEDULE -17			
OPERATING AND OTHER EXPENSES			
Stores and Chemicals consumed		31.34	39.95
Power and Fuel		202.24	174.87
Rent		68.91	30.02
Rates and Taxes		6.37	5.44
Repairs :			
- To Buildings	5.16		6.41
- To Plant and Machinery	167.60		147.11
- To Others	108.09		92.30
		280.85	245.82
Insurance		18.78	15.10
Stationery and Printing		7.70	9.05
Advertisement Expenses		14.34	13.88
Communication Expenses		25.16	17.79
Vehicle Hire Charges		69.01	45.81
Travelling Expenses		34.94	25.32
Donation		5.37	2.39
Legal, Professional and Consultancy Expenses		149.82	129.62
Loss on Sale of Fixed assets (Net)		7.04	5.92
Bad debts / Advances written off		2.01	-
Wealth Tax		0.40	0.40
Other Provisions (Refer Note 36 on Schedule 20)		2.18	2.18
Provision for Doubtful Debts		-	2.00
Provision for Diminution in the value of Fixed Assets / Capital Work in Progress		35.21	10.03
Provision / write off for inventory obsolescence		2.49	2.46
Service Charges		120.57	88.51
Agency & Contract Staff Expenses (including security service charges)		52.07	45.22
Miscellaneous Expenses		76.52	61.48
TOTAL		1,213.32	973.26
SCHEDULE -18			
FINANCE CHARGES			
Interest-Others		1.49	4.62
TOTAL		1.49	4.62
SCHEDULE -19			
TAX EXPENSE			
(Refer Notes 14, 34 and 38 on Schedule 20)			
Current Income Tax		1,112.55	1,176.28
Deferred Income Tax		69.91	66.96
TOTAL		1,182.46	1,243.24

SCHEDULE - 20

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Significant Accounting Policies:

1. Accounting Convention:

The Financial Statements have been prepared to comply in all material respects with all applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. Consolidation of Financial Statements:

These financial statements comprise a consolidation of the financial statements of Gujarat Gas Company Limited and its subsidiary undertakings (collectively referred to as 'the Group').

The results of the undertakings acquired / disposed off are consolidated from / to the date when effective control passes to / from the group.

The financial statements have been prepared in accordance with the principles and procedures laid down in the Accounting Standard 21 'Consolidated Financial Statements'.

3. Goodwill:

On the acquisition of an undertaking, the difference between the purchase consideration and the value of the net assets acquired is recognised as Goodwill.

Goodwill which has a limited useful economic life is amortised over a period of five years on a straight line basis from the year of creation.

4. Fixed Assets:

- (a) Fixed Assets including assets given on lease are stated at their original cost including freight, duties, customs and other incidental expenses relating to acquisition or construction.
- (b) Expenditure incurred during the period of construction including all direct and indirect expenses, incidental to construction are carried forward and on completion, the costs are allocated to the respective fixed assets.
- (c) Capital inventory represents items of capital nature lying in the store valued at cost on First In First Out method.
- (d) Capital spares are capitalised with the cost of the plant and machinery and depreciated over the useful life of the asset.
- (e) In respect of assets leased before April 1, 2001, the Group follows the recommendation of the Institute of Chartered Accountants of India contained in the Guidance Note on Accounting for Leases. Accordingly lease rentals accounted as income on finance leases are adjusted by creating lease terminal adjustment account so as to recover the capital cost of the leased asset within the tenure of lease agreements or earlier as ascertained by the management.

5. Depreciation / Amortisation:

- (a) Depreciation on assets including assets given on operating lease is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.
- (b) Depreciation on assets purchased / acquired during the year is charged from the beginning of the month of the purchase of the asset. Similarly depreciation on assets sold/discarded during the year is charged upto the end of the month preceding the month of sale of asset.
- (c) No depreciation is being charged on Right of Use of Land being perpetual in nature.
- (d) Licenses / Softwares are amortized over a period of six years from the date of its availability for use by the Group.
- (e) Depreciation on assets given on finance lease prior to April 1, 2001 is provided over the period of lease.

6. Investments:

Long term investments are valued at cost and any decline in value other than temporary is appropriately provided.

Current investments are stated at lower of cost or fair market value determined category wise. Cost is determined as per weighted average cost formula.

**7. Inventories:**

Stores and Pipes fittings are valued at lower of cost and net realisable value. Cost is determined on First In First Out method.

8. Foreign currency transactions:

Foreign currency transactions are recorded at exchange rates prevailing on the transaction date. At the Balance Sheet date, monetary assets and monetary liabilities denominated in foreign currency are translated at the applicable exchange rates prevailing on the Balance Sheet date and the resultant exchange difference, if any, is recognized in the Profit & Loss Account. Exchange differences, if any, arising on settlement of transactions are recognized as income or expense in the year in which they arise.

9. Employee Benefits:**(a) Post-employment benefit plans**

- i. Defined Contribution Plan - Contributions to provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.
- ii. Defined Benefit Plan-The liability in respect of gratuity and leave encashment is determined using Projected Unit Credit Method with actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur.

Contributions in respect of gratuity are made to the approved Gratuity Fund of the Group. The gratuity obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of gratuity fund.

(b) Short term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the services.

(c) Employee Stock Option Plan

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

10. Revenue Recognition:

- (a) Revenue on sale of natural gas is recognised on transfer of title to customers at delivery point. Sales are billed bi-monthly for domestic customers, monthly for commercial and non-commercial customers and fortnightly for industrial customers. Spot sales of gas to industrial customers are billed as per the terms mutually agreed between the parties. Revenue on sale of Compressed Natural Gas (CNG) is recognised on sale of gas to customers from retail outlets.
- (b) Gas transmission income is recognised in the same period in which the related volumes of gas are delivered to the customers.
- (c) Commitment income from customers for gas sales and gas transmission is recognized on establishment of certainty of receipt of consideration.
- (d) Asset given on lease on or after April 1, 2001:
 - i. Income from Finance Leases
In accordance with the provisions of Accounting Standard 19 on Leases, the aggregate of minimum lease payments less unearned finance income is recognized as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance income is recognized over the term of the lease using net investment method, which reflects a constant periodic rate of return.
 - ii. Income from Operating Leases
Lease Income from Operating Leases has been recognised in the Profit & Loss Account on a straight line basis over the lease term, as required by AS-19 on Leases.
 - iii. Initial direct costs incurred for negotiating and arranging lease agreements are recognised immediately in the Profit and Loss Account.
- (e) The difference between the amounts charged from customers for gas connections and actual consumption of material and labour charges is disclosed as Service and Fitting Income (Net) under Income from Operations.



- (f) Dividend income is recognised when the right to receive dividend is established.
- (g) Delayed payment charges are recognized on the basis of certainty of collection.

11. Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of a qualifying asset is capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

12. Operating Leases:

Lease rentals are recognised as an expense on straight line basis over the term of the lease.

13. Earning Per Share (EPS):

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

14. Taxation:

Tax expense for the year, comprising current tax, deferred tax is included in determining the net profit for the year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at current or substantively enacted tax rates.

Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

15. Impairment of Assets:

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' net selling price and its value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

16. Miscellaneous Expenditure:

Expenditure on Voluntary Retirement Scheme (VRS) of employees has been amortised in equal installments from the year in which the same was incurred till periods ended December 31, 2010 in accordance with the transitional provision of Accounting Standard-15 on Employee Benefits.

17. Provision and Contingencies:

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

18. Segment Reporting:

The accounting policies applicable to the reportable segments are the same as those used in the preparation of the consolidated financial statements as set out above.

Segment revenue and expenses include amounts which can be directly identifiable to the segment or allocable on a reasonable basis.

Segment assets and liabilities include all operating assets and liabilities related to the respective segment.

Inter segment transfers are accounted for at cost plus a reasonable mark-up.

NOTES TO ACCOUNTS:**19. Contingent Liabilities:**

- (a) Claims against the group not acknowledged as debts Rs. 14.51 million (Previous year Rs. 13.57 million).
- (b) Claims of Rs. 29.98 million (Previous year Rs. 27.92 million) against the Group have been disputed by the Group. The Group is, however, indemnified by an insurance policy.
- (c) Income tax exposures of Rs. 278.70 million (Previous year Rs. 226.95 million).

**In respect of holding company, Gujarat Gas Company Limited:**

- (i) Includes income tax demand (and interest thereon) of Rs. 38.09 million (Previous year Rs. 38.09 million) relating to Assessment Year 1999-2000 due to disallowance of interest on debentures issued for the Hazira Ankleshwar pipeline and incurred during its construction, claimed as revenue expenditure. The amount of Rs. 38.09 million (Previous year Rs. 38.09 million) has been paid under protest.

Similar disallowances for A.Y. 1998-99 and A.Y. 2000-01 have been decided by the ITAT in favour of the Company. The appeal for A.Y. 1999-2000 is pending with the ITAT.

- (ii) Includes income tax demand (and interest thereon) for Rs. 16.32 million (Previous year Rs. 11.68 million) for disallowances under Section 14A on account of expenditure incurred for earning exempt income for A.Y. 2004-05, A.Y. 2005-06, A.Y. 2006-07, A.Y. 2007-08 and A.Y. 2008-09. The total amount paid by the Company / adjusted by tax authorities on account of above demand aggregates to Rs. 13.08 million (Previous Year Rs. 7.99 million). The appeal for A.Y. 2005-06, A.Y. 2006-07 and A.Y. 2007-08 has been partially decided in Company's favour by CIT(A) by deleting disallowance as per Rule 8D. Now appeal is pending with ITAT for A.Y. 2004-05, A.Y. 2005-06, A.Y. 2006-07, and A.Y. 2007-08.

For A.Y. 2000-01 the ITAT has disallowed the similar expenses under Section 14A and has instructed the Assessing Officer to re-examine the tax levy as per Rule 8D of the Income Tax Rules, 1962 and hence the amount cannot be quantified at this stage. The Company has preferred an appeal with the High Court against the above order of the ITAT. The ITAT has restored back the similar disallowance for A.Y. 2001-02 to CIT(A) for deciding the matter afresh after considering various judicial pronouncements on this matter. Currently there is no outstanding demand payable for this matter.

- (iii) Includes income tax demand (and interest thereon) for Rs. 12.88 million (Previous year Rs. 12.42 million) for certain disallowances for A.Y. 2000-01, A.Y. 2003-04 to A.Y. 2006-07 and A.Y. 2008-09. The demand is towards disallowances on account of bad debts written off, inventory written off, deposits written off and treatment of cenvat credit balance as income. The total amount paid by the Company / adjusted by tax authorities on account of above demand aggregates to Rs. 12.53 million (Previous year Rs. 8.67 million). The appeal for A.Y. 2008-09, is pending with CIT(A) and for A.Y. 2003-04, A.Y. 2004-05, A.Y. 2005-06 and A.Y. 2006-07 with ITAT.
- (iv) Includes income tax demand for Rs. 6.07 million (Previous Year Nil) for additional tax and interest thereon levied for non deduction of tax on expenditure towards Annual Maintenance Contracts for the A.Y. 2008-09, A.Y. 2009-10 and A.Y. 2010-11. The total amount paid by the Company / adjusted by tax authorities on account of above demand aggregates to Rs. 6.07 million (Previous year Nil). The appeals for above 3 years have been decided by the CIT(A) in Company's favour. Department may prefer an appeal with the ITAT.
- (v) Includes demand of Rs. 6.13 million (Previous Year Nil) towards penalty levied for the A.Y. 1992-93. This matter was decided by the ITAT in favour of the Company. The demand, which was deposited by the Company, has been refunded pursuant to ITAT order. Income tax authorities have preferred an appeal in the High Court against the order by the ITAT. The matter is pending with the High Court. Currently there is no outstanding demand payable for this matter.

In respect of subsidiary company, Gujarat Gas Financial Services Limited:

- i. Includes income tax demand of Rs. 17.49 million (Previous Year Rs. 17.49 million) including interest on tax, relating to A.Y. 1996-97 to A.Y. 2000-01 due to disallowance of depreciation claimed on leased assets. The total amount paid by the Company / adjusted by tax authorities towards above demand aggregates to Rs. 12.56 million (Previous year Rs. 12.56 million). The appeals for all the above years are pending with the ITAT.

The Assessing Officer has also levied a penalty under section 271(1)(c) for A.Y. 1996-97, amounting Rs. 6.77 million (Previous Year Rs. 6.77 million). The total amount paid by the Company / adjusted by tax authorities towards above demand aggregates to Rs. 4.14 million (Previous year Rs. 4.14 million). The appeal against this is pending with the ITAT.

- ii. Includes income tax demand of Rs. 5.46 million (Previous Year Rs. 5.46 million) for the A.Y. 1996-97 on account of disallowance of loss on sale of securities as business loss. The total amount paid by the Company / adjusted by tax authorities towards above demand aggregates to Rs. 5.46 million (Previous year Rs. 5.46 million). The Company preferred an appeal against the above demand and CIT(A) has quashed the demand. However, the Income Tax Department has filed an appeal against the above order with the ITAT.
- iii. Includes income tax demand of Rs. 14.42 million (Previous Year Rs. 14.42 million) for the A.Y. 2001-02 on account of disallowance of claim for bad debts. The Company has paid an amount of Rs. 7.60 million (Previous Year Rs. 7.60 million) out of the above demand. Recently the Tribunal has ruled partly in favour of the Company by allowing bad debts towards bill discounting transactions. An appeal has been preferred with the High Court against the Tribunal order. Recently the High Court has restored back the matter to the ITAT and matter is pending with the Tribunal.



Further the Assessing Officer has levied a penalty under Section 271(1)(c) of the Income Tax Act 1961, amounting Rs. 10.01 million (Previous year Rs. 10.01 million). The Company preferred an appeal against the above demand and the ITAT has decided the matter in favour of the Company. Currently there is no outstanding demand payable for this matter.

- iv. Includes income tax demand of Rs. 14.81 million (Previous Year Rs. 14.81 million) for the A.Y. 2002-03 on account of disallowance of claim for bad debts and professional expenses. The total amount paid by the Company / adjusted by tax authorities towards above demand aggregates to Rs. 8.83 million (Previous year Rs. 8.83 million). Recently the Tribunal has ruled partly in favour of the Company by allowing bad debts towards bill discounting transactions. An appeal has been preferred with the High Court against the Tribunal order. Recently the High Court has restored back the matter to the ITAT and matter is pending with the ITAT.
- v. Includes income tax demand of Rs. 2.86 million (Previous year Rs. 2.86 million) for the A.Y. 2003-04 on account of disallowance of claim for bad debts. Recently the Tribunal has ruled in favour of the Company and has allowed claim of bad debts. Department may prefer an appeal against the Tribunal's order. The total amount paid by the Company/ adjusted by tax authorities towards above demand aggregates to Rs. 2.86 million (Previous year Rs. 2.86 million).
- vi. Includes income tax demand of Rs. 0.23 million (Previous year Rs. 0.23 million) for A.Y. 2004-05 on account of disallowance of claim for bad debts. The appeal for A.Y 2004-05 is pending with the ITAT. The total amount paid by the Company / adjusted by tax authorities towards above demand aggregates to Rs. 0.23 million (Previous year Rs. 0.23 million).
- vii. Includes income tax demand of Rs. 20.14 million (Previous year Rs. 20.14 million) for the A.Y. 2006-07 on account of disallowance of service charges paid to GGCL and inventory written off during the year. The total amount paid by the Company / adjusted by tax authorities towards above demand aggregates to Rs. 18.28 million (Previous year Rs. 18.28 million) The CIT (A) has decided the appeal partly in our favour by allowing the service charges as deductible business expenditure. The appeal is pending with the ITAT.
- viii. Includes income tax demand of Rs. 25.35 million (Previous year Rs. 25.35 million) for the A.Y. 2007-08 on account of disallowance of service charges paid to GGCL. The total amount paid by Company / adjusted by tax authorities towards above demand aggregates to Rs. 18.96 million (Previous year Rs. 18.96 million). The CIT (A) has decided the appeal in the Company's favour by allowing the service charges as deductible business expenditure. The Department may prefer an appeal with the ITAT.
Includes income tax demand of Rs. 34.77 million (Previous year Rs. 34.77 million) for the assessment year 2008-09 on account of disallowance of service charges paid to GGCL. The total amount paid by Company / adjusted by tax authorities towards above demand aggregates to Rs. 0.14 million (Previous year NIL). The CIT(A) has decided the appeal in our favour by allowing the service charges as deductible business expenditure. The Department may prefer an appeal with the ITAT.
- ix. Includes income tax demand of Rs. 29.12 million (Previous year NIL) for the A.Y. 2009-10 on account of disallowance of service charges paid to GGCL. The total amount paid by the Company / adjusted by tax authorities towards above demand aggregates to Rs. 3.29 million (Previous year NIL). The Company has preferred an appeal with CIT(A) against the said order.

In respect of subsidiary company, GujaratGas Trading Company Limited:

- i. Income tax demand of Rs. 17.88 million (Previous Year Rs. 12.45 million) for the A.Y. 2008-09 and A.Y. 2009-10 on account of disallowance of commission paid to BG Energy Holdings Limited, disallowance of expenditure u/s 14A as per Rule 8D of the Income tax Rules 1962 and treatment of VAT refund as taxable income. The total amount paid by the Company / adjusted by tax authorities towards above demand aggregates to Rs. 6.01 million (Previous year NIL). The Company has preferred an appeal before the CIT (A) against the said order.
- (d) Interest tax exposures of Rs. 4.15 million (Previous Year Rs. 4.15 million). The interest tax authorities in the assessment contended that the activities of the Company are chargeable to interest tax and raised a total demand of Rs. 56.40 million for the A.Y. 1995-96 to A.Y. 2000-01. The Company had filed an appeal against the above demands and CIT (A) ruled in favour of the Company for the Assessment Years 1995-96, 1996-97, 1997-98, 1998-99 and 2000-01 and quashed the demands for these years aggregating to Rs. 50.27 million. However for A.Y. 1999-2000, CIT(A) ruled against the Company and raised a demand of Rs. 4.15 million. The Company has paid an amount of Rs. 1.25 million (Previous Year Rs.1.25 million) out of the above demand. ITAT had ruled partly against the Company and had asked the Assessing Officer to re-examine the levy. The Company had preferred an appeal before the High Court against the ITAT order. Recently the High Court has restored back the matter to the ITAT and matter is pending with the ITAT.
- Further, the Assessing Officer has levied a penalty in A.Y. 1999-2000 under section 13 of the Interest Tax Act 1974, amounting Rs. 1.98 million (Previous Year Rs. 1.98 million). The Company preferred an appeal against the above demand and CIT(A) ruled in favour of the Company and quashed the penalty demand. The appeal is pending with the ITAT. Currently there is no outstanding demand payable for this matter.



- (e) Service tax related demand of Rs. 6.80 million (Previous year Nil) on account of disallowance of cenvat credit availed on transportation of natural gas through pipeline for the period from July 2005 to June 2009 issued by Ankleshwar service tax department. The Group has filed an appeal with CESTAT against the said order. The Group has received two more show cause notices issued by Surat service tax department on similar grounds for a total amount of Rs. 108.64 million for the period from June 2005 to September 2010, which may also result in levy of demand on the Group in future.
- (f) The Group had retrenched 8 employees in the year 2002 under the provisions of The Industrial Disputes Act, 1949. The employees had filed an appeal against the above retrenchment in a labour court. The Group had reached a settlement with two of the above employees and had provided for Rs. 0.68 million (Previous Year Rs. 0.68 million), being the compensation payable to the remaining employees under The Industrial Disputes Act, 1949. Any additional amount due to the employees will be determined based on decision by the labour court and hence amount payable ultimately cannot be ascertained at this stage.
20. Estimated amount of contracts net of advances remaining to be executed on capital account and not provided for Rs. 442.17 million (Previous year Rs. 285.86 million).
21. The Group has received income tax demand amounting to Rs. 79.21 million (Previous Year Rs. 123.41 million), including interest thereon, due to disallowance of depreciation claimed on assets given on lease for several years. The Group's claim of depreciation on leased asset has been allowed by the High Court for A.Y. 1995-96. During the year, the Department's special leave petition with the Supreme Court against the High Court's order has also been dismissed. Considering that this will have a positive consequential effect on all the subsequent years, demands for tax and interest thereon for the same matter has not been considered as contingent liability in current year.

22. Material consumed includes:

- (a) Rs. 25.09 million (Previous year Rs. 30.25 million) inclusive of VAT towards internal consumption of gas.
- (b) Loss of Rs. 47.61 million (Previous year Gain of Rs. 19.47 million) as foreign exchange fluctuations.

23. Obligations on Operating Leases:

The Group has taken premises for business and residential use for its employees under cancellable operating lease agreements. The total lease rentals recognised as an expense during the year under the above lease agreements aggregates to Rs. 12.17 million (Previous year Rs. 12.39 million). The lease agreement typically ranges from 1 to 9 years.

24. The Group had constructed a civil structure aggregating to Rs. 19.04 million (Previous year Rs. 19.04 million) on land which is not yet owned by the Group. The management is confident of obtaining the requisite approvals of the Government Authorities for transfer of ownership of land.
25. The undertakings which have been consolidated in these financial statements are as follows:

Name of the Undertaking	Relationship	Country of Incorporation	Proportionate beneficial ownership interest/ voting power
Gujarat Gas Financial Services Limited	Subsidiary	India	69.88%
Gujaratgas Trading Company Limited	Subsidiary	India	100%

26. Minority Interest:

Minority Interest represents the interest of minority shareholders with an aggregate shareholding of 30.12% in the subsidiary company Gujarat Gas Financial Services Limited. Reconciliation of Minority Interest is given below:

	Year ended December 31, 2011 (Rs. in million)	Year ended December 31, 2010 (Rs. in million)
Opening balance	63.00	51.72
Add: Share in Current Year Profit	13.48	12.69
Less: Share in Proposed Dividend and Corporate Dividend Tax	2.08	1.41
Closing Balance	74.40	63.00

**27. Earnings per share:**

	Year ended December 31, 2011 (Rs. in million)	Year ended December 31, 2010 (Rs. in million)
Net Profit after tax attributable to the Group (Rs. in million)	2,734.77	2,577.46
Less: Preference Dividend and Corporate Dividend Tax on Preference Dividend (Rs. in million)	12.55	12.55
Net Profit attributable to Equity Shareholders (Rs. in million)	2,722.22	2,564.91
Weighted average number of equity shares outstanding during the year (No. in million)	128.25	128.25
Basic earnings per share of Rs 2/- each (in Rs.)	21.23	20.00

The Group does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earning per share of the Group remain the same.

28. Accounting for Joint Venture:

The Group's joint venture "Petroleum Infrastructure Limited" (incorporated in India with 50% stake being held by the Group) is under liquidation. Therefore, the Group's interest in the joint venture has been accounted for in accordance with Accounting Standard 13 "Accounting for Investments" and has not been disclosed as per Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures". Thus, the investment has been written down to the realizable value.

In case of another joint venture, Sensus Metering Systems India Limited (incorporated in India with 49% stake being held by the Group), the assets of the joint venture have been liquidated and all liabilities have been paid off. The resultant proceeds of joint venture have been distributed to the Group, during the financial year ended on December 31, 2010, which was higher than the carrying value of investment (net of provision made in earlier years for diminution in the value of the investment). Further, it has been dissolved with effect from 20th January 2012 as per the order of the Honourable High Court of Judicature at Bombay, Mumbai.

29. The Group is procuring natural gas from one of the suppliers on the basis of a Term Sheet agreed with the supplier effective April 1, 2008. Under the terms of the agreement with the supplier, the Term Sheet shall be superseded by a Gas Sales and Transmission Contract (GSTC) as and when the same is finalised. The GSTC would be effective from April 1, 2008. Pending the finalisation of the GSTC, the gas procurement cost is being recorded in the books of account on the basis of the terms provided in the Term Sheet.

30. Segmental Reporting:

The Group is primarily in the business of distribution of Natural gas through pipelines from sources of supply to centers of demand and to the end customers. The Group also builds pipelines required to make the gas available to the end customer. The other activity of the group comprises leasing of natural gas fired Cogeneration units, the income from which is not material in financial terms.

Further, the Group is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard on Segment Reporting (AS-17) are not relevant to the Group.

31. Employee Stock Option Plan 2008:

The Group implemented an Employee Stock Option Plan 2008 ('ESOP 2008') which provides for the allotment of equity shares of Rs. 2/- each to eligible employees of the Group. The Scheme is administered by an ESOP Trust (Gujarat Gas Company Limited Employee Stock Option Welfare Trust) which purchases, out of the funds advanced by the Group, the shares equivalent to the number of options granted, for allotment to the grantees. IDBI Trusteeship Services Limited has been entrusted with the trusteeship of the said trust. The trustees can purchase or sell the shares from the market as per the approved scheme.

Pursuant to the above scheme, the Group has granted options, as mentioned here below, convertible into equity shares of Rs. 2/- each to employees of the Group. The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options was approved. The Scheme provides for graded vesting of options granted, over a period of 4 years from the date of grant.



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

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

Details of movement under the Stock option plan for the year ended December 31, 2011 is as follows :

	Year ended December 31, 2011		Year ended December 31, 2010	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)
Options outstanding at the beginning of the year	1,786,000	142	1,663,000	99
Add : Options granted during the year	84,000	337	403,000	285
Less : Options forfeited during the year	107,000	213	-	-
Less : Options expired during the year	-	-	-	-
Less : Options exercised during the year	434,250	99	280,000	95
Options outstanding at end of the year	1,328,750	162	1,786,000	142

Note:

The employee share based payment plans have been accounted based on the fair value method of accounting using the Black-Scholes Option Pricing Formula. The weighted average fair value of options granted on 28 April 2011 is Rs. 120.38 per option. The weighted average remaining contractual life of options outstanding as on December 31, 2011 is 2.80 years (Previous year 3.46 years).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by the Securities Exchange Board of India, an amount of Rs. 25.55 million (Previous year Rs. 25.91 million) has been recognised as an expense in Staff Welfare Expenses (Schedule 15) and corresponding liability has been disclosed as Stock Options Outstanding Account (Schedule 2). The balance of Rs. 48.51 million (Previous year Rs. 37.96 million) in Stock Options Outstanding Account (Schedule 2) represents the amortised cost of stock options outstanding. As at December 31, 2011, the Group has made a partial advance of Rs. 302.43 million (Previous year Rs. 343.02 million) on an estimated basis to the Trust for the purchase of shares equivalent to the number of options granted which is utilised for the purpose.

During the year, the Group has adjusted loss of Rs. 12.45 million (Previous year Gain of Rs. 1.91 million) to General Reserve as the difference between the cost incurred by the ESOP Trust for the purchase of shares and the exercise price of those shares which have been exercised by the employees during the current year, in accordance with Guidance Note on accounting for Employee Share Based Payment, issued by the ICAI.

**32. Disclosures as per AS - 15 (Revised) 'Employee Benefits' for year ended December 31, 2011:**

(i) Disclosures for Defined Contribution Plans		(Rs. in million)
	Year ended December 31, 2011	Year ended December 31, 2010
Employer's contribution to Provident Fund	25.85	20.85
(ii) Disclosures for Defined Benefit Plans - Gratuity (Funded)		(Rs. in million)
	Year ended December 31, 2011	Year ended December 31, 2010
Change in the defined benefit obligations		
Defined benefit obligation as at beginning of the year	80.02	65.50
Service cost	8.42	6.93
Interest cost	6.91	5.51
Actuarial loss / (gain)	8.16	2.72
Benefits paid	(0.97)	(0.64)
Defined benefit obligation as at year end	102.54	80.02
Change in plan assets		
Fair value of plan assets as at beginning of the year	69.79	55.13
Expected return on plan assets	6.66	5.62
Contributions by employer	11.58	9.72
Actuarial (loss) / gain	(8.83)	(0.04)
Benefits paid	(0.97)	(0.64)
Fair value of plan assets as at year end	78.23	69.79
Present value of unfunded obligations	24.31	10.23
The Net amount recognized in the statement of Profit & Loss is as follows		
Current Service cost	8.42	6.93
Interest cost	6.91	5.51
Expected return on plan assets	(6.66)	(5.62)
Net actuarial loss / (gain) recognised	16.99	2.76
Net amount recognised	25.66	9.58
Actual return on Plan Assets	(2.17)	5.58
The major categories of plan assets as a percentage of total plan assets as at year end are as follows:		
Insurer Managed Funds	100%	100%
The principal actuarial assumptions used are as follows		
Discount Rate	8.65%	8.40%
Expected rate of return on Plan Assets	9.00%	9.00%
Rate of increase in Compensation Levels (Refer Note below)	7.00%	7.00%

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



(iii) Disclosures for Defined Benefit Plans - Leave Encashment (Unfunded)	(Rs. in million)	
	Year ended December 31, 2011	Year ended December 31, 2010
Change in the defined benefit obligations		
Defined benefit obligation as at beginning of the year	40.24	32.96
Service cost	3.60	3.71
Interest cost	3.48	2.77
Actuarial loss/(gain)	3.88	1.46
Benefits paid	(0.83)	(0.66)
Defined benefit obligation as at year end	50.37	40.24
The Net amount recognized in the statement of Profit & Loss is as follows		
Current Service cost	3.60	3.71
Interest cost	3.48	2.77
Net actuarial loss/(gain) recognised	3.88	1.46
Net amount recognised	10.96	7.94
The principal actuarial assumptions used are as follows		
Discount Rate	8.65%	8.40%
Rate of increase in Compensation Levels (Refer Note below)	7.00%	7.00%

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

(iv) Additional Disclosures as per AS-15

Change in the defined benefit obligations - Gratuity (Funded)

(Rs. in million)

	Year ended 31-12-2011	Year ended 31-12-2010	Year ended 31-12-2009	Year ended 31-12-2008	Year ended 31-12-2007
Present Value of defined benefit obligation as at beginning of the year	80.02	65.50	52.87	38.54	35.45
Current Service cost	8.42	6.93	5.92	5.33	4.11
Interest Cost	6.91	5.51	4.36	2.89	2.89
Actuarial (Gains) / Loss	8.16	2.72	3.50	8.14	(0.51)
Benefits Paid	(0.97)	(0.64)	(1.15)	(2.03)	(3.40)
Present Value of defined benefit obligation as at end of the year	102.54	80.02	65.50	52.87	38.54

Change in plan assets - Gratuity (Funded)

(Rs. in million)

	Year ended 31-12-2011	Year ended 31-12-2010	Year ended 31-12-2009	Year ended 31-12-2008	Year ended 31-12-2007
Fair value of plan assets as at beginning of the year	69.79	55.13	37.29	32.65	24.21
Expected return on plan assets	6.66	5.62	4.16	3.32	2.70
Contributions by employer	11.58	9.72	10.53	8.96	6.80
Actuarial (Loss) / Gain	(8.83)	(0.04)	4.30	(5.60)	2.04
Benefits paid	(0.97)	(0.64)	(1.15)	(2.04)	(3.10)
Fair value of plan assets as at year end	78.23	69.79	55.13	37.29	32.65
Present value of unfunded obligations	24.31	10.23	10.37	15.58	5.89

**Change in the defined benefit obligations - Leave Encashment (Unfunded)****(Rs. in million)**

	Year ended 31-12-2011	Year ended 31-12-2010	Year ended 31-12-2009	Year ended 31-12-2008	Year ended 31-12-2007
Present Value of defined benefit obligation as at beginning of the year	40.24	32.96	27.27	22.66	17.39
Current Service cost	3.60	3.71	2.27	2.05	4.87
Interest Cost	3.48	2.77	2.25	1.70	1.42
Actuarial (Gains) / Loss	3.88	1.46	2.11	2.43	1.62
Benefits Paid	(0.83)	(0.66)	(0.94)	(1.57)	(2.64)
Present Value of defined benefit obligation as at end of the year	50.37	40.24	32.96	27.27	22.66

- (v) Contributions expected to be paid to the Gratuity plan during the year ending December 31, 2012 can not be ascertained at this stage.

**33. Related Party Transactions :**

The Group is controlled by BG Asia Pacific Holdings Pte. Limited which owns 65.12% of the Gujarat Gas Company Limited's shares. The ultimate parent of the group is BG Group plc.

The following related party transactions were carried out during the year in the ordinary course of business:

(Rs. in million)				
Name of the Related Party	Nature of Relationship	Nature of Transaction	Year ended December 31, 2011	Year ended December 31, 2010
BG International Limited	Under common control	Expense :		
		Reimbursement of salary for seconded personnel (Paid) (including Tax Deducted at Source)	9.08	14.63
		Reimbursement of Software License charges	7.30	6.62
		Income :		
		Service charges for secondment of employees	7.70	-
		Reimbursement of Expenses (Received)	1.54	-
		Amount payable at the year end	133.75	128.55
BG Asia Pacific Holdings Pte. Limited	Holding company	Dividend paid		
		- Equity	1,837.26	668.09
		- Preference	10.80	10.80
		Share Capital held		
		- Equity	167.03	167.03
		- Preference	144.00	144.00
Sensus Metering Systems India Limited	Joint Venture	Provision no logner required written back	-	0.86
BG Energy Holdings Limited	Under common control	Commission on purchases*	3.76	6.06
		Commission on corporate guarantee given to supplier* *Included in gas purchases	1.22	2.34
		Amount payable at the year end	3.69	16.13
Petroleum Infrastructure Limited	Joint Venture	Bad debts recovered	-	0.50
		Investment at year end	75.00	75.00
		Provision for diminution in value of investment	75.00	75.00
Mahanagar Gas Limited	Under common control	Sale of material	5.04	-
BG India Energy Solutions Private Limited	Under common control	Purchase of Natural Gas (Net of VAT)	10,819.00	4,399.18
		Amount payable at the year end	772.90	410.95



(Rs. in million)

Name of the Related Party	Nature of Relationship	Nature of Transaction	Year ended December 31, 2011	Year ended December 31, 2010
BG Exploration and Production India Limited	Under common control	Income:		
		Service charges for secondment of employees	14.67	10.50
		Reimbursement of Expenses (Received)	2.46	3.57
		Expenses:		
		Legal and Professional	82.35	61.70
		Reimbursement of Expenses (Paid)	8.59	7.46
		Amount payable at the year end	64.51	55.41
Shaleen Sharma	Key Management Personnel	Remuneration as Managing Director	17.00	17.03
Nirja Sharma	Relative of Key Management Personnel	Lease Rent paid	-	0.09
Gujarat Gas Company Limited Employee Stock Option Welfare Trust	Enterprise controlled by the Company	Advance paid for purchase of shares (Net)	-	107.34
		Amount received for options exercised [Excluding adjustment of Rs. 27.45 million (Previous year Rs. 7.32 million) on account of exercise of option during the year]	13.15	-
		Amount Receivable at the year end	302.42	343.02
Gujarat Gas Company Limited Employees Gratuity Trust Fund	Enterprise controlled by the Company	Contribution paid	11.58	9.72

Note:

The above do not include BG North Sea Holdings Limited and BG Energy Holdings Limited, who are holding company of BG Asia Pacific Holdings Pte. Limited but with whom no transaction have occurred during the year.



	Year ended December 31, 2011 (Rs. in million)	Year ended December 31, 2010 (Rs. in million)
34. Deferred Tax :		
(A) The movement in deferred tax account is as follows:		
Opening Balance	669.08	560.26
Provision for current year deferred tax liability (Net)	69.91	66.96
Adjustment for prior year (with provision for taxation)	-	41.86
Closing Balance	<u>738.99</u>	<u>669.08</u>
(B) Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws. The following amounts are shown in the balance sheet:		
Deferred Tax Liabilities	824.50	773.53
Deferred Tax Assets	<u>(85.51)</u>	<u>(104.45)</u>
	<u>738.99</u>	<u>669.08</u>
(C) Break up of deferred tax assets/liabilities:		
Deferred Tax Liabilities:		
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	824.50	773.53
TOTAL (A)	<u>824.50</u>	<u>773.53</u>
Deferred Tax Assets:		
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:		
Provision for doubtful debts	7.13	7.72
Provision for diminution in the value of Fixed assets / Capital Work in Progress	11.42	44.65
Expenditure under Section 43B of the Income Tax Act	66.96	52.08
TOTAL (B)	<u>85.51</u>	<u>104.45</u>
Net Deferred Tax Liability	<u>TOTAL (A-B)</u>	<u>669.08</u>
	<u>738.99</u>	<u>669.08</u>

GUJARAT GAS COMPANY LIMITED (CONSOLIDATED)

35. Assets given on lease:

Leasing operations of the Group mainly involves leasing of gas based generator sets under Operating and Finance lease arrangements.

i) Assets given on finance lease :

Under finance lease arrangements, the lease agreements have been entered for a fixed period of 6 years, at the end of which the ownership of assets will be transferred to the lessee on payment of consideration specified in the Lease Agreements.

	Year ended December 31, 2011			Year ended December 31, 2010			(Rs. in million)
	Gross Investment in the lease	Unearned Finance Income	Taxes	Gross Investment in the lease	Unearned Finance Income	Taxes	
Total	39.35	4.27	1.06	92.08	16.26	2.85	
Out of the above, receivable:							Present Value of Minimum Lease Payments receivable
Not Later than 1 year	29.59	-	-	42.64	-	-	30.67
Later than 1 year and not later than 5 years	9.76	-	-	49.44	-	-	42.30
Later than 5 years	-	-	-	-	-	-	-

ii) Asset given on operating lease :

The ownership of the gas based generators sets remains with the Group throughout the life of these generators. The lease agreement typically ranges from 6 to 12 years, which are cancellable.



	Year ended December 31, 2011 Rs. in million	Year ended December 31, 2010 Rs. in million
36. Pursuant to AS 29, the disclosure relating to Provisions are given below:		
Opening Balance	53.34	51.16
Additions during the Year	<u>2.18</u>	<u>2.18</u>
Closing Balance	<u>55.52</u>	<u>53.34</u>

The provision relates to estimated outflow of cash expected to be paid in relation to sale of gas pipelines.

Due to its very nature it is not possible to estimate the timing of resulting cash flows.

37. Managerial Remuneration

i) Managing Director		
- Salary and Bonus	11.71	13.67
- Allowances	0.63	1.16
- Perquisites	0.91	0.94
- Contribution to P.F. and other funds	<u>3.75</u>	<u>1.26</u>
	17.00	17.03
ii) Commission to Non Whole Time Directors	3.10	3.10
iii) Directors' Sitting Fees	1.02	0.96

38. The provision for income tax has been calculated based on income earned during the year ended December 31, 2011 in accordance with Guidance Note on measurement of Income Tax expense for Interim Financial Reporting. However, the tax year end of the Companies being March 31, 2012 the ultimate liability for the Assessment Year 2012-13 will be determined based on the total income of the Companies for the year ending March 31, 2012. The provision for wealth tax has been made based on the net wealth as on December 31, 2011. However the ultimate liability for the Assessment Year 2012-13 will be determined based on the net wealth as on March 31, 2012.

39. Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

Particulars	(Rs. in million)	
	Year ended December 31, 2011	Year ended December 31, 2010
The principal amount remaining unpaid as at the end of accounting year [Including Interest due thereon - Rs. 0.11 million (Previous year - Rs. 0.08 million)]	16.31	14.11
Interest paid by the company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid at the end of accounting year*	0.11	0.08
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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



- 40.** The Group has made an investment of Rs. 254.90 million (Previous Year Rs. 254.90 million) for setting up a City Gas Distribution (CGD) network in Valsad and Navsari district, Union Territories of Silvassa and Daman which has not yet commenced operations. The Company has been exploring options of utilising this investment. The Board of Directors, in this regard, has now approved the sale of these assets. The management is of the opinion that there is more than reasonable certainty of monetising these assets in the near future through an outright sale. Hence, the impairment provision of Rs. 105.04 million (Previous Year Rs. 105.04 million) lying in the books of accounts against these assets, has been reversed and the investment is now being held for disposal.
- 41.** One of the subsidiary company Gujarat Gas Financial Services Limited (GFSL) had applied for de-registration as a Non Banking Financing Company (NBFC) with the Reserve Bank of India (RBI), vide application dated June 8, 2010. GFSL has ceased the leasing and financing activities since the year 2007. RBI approved the de-registration vide order dated April 28, 2011.
- Since GFSL was registered as NBFC, GFSL had been following the prudential norms and other requirements (including transfer of 20% of PAT to a special reserve as per section 45IC of the Reserve Bank of India Act, 1934) till the time of de-registration. Considering that the provisions of NBFC are no longer applicable to GFSL, the amount set aside as Special Reserve has been transferred to General Reserve.
- 42.** Deposits from customers have been considered as a source of long term funds since the same are refundable only on termination/modification of the gas sale agreement.
- 43.** In view of the general clarification issued by the Institute of Chartered Accountants of India on Accounting Standard 21 "Consolidated Financial Statements", the consolidated financial statements do not include notes such as quantitative information, forex earnings/expense etc. which are not necessary to present true and fair view of the financial statements.
- 44.** Previous year figures have been reclassified/regrouped wherever considered necessary to conform to the current year figures.

For Price Waterhouse
Firm Registration Number – 301112E
Chartered Accountants

V. Nijhawan
Partner
Membership No. F87228

Place : Gurgaon
Date : February 23, 2012

For and on behalf of the Board

Hasmukh Shah Chairman	Shaleen Sharma Managing Director
Jal Patel Director	Sugata Sircar Finance Director
	Rajeshwari Sharma Company Secretary

Place : Ahmedabad
Date : February 23, 2012

Auditors' Report To the Members of Gujarat Gas Company Limited

1. We have audited the attached Balance Sheet of Gujarat Gas Company Limited (the "Company") as at December 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - e) On the basis of written representations received from the directors, as on December 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (ii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse
Firm Registration No. – 301112E
Chartered Accountants

V. Nijhawan
Partner
Membership Number: F87228

Place : Gurgaon
Date : February 23, 2012



Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Gujarat Gas Company Limited on the financial statements for the year ended December 31, 2011]

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- b) The fixed assets (excluding assets given on leases) are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- ii) a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government of India, under clause (d) of sub-section (1) of Section 209 of the Act, has prescribed the maintenance of cost records. The company is in the process of preparing the cost records and accounts for the year.
- ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of taxes as at December 31, 2011 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of Dues	Amount (Rs. in million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and interest thereon	3.96	Assessment Year 2008-09	CIT (Appeals)
Finance Act, 1994	Service Tax	6.80	2005-2009	CESTAT
Central Excise Act, 1944	Excise Duty	0.63	October 2006	Commissioner (Appeals)



There are no dues of sales tax, wealth tax, customs duty and value added tax which have not been deposited on account of dispute.

- x) The Company has no accumulated losses as at December 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
- xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi) The Company has not obtained any term loans.
- xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The Company has not issued any debentures during the year and there are no debentures outstanding as at year end.
- xx) The Company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Price Waterhouse
Firm Registration No. – 301112E
Chartered Accountants

V. Nijhawan
Partner
Membership Number: F87228

Place : Gurgaon
Date : February 23, 2012



BALANCE SHEET AS AT DECEMBER 31, 2011

	Schedule	Rs. in million	As at 31-12-2011 Rs. in million	As at 31-12-2010 Rs. in million
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Capital	1	400.50		400.50
Stock Options Outstanding Account	2	48.51		37.96
Reserves and Surplus	3	7,346.20		7,911.61
			7,795.21	8,350.07
			800.52	718.52
DEFERRED TAX LIABILITY (Net) (Refer Notes 12 and 29 on Schedule 19)				
DEPOSITS (Refer Note 47 on Schedule 19)				
From Customers		2,525.19		2,034.81
From GAIL (India) Limited		38.69		38.69
			2,563.88	2,073.50
			11,159.61	11,142.09
TOTAL				
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	4	10,606.94		9,669.54
Less : Depreciation		3,748.47		3,181.42
Less : Impairment Loss		-		29.37
		6,858.47		6,458.75
Less : Lease Terminal Adjustment Account		118.86		118.86
Net Block		6,739.61		6,339.89
Capital work in progress		1,084.88		780.23
Capital Inventory		449.85		517.68
			8,274.34	7,637.80
			4,903.14	5,348.74
			302.42	343.02
INVESTMENTS				
AMOUNT RECOVERABLE FROM ESOP TRUST (Refer Note 26 on Schedule 19)				
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	6	157.51		105.91
Lease Receivables	7	34.02		72.97
Sundry Debtors	8	1,839.08		1,411.17
Cash and Bank Balances	9	92.64		48.59
Loans and Advances	10	148.48		156.89
		2,271.73		1,795.53
LESS: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	11	2,658.35		2,076.67
Provisions		1,933.67		1,906.33
		4,592.02		3,983.00
			(2,320.29)	(2,187.47)
NET CURRENT ASSETS				
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
	12		-	-
			11,159.61	11,142.09
TOTAL				
Significant Accounting Policies and Notes to Accounts	19			

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse
Firm Registration Number – 301112E
Chartered Accountants

V. Nijhawan
Partner
Membership No. F87228

Place : Gurgaon
Date : February 23, 2012

The Schedules referred to above form an integral part of the Balance Sheet

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Jal Patel Sugata Sircar
Director Finance Director

Rajeshwari Sharma
Company Secretary

Place : Ahmedabad
Date : February 23, 2012



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

	Schedule	Rs. in million	Year ended 31-12-2011 Rs. in million	Year ended 31-12-2010 Rs. in million
INCOME:				
Income from Operations (Gross)	13	24,556.80		18,745.69
Less : Excise Duty on Gas Sales		397.36		285.35
Income from Operations (Net)		24,159.44		18,460.34
Other Income	14	544.99		216.60
			24,704.43	18,676.94
EXPENDITURE :				
Material consumed / processed (Refer Note 19, 25 and 39 on Schedule 19)		18,396.78		12,866.44
Personnel Expenses	15	603.63		495.23
Operating and Other Expenses	16	1,207.39		968.01
Depreciation		593.33		530.66
Finance Charges	17	1.49		4.62
Deferred Revenue Expenditure Written off		-		0.89
			20,802.62	14,865.85
Profit before Taxes			3,901.81	3,811.09
Tax Expense	18		1,163.00	1,223.80
Profit after Taxes			2,738.81	2,587.29
Profit brought forward			5,842.33	5,315.26
Profit available for Appropriations			8,581.14	7,902.55
APPROPRIATIONS :				
Proposed Dividend				
- Preference Shares			10.80	10.80
- Equity Shares			1,539.00	1,539.00
Corporate Dividend Tax on Proposed Dividend			251.42	251.42
Interim Dividend			1,282.50	-
Corporate Dividend Tax on Interim Dividend			208.05	-
Transfer to General Reserve			274.00	259.00
Profit Carried Forward			5,015.37	5,842.33
			8,581.14	7,902.55
Basic / Diluted Earnings per Share of Rs. 2/- each (Rs.) (Refer Notes 11 and 22 on Schedule 19)			21.26	20.08
Significant Accounting Policies and Notes to Accounts	19			

This is the Profit and Loss Account referred to in our report of even date

For Price Waterhouse
Firm Registration Number – 301112E
Chartered Accountants

V. Nijhawan
Partner
Membership No. F87228

Place : Gurgaon
Date : February 23, 2012

The Schedules referred to above form an integral part of the Profit and Loss Account

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Jal Patel Sugata Sircar
Director Finance Director

Rajeshwari Sharma
Company Secretary

Place : Ahmedabad
Date : February 23, 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011**

	Year ended 31-12-2011 Rs. in million	Year ended 31-12-2010 Rs. in million
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Tax	3,901.81	3,811.09
Adjustments for:		
Depreciation for the year	593.33	530.66
Provision for Gratuity	13.85	(0.25)
Provision for Leave Encashment	10.03	7.21
Provision for Diminution in the value of Fixed Assets / Capital Work in Progress	35.21	10.03
(Profit) / Loss on sale of Fixed Assets (Net)	6.79	5.92
Provision for Doubtful Debts	-	2.00
Provision for Stock Options Account	25.55	25.91
Provision for Wealth Tax	0.40	0.40
Other Provisions	2.18	2.18
Bad Debts written off	2.01	-
Provision / write off for inventory obsolescence	2.49	2.46
Deferred Revenue Expenditure written off	-	0.89
Interest Expense	1.49	4.62
Inventory written back	(28.42)	-
Profit on sale of investment (Net)	(51.37)	(18.12)
Provisions / Liabilities no longer required written back	(108.94)	(0.91)
Tax Deducted at Source (TDS) on Income Received	(7.41)	(5.55)
Dividend Income	(301.30)	(152.82)
Interest Income	(34.13)	(21.37)
Operating Profit before working capital changes	4,063.57	4,204.35
Adjustments for changes in working capital		
(Increase)/Decrease in Sundry Debtors	(429.92)	(274.20)
(Increase)/Decrease in Amount Recoverable from ESOP trust	13.15	(107.34)
(Increase)/Decrease in Loan and Advances	12.74	188.72
(Increase)/Decrease in Inventories	(25.67)	2.54
Increase/(Decrease) in Current Liabilities	556.39	44.73
Cash generated from operations	4,190.26	4,058.80
Taxes paid (Net of refunds & TDS)	(1,078.32)	(1,209.82)
Net Cash from Operating Activities	3,111.94	2,848.98
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,170.43)	(1,188.68)
Sale of Fixed Assets	23.02	14.50
Purchase of Investments	(27,944.05)	(19,499.09)
Sale of Investments	28,441.02	18,290.01
Net investment in Finance Lease (Net of Capital Recovery)	38.95	26.48
Interest received	34.13	21.37
Dividends received	301.30	152.82
Net Cash used in Investing Activities	(276.06)	(2,182.59)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits accepted during the year (Net)	490.38	520.00
Interest Paid	(1.49)	(4.62)
Dividend Paid (including Corporate Dividend Tax)	(3,280.72)	(1,205.34)
Net Cash generated from / (used in) Financing Activities	(2,791.83)	(689.96)

NET INCREASE IN CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents at the beginning of the year

Cash and Cash Equivalents at the end of the year

Closing Cash and Cash Equivalents comprise:

Cash in hand

Balances with Scheduled Banks :

- In Current Accounts

- In Dividend Accounts

(Refer note C below)

Total Cash and Cash Equivalents as per Cash Flow Statement

Year ended 31-12-2011 Rs. in million	Year ended 31-12-2010 Rs. in million
44.05	(23.57)
48.59	72.16
92.64	48.59
0.13	0.20
71.95	38.88
20.56	9.51
92.64	48.59

Notes to Cash Flow Statement:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- Purchases of fixed assets, stated inclusive of movements of capital work in progress and capital inventory, are treated as part of investing activities.
- The balance with the bank for unpaid dividend is not available for use by the company and the money remaining unpaid will be deposited in Investor Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.
- Previous Year figures have been regrouped and reclassified wherever considered necessary to conform to current year's figures.
- Figures in brackets indicate cash outflows. Fixed Assets / Capital Work in Progress

This is the Cash Flow Statement referred to in our report of event date

For Price Waterhouse
Firm Registration Number – 301112E
Chartered Accountants

V. Nijhawan
Partner
Membership No. F87228

Place : Gurgaon
Date : February 23, 2012

For and on behalf of the Board

Hasmukh Shah
Chairman

Jal Patel Sugata Sircar
Director Finance Director

Place : Ahmedabad
Date : February 23, 2012

Shaleen Sharma
Managing Director

Rajeshwari Sharma
Company Secretary



SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31-12-2011 Rs. in million	As at 31-12-2010 Rs. in million
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
140,000,000 (Previous year 140,000,000) Equity Shares of Rs. 2/- each	280.00	280.00
17,000,000 (Previous year 17,000,000) 7.5% Redeemable Preference Shares of Rs.10/- each	170.00	170.00
TOTAL	450.00	450.00
Issued, Subscribed and Paid up		
128,250,000 (Previous year 128,250,000) Equity Shares of Rs. 2/- each fully paid-up [Out of the above 83,518,750 (Previous year 83,518,750) equity shares are held by holding company BG Asia Pacific Holdings Pte. Limited , the ultimate holding company being BG Group plc.] [Out of the above 64,125,000 equity shares allotted as fully paid-up by way of bonus shares out of General Reserve]	256.50	256.50
14,400,000 (Previous year 14,400,000) 7.5% Redeemable Cumulative Non Convertible Preference Shares of Rs.10/- each fully paid up, issued to holding company BG Asia Pacific Holdings Pte. Limited [redeemable at par at any time after five years from the date of allotment (May 18, 2006) but prior to the expiry of twenty years from the date of such allotment]	144.00	144.00
TOTAL	400.50	400.50
SCHEDULE - 2		
STOCK OPTIONS OUTSTANDING ACCOUNT (Refer Note 26 on Schedule 19)		
Stock Options Outstanding Account	79.38	92.90
Less : Deferred Stock Option Outstanding Account	30.87	54.94
TOTAL	48.51	37.96
SCHEDULE - 3		
RESERVES AND SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	2,069.28	1,808.37
Add : Transferred from Profit and Loss Account	274.00	259.00
Add/(Less) : Adjustment to Amount recoverable from ESOP Trust (Refer Note 26 on Schedule 19)	(12.45)	1.91
	2,330.83	2,069.28
PROFIT AND LOSS ACCOUNT	5,015.37	5,842.33
TOTAL	7,346.20	7,911.61



SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE - 4

FIXED ASSETS

(Refer Notes 2,3,9,13,17,20,31(ii) and 45 on Schedule 19)

(Rs. in million)

Particulars	GROSS BLOCK			DEPRECIATION			IMPAIRMENT LOSS			NET BLOCK	
	As at 01-01-2011	Additions For the year	Deduction/ Adjustments For the year	As at 01-01-2011	For the year	Deduction/ Adjustments For the year	As at 01-01-2011	For the year	Adjustments/ Reversals	As at 31-12-2011	As at 31-12-2010
Tangible Assets:											
Land (Refer Note 1 below)	343.14	21.39	(37.34)	-	-	-	-	-	-	401.87	343.14
Buildings	335.39	3.61	-	58.63	8.17	-	66.80	-	-	272.20	276.76
Plant and Machinery	8,15,405	919.35	11.94	2,82,630	530.60	4.46	3,35,244	-	-	5,709.02	5,327.75
Furniture, Fixtures and Fittings	67.41	4.29	1.22	28.90	5.67	1.23	33.34	-	-	37.14	38.51
Vehicles	112.01	13.78	9.25	40.15	11.91	5.41	46.65	-	-	69.89	71.86
Assets given on Finance Lease (Prior to April 1, 2001)											
Plant and Machinery	279.63	-	-	85.83	-	-	85.83	-	-	193.80	193.80
Asset given on Operating Lease (After April 1, 2001)											
Plant and Machinery	130.87	-	63.05	46.57	7.02	15.18	38.41	29.37	29.37	29.41	54.93
Intangible Assets:											
Software / License	185.70	60.44	-	95.04	29.96	-	125.00	-	-	121.14	90.66
Right of use of Land	61.34	-	37.34	-	-	-	-	-	-	24.00	61.34
	9,669.54	1,022.86	85.46	3,181.42	593.33	26.28	3,748.47	29.37	29.37	6,858.47	6,458.75
(Less) / Add:											
Lease Terminal Adjustment	-	-	-	118.86	-	-	118.86	-	-	(118.86)	(118.86)
TOTAL	9,669.54	1,022.86	85.46	10,606.94	593.33	26.28	3,867.33	29.37	29.37	6,739.61	6,339.89
Capital Work in Progress (Refer Notes 3 & 5 below)											
Capital Inventory (Refer Note 4 below)											
TOTAL	8,580.93	1,153.47	64.86	9,669.54	530.66	35.70	3,300.28	34.63	10.03	8,274.34	7,637.80
Previous Year											

NOTES :

1. Land includes Leasehold Land Rs. 0.18 million (Previous year Rs. 0.18 million).
2. Assets given on Operating lease include Natural gas fired cogeneration unit at its net realisable value of Rs. 13.73 million (Previous year Rs. 18.51 million) for which agreement to lease has been terminated.
3. Capital Work in Progress includes Capital Advances Rs. 141.94 million (Previous year Rs. 137.21 million). Capital Advances are net of provision for doubtful recovery of Rs. 35.21 million (Previous year Nil).
4. Capital Inventory includes material in transit amounting to Rs. 63.99 million (Previous year Rs. 63.69 million).
5. Capital Work in Progress includes certain assets of Rs. 254.90 million (Previous year Nil) which are held for disposal.



SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in million	As at 31-12-2011 Rs. in million	As at 31-12-2010 Rs. in million
SCHEDULE - 5			
INVESTMENTS			
(Refer Notes 4, 24 and 30 on Schedule 19)			
A Long Term Investments :			
(At Cost)			
Equity Shares			
Trade -Unquoted	100.27		100.27
Less: Provision	75.00		75.00
Long Term Investments (A)		25.27	25.27
B Current Investments :			
(At Cost and Fair market value whichever is lower, determined categorywise)			
Other than Trade (Unquoted)			
Units of Mutual Funds		4,877.87	5,323.47
Current Investment (B)		4,877.87	5,323.47
Total Investment (A+B)		4,903.14	5,348.74
Aggregate cost of Unquoted Investments		4,978.14	5,423.74
SCHEDULE - 6			
INVENTORIES			
(Refer Note 5 on Schedule 19)			
Stores and Pipe Fittings		157.51	105.91
TOTAL		157.51	105.91
SCHEDULE - 7			
LEASE RECEIVABLES			
(Refer Note 31 (i) on Schedule 19)			
(Unsecured - considered good, unless otherwise stated)			
Lease Receivables		34.02	72.97
- Considered Good			
TOTAL		34.02	72.97
SCHEDULE - 8			
SUNDRY DEBTORS			
For Sales and Service Charges			
Secured - Considered Good			
Exceeding Six Months		9.92	3.73
Others		1,211.08	1,061.79
Unsecured - Considered Good			
Exceeding Six Months		3.29	0.77
Others		614.79	344.88
[includes Rs. 400.96 million (Previous year Rs. 269.57 million) secured by bank guarantees]			
Unsecured - Considered Doubtful			
Exceeding Six Months	21.97		23.26
Less: Provision for Doubtful Debt	21.97		23.26
TOTAL		1,839.08	1,411.17



SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in million	As at 31-12-2011 Rs. in million	As at 31-12-2010 Rs. in million
SCHEDULE - 9			
CASH AND BANK BALANCES			
Cash in hand		0.13	0.20
Balances with Scheduled Banks :			
- In Current Accounts		71.95	38.88
- In Dividend Accounts		20.56	9.51
TOTAL		92.64	48.59
SCHEDULE - 10			
LOANS AND ADVANCES			
(Unsecured - considered good, unless otherwise stated)			
Advances recoverable in Cash or in kind or for value to be received		67.23	73.20
Deposit recoverable		24.08	18.63
Balance due with Government Authorities		21.25	27.92
Advance payment of tax and tax deducted at source	7,153.74		6,073.56
Less: Provision for Taxation	7,117.82		6,036.42
TOTAL		35.92	37.14
		148.48	156.89
SCHEDULE - 11			
CURRENT LIABILITIES AND PROVISIONS			
(A) CURRENT LIABILITIES			
Sundry Creditors			
- Dues to Micro and Small Enterprises (Refer Note 44 on Schedule 19)	14.83		13.83
- Other Creditors	1,934.68		1,475.58
		1,949.51	1,489.41
Deferred Revenue (Refer Note 8(c) on Schedule 19)		13.64	13.64
Deposit From Collection Centres and Others		25.38	22.55
Advance From Customers		328.98	93.12
Dues to Subsidiaries		199.71	161.91
Investor Education and Protection Fund*			
- Unpaid Dividend		20.56	9.51
Other Liabilities		120.57	286.53
		2,658.35	2,076.67
* To be credited to Investor Education and Protection Fund, when due.			
(B) PROVISIONS			
Proposed Dividend [Including Corporate Dividend Tax Rs. 251.42 million (Previous year Rs. 251.42 million)]		1,801.22	1,801.22
Gratuity and Leave encashment [Includes short term employee benefit Rs. 2.70 million (Previous year Rs. 1.42 million)] (Refer Note 27 (ii and iii) on Schedule 19)		75.89	50.73
Other Provisions (Refer Note 32 on Schedule 19)		55.52	53.34
Provision for Fringe Benefit Tax	33.60		33.60
Less: Advance Payment of Tax	32.56		32.56
		1.04	1.04
TOTAL		1,933.67	1,906.33
		4,592.02	3,983.00



SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in million	As at 31-12-2011 Rs. in million	As at 31-12-2010 Rs. in million
SCHEDULE - 12			
MISCELLANEOUS EXPENDITURE			
(Refer Note 14 on Schedule 19)			
Voluntary Retirement Scheme:			
Opening Balance	-		0.89
Less: Written Off during the year	-		0.89
		-	-
TOTAL		-	-

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	Rs. in million	Year ended 31-12-2011 Rs. in million	Year ended 31-12-2010 Rs. in million
SCHEDULE - 13			
INCOME FROM OPERATIONS			
(Refer Note 8 on Schedule 19)			
Natural Gas Sales (Gross)		24,216.45	18,421.70
Gas Transmission Income		165.54	174.39
Service and Fitting Income (Net)		144.37	110.80
Lease Income		21.43	24.20
Income from Finance Leases		9.01	14.60
TOTAL		24,556.80	18,745.69
SCHEDULE - 14			
OTHER INCOME			
Income from Investments			
(Refer Note 8(f) on Schedule 19)			
Long Term			
Dividend from Subsidiary Company		2.80	2.10
Dividend from Trade Investment		4.00	6.14
Current			
Dividend from Mutual Funds		294.50	144.58
Interest on Others (including Customers and Staff advances)		34.13	21.37
[Gross, Tax deducted at source Rs. 0.03 million (Previous year Rs. 0.02 million)]			
Profit on Sale of Current Investments	51.58		32.45
Less : Loss on Sale of Current Investments	(0.21)		(14.33)
		51.37	18.12
Provisions / Liabilities no longer required written back		108.94	0.91
Foreign Exchange Fluctuations Gain (Net)		0.24	1.14
Miscellaneous Income		49.01	22.24
TOTAL		544.99	216.60



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	Rs. in million	Year ended 31-12-2011 Rs. in million	Year ended 31-12-2010 Rs. in million
SCHEDULE - 15			
PERSONNEL EXPENSES			
(Refer Note 7 on Schedule 19)			
Salaries, Wages and Bonus		496.66	415.75
(Refer Note 27 (iii) on Schedule 19)			
Contribution to Provident and Other Funds		51.12	30.19
(Refer note 27 (i) & (ii) on Schedule 19)			
Welfare Expenses		55.85	49.29
(Refer note 26 on Schedule 19)			
TOTAL		603.63	495.23
SCHEDULE - 16			
OPERATING AND OTHER EXPENSES			
Stores and Chemicals consumed		31.34	39.95
Power and Fuel		202.24	174.87
Rent		68.91	30.02
Rates and Taxes		2.64	2.61
Repairs :			
- To Buildings	5.16		6.41
- To Plant and Machinery	167.60		147.11
- To Others	108.09		92.30
		280.85	245.82
Insurance		18.78	15.07
Printing and Stationery		7.70	9.05
Advertisement Expenses		14.34	13.88
Communication Expenses		25.16	17.79
Vehicle Hire Charges		69.01	45.81
Travelling Expenses		34.94	25.32
Donation		5.37	2.39
Legal, Professional and Consultancy Expenses		148.07	127.62
Loss on Sale of Fixed Assets (Net)		6.79	5.92
Bad debts / Advances written off		2.01	-
Wealth Tax		0.40	0.40
Other Provisions		2.18	2.18
(Refer Note 32 on Schedule 19)			
Provision for Doubtful Debts		-	2.00
Provision for Diminution in the value of Fixed Assets / Capital Work in Progress		35.21	-
Assets written off		-	10.03
Provision / write off for inventory obsolescence		2.49	2.46
Service Charges		120.57	88.51
Agency & Contract Staff Expenses (including security service charges)		52.07	45.22
Miscellaneous Expenses		76.32	61.09
TOTAL		1,207.39	968.01



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

		Year ended 31-12-2011 Rs. in million	Year ended 31-12-2010 Rs. in million
SCHEDULE - 17			
FINANCE CHARGES			
Interest - Others		1.49	4.62
TOTAL		1.49	4.62
SCHEDULE - 18			
TAX EXPENSE			
(Refer Notes 12, 29 and 43 on Schedule 19)			
Current Income tax		1,081.00	1,152.00
Deferred Income tax		82.00	71.80
TOTAL		1,163.00	1,223.80

SCHEDULE -19

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting Convention :

The Financial Statements have been prepared to comply in all material respects with all applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. Fixed Assets :

- (a) Fixed Assets including assets given on lease are stated at their original cost including freight, duties, customs and other incidental expenses relating to acquisition or construction.
- (b) Expenditure incurred during the period of construction including all direct and indirect expenses, incidental to construction are carried forward and on completion, the costs are allocated to the respective fixed assets.
- (c) Capital inventory represents items of capital nature lying in the store valued at cost on First In First Out method.
- (d) Capital spares are capitalised with the cost of the plant and machinery and depreciated over the useful life of the asset.
- (e) In respect of assets leased before April 1, 2001, the Company follows the recommendation of the Institute of Chartered Accountants of India contained in the Guidance Note on Accounting for Leases. Accordingly lease rentals accounted as income on finance leases are adjusted by creating lease terminal adjustment account so as to recover the capital cost of the leased asset within the tenure of lease agreements or earlier as ascertained by the management.

3. Depreciation / Amortisation :

- (a) Depreciation on assets including assets given on operating lease is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.
- (b) Depreciation on assets purchased / acquired during the year is charged from the beginning of the month of the purchase of the asset. Similarly depreciation on assets sold / discarded during the year is charged upto the end of the month preceding the month of sale of the asset.
- (c) No depreciation is being charged on Right of Use of Land being perpetual in nature.
- (d) Licenses / Softwares are amortised over a period of six years from the date of its availability for use by the Company.

4. Investments :

Long term investments are valued at cost and any decline in value other than temporary is appropriately provided.

Current investments are stated at lower of cost and fair market value determined categorywise. Cost is determined as per weighted average cost formula.

5. Inventories :

Stores and Pipes fittings are valued at lower of cost and net realisable value. Cost is determined on First In First Out method.

6. Foreign currency transactions :

Foreign currency transactions are recorded at exchange rates prevailing on the transaction date. At the Balance Sheet date, monetary assets and monetary liabilities denominated in foreign currency are translated at the applicable exchange rates prevailing on the Balance Sheet date and the resultant exchange difference, if any, is recognized in the Profit & Loss Account. Exchange differences, if any, arising on settlement of transactions are recognized as income or expense in the year in which they arise.

7. Employee Benefits :

- (a) Post-employment benefit plans
 - i. Defined Contribution Plan - Contributions to provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.
 - ii. Defined Benefit Plan - The liability in respect of gratuity and leave encashment is determined using Projected Unit Credit Method with actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur.

Contributions in respect of gratuity are made to the approved Gratuity Fund of the Company. The gratuity obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of gratuity fund.



(b) Short term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the services.

(c) Employee Stock Option Plan

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

8. Revenue Recognition :

(a) Revenue on sale of natural gas is recognised on transfer of title to customers at delivery point. Sales are billed bi-monthly for domestic customers, monthly for commercial and non-commercial customers and fortnightly for industrial customers. Spot sales of gas to industrial customers are billed as per the terms mutually agreed between the parties. Revenue on sale of Compressed Natural Gas (CNG) is recognised on sale of gas to customers from retail outlets.

(b) Gas transmission income is recognised in the same period in which the related volumes of gas are delivered to the customers.

(c) Commitment income from customers for gas sales and gas transmission is recognised on establishment of certainty of receipt of consideration.

(d) Assets given on lease after April 1, 2001 :

i. Income from Finance Leases

In accordance with the provisions of Accounting Standard 19 on Leases, the aggregate of minimum lease payments less unearned finance income is recognised as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance Income is recognized over the term of the lease using net investment method, which reflects a constant periodic rate of return.

ii. Income from Operating Leases

Lease Income from Operating Leases has been recognised in the Profit & Loss Account on a straight line basis over the lease term, as required by AS – 19 on Leases.

iii. Initial direct costs incurred for negotiating and arranging lease agreements are recognised immediately in the Profit and Loss account.

(e) The difference between the amounts charged from customers for gas connections and actual consumption of material and labour charges is disclosed as Service and Fitting Income (Net) under Income from Operations.

(f) Dividend income is recognised when the right to receive dividend is established.

(g) Delayed payment charges are recognised on the basis of certainty of collection.

9. Borrowing Costs :

Borrowing costs attributable to the acquisition or construction of a qualifying asset is capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

10. Operating Leases :

Lease rentals are recognised as an expense on straight line basis over the term of the lease.

11. Earnings Per Share (EPS) :

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

12. Taxation :

Tax expense for the year, comprising current tax and deferred tax, is included in determining the net profit for the year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at current or substantively enacted tax rates.

Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**13. Impairment of Assets :**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' net selling price and its value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

14. Miscellaneous Expenditure :

Expenditure on Voluntary Retirement Scheme (VRS) of employees had been amortised in equal installments from the year in which the same was incurred till periods ended December 31, 2010 in accordance with the transitional provision of Accounting Standard – 15 on Employee Benefits.

15. Provision and Contingencies :

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

NOTES TO ACCOUNTS:**16. Contingent Liabilities :**

- (a) Claims against the Company not acknowledged as debts Rs. 14.51 million (Previous year Rs. 13.57 million).
- (b) Claims of Rs. 29.98 million (Previous year Rs. 27.92 million) against the Company have been disputed by the Company. The Company is, however, indemnified by an insurance policy.
- (c) Income tax related exposures Rs. 79.49 million (Previous year Rs. 62.19 million)
 - (i) Includes income tax demand (and interest thereon) of Rs. 38.09 million (Previous year Rs. 38.09 million) relating to Assessment Years 1999-2000 due to disallowance of interest on debentures issued for the Hazira Ankleshwar pipeline and incurred during its construction, claimed as revenue expenditure. The amount of Rs. 38.09 million (Previous year Rs. 38.09 million) has been paid under protest.
Similar disallowances for A.Y. 1998-99 and A.Y. 2000-01 have been decided by the ITAT in favour of the Company. The appeal for A.Y. 1999-2000 is pending with the ITAT.
 - (ii) Includes income tax demand (and interest thereon) for Rs. 16.32 million (Previous year Rs. 11.68 million) for disallowances under Section 14A on account of expenditure incurred for earning exempt income for A.Y. 2004-05, A.Y. 2005-06, A.Y. 2006-07, A.Y. 2007-08 and A.Y. 2008-09. The total amount paid by Company / adjusted by tax authorities on account of above demand aggregates to Rs. 13.08 million (Previous Year Rs. 7.99 million). The appeal for A.Y. 2005-06, A.Y. 2006-07 and A.Y. 2007-08 has been partially decided in Company's favour by CIT(A) by deleting disallowance as per Rule 8D. Now appeal is pending with ITAT for A.Y. 2004-05, A.Y. 2005-06, A.Y. 2006-07 and A.Y. 2007-08.
For A.Y. 2000-01 the ITAT has disallowed the similar expenses under Section 14A and has instructed the Assessing Officer to re-examine the tax levy as per Rule 8D of the Income Tax Rules, 1962 and hence the amount cannot be quantified at this stage. The Company has preferred an appeal with the High Court against the above order of the ITAT. The ITAT has restored back the similar disallowance for A.Y. 2001-02 to CIT(A) for deciding the matter afresh after considering various judicial pronouncements on this matter. Currently there is no outstanding demand payable for this matter.
 - (iii) Includes income tax demand (and interest thereon) for Rs. 12.88 million (Previous year Rs. 12.42 million) for certain disallowances for A.Y. 2000-01, A.Y. 2003-04 to A.Y. 2006-07 and A.Y. 2008-09. The demand is towards disallowances on account of bad debts written off, inventory written off, deposits written off and treatment of cenvat credit balance as income. The total amount paid by Company / adjusted by tax authorities on account of above demand aggregates to Rs. 12.53 million (Previous year Rs. 8.67 million). The appeal for A.Y. 2008-09, is pending with CIT(A) and for A.Y. 2003-04, A.Y. 2004-05, A.Y. 2005-06 and A.Y. 2006-07 with ITAT.
 - (iv) Includes income tax demand for Rs. 6.07 million (Previous Year Nil) for additional tax and interest thereon levied for non deduction of tax on expenditure towards Annual Maintenance Contracts for the A.Y. 2008-09, A.Y. 2009-10 and A.Y. 2010-11. The total amount paid by Company / adjusted by tax authorities on account of above demand aggregates to Rs. 6.07 million (Previous year Nil). The appeals for above 3 years have been decided by the CIT(A) in Company's favour. Department may prefer an appeal with the ITAT.



- (v) Includes demand of Rs. 6.13 million (Previous Year Nil) towards penalty levied for the A.Y. 1992-93. This matter was decided by the ITAT in favour of the Company. The demand, which was deposited by the Company, has been refunded pursuant to ITAT order. Income tax authorities have preferred an appeal in the High Court against the order by the ITAT. The matter is pending with the High Court. Currently there is no outstanding demand payable for this matter
- (d) Service tax related demand of Rs 6.80 million (Previous year Nil) on account of disallowance of cenvat credit availed on transportation of natural gas through pipeline for the period from July 2005 to June 2009 issued by Ankleshwar service tax department. The Company has filed an appeal with CESTAT against the said order. The Company has received two more show cause notices issued by Surat service tax department on similar grounds for a total amount of Rs. 108.64 million for the period from June 2005 to September 2010, which may also result in levy of demand on the Company in future.
17. Estimated amount of contracts net of advances remaining to be executed on capital account and not provided for Rs. 442.17 million (Previous year Rs. 285.86 million).
18. The Company has received income tax demand amounting to Rs 79.21 million (Previous Year Rs 123.41 million), including interest thereon, due to disallowance of depreciation claimed on assets given on lease for several years. The Company's claim of depreciation on leased asset has been allowed by the High Court for A.Y. 1995-96. During the year, the Department's special leave petition with the Supreme Court against the High Court's order has also been dismissed. Considering that this will have a positive consequential effect on all the subsequent years, demands for tax and interest thereon for the same matter has not been considered as contingent liability in current year.
19. **Material consumed includes :**
- (a) Rs. 25.09 million (Previous year Rs. 30.25 million) inclusive of VAT towards internal consumption of Gas.
- (b) Loss of Rs. 47.61 million (Previous year Gain Rs. 19.47 million) as foreign exchange fluctuations.
20. The Company had constructed a civil structure aggregating to Rs. 19.04 million (Previous year Rs.19.04 million) on land which is not yet owned by the Company. The management is confident of obtaining the requisite approvals of the Government Authorities for transfer of ownership of land.
21. **Obligations on Operating Leases :**
- The Company has taken premises for business and residential use for its employees under cancelable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to Rs. 12.17 million (Previous year Rs. 12.39 million). The lease agreement typically ranges from 1 to 9 years.

22. **Earnings per share (EPS):**

	Year ended December 31, 2011	Year ended December 31, 2010
Net Profit after tax (Rs. in million)	2,738.81	2,587.29
Less: Preference Dividend and Corporate Dividend		
Tax on Preference Dividend (Rs. in million)	12.55	12.55
Net Profit attributable to Equity Shareholders (Rs. in million)	2,726.26	2,574.74
Weighted average number of equity shares outstanding during the year (No. in million)	128.25	128.25
Basic earnings per share of Rs. 2/- each (in Rs.)	21.26	20.08

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earnings per share of the Company remain the same.

23. **Segment Reporting :**

The Company is primarily in the business of distribution of Natural gas through pipelines from sources of supply to centers of demand and to the end customers. The Company also builds pipelines required to make the gas available to the end customer. The other activity of the Company comprises leasing of natural gas fired Cogeneration units, the income from which is not material in financial terms.

Further, the Company is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard 17 on Segment Reporting are not relevant to the Company.

24. **Accounting for Joint Ventures :**

The Company's joint venture "Petroleum Infrastructure Limited" (incorporated in India with 50% stake being held by the Company) is under liquidation. Therefore, the Company's interest in the joint venture has been accounted for in accordance with Accounting Standard 13 "Accounting for Investments" and has not been disclosed as per Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures". Thus, the investment has been written down to the realizable value.



In case of another joint venture, Sensus Metering Systems India Limited (incorporated in India with 49% stake being held by the Company), the assets of the joint venture have been liquidated and all liabilities have been paid off. The resultant proceeds of joint venture have been distributed to the Company, during the financial year ended on December 31, 2010, which was higher than the carrying value of investment (net of provision made in earlier years for diminution in the value of the investment). Further, it has been dissolved with effect from 20th January 2012 as per the order of the Honourable High Court of Judicature at Bombay, Mumbai.

25. The Company is procuring natural gas from one of the suppliers on the basis of a Term Sheet agreed with the supplier effective April 1, 2008. Under the terms of the agreement with the supplier, the Term Sheet shall be superseded by a Gas Sales and Transmission Contract (GSTC) as and when the same is finalised. The GSTC would be effective from April 1, 2008. Pending the finalisation of the GSTC, the gas procurement cost is being recorded in the books of account on the basis of the terms provided in the Term Sheet.

26. Employee Stock Option Plan 2008 :

The Company implemented an Employee Stock Option Plan 2008 ('ESOP 2008') which provides for the allotment of equity shares of Rs. 2/- each to eligible employees of the Company and its subsidiaries. The Scheme is administered by an ESOP Trust (Gujarat Gas Company Limited Employee Stock Option Welfare Trust) which purchases, out of the funds advanced by the Company, the shares equivalent to the number of options granted, for allotment to the grantees. IDBI Trusteeship Services Limited has been entrusted with the trusteeship of the said trust. The trustees can purchase or sell the shares from the market as per the approved scheme.

Pursuant to the above scheme, the Company has granted options, as mentioned here below, convertible into equity shares of Rs. 2/- each to employees of the Company and its subsidiaries. The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options was approved. The Scheme provides for graded vesting of options granted, over a period of 4 years from the date of grant.

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

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

Details of movement under the Stock option plan for the year ended December 31, 2011 is as follows:

	Year ended December 31, 2011		Year ended December 31, 2010	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)
Options outstanding at the beginning of the year	1,786,000	142	1,663,000	99
Add: Options granted during the year	84,000	337	403,000	285
Less: Options forfeited during the year	107,000	213	-	-
Less: Options expired during the year	-	-	-	-
Less: Options exercised during the year	434,250	99	280,000	95
Options outstanding at end of the year	1,328,750	162	1,786,000	142

**Note:**

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. The weighted average fair value of options granted on 28 April 2011 is Rs 120.38 per option. The weighted average remaining contractual life of options outstanding as on December 31, 2011 is 2.80 years (Previous year 3.46 years).

In accordance with Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by the Securities Exchange Board of India, an amount of Rs. 25.55 million (Previous year Rs. 25.91 million) has been recognised as an expense in Staff Welfare Expenses (Schedule 15) and corresponding liability has been disclosed as Stock Options Outstanding Account (Schedule 2). The balance of Rs. 48.51 million (Previous year Rs. 37.96 million) in Stock Options Outstanding Account (Schedule 2) represents the amortised cost of stock options outstanding. As at December 31, 2011, the Company has made a partial advance of Rs. 302.43 million (Previous year Rs. 343.02 million) on an estimated basis to the Trust for the purchase of shares equivalent to the number of options granted which is utilized for the purpose.

During the year, the Company has adjusted loss of Rs. 12.45 million (Previous year Gain of Rs 1.91 million) to General Reserve as the difference between the cost incurred by the ESOP Trust for the purchase of shares and the exercise price of those shares which have been exercised by the employees during the current year, in accordance with Guidance Note on accounting for Employee share based payment, issued by the ICAI.



27. Disclosures as per AS - 15 (Revised) 'Employee Benefits' for year ended December 31, 2011:

(i) Disclosures for Defined Contribution Plans		(Rs. in million)	
	Year ended December 31, 2011	Year ended December 31, 2010	
Employer's contribution to Provident Fund	25.69	20.72	
(ii) Disclosures for Defined Benefit Plans - Gratuity (Funded)		(Rs. in million)	
	Year ended December 31, 2011	Year ended December 31, 2010	
<u>Change in the defined benefit obligations</u>			
Defined benefit obligation as at beginning of the year	79.24	64.83	
Service cost	8.37	6.88	
Interest cost	6.85	5.45	
Actuarial loss/(gain)	8.04	2.72	
Benefits paid	<u>(0.97)</u>	<u>(0.64)</u>	
Defined benefit obligation as at year end	<u>101.53</u>	<u>79.24</u>	
<u>Change in plan assets</u>			
Fair value of plan assets as at beginning of the year	69.79	55.13	
Expected return on plan assets	6.66	5.62	
Contributions by employer	11.58	9.72	
Actuarial (loss)/gain	(8.83)	(0.04)	
Benefits paid	<u>(0.97)</u>	<u>(0.64)</u>	
Fair value of plan assets as at year end	<u>78.23</u>	<u>69.79</u>	
Present value of unfunded obligations	<u>23.30</u>	<u>9.45</u>	
The Net amount recognized in the statement of Profit & Loss is as follows			
Current Service cost	8.37	6.88	
Interest cost	6.85	5.45	
Expected return on plan assets	(6.66)	(5.62)	
Net actuarial loss/(gain) recognised	<u>16.87</u>	<u>2.76</u>	
Net amount recognised	<u>25.43</u>	<u>9.47</u>	
Actual return on Plan Assets	(2.17)	5.58	
The major categories of plan assets as a percentage of total plan assets as at year end are as follows:			
Insurer Managed Funds	100%	100%	
The principal actuarial assumptions used are as follows:			
Discount Rate	8.65%	8.40%	
Expected rate of return on Plan Assets	9.00%	9.00%	
Rate of increase in Compensation Levels (Refer Note below)	7.00%	7.00%	

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

**(iii) Disclosures for Defined Benefit Plans - Leave Encashment (Unfunded) (Rs. in million)**

	Year ended December 31, 2011	Year ended December 31, 2010
Change in the defined benefit obligations		
Defined benefit obligation as at beginning of the year	39.86	32.64
Service cost	3.58	3.69
Interest cost	3.45	2.74
Actuarial loss/(gain)	3.83	1.45
Benefits paid	(0.83)	(0.66)
Defined benefit obligation as at year end	49.89	39.86
The Net amount recognized in the statement of Profit & Loss is as follows		
Current Service cost	3.58	3.69
Interest cost	3.45	2.74
Net actuarial loss/(gain) recognised	3.83	1.45
Net amount recognised	10.86	7.88
The principal actuarial assumptions used are as follows:		
Discount Rate	8.65%	8.40%
Rate of increase in Compensation Levels (Refer Note below)	7.00%	7.00%

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

(iv) Additional Disclosures as per AS-15**Change in the defined benefit obligations - Gratuity (Funded) (Rs. in million)**

	Year ended 31-12-2011	Year ended 31-12-2010	Year ended 31-12-2009	Year ended 31-12-2008	Year ended 31-12-2007
Present Value of defined benefit obligation as at beginning of the year	79.24	64.83	52.33	38.18	34.95
Current Service cost	8.37	6.88	5.88	5.29	4.08
Interest Cost	6.85	5.45	4.32	2.86	2.85
Actuarial (gain)/loss	8.04	2.72	3.46	8.03	(0.60)
Benefits Paid	(0.97)	(0.64)	(1.16)	(2.03)	(3.10)
Present Value of defined benefit obligation as at end of the year	101.53	79.24	64.83	52.33	38.18

Change in plan assets - Gratuity (Funded) (Rs. in million)

	Year ended 31-12-2011	Year ended 31-12-2010	Year ended 31-12-2009	Year ended 31-12-2008	Year ended 31-12-2007
Fair value of plan assets as at beginning of the year	69.79	55.13	37.29	32.65	24.21
Expected return on plan assets	6.66	5.62	4.16	3.32	2.70
Contributions by employer	11.58	9.72	10.53	8.96	6.80
Actuarial (loss)/gain	(8.83)	(0.04)	4.30	(5.60)	2.04
Benefits paid	(0.97)	(0.64)	(1.15)	(2.04)	(3.10)
Fair value of plan assets as at year end	78.23	69.79	55.13	37.29	32.65
Present value of unfunded obligations	23.30	9.45	9.70	15.04	5.53

**Change in the defined benefit obligations - Leave Encashment (Unfunded)****(Rs. in million)**

	Year ended 31-12-2011	Year ended 31-12-2010	Year ended 31-12-2009	Year ended 31-12-2008	Year ended 31-12-2007
Present Value of defined benefit obligation as at beginning of the year	39.86	32.64	26.93	22.41	17.10
Current Service cost	3.58	3.69	2.26	2.02	4.85
Interest Cost	3.45	2.74	2.22	1.68	1.39
Actuarial (gains)/loss	3.83	1.45	2.17	2.39	1.54
Benefits Paid	(0.83)	(0.66)	(0.94)	(1.57)	(2.47)
Present Value of defined benefit obligation as at end of the year	49.89	39.86	32.64	26.93	22.41

- (v) Expected contributions to be paid to the Gratuity plan during the year ending December 31, 2012 can not be ascertained at this stage.

**28. Related Party Transactions:**

The Company is controlled by BG Asia Pacific Holdings Pte. Limited which owns 65.12% of the Company's shares. The ultimate parent of the group is BG Group plc.

The following related party transactions were carried out during the year in the ordinary course of business:

(Rs. in million)				
Name of the Related Party	Nature of Relationship	Nature of Transaction	Year ended December 31, 2011	Year ended December 31, 2010
BG International Limited	Under common control	Expense: Reimbursement of salary for seconded personnel (Paid) (including Tax Deducted at Source)	9.08	14.63
		Reimbursement of Software License charges	7.30	6.62
		Income: Service charges for secondment of employees	7.70	-
		Reimbursement of Expenses (Received)	1.54	-
		Amount payable at the year end	133.75	128.55
BG Asia Pacific Holdings Pte. Limited	Holding company	Dividend paid - Equity	1,837.26	668.09
		- Preference	10.80	10.80
		Share Capital held - Equity	167.03	167.03
		- Preference	144.00	144.00
Gujarat Gas Financial Services Limited (Refer Note 1)	Subsidiary	Income: Service Charges for domestic gas connections	5.67	2.49
		Dividend	2.80	2.10
		Expense : Cost of domestic gas connections (Paid)	274.33	276.05
		Reimbursement of Alteration charges	21.06	19.99
		Investment at year end	14.00	14.00
		Amount payable at the year end	66.38	33.75
Gujaratgas Trading Company Limited (Refer Note 1)	Subsidiary	Income: Service charges (including service tax)	0.33	0.33
		Expense: Purchase of Natural Gas (Net of VAT)	1,326.65	1,730.32
		Investment at year end	1.27	1.27
		Amount payable at the year end	133.34	128.16
Sensus Metering Systems India Limited (Refer Note 24 on Schedule 19)	Joint Venture	Provision no longer required written back	-	0.86
Petroleum Infrastructure Limited	Joint Venture	Bad debts recovered	-	0.50
		Investment at year end	75.00	75.00
		Provision for diminution in value of investment	75.00	75.00
Mahanagar Gas Limited	Under common control	Sale of material	5.04	-



(Rs. in million)				
Name of the Related Party	Nature of Relationship	Nature of Transaction	Year ended December 31, 2011	Year ended December 31, 2010
BG India Energy Solutions Pvt. Limited	Under common control	Purchase of Natural Gas (Net of VAT) Amount payable at the year end	10,819.00 772.90	4,399.18 410.95
BG Exploration and Production India Limited	Under common control	Income: Service charges for secondment of employees Reimbursement of Expenses (Received) Expenses: Legal and Professional Reimbursement of Expenses (Paid) Amount payable at the year end	14.67 2.46 82.35 8.59 64.51	10.50 3.57 61.70 6.46 54.41
Shaleen Sharma	Key Management Personnel	Remuneration as Managing Director	17.00	17.03
Nirja Sharma	Relative of Key Management Personnel	Lease Rent paid	-	0.09
Gujarat Gas Company Limited Employee Stock Option Welfare Trust	Enterprise controlled by the Company	Advance paid for purchase of shares Amount received for options exercised [Excluding adjustment of Rs. 27.45 million (Previous year Rs. 7.32 million) on account of exercise option during the year] Amount receivable at the year end	- 13.15 302.42	107.34 - 343.02
Gujarat Gas Company Limited Employees Gratuity Trust Fund	Enterprise controlled by the Company	Contribution paid	11.58	9.72

Note:

- 1 Gujarat Gas Financial Services Limited and Gujaratgas Trading Company Limited have been using the ERP software packages implemented by Gujarat Gas Company Limited being "SAP" and "Gas Distribution and Billing System" since August 2003 and August 2004 respectively without payment of any consideration.
- 2 The above do not include BG North Sea Holdings Ltd and BG Energy Holdings Ltd, who are holding company of BG Asia Pacific Holdings Pte. Ltd but with whom no transaction have occurred during the year.



	Year ended December 31, 2011 (Rs. in million)	Year ended December 31, 2010 (Rs. in million)
29. Deferred Tax:		
(A) The movement in deferred tax account is as follows:		
Opening Balance	718.52	604.86
Provision for current year deferred tax liability (Net)	82.00	71.80
Adjustment for prior year (with provision for taxation)	-	41.86
Closing Balance	<u>800.52</u>	<u>718.52</u>
(B) Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws. The following amounts are shown in the balance sheet:		
Deferred Tax Liabilities	885.52	822.60
Deferred Tax Assets	<u>(85.00)</u>	<u>(104.08)</u>
	<u>800.52</u>	<u>718.52</u>
(C) Break up of deferred tax assets/liabilities:		
Deferred Tax Liabilities:		
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	885.52	822.60
Total (A)	<u>885.52</u>	<u>822.60</u>
Deferred Tax Assets:		
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:		
Provision for doubtful debts	7.13	7.72
Provision for Diminution in the value of Fixed Assets / Capital Work in Progress	11.42	44.65
Expenditure under Section 43B of the Income Tax Act	<u>66.45</u>	<u>51.71</u>
Total (B)	<u>85.00</u>	<u>104.08</u>
Net Deferred Tax Liability (A-B)	<u>800.52</u>	<u>718.52</u>



	As at December 31, 2011 (Rs. in million)	As at December 31, 2010 (Rs. in million)
30. Details of investment in Schedule 5 are:		
INVESTMENTS		
A Long Term Investments (At cost)		
Trade Investments :		
1. In Shares of Subsidiary Company (Unquoted) :		
1,397,500 Equity Shares of Rs. 10/- each fully paid-up in Gujarat Gas Financial Services Limited	14.00	14.00
9,000 Equity Shares of Rs. 100/- each fully paid-up in Gujaratgas Trading Company Limited	1.27	1.27
2. In Equity Shares of Joint Venture (Unquoted) :		
7,500,000 Equity Shares of Rs. 10/- each fully paid-up in Petroleum Infrastructure Limited	75.00	75.00
Less: Provision	75.00	75.00
3. Other (Unquoted)		
20,000,000 Equity Shares of Rs. 1/- each fully paid-up in Gujarat State Petroleum Corporation Limited	10.00	10.00
Long Term Investments (A)	<u>25.27</u>	<u>25.27</u>
B Current Investments (At cost or market value whichever is lower, determined categorywise)		
Other than Trade - Unquoted		
- Units of Mutual Funds	4,877.87	5,323.47
Current Investment (B)	<u>4,877.87</u>	<u>5,323.47</u>
Total Investment (A+B)	<u>4,903.14</u>	<u>5,348.74</u>
Notes :		
1 Aggregate cost of Unquoted Investments	4,978.14	5,423.74
2 Quantitative Movement of Current Investments from January 1, 2011 to December 31, 2011 is given below:		



Scheme	No. of Units at the beginning of the year	Opening Value (Rs. in million)	No. of Units purchased	No. of Units sold	No. of Units in hand at the year end	Cost of Units in hand at the year end at lower of cost or fair market value (Rs. in million)
Axis Treasury Advantage Fund Inst. Dividend	-	-	27,069	27,069	-	-
Birla SL Cash Plus Inst. Premium Dividend	-	-	19,774,328	19,774,328	-	-
Birla SL Fixed Term Plan Series CF Growth	6,979,128	69.79	-	6,979,128	-	-
Birla SL Medium Term Plan Inst. Fortnightly Dividend	5,023,706	51.04	28,477	5,052,183	-	-
Birla SL Quarterly Interval Series 4 Dividend	3,000,000	30.00	-	3,000,000	-	-
Birla SL Cash Manger IP Dividend	-	-	12,308,808	12,050,308	258,500	25.86
Birla SL Fixed Term Plan Series CC Growth	3,000,000	30.00	-	3,000,000	-	-
Birla SL Fixed Term Plan Series CD Growth	3,000,000	30.00	-	3,000,000	-	-
Birla SL Fixed Term Plan Series CU Growth	-	-	5,000,000	-	5,000,000	50.00
Birla SL Fixed Term Plan Series CW Growth	-	-	4,000,000	-	4,000,000	40.00
Birla SL Fixed Term Plan Series DL Growth	-	-	3,015,449	1	3,015,448	30.15
Birla SL Fixed Term Plan Series DN Growth	-	-	5,327,424	1	5,327,423	53.27
Birla SL Interval Income Fund Inst. Quarterly Series 1 Dividend	5,000,000	50.00	-	5,000,000	-	-
Birla SL Interval Income Fund Retail Quarterly Series1 Dividend	3,000,000	30.00	-	3,000,000	-	-
Birla SL Savings Fund Inst. Dividend	-	-	12,591,705	12,591,705	-	-
Birla SL Short Term FMP Series 2 Dividend	3,000,000	30.00	-	3,000,000	-	-
Birla SL Short Term FMP Series 4 Dividend	-	-	3,500,000	-	3,500,000	-
Birla SL Short Term FMP Series 5 Dividend	-	-	2,334,960	2,334,960	-	-
Birla SL Short Term FMP Series 7 Dividend	-	-	3,000,000	3,000,000	-	-
Birla SL Short Term FMP Series 20 Dividend	-	-	3,000,000	-	3,000,000	30.00
Birla SL Short Term FMP Series 13 Dividend	-	-	2,000,000	2,000,000	-	-
Birla SL Dynamic Bond Fund Retail Plan Dividend	3,150,955	32.51	-	-	3,150,955	32.51
Birla SL Income Plus Quarterly Dividend	1,777,798	21.19	-	1,777,798	-	-
Birla SL Savings Fund Inst. Growth	5,861,608	100.93	-	5,275,449	586,159	100.93
Birla SL Short Term Fund Inst. Dividend	-	-	91,793,720	91,024,732	768,988	76.94
Birla SL Short Term Opportunities Fund Inst. Dividend	9,302,514	93.08	2,049,519	11,352,033	-	-
Birla SL Short Term FMP Series 3 Dividend	5,001,514	50.02	-	5,001,514	-	-
BNP Paribas Fixed Term Fund Ser 19E Dividend	3,000,000	30.00	-	3,000,000	-	-
BNP Paribas Fixed Term Fund Ser 19F Dividend	-	-	2,000,000	2,000,000	-	-
DSP BR Money Manager Fund Inst. Plan Dividend	-	-	58,015	58,015	-	-
DWS Fixed Term Fund Series 90 Growth	-	-	3,000,000	-	3,000,000	30.00
DWS Insta Cash Plus Fund Inst. Dividend	-	-	70,688,365	61,227,348	9,461,017	95.10
DWS Money Plus Fund Inst. Dividend	-	-	5,005,490	5,005,490	-	-
DWS Treasury Fund Cash Inst. Dividend	4,481,033	45.03	9,520,188	14,001,221	-	-
DWS Treasury Fund Investment Inst. Dividend	-	-	2,030,024	-	2,030,024	20.38
DWS Ultra Short Term Fund Inst. Dividend	-	-	409,984,863	348,226,674	61,758,189	618.69
Fidelity Cash Fund Inst. Dividend	-	-	5,001,584	5,001,584	-	-
Fidelity FMP Series 3 Plan F Growth	2,000,000	20.00	-	2,000,000	-	-
Fidelity FMP Series 4 Plan A Dividend	3,001,319	30.01	-	3,001,319	-	-
Fidelity FMP Series 4 Plan D Dividend	2,750,000	27.50	-	2,750,000	-	-
Fidelity FMP Series 4 Plan B Dividend	3,043,917	30.44	-	3,043,917	-	-
Fidelity Ultra Short Term Debt Fund Super Inst. Dividend	32,644,383	326.61	106,599,821	139,244,204	-	-
Fortis Money Manager Plus Inst. Dividend	-	-	17,077,620	17,077,620	-	-
HDFC Floating Rate Income STP Wholesale Plan Dividend	-	-	2,997,549	2,997,549	-	-
IDFC Money Manager Fund TP Super Inst. Plan C Dividend	24,255,719	242.59	38,310,994	62,566,713	-	-
IDFC Savings Advantage Fund Plan A Dividend	65,441	66.01	22,256	87,697	-	-
IDFC Ultra Short Term Fund Dividend	-	-	4,833,639	-	4,833,639	48.40
IDFC Ultra Short Term Fund Dividend	3,816,162	38.51	-	3,816,162	-	-
JM Fixed Maturity Fund Series XX Plan B Growth	-	-	2,000,000	-	2,000,000	20.00
JM High Liquidity Super Inst. Dividend	-	-	96,423,388	78,436,245	17,987,143	180.17
JM Money Manager Fund Regular Plan Dividend	8,319,157	83.28	5,749,285	4,095,413	9,973,029	99.84
JM Money Manager Fund Super Plan Dividend	3,997,547	40.02	5,235,738	4,223,035	5,010,250	50.16
JM Money Manager Super Plus Plan Dividend	943,625	9.44	98,264,847	79,111,416	20,097,056	201.08
JPMorgan India Fixed Maturity Plan 367D Series 1 Growth	-	-	3,000,000	-	3,000,000	30.00
JPMorgan India Fixed Maturity Plan 95D Series 1 Dividend	-	-	2,000,000	2,000,000	-	-
JPMorgan India Liquid Fund Super Inst. Dividend	-	-	73,307,791	62,305,034	11,002,757	110.11
JPMorgan India Treasury Fund Super Inst. Dividend	-	-	126,163,596	93,423,632	32,739,964	327.69
Kotak FMP 370 Days Series 6 Growth	2,000,000	20.00	-	2,000,000	-	-
Kotak Liquid Inst. Premium Dividend	-	-	48,285,420	42,147,622	6,137,798	75.05
Kotak FMP Series 59 Dividend	-	-	3,000,000	-	3,000,000	30.00
Kotak Flexi Debt Scheme Inst. Growth	13,560,374	151.28	-	-	13,560,374	151.28
Kotak Flexi Debt Scheme Inst. Dividend	-	-	281,014,541	258,643,107	22,371,434	224.78
Kotak FMP 370 Days Series 8 Growth	2,000,272	20.00	-	2,000,272	-	-
Kotak FMP 370Days Series 2 Growth	5,000,000	50.00	-	5,000,000	-	-



Scheme	No. of Units at the beginning of the year	Opening Value (Rs. in million)	No. of Units purchased	No. of Units sold	No. of Units in hand at the year end	Cost of Units in hand at the year end at lower of cost or fair market value (Rs. in million)
Kotak FMP 370Days Series 3 Growth	5,000,000	50.00	-	5,000,000	-	-
Kotak FMP 6M Series 11 Dividend	-	-	4,000,000	4,000,000	-	-
Kotak FMP Series 40 Growth	-	-	5,000,000	-	5,000,000	50.00
Kotak FMP Series 42 Growth	-	-	2,000,019	-	2,000,019	20.00
Kotak FMP Series 43 Growth	-	-	3,000,000	-	3,000,000	30.00
Kotak Quarterly Interval Plan Series 10 Dividend	5,750,000	57.50	-	5,750,000	-	-
Kotak Quarterly Interval plan Series 1 Dividend	5,000,000	50.00	-	5,000,000	-	-
Kotak Quarterly Interval Plan Series 2 Dividend	1,999,780	20.00	-	1,999,780	-	-
Kotak Quarterly Interval Plan Series 3 Dividend	3,499,580	35.00	-	3,499,580	-	-
Kotak Quarterly Interval plan Series 4 Dividend	8,000,000	80.00	-	8,000,000	-	-
Kotak Quarterly Interval Plan Series 6 Dividend	5,000,000	50.00	-	5,000,000	-	-
Kotak Quarterly Interval Plan Series 8 Dividend	8,000,000	80.00	-	8,000,000	-	-
Kotak Quarterly Interval Plan Series 9 Dividend	4,999,612	50.00	-	4,999,612	-	-
Kotak Quarterly Interval Plan Series 7 Dividend	4,999,750	50.00	-	4,999,750	-	-
L&T Liquid Super Inst. Dividend	-	-	250,307	250,307	-	-
L&T Ultra STF Inst. Dividend	-	-	9,627,504	9,627,504	-	-
Prudential ICICI Flexible Income Plan Dividend	-	-	3,021,394	3,021,394	-	-
Prudential ICICI Banking and PSU Debt Fund Dividend	20,150,882	201.83	-	20,150,882	-	-
Prudential ICICI Blended Plan B Inst. Dividend	10,567,349	109.75	6,417,676	15,684,710	1,300,315	13.01
Prudential ICICI Flexible Income Plan Premium Growth	599,938	101.23	-	-	599,938	101.23
Prudential ICICI Insti.Liquid Super Inst. Dividend	-	-	414,186	414,186	-	-
Prudential ICICI Interval Fund Annual Interval Plan I Inst. Dividend	3,997,433	40.00	-	3,997,433	-	-
Prudential ICICI Interval Fund I Quarterly Interval Plan Inst. Dividend	2,027,289	20.27	32,733	2,060,022	-	-
Prudential ICICI Interval Fund II Quarterly Plan Inst. Dividend	4,060,204	40.60	80,356	4,140,560	-	-
Prudential ICICI Interval Fund IV Quarterly Plan B Inst. Dividend	7,000,258	70.00	-	7,000,258	-	-
Prudential ICICI Long Term Floating Rate Plan C Dividend	3,071,398	30.73	116,586	3,187,984	-	-
Reliance Fixed Horizon Fund XIX Series 10 Growth	-	-	3,000,000	-	3,000,000	30.00
Reliance Fixed Horizon Fund XIX Series 11 Growth	-	-	5,000,000	-	5,000,000	50.00
Reliance Fixed Horizon Fund XIX Series 8 Growth	-	-	5,000,000	-	5,000,000	50.00
Reliance Fixed Horizon Fund XIX Series 9 Growth	-	-	5,001,080	-	5,001,080	50.01
Reliance Fixed Horizon Fund XVIII series 2 Dividend	-	-	2,600,000	2,600,000	-	-
Reliance Fixed Horizon Fund XVIII Series 7 Dividend	-	-	5,000,000	5,000,000	-	-
Reliance Fixed Horizon Fund XX Series 13 Growth	-	-	6,001,087	-	6,001,087	60.01
Reliance Fixed Horizon Fund XX series 15 Growth	-	-	2,000,000	-	2,000,000	20.00
Reliance Fixed Horizon Fund XX Series 4 Dividend	-	-	4,001,449	-	4,001,449	40.01
Reliance Fixed Horizon Fund XX Series 5 Dividend	-	-	5,000,000	-	5,000,000	50.00
Reliance Fixed Horizon Fund XX Series 6 Dividend	-	-	3,000,000	-	3,000,000	30.00
Reliance Fixed Horizon Fund XX Series 7 Dividend	-	-	2,000,000	2,000,000	-	-
Reliance Fixed Horizon Fund XX series 8 Dividend	-	-	5,000,000	-	5,000,000	50.00
Reliance Fixed Horizon Fund XV Series 3 Dividend	6,000,470	60.00	-	6,000,470	-	-
Reliance Fixed Horizon Fund XV Series 7 Growth	2,000,000	20.00	-	2,000,000	-	-
Reliance Fixed Horizon Fund XVI Series1 Growth	4,000,532	40.01	-	4,000,532	-	-
Reliance Fixed Horizon Fund XVIII Series 11 Dividend	-	-	5,000,000	5,000,000	-	-
Reliance Fixed Horizon Fund XVIII Series 8 Dividend	-	-	3,000,000	3,000,000	-	-
Reliance Fixed Horizon Fund XX Series 1 Dividend	-	-	2,000,000	2,000,000	-	-
Reliance Fixed Horizon Fund XX Series 2 Dividend	-	-	4,000,000	4,000,000	-	-
Reliance Interval Fnd Quarterly plan Series I Inst. Dividend	8,025,621	80.34	1,996,487	10,022,108	-	-
Reliance Liquid Plus Inst. Dividend	50,162	50.23	551,952	602,114	-	-
Reliance Liquidity Fund Dividend	-	-	51,664,488	51,664,488	-	-
Reliance Medium Term Fund Dividend	-	-	7,055,205	7,055,205	-	-
Reliance Money Manager Fund Inst. Growth	122,338	151.25	-	-	122,338	151.25
Reliance Monthly Interval Fund Series II Inst. Dividend	4,499,780	45.01	6,996,971	11,496,751	-	-
Reliance Monthly Interval Fund Series I Inst. Dividend	9,996,997	100.00	-	9,996,997	-	-
Reliance Quarterly Interval Fund series II Inst. Dividend	4,998,555	50.01	-	4,998,555	-	-
Reliance Quarterly Interval Fund series III Inst. Dividend	6,996,971	70.00	-	6,996,971	-	-
Religare Active Income Fund Inst. Dividend	4,051,580	40.62	41,805	4,093,385	-	-
Religare Active Income Fund Inst. Dividend	5,882,488	60.00	-	5,882,488	-	-
Religare Fixed Maturity Plan Series II Plan A 13 Months Growth	3,000,000	30.00	-	3,000,000	-	-
Religare Fixed Maturity Plan Series II Plan F 13 Months Growth	3,000,000	30.00	-	3,000,000	-	-
Religare Fixed Maturity plan series III D 370 Days Growth	2,000,000	20.00	-	2,000,000	-	-
Religare Fixed Maturity Plan Series IV A Dividend	5,000,000	50.00	-	5,000,000	-	-
Religare Fixed Maturity Plan Series IV C Dividend	4,700,000	47.00	-	4,700,000	-	-
Religare Fixed Maturity Plan series IX Plan C Dividend	-	-	2,000,000	-	2,000,000	20.00



Scheme	No. of Units at the beginning of the year	Opening Value (Rs.in million)	No. of Units purchased	No. of Units sold	No. of Units in hand at the year end	Cost of Units in hand at the year end at lower of cost or fair market value (Rs.inmillion)
Religare Fixed Maturity Plan Series VI Plan D Growth	-	-	3,000,000	-	3,000,000	30.00
Religare Fixed Maturity Plan Series VI Plan E Growth	-	-	2,000,000	-	2,000,000	20.00
Religare FMP series V Plan C Dividend	-	-	3,000,000	3,000,000	-	-
Religare Liquid Fund Inst. Dividend	-	-	991,508	891,499	100,009	100.09
Religare Ultra Short Term Fund Inst. Dividend	19,483,208	195.17	68,875,614	88,208,673	150,149	150.41
SBI Debt Fund Series 90 Days 35 Dividend	5,000,000	50.00	-	5,000,000	-	-
SBI Debt Fund Series 90 Days 36 Dividend	4,000,000	40.00	-	4,000,000	-	-
SBI Debt Fund Series 90 Days 37 Dividend	5,000,000	50.00	-	5,000,000	-	-
SBI Debt Fund Series 90 Days 38 Dividend	-	-	5,000,000	5,000,000	-	-
SBI Debt Fund Series 90 Days 42 Dividend	-	-	10,000,000	10,000,000	-	-
SBI DEBT Fund Series 90 Days 49 Dividend	-	-	3,000,000	3,000,000	-	-
SBI Debt Fund Series 180 days 20 Dividend	-	-	3,000,000	3,000,000	-	-
SBI Debt Fund Series 180 days 22 Dividend	-	-	3,000,000	-	3,000,000	30.00
SBI Debt Fund Series 367 Days 6 Growth	-	-	4,004,294	-	4,004,294	40.04
SBI Debt Fund Series 90 Days 44 Dividend	-	-	4,000,000	4,000,000	-	-
SBI Debt Fund Series 90 Days 45 Dividend	-	-	10,000,000	10,000,000	-	-
SBI Debt Fund Series 90 Days 41 Dividend	-	-	4,000,000	4,000,000	-	-
SBI Magnum Income FR Savings Plus Bond Plan Dividend	-	-	6,051,358	3,001,176	3,050,182	30.69
SBI Premier Liquid Fund Inst. Dividend	-	-	9,024,046	6,027,466	2,996,580	30.06
SBI SHF Ultra Short Term Fund Inst. Dividend	-	-	36,258,870	28,694,814	7,564,056	75.69
Sundaram BNP Interval Fund Quarterly Plan D Inst. Dividend	4,000,386	40.00	-	4,000,386	-	-
Sundaram BNP Money Fund Inst. Dividend	-	-	97,448,289	97,448,289	-	-
Sundaram BNP Paribas Liquid Plus Super Inst. Dividend	12,168,433	122.13	409,081,319	389,083,242	32,166,510	322.86
Sundaram BNP Ultra ST Fund Retail Dividend	-	-	695,802	695,802	-	-
Sundaram Bond Saver Institutional Bonus	465,435	5.00	-	465,435	-	-
Sundaram Interval Fund Quarterly Plan C Inst. Dividend	2,000,000	20.00	-	2,000,000	-	-
Sundaram Interval Fund Quarterly Plan E Inst. Dividend	2,000,210	20.00	-	2,000,210	-	-
TATA Fixed Income Portfolio Fund Scheme A2 Inst. Dividend	1,999,999	20.00	-	1,999,999	-	-
TATA Fixed Income Portfolio Fund Scheme A3 Inst Dividend	5,000,000	50.00	-	5,000,000	-	-
TATA Fixed Income Portfolio Fund Scheme A3 Regular Dividend	2,942,215	30.00	-	2,942,215	-	-
TATA Fixed Income Portfolio Fund Scheme B2 Inst. Dividend	3,994,767	40.00	-	3,994,767	-	-
TATA Fixed Income Portfolio Fund Scheme B2 Regular Dividend	-	-	1,984,029	1,984,029	-	-
TATA Fixed Income Portfolio Fund Scheme B3 Inst. Dividend	1,996,466	20.00	-	1,996,466	-	-
TATA Fixed Income Portfolio Fund Scheme B3 Inst. Dividend	3,000,000	30.00	1,999,320	4,999,320	-	-
Tata Fixed Income Portfolio Fund Scheme C2 Inst. Dividend	-	-	4,972,453	4,972,453	-	-
TATA Fixed Maturity Plan Series 26 A Growth	2,000,000	20.00	-	2,000,000	-	-
TATA Fixed Maturity Plan Series 26 C Growth	3,000,000	30.00	-	3,000,000	-	-
TATA Fixed Maturity Plan Series 27 Scheme A Growth	3,000,000	30.00	-	3,000,000	-	-
TATA Fixed Maturity Plan Series 28 Scheme A Dividend	-	-	4,250,199	4,250,199	-	-
TATA Fixed Maturity Plan Series 31 Scheme C Growth	-	-	5,000,000	-	5,000,000	50.00
TATA Fixed Maturity Plan Series 36 Scheme C Growth	-	-	3,000,000	-	3,000,000	30.00
TATA Fixed Maturity Plan Series 37 Scheme A Growth	-	-	3,251,916	-	3,251,916	32.52
Tata Floater Fund Dividend	2,993,139	30.04	109,905,920	110,894,764	2,004,295	20.11
Tata Liquid Super High Invest Dividend	-	-	296,260	296,260	-	-
Templeton India TMA Inst. Dividend	-	-	486,687	486,687	-	-
Templeton Ultra Short Bond Fund Super Inst. Dividend	-	-	206,568,461	182,122,624	24,445,837	244.74
UTI FIIF Series II Quarterly Interval Plan VII Inst.Dividend	3,000,157	30.00	-	3,000,157	-	-
UTI FIIF Annual Interval Plan Series I Inst.Growth	1,553,419	20.00	-	1,553,419	-	-
UTI FIIF Monthly Interval Plan II Inst.Dividend	3,750,000	37.50	-	3,750,000	-	-
UTI FIIF Series II Quarterly Interval Plan IV Inst.Dividend	7,000,102	70.00	-	7,000,102	-	-
UTI FIIF Series II Quarterly Interval Plan V Inst. Dividend	9,051,294	90.52	-	9,051,294	-	-
UTI FIIF Monthly Interval Plan Series I Inst. Dividend	6,000,357	60.01	-	6,000,357	-	-
UTI FIIF Quaterly Interval Plan Series I Inst. Dividend	4,999,720	50.00	-	4,999,720	-	-
UTI FIIF Quaterly Interval Plan Series VI Inst. Dividend	8,999,823	90.00	-	8,999,823	-	-
UTI Floating Rate Fund Short Term Inst. Dividend	51,496	51.54	1,483,355	1,534,851	-	-
UTI Liquid Cash Plan Inst. Dividend	-	-	294,473	294,473	-	-
UTI Money Market Fund Dividend	-	-	189,510	129,642	59,868	60.07
UTI FIIF Quarterly Plan Series-III Insti.Dividend	3,000,000	30.00	-	3,000,000	-	-
UTI Short Term Income Fund Inst. Income Dividend	2,049,513	20.90	142,837	-	2,192,350	22.38
UTI Treasury Advantage Fund Inst. Growth	-	-	759,685	739,394	20,291	20.30
TOTAL	483,525,278	5,323.47	2,789,213,963	2,864,636,531	408,102,710	4,877.87

**31. Assets given on lease:**

Leasing operations of the company mainly involves leasing of gas based generator sets under Operating and Finance lease arrangements.

i) Assets given on finance lease:

Under finance lease arrangements, the lease agreements have been entered for a fixed period of 6 years, at the end of which the ownership of assets will be transferred to the lessee on payment of consideration specified in the Lease Agreements.

	Year ended December 31, 2011				Year ended December 31, 2010			
	Gross Investment in the lease	Unearned Finance Income	Taxes	Present Value of Minimum Lease Payments receivable	Gross Investment in the lease	Unearned Finance Income	Taxes	Present Value of Minimum Lease Payments receivable
Total	39.35	4.27	1.06	34.02	92.08	16.26	2.85	72.97
Out of the above, receivable:								
Not Later than 1 year	29.59	-	-	25.17	42.64	-	-	30.67
Later than 1 year and not later than 5 years	9.76	-	-	8.85	49.44	-	-	42.30
Later than 5 years	-	-	-	-	-	-	-	-

ii) Asset given on operating lease:

The ownership of the gas based generator sets remains with the company throughout the life of these generators. The lease agreement typically ranges from 6 to 12 years, which are cancellable.

32. Pursuant to AS-29, the disclosure relating to Provisions are given below:

	Year ended December 31, 2011 Rs. in million	Year ended December 31, 2010 Rs. in million
Opening Balance	53.34	51.16
Additons during the Year	2.18	2.18
Closing Balance	55.52	53.34

The provision relates to estimated outflow of cash expected to be paid in relation to sale of gas pipelines. Due to its very nature it is not possible to estimate the timing of resulting cash flows.



	Rs. in million	Year ended December 31, 2011 Rs. in million	Year ended December 31, 2010 Rs. in million
33. Managerial Remuneration			
a) Computation of Net Profit in accordance with Section 349/198 of the Companies Act, 1956 and calculation of commission payable to Non Whole-Time Directors			
Profit before Tax as per Profit and Loss Account		3,901.81	3,811.09
Add:			
Depreciation as per Books of account	593.33		530.66
Provision for doubtful debts	-		2.00
Provision for Diminution in the value of Fixed Assets / Capital Work in Progress	35.21		10.03
Commission to Non Whole-Time Directors	3.10		3.10
Directors' Sitting Fees	0.95		0.89
Other Provision	2.18		2.18
		634.77	548.86
Less:			
Depreciation under Section 350 of the Companies Act, 1956	593.33		
		593.33	530.66
Profit as per Section 349		3,943.25	3,829.29
Add : Director's remuneration		17.00	17.03
Profit as per Section 198		3,960.25	3,846.32
Maximum Commission under Section 309 of the Companies Act, 1956 @ 1%		39.60	38.46
Commission Payable to Non Whole-Time Directors: (Subject to the approval of Board of Directors and Shareholders)		3.10	3.10
b) Remuneration Paid To Directors			
i) Managing Director			
- Salary and Bonus	11.01		13.43
- Allowances	1.87		1.93
- Perquisites	0.37		0.41
- Contribution to P.F. and other funds	3.75		1.26
		17.00	17.03
ii) Commission to Non Whole-Time Directors		3.10	3.10
iii) Directors' Sitting Fees		0.95	0.89
34. Payments to Auditors			
- Audit Fees	5.30		4.50
- Reimbursement of Expenses (Including Service Tax)	1.04		0.72
		6.34	5.22
35. Value of Imports calculated on C.I.F. Basis			
Capital Goods		5.75	28.34
Spare parts		2.29	21.69
		8.04	50.03

**36. Value of Imported & Indigenous Raw Material and Stores and spares and percentage thereof to the total consumption:**

	Year ended December 31, 2011		Year ended December 31, 2010	
	Percentage	Rs. in million	Percentage	Rs. in million
(a) Raw Materials - Natural Gas				
- Indigenous	100%	18,396.78	100%	12,866.44
(b) Stores and spares				
- Imported	2%	1.41	11%	5.19
- Indigenous	98%	55.19	89%	40.93
TOTAL	100%	56.60	100%	46.12

37. Purchases, Production / Processed and Sales :

Natural Gas	Year ended December 31, 2011		Year ended December 31, 2010	
	Qty (in LSCM)	Rs. in million	Qty (in LSCM)	Rs. in million
Purchased / Processed	12,734.06	18,396.78	12,285.37	12,866.44
Sales*	12,457.08	23,819.09	12,123.60	18,136.36

* Excluding line loss and internal consumption of 276.98 LSCM (Previous year 161.77 LSCM)

38. Licensed and Installed Capacity :

The Company is operating on the basis of commitment made for gas purchase by its suppliers under the agreements, hence it has no relevance for capacity in respect thereof.

39. Materials Consumed:

	Qty. (in LSCM)	Rs. in million
Natural Gas	12,734.06	18,396.78
	(12,285.37)	(12,866.44)

Previous year figures are in brackets

40. Expenditure in foreign currency (on payment basis)

	Year ended December 31, 2011 Rs. in million	Year ended December 31, 2010 Rs. in million
(i) Travelling expenses	1.61	0.86
(ii) Subscription	0.37	0.22
(iii) Training	0.16	0.11
(iv) Legal & Professional	3.82	4.82
(v) Repairs	6.13	-
(vi) Telecommunication	1.53	-

41. Dividends remitted by company in foreign currency during the year:

Particulars	Rs. in million	No. of Non Resident Shareholders	No. of Shares	Period/Year ended
Equity				
- Final Dividend	1,002.14	1	83,511,750	December 31, 2010
	(668.09)	(1)	(83,511,750)	December 31, 2009
- Interim Dividend	835.12	1	83,511,750	November 30, 2011
- Preference Dividend	10.80	1	14,400,000	December 31, 2010
	(10.80)	(1)	(14,400,000)	December 31, 2009

Previous year figures are in brackets



42. The subsidiary company Gujarat Gas Financial Services Limited has proposed final dividend at 30% and this will be accounted for in the books on declaration by the Company.
43. The provision for income tax has been calculated based on income earned during the year ended December 31, 2011 in accordance with Guidance Note on measurement of Income Tax expense for Interim Financial Reporting. However the tax year end of the Company being March 31, 2012 the ultimate liability for the Assessment Year 2012-13 will be determined based on the total income of the Company for the year ending March 31, 2012. The provision for wealth tax has been made based on the net wealth as on December 31, 2011. However the ultimate liability for the Assessment Year 2012-13 will be determined based on the net wealth as on March 31, 2012.
44. Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

Particulars	(Rs. in million)	
	Year ended December 31, 2011	Year ended December 31, 2010
Principal amount remaining unpaid as at the end of accounting year [including Interest due thereon - Nil (Previous Year - Nil)]	14.83	13.83
Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid at the end of accounting year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

45. The Company has made an investment of Rs. 254.90 million (Previous Year Rs. 254.90 million) for setting up a City Gas Distribution (CGD) network in Valsad and Navsari district, Union Territories of Silvassa and Daman which has not yet commenced operations. The Company has been exploring options of utilising this investment. The Board of Directors, in this regard, has now approved the sale of these assets. The management is of the opinion that there is more than reasonable certainty of monetising these assets in the near future through an outright sale. Hence, the impairment provision of Rs. 105.04 million (Previous year Rs. 105.04 million) lying in the books of accounts against these assets, has been reversed and the investment is now being held for disposal.
46. The amount of foreign currency payables that are not hedged by a derivative instrument as on December 31, 2011 are as under :

Particulars	As at December 31, 2011	As at December 31, 2010
Value in Rs. million	2.48	1.20
	(Includes USD 31,980 and EURO 11,001)	(Includes USD 20,340 and EURO 3,693)

47. Deposits from customers have been considered as a source of long term funds since the same are refundable only on termination/modification of the gas sale agreement.
48. Previous year figures have been reclassified/regrouped wherever considered necessary to conform to the current year figures.

For Price Waterhouse
Firm Registration Number – 301112E
Chartered Accountants

V. Nijhawan
Partner
Membership No. F87228

Place : Gurgaon
Date : February 23, 2012

For and on behalf of the Board

Hasmukh Shah
Chairman
Shaleen Sharma
Managing Director

Jal Patel
Director
Sugata Sircar
Finance Director
Rajeshwari Sharma
Company Secretary

Place : Ahmedabad
Date : February 23, 2012



**BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE AS PER PART IV OF
SCHEDULE VI TO THE COMPANIES ACT, 1956**

I. REGISTRATION DETAILS		
Registration No.	:	3623
State Code	:	04
Balance Sheet Date	:	31-12-2011
II. CAPITAL RAISED DURING THE YEAR (Amount Rs. in million)		
Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs. in million)		
Total Liabilities	:	15,751.63
Total Assets	:	15,751.63
Sources of Funds		
Paid-up Capital	:	400.50
Reserves and Surplus	:	7,346.20
Stock Options Outstanding Account	:	48.51
Secured Loans	:	Nil
Deferred Tax Liability	:	800.52
Unsecured Loans	:	Nil
Deposits	:	2,563.88
Applications of Funds		
Net Fixed Assets	:	8,274.34
Investments	:	4,903.14
Amount Recoverable from ESOP Trust	:	302.42
Net Current Assets	:	(2,320.29)
Miscellaneous Expenditure	:	Nil
Accumulated Losses	:	Nil
IV. PERFORMANCE OF THE COMPANY (Amount Rs. in million)		
Total Turnover	:	24,704.43
Total Expenditure	:	20,802.62
Profit Before Tax	:	3,901.81
Profit After Tax	:	2,738.81
Earnings Per Share (Rs.) (Annualized)	:	21.26
Dividend Rate (%)	:	1,100%
V. GENERIC NAME OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY (As per monetary terms)		
Item Code No. (ITC Code)	:	-
Product Description	:	PROCESSING, TRANSMISSION & DISTRIBUTION OF NATURAL GAS



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANY**

Name of the subsidiary	Gujaratgas Trading Company Ltd.
1. The financial year of the Subsidiary Company ended on	31st December 2011
2. (a) No. of Equity Shares held by Gujarat Gas Company Limited in the subsidiary as on 31st December, 2011	9,000 Equity Shares of Rs. 100/- each fully paid up (Previous year 9,000)
(b) Extent of interest of Gujarat Gas Company Limited in the capital of the subsidiary	100% (Previous year 100%)
3. Net Aggregate amount of profits of the subsidiary so far as it concerns the members of Gujarat Gas Company Limited, and is not dealt with in the Company's accounts	
(a) Profit for the financial year ended on 31st December, 2011 of the subsidiary.	Rs. 9.91 million (Previous year Rs. 6.15 million)
(b) Profits for the previous financial years of the subsidiary since it became subsidiary of Gujarat Gas Company Limited.	Rs. 113.02 million (Previous year Rs. 106.87 million)
4. Net Aggregate amount of Profit of the subsidiary so far as dealt with or provision is made for those Profits in Gujarat Gas Company Limited's accounts	
(a) For the subsidiary's Financial year ended on 31st December, 2011	Nil (Previous year Nil)
(b) For its previous financial years since it became the subsidiary of Gujarat Gas Company Ltd.	Rs. 137.50 million (Previous year Rs. 137.50 million)

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Place : Ahmedabad
Date : February 23, 2012

Jal Patel Sugata Sircar Rajeshwari Sharma
Director Finance Director Company Secretary



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANY**

Name of the subsidiary	Gujarat Gas Financial Services Ltd.
1. The financial year of the Subsidiary Company ended on	31st December 2011
2. (a) No. of Equity Shares held by Gujarat Gas Company Limited in the subsidiary as on 31st December, 2011	13,97,500 Equity Shares of Rs. 10/- each fully paid up (Previous year 13,97,500)
(b) Extent of interest of Gujarat Gas Company Limited in the capital of the subsidiary	69.88% (Previous year 69.88%)
3. Net Aggregate amount of profits of the subsidiary so far as it concerns the members of Gujarat Gas Company Limited, and is not dealt with in the Company's accounts	
(a) Profit for the financial year ended on 31st December, 2011 of the subsidiary.	Rs. 30.60 million (Previous year Rs. 28.98 million)
(b) Profits for the previous financial years of the subsidiary since it became subsidiary of Gujarat Gas Company Limited.	Rs. 137.60 million (Previous year Rs. 111.41 million)
4. Net Aggregate amount of Profit of the subsidiary so far as dealt with or provision is made for those Profits in Gujarat Gas Company Limited's accounts.	
(a) For the subsidiary's Financial year ended on 31st December, 2011	Rs. 2.80 million (Previous year Rs. 2.10 million)
(b) For its previous financial years since it became the subsidiary of Gujarat Gas Company Ltd.	Rs. 66.94 million (Previous year Rs. 64.14 million)

For and on behalf of the Board

Hasmukh Shah
Chairman

Shaleen Sharma
Managing Director

Place : Ahmedabad
Date : February 23, 2012

Jal Patel Sugata Sircar Rajeshwari Sharma
Director Finance Director Company Secretary



GUJARATGAS TRADING COMPANY LIMITED DIRECTORS' REPORT

Dear Shareholders,

Your Directors are glad in presenting the 31st Annual Report together with the audited accounts of Gujaratgas Trading Company Limited for the year ended on 31 December 2011

FINANCIAL RESULTS

(Rs. in Lac)

Particulars	Current year ended on 31.12.2011	Previous year ended on 31.12.2010
Total income	13,363.77	17,366.44
Profit before tax	99.89	70.10
Tax (Current)	0.76	8.60
Profit after tax	99.13	61.50
Add: Profit brought forward from previous year	863.53	802.03
Profit available for appropriation	962.66	863.53
Transfer to general reserve	-	-
Proposed dividend	-	-
Corporate dividend tax	-	-
Surplus retained	962.66	863.53

DIVIDEND

Your directors do not recommend any dividend for the year under review.

OPERATIONS

Your Company, the wholly-owned subsidiary of Gujarat Gas Company Limited is engaged in the business of selling natural gas. During the year under review, your Company achieved sales of Rs. 13,266.53 lacs as against Rs. 17,303.16 lacs during the previous year. The total income for the year was Rs. 13,363.77 lacs including other income of Rs. 97.24 lacs as against total income of Rs. 17,366.44 lacs including other income of Rs. 63.28 lacs in the previous year. The Profit before tax (PBT) was Rs. 99.89 lacs during the year as against Rs. 70.10 lacs in the previous year.

STATUTORY INFORMATION

Energy, Technology and Foreign Exchange

The particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not required to be reported as your Company is a trading company. During the year under review, there were no foreign exchange earnings whereas foreign exchange outgo was to the extent of Rs. 174.13 lacs.

Particulars of Employees

Since no employee of the Company, whether employed throughout the year or any part thereof, is in receipt of remuneration exceeding the limits prescribed under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, no particulars are being provided thereunder.

Fixed Deposits

During the year under review, your Company has not invited any fixed deposits within the meaning of Section 58A of the Companies Act, 1956.

Directors' Responsibility Statement

Your directors hereby state

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31 December 2011 and of the profit of the company for the year ended on that date;
- iii. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the directors have prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

Price Waterhouse, the Statutory Auditors of the Company, retires at the ensuing Annual General Meeting and are eligible for re-appointment.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

DIRECTORS

Mr. Shaleen Sharma retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment. Your directors recommend his re-appointment.

APPRECIATION

Your directors hereby place on record their appreciation for the support received from the customers, the Central and State Governments and its bankers.

Your directors are grateful to the promoter viz. Gujarat Gas Company Limited and BG Group for their valuable contribution throughout the year and also thank the shareholders for their support to the Company.

For and on behalf of the Board

Shaleen Sharma
Chairman

Date: 23 February 2012
Place: Ahmedabad



Auditors' Report To the Members of Gujaratgas Trading Company Limited

1. We have audited the attached Balance Sheet of GujaratGas Trading Company Limited (the "Company") as at December 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on December 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse
Firm Registration No. – 012754N
Chartered Accountants

Joy Kumar Jain
Partner
Membership Number: F87659

Place : Ahmedabad
Date : February 23, 2012



Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of GujaratGas Trading Company Limited on the financial statements for the year ended December 31, 2011]

- i) a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- ii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase and sale of gas. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- iii) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- iv) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- v) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- vi) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax as at December 31, 2011 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of Dues	Amount (Rs. in thousand)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and Interest thereon	5,498	Assessment Year 2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax and Interest thereon	7,632	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax and Interest thereon	4,230	Assessment Year 2009-10	Commissioner of Income Tax (Appeals)

There are no dues of service tax and value added tax which have not been deposited on account of a dispute.

- viii) The Company has no accumulated losses as at December 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xi) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
- xii) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xiii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xiv) The Company has not obtained any term loans.
- xv) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.



- xvi) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xvii) The Company has not issued any debentures during the year and there are no debentures outstanding as at year end.
- xviii) The Company has not raised any money by public issues during the year.
- xix) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- xx) The other clause (i) and (ii) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

For Price Waterhouse
Firm Registration No. – 012754N
Chartered Accountants

Joy Kumar Jain
Partner
Membership Number: F87659

Place : Ahmedabad
Date : February 23, 2012



**GUJARATGAS TRADING COMPANY LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2011**

	Schedule	Rs. in thousand	As at 31-12-2011 Rs. in thousand	As at 31-12-2010 Rs. in thousand
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Capital	1	900		900
Reserves and Surplus	2	<u>122,916</u>		<u>113,003</u>
			<u>123,816</u>	<u>113,903</u>
TOTAL			<u>123,816</u>	<u>113,903</u>
APPLICATION OF FUNDS				
INVESTMENTS				
	3		123,915	154,253
CURRENT ASSETS, LOANS AND ADVANCES				
Sundry Debtors	4	133,338		128,158
Cash and Bank Balances	5	16,712		1,430
Loans and Advances	6	<u>12,574</u>		<u>12,574</u>
		162,624		142,162
LESS: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	7	146,292		159,623
Provisions		<u>16,431</u>		<u>22,889</u>
		162,723		182,512
NET CURRENT ASSETS			(99)	(40,350)
TOTAL			<u>123,816</u>	<u>113,903</u>
Significant Accounting Policies and Notes to Accounts	10			

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse
Firm Registration Number – 012754N
Chartered Accountants

Joy Kumar Jain
Partner
Membership No. F87659

Place : Ahmedabad
Date : February 23, 2012

The Schedules referred to above form an integral part of the Balance Sheet

For and on behalf of the Board

Shaleen Sharma Sugata Sircar
Chairman Director

Place : Ahmedabad
Date : February 23, 2012



GUJARATGAS TRADING COMPANY LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

	Schedule	Rs. in thousand	Year ended 31-12-2011 Rs. in thousand	Year ended 31-12-2010 Rs. in thousand
INCOME:				
Sale of Natural Gas (Traded) (Refer Note 4(i) and (ii) on Schedule 10)		1,326,653		1,730,316
Other Income	8	9,724	1,336,377	1,736,644
EXPENDITURE:				
Purchase of Natural Gas (Refer Note 15 on Schedule 10) [Includes foreign exchange loss of Rs. 17,798 thousand (Previous year gain of Rs. 9,709 thousand)]		1,325,283		1,728,443
Operating and Other Expenses	9	1,105	1,326,388	1,729,634
Profit before Taxes			9,989	7,010
Tax Expense (Refer Note 6, 13 and 17 on Schedule 10)				
Current Tax			76	236
Deferred Tax			-	624
			76	860
Profit after Taxes			9,913	6,150
Profit Brought Forward			86,353	80,203
Profit Carried Forward			96,266	86,353
Basic/Diluted Earning per Share of Rs. 100/- each (Rs.) (Refer Note 5 and 9 on Schedule 10)			1,101.44	683.33
Significant Accounting Policies and Notes to Accounts	10			

This is the Profit and Loss Account referred to in our report of even date

For Price Waterhouse
Firm Registration Number – 012754N
Chartered Accountants

Joy Kumar Jain
Partner
Membership No. F87659

Place : Ahmedabad
Date : February 23, 2012

The Schedules referred to above form an integral part of the Profit and Loss Account

For and on behalf of the Board

Shaleen Sharma Sugata Sircar
Chairman Director

Place : Ahmedabad
Date : February 23, 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011**

	Year ended on 31-12-2011 Rs. in thousand	Year ended on 31-12-2010 Rs. in thousand
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Tax	9,989	7,010
Adjustments for:		
Profit on sale of investment (Net)	(2)	(3)
Dividend Income	(9,722)	(6,325)
Operating Profit before working capital changes	265	682
Adjustments for changes in working capital		
(Increase)/Decrease in Sundry Debtors	(5,180)	117,089
(Increase)/Decrease in Loan and Advances	-	4,287
Increase/(Decrease) in Current Liabilities	(13,331)	(102,604)
Cash generated from Operations	(18,246)	19,454
Taxes (paid)/refunded (net of TDS)	(6,534)	(4,382)
Net Cash from Operating Activities	(24,780)	15,072
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(43,660)	(61,958)
Sale of Investments	74,000	39,000
Dividends received	9,722	6,325
Net Cash from Investing activities	40,062	(16,633)
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,282	(1,561)
Cash and Cash Equivalents at the beginning of the year	1,430	2,991
Cash and Cash Equivalents at the end of the year	16,712	1,430
Cash and Cash Equivalents comprise		
Cash in hand	2	2
Balances with Scheduled Banks		
- In Current Accounts	16,710	1,428
Total Cash and Cash Equivalents as per Cash Flow Statement	16,712	1,430

Notes to Cash Flow Statement:

- 1 Cash and Cash equivalents represent cash and bank balances only.
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- 3 Figures in brackets indicate outflows.
- 4 Previous year figures have been reclassified / regrouped wherever considered necessary to conform to the current year figures.

This is the cash flow statement referred to in our report of even date.

For Price Waterhouse
Firm Registration Number – 012754N
Chartered Accountants

Joy Kumar Jain
Partner
Membership No. F87659

Place : Ahmedabad
Date : February 23, 2012

For and on behalf of the Board

Shaleen Sharma Sugata Sircar
Chairman Director

Place : Ahmedabad
Date : February 23, 2012



SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31-12-2011 Rs. in thousand	As at 31-12-2010 Rs. in thousand
SCHEDULE - 1		
CAPITAL		
Authorised		
10,000 (Previous year 10,000) Equity Shares of Rs.100/- each	1,000	1,000
TOTAL	1,000	1,000
Issued, Subscribed and Paid up		
9,000 (Previous year 9,000) Equity Shares of Rs.100/- each fully paid-up	900	900
[Of the above 9,000 (Previous year 9,000) fully paid up shares are held by holding company Gujarat Gas Company Limited and its nominees. The ultimate holding company being BG Group plc.]		
TOTAL	900	900
SCHEDULE - 2		
RESERVES AND SURPLUS		
General Reserve	26,650	26,650
Profit and Loss Account	96,266	86,353
TOTAL	122,916	113,003
SCHEDULE - 3		
INVESTMENTS (Refer Note 2 and 14 on Schedule 10)		
Current Investments (At cost or fair market value whichever is lower, determined categorywise)		
Unquoted - other than trade		
Units of Mutual Funds	123,915	154,253
TOTAL	123,915	154,253
Aggregate cost of Unquoted Investments	123,915	154,253
SCHEDULE - 4		
SUNDRY DEBTORS		
Unsecured - Considered Good		
Exceeding Six Months	-	-
Others	133,338	128,158
[Includes Rs.133,338 thousand (Previous year Rs. 128,158 thousand) due from Gujarat Gas Company Ltd, maximum balance due during the year Rs. 271,596 thousand (Previous year Rs. 444,730 thousand)]		
TOTAL	133,338	128,158
SCHEDULE - 5		
CASH AND BANK BALANCES		
Cash in hand	2	2
Balances with Scheduled Banks		
- In Current Accounts	16,710	1,428
TOTAL	16,712	1,430



SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in thousand	As at 31-12-2011 Rs. in thousand	As at 31-12-2010 Rs. in thousand
SCHEDULE - 6			
LOANS AND ADVANCES			
(Unsecured - considered good, unless otherwise stated)			
Advances recoverable in cash or in kind for value to be received		12,574	12,574
TOTAL		12,574	12,574
SCHEDULE - 7			
CURRENT LIABILITIES AND PROVISIONS			
(A) CURRENT LIABILITIES			
Sundry Creditors		-	-
- Dues to Micro and Small Enterprises*		136,757	154,322
- Other Creditors		9,535	5,301
Other Liabilities		146,292	159,623
(B) PROVISIONS			
Provision for Taxation	198,102		198,026
Less: Advance payment of Tax and Tax Deducted at Source	181,671		175,137
		16,431	22,889
TOTAL		162,723	182,512

* As per the information available with the management, there are no outstanding dues payable to Micro and Small Enterprises

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

		Year ended 31-12-2011 Rs. in thousand	Year ended 31-12-2010 Rs. in thousand
SCHEDULE - 8			
OTHER INCOME			
Dividend from Mutual Funds (Current) (Refer Note 4 (iii) on Schedule 10)		9,722	6,325
Profit on sale of Current Investments		2	3
TOTAL		9,724	6,328
SCHEDULE - 9			
OPERATING AND OTHER EXPENSES			
Rates and Taxes		3	3
Legal, Professional and Consultancy Expenses		760	854
Miscellaneous Expenses		342	334
TOTAL		1,105	1,191

**SCHEDULE -10****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****Significant Accounting Policies:****1. Accounting Convention:**

The Financial Statements have been prepared to comply in all material respects with all applicable accounting principles in India, the applicable accounting standard notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. Investments:

Current investments are stated at lower of cost or market value determined category wise. Cost is determined as per weighted average cost formula.

3. Foreign currency transactions:

Foreign currency transactions are recorded at exchange rates prevailing on the transaction date. At the balance sheet date, monetary assets and monetary liabilities denominated in foreign currency are translated at the applicable exchange rates prevailing on the Balance Sheet date and the resultant exchange difference, if any, is recognized in the Profit & Loss Account. Exchange differences, if any, arising on settlement of transactions are recognized as income or expense in the year in which they arise.

4. Revenue Recognition:

- (i) Revenue on sale of natural gas is recognized on transfer of title to customers at delivery point.
- (ii) Commitment income from customers for gas sales and gas transmission is recognized on establishment of certainty of receipt of consideration.
- (iii) Dividend income is recognized when the right to receive the dividend is established.
- (iv) Delayed payment charges are recognized on the basis of certainty of collection.

5. Earnings Per Share (EPS):

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

6. Taxation:

Tax expense for the year, comprising current tax and deferred tax, is included in determining the net profit for the year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at substantively enacted tax rates.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

7. Provision and Contingencies:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

Notes to Accounts:**8. Contingent Liability:**

Income tax demand of Rs. 17,881 thousand (Previous Year Rs. 12,452 thousand) for the A.Y. 2008-09 and A.Y. 2009-10 on account of disallowance of commission paid to BG Energy Holdings Limited, disallowance of expenditure u/s 14A as per Rule 8D of the Income tax Rules 1962 and treatment of VAT refund as taxable income. The total amount paid by Company / adjusted by tax authorities towards above demand aggregates to Rs. 6,010 thousand (Previous year NIL). The Company has preferred an appeal before the CIT(A) against the said order.

**9. Earnings per share:**

	Year ended 31-12-2011	Year ended 31-12-2010
Net Profit/(Loss) attributable to Shareholders (Rs. in thousand)	9,913	6,150
Weighted average number of equity shares outstanding during the year (No. in thousand)	9	9
Basic earnings per share of Rs. 100/- each (in Rs.)	1,101.44	683.33

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

10. Segment Reporting:

The Company operates in a single segment of natural gas business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. Hence, disclosures required as per Accounting Standard on Segment Reporting (AS-17) are not applicable to the company.

11. Payment to Auditors:

	Year ended 31-12-2011 (Rs. in thousand)	Year ended 31-12-2010 (Rs. in thousand)
Audit fees	150	150
Reimbursement of Expenses (Including service tax)	29	23

12. Related Party Transactions:

The Company is controlled by Gujarat Gas Company Limited which is the beneficial owner of 100% shares. The ultimate parent of the Company is BG Group Plc.

The following transactions were carried out during the year in ordinary course of business:

Name of the related party	Nature of Relationship	Nature of Transactions	(Rs. in thousand)	
			Year ended 31-12-2011	Year ended 31-12-2010
Gujarat Gas Company Ltd. (Refer Note 1 Below)	Holding Company	Expense:		
		Service charges paid (including Service Tax)	331	331
		Income:		
		Sale of Natural Gas	1,326,653	1,730,316
		Share capital held	900	900
BG Energy Holdings Ltd. (Refer Note 3 Below)	Under Common Control	Balance Receivable	133,338	128,158
		Commission on purchases*	3,758	6,058
		Commission on corporate guarantee given to supplier*	1,215	2,338
		Balance Payable	3,693	16,133

*Included in gas purchases

Note:

- (1) The Company is using the ERP software packages implemented by Gujarat Gas Company Limited being "SAP" since August 2003, without payment of any consideration.
- (2) In addition to the transactions with related parties given in the table, BG Asia Pacific Holdings Pte. Limited and BG North Sea Holdings Limited are holding company of Gujarat Gas Company Limited but with whom no transaction have occurred during the year.
- (3) Commission to BG Energy Holdings Limited is payable on performance guarantee issued on behalf of Gujaratgas Trading Company Limited.



13. The Company estimates the deferred tax using the enacted or substantially enacted rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. The movement of provision for deferred tax is given below:

	Year ended 31-12-2011 (Rs. in thousand)	Year ended 31-12-2010 (Rs. in thousand)
Opening Balance (a)	-	624
Provision for current year deferred tax (liability) / asset (b)	-	(624)
Closing Balance (a+b)	-	-
Break up of deferred tax assets:		
Tax impact of expenses not allowed as expenses in current year allowed as expense in subsequent year	-	-

14. **Investments:**

	As at 31-12-2011 (Rs. in Thousand)	As at 31-12-2010 (Rs. in Thousand)
Current Investments (Unquoted):		
- Units of Mutual Funds	123,915	154,253
Notes:		
1) Aggregate cost of unquoted investment	123,915	154,253
2) Movement in investment from January 1, 2011 to December 31, 2011 is given below:		

Scheme	No. of Units at the beginning of the year	Opening Value (Rs. in thousand)	No. of Units purchased	No. of Units sold	No. of Units in hand at the year end	Cost of Units in hand at the year end at lower of cost or fair market value (Rs. in thousand)
Birla SL Savings Fund Institutional Dividend	8,402,836	84,085	5,857,318	13,654,059	606,095	60,651
Birla SL Short Term FMP Series 6 Dividend	-	-	3,000,000	3,000,000	-	-
HDFC Floating Rate Income Fund - Wholesale Option- Dividend	4,332,636	43,677	225,033	1,388,765	3,168,904	31,945
Reliance Money Manager Fund- Institutional Dividend	26,460	26,491	11,811	6,990	31,281	31,319
TOTAL	12,761,932	154,253	9,094,162	18,049,814	3,806,280	123,915

15. **Purchase and Sale of Natural Gas :**

Product	Purchases		Sales	
	Qty. in LSCM	Rs. in thousand	Qty. in LSCM	Rs. in thousand
Natural Gas	1,370.32 (1,871.71)	1,325,283 (1,728,443)	1,370.32 (1,871.71)	1,326,653 (1,730,316)

Previous year figures are in brackets.

16. **Expenditure in Foreign Currency (on payment basis):**

	Year ended 31-12-2011 Rs. in thousand	Year ended 31-12-2010 Rs. in thousand
Commission	17,413	-



17. The Provision for Current Tax has been calculated based on income earned during the year ended December 31, 2011 in accordance with Guidance Note on measurement of Income Tax expense for Interim Financial Reporting. However the tax year end of the Company being March 31, 2012, the ultimate liability for the Assessment Year 2012-13 will be determined on the total income of the Company for the year ending March 31, 2012.

18. Managerial Remuneration:

	Year ended 31-12-2011 Rs. in thousand	Year ended 31-12-2010 Rs. in thousand
Directors' Sitting Fees	72	72

19. The amount of foreign currency payables that are not hedged by a derivative instrument as on December 31, 2011 are as under :

	As at 31-12-2011	As at 31-12-2010
Value in Rs. thousand	130,060 (Includes USD 2,442 thousand)	131,001 (Includes USD 2,923 thousand)

20. Previous year figures have been reclassified / regrouped wherever considered necessary to conform to the current year figures.

For Price Waterhouse
Firm Registration Number – 012754N
Chartered Accountants

Joy Kumar Jain
Partner
Membership No. F87659

Place : Ahmedabad
Date : February 23, 2012

For and on behalf of the Board

Shaleen Sharma Sugata Sircar
Chairman Director

Place : Ahmedabad
Date : February 23, 2012



**BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE AS
PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

I. REGISTRATION DETAILS		
Registration No.	:	4091
State Code	:	04
Balance Sheet Date	:	31-12-2011
II. CAPITAL RAISED DURING THE YEAR (Amount Rs. in thousand)		
Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement (Preferential Allotment)	:	Nil
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs. in thousand)		
Total Liabilities	:	286,539
Total Assets	:	286,539
Sources of Funds		
Paid-up Capital	:	900
Reserves and Surplus	:	122,916
Secured Loans	:	Nil
Unsecured Loans	:	Nil
Deposits	:	Nil
Application of Funds		
Net Fixed Assets	:	Nil
Investments	:	123,915
Net Current Assets	:	(99)
Miscellaneous Expenditure/ Accumulated Losses	:	Nil
Deferred Tax Assets	:	Nil
IV. PERFORMANCE OF THE COMPANY (Amount Rs. in thousand)		
Total Turnover	:	1,336,377
Total Expenditure	:	1,326,388
Profit / (Loss) Before Tax	:	9,989
Profit / (Loss) After Tax	:	9,913
Earnings Per Share (Rs.) (Annualized)	:	1,101.44
Dividend Rate (%)	:	Nil
V. GENERIC NAME OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY (As per monetary terms)		
Item Code No. (ITC Code)	:	-
Product Description	:	TRADING IN NATURAL GAS



GUJARAT GAS FINANCIAL SERVICES LIMITED DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the Eighteenth Directors' Report together with the audited annual accounts for the year ending on 31 December 2011.

FINANCIAL PERFORMANCE

Particulars	(Rupees in thousand)	
	2011	2010
Net Income	78,292	73,587
Operating expenditure	(9304)	(7,623)
Profits before depreciation, interest and tax	68,988	65,964
<u>Less:</u>		
Depreciation	(51)	(67)
Interest	-	-
Profit before Tax	68,937	65,897
<u>Less:</u>		
Provision for Tax – current and deferred	(24,189)	(23,758)
Profit after Tax	44,748	42,139
Add: Surplus of earlier years	90,111	65,278
Amount available for appropriations	134,859	107,417
Appropriations:		
Transfer to General Reserve	4475	4214
Transfer to Reserve Fund (as stipulated by RBI)	-	8428
Dividend	6000	4000
Dividend Distribution Tax (Previous year adjustment of Rs. 16 thousand (Previous year Nil))	957	664
Surplus	123,427	90,111

During the year under review, the net income was Rs. 78.29 mn. as compared to Rs. 73.59 mn. in the year 2010 and the profit after tax was Rs. 44.75 mn. as compared to Rs. 42.14 mn. for the previous year.

DIVIDEND

In view of the overall performance and financial position of the Company, Directors are pleased to recommend payment of dividend at the rate of 30% i.e. Rs. 3/- per share on fully paid equity shares of Rs. 10 each. The proposed dividend will involve total payout of Rs.6.96 million inclusive of dividend distribution tax of Rs. 0.96 million.

APPROPRIATIONS

A sum of Rs. 4.48 million (previous year Rs. 4.21 million) is proposed to be transferred to General Reserve.

DISCUSSION ON OPERATIONS

Business

Your Company carried out the job of installing gas connections for domestic customers of GGCL and commercial customers of the Company.

Investments

During the year, the Company maintained its investments in bank deposits. The total portfolio of investment in bank deposits was Rs. 20.20 million, as on 31 December 2011.

HEALTH, SAFETY, SECURITY & ENVIRONMENT (HSS&E)

The HSS&E policies are being strictly implemented and progress is monitored on a continual basis. Employees were provided training in behavior based safety and safety interventions. The employees were encouraged to report hazards and "near misses".

DE-REGISTRATION

As the Company has stopped providing lease finance since April 2007, it has surrendered its Non Banking Finance Company (NBFC) status to the Reserve Bank of India (RBI). RBI vide its Order dated April 28, 2011 has cancelled the Certificate of Registration earlier issued to the Company.

AUDIT COMMITTEE

The Audit Committee comprised of all the Directors on the Board of Directors of the Company. Mr. Shaleen Sharma is Chairman of the Audit Committee.

FINANCE AND INSURANCE

- Your Company remains a zero debt company.
- The Company's office assets, stocks, risks are adequately insured.

HUMAN RESOURCES

The number of employees as on 31 December 2011 were four.

**STATUTORY INFORMATION**

- There are no employees, whether employed throughout the year or any part thereof, in receipt of remuneration exceeding the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.
- Since the Company is not a schedule industry details in respect of conservation of energy, technology absorption is not required to be furnished.
- During the period, there were no foreign exchange earnings whereas the foreign exchange outgo was to the extent of Rs. 16.84 million. Information pursuant to Part II of Schedule VI of the Companies Act, 1956, has been given in the notes to the accounts.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217 (2AA) of the Companies Act, 1956, your directors hereby state that:

1. In the preparation of the annual accounts for year 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year 2011 and of the profit or loss of the Company for that period.
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 (as amended), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The directors had prepared the annual accounts on a going concern basis.

AUDITORS REPORT

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

AUDITORS

Price Waterhouse, the Statutory Auditors of the Company retire at the conclusion of the Annual General Meeting and are eligible for reappointment. The Company has obtained from Price Waterhouse a written certificate to the effect that their re-appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956. The shareholders are requested to re-appoint the Auditors and to fix their remuneration.

DIRECTORS

Mr. Sugata Sircar retires by rotation at the ensuing Annual General Meeting. Being eligible, he offered himself for re-appointment.

APPRECIATION

Your directors wish to express its sincere appreciation to all its valuable customers for their continuing association with the Company. Your directors express their gratitude to its promoter, Gujarat Gas Company Limited for their valuable contribution throughout the year. Your directors also thank the shareholders for their continuing support to the Company. Your directors express their appreciation of efforts put in by all employees of the Company and also wish to thank government agencies for extending support to the Company's business.

For & on behalf of the Board

Shaleen Sharma
Chairman

Place: Ahmedabad

Dated: 21 February, 2012



AUDITORS' REPORT TO THE MEMBERS OF GUJARAT GAS FINANCIAL SERVICES LIMITED

1. We have audited the attached Balance Sheet of Gujarat Gas Financial Services Limited (the "Company") as at December 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on December 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at December 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse
Firm Registration No.- 301112E
Chartered Accountants

V. Nijhawan
Partner
Membership Number F-87228

Place: Gurgaon
Date: February 21, 2012

**ANNEXURE TO AUDITORS' REPORT**

[Referred to in paragraph 3 of the Auditors' report of even date to the members of Gujarat Gas Financial Services Limited on the financial statements for the year ended December 31, 2011]

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. .
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax as at December 31, 2011 which have not been deposited on account of a dispute, are as follows:



Name of the Statute	Nature of Dues	Amount (Rs. in Thousand)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and interest thereon	25,834	Assessment Year 2009-10	CIT (Appeals)
	Income Tax and interest thereon	34,626	Assessment Year 2008-09	ITAT
	Income Tax and interest thereon	6,391	Assessment Year 2007-08	ITAT
	Income Tax and interest thereon	1,852	Assessment Year 2006-07	ITAT
	Income Tax and interest thereon	5,986	Assessment Year 2002-03	ITAT
	Income Tax and interest thereon	6,822	Assessment Year 2001-02	ITAT
	Income Tax and interest thereon	4,929	Assessment Year 1996-97 to 2000-01	ITAT
	Penalty u/s 271(1)(c)	1,629	Assessment Year 1996-97	ITAT
Interest Tax Act, 1974	Interest Tax	2,896	Assessment Year 1999-2000	High Court

There are no dues of customs duty, service-tax and value added tax which have not been deposited on account of dispute.

10. The Company has no accumulated losses as at December 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year and there are no debentures outstanding as at year end.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Price Waterhouse

Firm Registration No.- 301112E
Chartered Accountants

V. Nijhawan

Partner
Membership Number F-87228

Place: Gurgaon
Date: February 21, 2012



**GUJARAT GAS FINANCIAL SERVICES LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2011**

	Schedule	Rs. in thousand	As at 31-12-2011 Rs. in thousand	As at 31-12-2010 Rs. in thousand
SOURCES OF FUNDS				
Shareholders' Funds				
Capital	1	20,000		20,000
Reserves and Surplus	2	226,972		189,181
			246,972	209,181
			246,972	209,181
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	3	575,875		578,630
Less : Depreciation		439,287		441,746
		136,588		136,884
Less : Lease Terminal Adjustment		136,588		136,588
Net Block			-	296
Investments	4		-	-
Deferred Tax Asset			81,981	74,694
(Refer Note A9, B7 & B10 on Schedule 17)				
Current Assets, Loans and Advances				
Inventories	5	81,033		83,035
Sundry Debtors	6	66,404		33,755
Cash and Bank Balances	7	33,127		43,594
Other Current Assets	8	87		68
Loans and Advances	9	48,526		46,572
		229,177		207,024
Less: Current Liabilities and Provisions	10			
Current Liabilities		55,716		67,025
Provisions		8,470		5,808
		64,186		72,833
Net Current Assets			164,991	134,191
			246,972	209,181
Significant Accounting Policies and Notes to Accounts	17			

This is the Balance Sheet referred to in our report of even date

The schedules referred to above form an integral part of the Balance Sheet.

For Price Waterhouse
Firm Registration No.- 301112E
Chartered Accountants

For and on behalf of the Board

Shaleen Sharma
Chairman

Sugata Sircar
Director

V. Nijhawan
Partner
Membership No. F-87228

Chintan Trivedi
Company Secretary

Place : Gurgaon
Date : February 21, 2012

Place : Ahmedabad
Date : February 21, 2012



GUJARAT GAS FINANCIAL SERVICES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

	Schedule	Rs. in thousand	Year ended 31-12-2011 Rs. in thousand	Year ended 31-12-2010 Rs. in thousand
INCOME				
Income from operations	11	287,362		279,569
Other Income	12	12,955		3,163
			300,317	282,732
EXPENDITURE				
Installation Cost	13	222,025		209,145
Personnel Expenses	14	4,178		3,261
Administration and Other Expenses	15	5,126		4,362
Depreciation		51		67
			231,380	216,835
Profit before Taxes			68,937	65,897
Tax Expense	16		24,189	23,758
Profit after Taxes			44,748	42,139
Profit brought forward			90,111	65,278
Profit available for Appropriation			134,859	107,417
Appropriations				
Proposed Dividend			6,000	4,000
Corporate Dividend Tax (Previous year adjustment of Rs. 16 thousand (Previous year Rs. Nil))			957	664
Transferred to Special Reserve (As stipulated by RBI)			-	8,428
Transferred to General Reserve			4,475	4,214
Profit Carried Forward			123,427	90,111
			134,859	107,417
Basic / Diluted Earnings per Share of Rs.10/- each (Refer note A8 & B8 on Schedule 17)			22.37	21.07
Significant Accounting Policies and Notes to Accounts	17			

This is the Profit and Loss Account referred to in our report of even date.

The schedules referred to above form an integral part of the Profit and Loss Account.

For Price Waterhouse
Firm Registration No.- 301112E
Chartered Accountants

For and on behalf of the Board

Shaleen Sharma Chairman	Sugata Sircar Director
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V. Nijhawan
Partner
Membership No. F-87228

Chintan Trivedi
Company Secretary

Place : Gurgaon
Date : February 21, 2012

Place : Ahmedabad
Date : February 21, 2012



CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011

	Year ended 31-12-2011 Rs. in thousand	Year ended 31-12-2010 Rs. in thousand
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxes	68,937	65,897
Adjustments for:		
Depreciation	51	67
Loss on sale of Fixed Assets	245	-
Interest Income	(2,525)	(867)
Liabilities no longer required written back	-	(102)
Provision for Gratuity and Leave encashment	344	160
Operating Profit Before Working Capital Changes	67,052	65,155
Adjustments for changes in working capital		
(Increase)/Decrease In Sundry Debtors	(32,649)	(5,001)
(Increase)/Decrease In Loans And Advances	(7,895)	(4,286)
(Increase)/Decrease In Inventories	2,002	17,314
Increase/(Decrease) In Current Liabilities and Provisions	(11,449)	(8,928)
Cash generated from/(used in) operations	17,061	64,254
Taxes Paid (Net of TDS)	(25,290)	(21,958)
Net Cash from/(used in) Operating Activities	(8,229)	42,296
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	2,261	734
Net Cash from Investing Activities	2,261	734
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid (including Corporate Dividend Tax)	(4,499)	(3,433)
Net Cash used in Financing Activities	(4,499)	(3,433)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(10,467)	39,597
Cash & Cash Equivalents at the beginning of the year	43,594	3,997
Cash & Cash Equivalents at the end of the year	33,127	43,594
Closing Cash & Cash Equivalents Comprise of:		
Cash in Hand	20	17
Balance with Scheduled Banks		
-In Current Account	12,274	7,294
-In Term Deposit (Refer Note (b) below)	20,200	35,800
-In Dividend Account	633	483
Total Cash & Cash Equivalents as per Cash Flow Statement	33,127	43,594

**Notes to Cash Flow Statement:**

- a The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- b Term Deposits include balance in Escrow account as stipulated by RBI Rs. Nil (Previous Year Rs. 500 thousands).
- c The balance with the bank for unpaid dividend is not available for use by the company and the money remaining unpaid will be deposited in Investor Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.
- d Previous Year figures have been reclassified / regrouped wherever considered necessary to conform to the Current Year's figures.
- e Figures in bracket indicate Cash outflows.

This is the Cash Flow referred to in our report of even date.

For Price Waterhouse

Firm Registration No.- 301112E
Chartered Accountants

V. Nijhawan

Partner

Membership No. F-87228

Place : Gurgaon

Date : February 21, 2012

For and on behalf of the Board**Shaleen Sharma**

Chairman

Sugata Sircar

Director

Chintan Trivedi

Company Secretary

Place : Ahmedabad

Date : February 21, 2012



**GUJARAT GAS FINANCIAL SERVICES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET**

	Rs. in thousand	As at 31-12-2011 Rs. in thousand	As at 31-12-2010 Rs. in thousand
SCHEDULE-1			
CAPITAL			
A. Authorised			
70,00,000 (Previous year 70,00,000) Equity Shares of Rs.10/- each	70,000		70,000
50,00,000 (Previous year 50,00,000) Preference Shares of Rs.10/- each	50,000		50,000
		120,000	120,000
B. Issued, Subscribed and paid up			
20,00,000 Equity Shares of Rs.10/- each fully paid up (Previous year 20,00,000 Equity Shares of Rs.10/- each)		20,000	20,000
[Out of the above 13,97,500 Shares (Previous year 13,97,500 Shares) of Rs.10/- each are held by holding Company - Gujarat Gas Company Limited. The ultimate holding company being BG Group plc]		20,000	20,000
SCHEDULE-2			
RESERVES AND SURPLUS			
General Reserve			
Opening Balance	11,212		6,998
Add : Transferred from Profit & Loss Account	4,475		4,214
Add: Transferred from Special Reserve(as required by RBI) (Refer Note B14 on Schedule 17)	87,858		-
		103,545	11,212
Special Reserve (as required by RBI)			
Opening Balance	87,858		79,430
Add: Transferred from Profit & Loss Account	-		8,428
Less : Transferred to General Reserves (Refer Note B14 on Schedule 17)	87,858		-
		-	87,858
Profit & Loss Account		123,427	90,111
		226,972	189,181



**SCHEDULE - 3
FIXED ASSETS**

(Refer note A.3 on Schedule 17)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.01.2011	Additions during the year	Sales/Adj. during the year	Balance as at 31.12.2011	As at 01.01.2011	Additions during the year	Sales/Adj. during the year	Balance as at 31.12.2011	As at 31.12.2011	As at 31.12.2010
A. Assets given on Lease (Prior to April 1, 2001)										
Plant & Machinery	575,875	-	-	575,875	439,287	-	-	439,287	136,588	136,588
Total - (A)	575,875	-	-	575,875	439,287	-	-	439,287	136,588	136,588
B. Other Assets										
Computer	1,083	-	1,083	-	1,083	-	1,083	-	-	-
Office Equipment & Electrical Installation	673	-	673	-	450	26	476	-	-	223
Furniture & Fixture	973	-	973	-	900	25	925	-	-	73
Vehicle	26	-	26	-	26	-	26	-	-	-
Total - (B)	2,755	-	2,755	-	2,459	51	2,510	-	-	296
Total -(A)+(B)	578,630	-	2,755	575,875	441,746	51	2,510	439,287	136,588	136,884
Lease Terminal Adjustment	-	-	-	-	136,588	-	-	136,588	(136,588)	(136,588)
Total	578,630	-	2,755	575,875	578,334	51	2,510	575,875	-	296
Previous Year	578,630	-	-	578,630	578,267	67	-	578,334	296	-

Rs. in thousand



**GUJARAT GAS FINANCIAL SERVICES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET**

	Rs. in thousand	As at 31-12-2011 Rs. in thousand	As at 31-12-2010 Rs. in thousand
SCHEDULE -4			
INVESTMENTS			
(Refer Note A4 and B4 on Schedule 17)			
LONG TERM - OTHERS			
Other than trade- Quoted shares			
11,600 equity shares of Rs. 10/- each fully paid up (previous year 11,600 equity shares of Rs. 10/- each)	116		116
Less: Provision for diminution in value of investment	<u>116</u>	-	<u>116</u>
		-	-
		-	-
SCHEDULE-5			
INVENTORIES			
(Refer Note A5 and B2 on Schedule 17)			
Traded Goods (at cost)		<u>81,033</u>	83,035
		<u>81,033</u>	<u>83,035</u>
SCHEDULE-6			
SUNDRY DEBTORS			
(Unsecured considered good unless otherwise stated)			
Debts outstanding for a period exceeding six months	-		-
Other Debts*	<u>66,404</u>	<u>66,404</u>	33,755
		<u>66,404</u>	<u>33,755</u>
[*Includes Rs.66,376 thousand (Previous Year Rs. 33,755 thousand) due from Gujarat Gas Company Ltd- the holding Company maximum balance outstanding during the year Rs. 68,687 thousand (Previous Year Rs. 34,146 thousand)]			
SCHEDULE-7			
CASH AND BANK BALANCES			
Cash in hand		20	17
Balances with Scheduled Banks			
In Current Accounts		12,274	7,294
In Term Deposit *		20,200	35,800
In Dividend Accounts		633	483
		<u>33,127</u>	<u>43,594</u>
* Includes Term Deposit in an Escrow account as stipulated by RBI Rs. Nil (Previous Year Rs. 500 thousand)			
SCHEDULE-8			
OTHER CURRENT ASSETS			
(Unsecured, considered good,unless otherwise stated)			
Interest accrued on Term Deposits with Scheduled Banks		<u>87</u>	68
		<u>87</u>	<u>68</u>



GUJARAT GAS FINANCIAL SERVICES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in thousand	As at 31-12-2011 Rs. in thousand	As at 31-12-2010 Rs. in thousand
SCHEDULE-9			
LOANS AND ADVANCES			
(Unsecured, considered good, unless otherwise stated)			
Advances recoverable in cash or in kind or for Value to be received.		11,205	8,797
Advance payment of Tax and Tax Deducted at Source	272,386		241,364
Less: Provision of Taxation	<u>235,065</u>		<u>203,589</u>
		<u>37,321</u>	<u>37,775</u>
		<u>48,526</u>	<u>46,572</u>
SCHEDULE-10			
CURRENT LIABILITIES & PROVISION			
A. Current Liabilities			
Sundry Creditors			
- Dues to Micro and Small Enterprises (Refer Note B13 on Schedule 17)		1,367	199
- Other Creditors		30,083	27,138
Advances from Customers		19,189	34,957
Payable to Retrenched Employees (Refer Note B1(c) on Schedule 17)		677	677
Investor Education and Protection Fund			
- Unpaid Dividend*		633	483
Other liabilities			
		<u>3,767</u>	<u>3,571</u>
		<u>55,716</u>	<u>67,025</u>
* To be credited to Investor Education and Protection Fund, when due.			
B. Provisions			
Provision for:			
Proposed Dividend [Including Corporate Dividend Tax Rs 973 thousand (Previous year Rs 664 thousand)]		6,973	4,664
Gratuity (Refer Note B 9 (i)(a) on Schedule 17)		1,010	770
Leave Encashment [(Includes short term employee benefit Rs.9 thousand (Previous Year Rs. Nil)] (Refer Note B 9 (i)(b) on Schedule 17)		477	364
Fringe Benefits Tax	68		68
Less: Advance payment of Fringe Benefits Tax	<u>58</u>		<u>58</u>
		<u>10</u>	<u>10</u>
		<u>8,470</u>	<u>5,808</u>



GUJARAT GAS FINANCIAL SERVICES LIMITED
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	Rs. in thousand	Year ended 31-12-2011 Rs. in thousand	Year ended 31-12-2010 Rs. in thousand
SCHEDULE-11			
INCOME FROM OPERATIONS			
(Refer Note A 2 on Schedule 17)			
Income from Processing Fees		186	166
Installation Income		<u>287,176</u>	<u>279,403</u>
		<u><u>287,362</u></u>	<u><u>279,569</u></u>
SCHEDULE-12			
OTHER INCOME			
Interest on Term Deposits [Gross, less Tax Deducted at Source Rs. 245 thousand (Previous Year Rs.75 thousand)]		2,520	861
Interest From Customers		5	6
Provision No Longer Required Written Back		-	102
Recovery against balances written off in earlier years		8,336	-
Interest on Income Tax Refund		-	706
Foreign Exchange Gain		5	338
Miscellaneous Income		<u>2,089</u>	<u>1,150</u>
		<u><u>12,955</u></u>	<u><u>3,163</u></u>
SCHEDULE-13			
INSTALLATION COST			
(Refer Note B2 on Schedule 17)			
Cost of Materials Consumed		151,792	137,829
Labour Charges		64,560	68,823
Service Charges		5,673	2,493
(Refer Note B3 on Schedule 17)		<u>222,025</u>	<u>209,145</u>
SCHEDULE-14			
PERSONNEL EXPENSES			
Salaries and Allowances (Refer B 9 (i) (b) on schedule 17)		3,680	2,859
Contribution to Provident & Other Funds (Refer Note B 9 (i) (a) & B 9 (ii) on Schedule 17)		399	239
Staff Welfare and other expenses		99	163
		<u>4,178</u>	<u>3,261</u>
SCHEDULE-15			
ADMINISTRATION AND OTHER EXPENSES			
Insurance		6	33
Rates and Taxes		3,727	2,829
Legal and Professional Charges		989	1,149
Loss on sale of Fixed Assets		245	-
Miscellaneous Expenses		<u>159</u>	<u>351</u>
		<u><u>5,126</u></u>	<u><u>4,362</u></u>
SCHEDULE-16			
TAX EXPENSES			
(Refer Note A 9, B7 and B10 on Schedule 17)			
Current Income Tax		31,476	24,044
Deferred Income Tax		<u>(7,287)</u>	<u>(286)</u>
		<u><u>24,189</u></u>	<u><u>23,758</u></u>

**SCHEDULE - 17****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES****1) Accounting Convention:**

The Financial Statements have been prepared to comply in all material respects with all applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2) Revenue Recognition

(a) Sale of gas connection is recognised at the time of commissioning of gas connection at customer's premises. Sales revenue comprises of material used and installation charges collected from customers.

(b) Assets given on Lease on or after April 1, 2001

In accordance with the provisions of Accounting Standard 19 on Leases issued by the Institute of Chartered Accountants of India, the Company has classified all its leases as finance leases. Accordingly the aggregate of minimum lease payments less unearned finance income is recognised as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

(c) In respect of other heads of income, the Company follows the practice of accounting for such income on an accrual basis. Delayed payment charges are recognised on the basis of certainty of collection.

3) Fixed Assets

(a) Fixed assets including assets given on finance lease before April 1, 2001 are stated at their original cost including freight, duties, customs & other incidental expenses relating to acquisition or construction.

(b) Depreciation on assets excluding assets given on finance lease is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase. Depreciation on assets purchased /acquired during the year is charged from the beginning of the month of the purchase of the asset. Similarly depreciation on assets sold / discarded during the year is charged up to the end of the month preceding the month of sale of asset.

(c) Depreciation on assets given on lease prior to April 1, 2001 is provided over the period of lease.

(d) The carrying value of fixed assets, which is in excess of the higher of its value in use, or net selling price, is recognized as an impairment loss.

(e) In respect of assets leased before April 1, 2001, the Company follows the recommendation of the Institute of Chartered Accountants of India contained in the Guidance Note on Accounting for Leases. Accordingly lease rentals accounted as income on finance leases are adjusted by creating lease terminal adjustment account so as to recover the capital cost of the leased asset within the tenure of lease agreements or earlier as ascertained by the management.

4) Investments

Securities classified as long term investments are valued at cost and any decline in value, other than temporary, is appropriately adjusted.

5) Inventories

Traded goods comprises of meters, regulators and other spare and support items used for providing gas connections. Inventory is valued at lower of cost and net realizable value. Cost is determined on First in First Out method.

6) Employee Benefits**Post-employment benefit plans**

Defined Contribution Plan - Contributions to Provident Fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.

Defined Benefit Plan -The liability in respect of gratuity and leave encashment is determined using Projected Unit Credit Method with actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur.

Short term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences and performance incentives.

**7) Foreign Currency Transactions**

Foreign currency transactions are recorded at exchange rates prevailing on the transaction date. At the Balance Sheet date, monetary assets and monetary liabilities denominated in foreign currency are translated at the applicable exchange rates prevailing on the Balance Sheet date and the resultant exchange difference, if any, is recognized in the Profit & Loss Account. Exchange differences, if any, arising on settlement of transactions are recognized as income or expense in the year in which they arise.

8) Earnings Per Share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (and include the post tax effect of any extra ordinary items). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

9) Taxation

Tax expense for the year, comprising current tax and deferred tax, is included in determining the net profit for the year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at current or substantively enacted tax rates.

Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

10) Impairment

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' net selling price and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

11) Provision and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

B. NOTES TO ACCOUNTS**1 Contingent Liabilities**

a. Income Tax exposures of Rs.181,423 Thousand (Previous Year Rs. 152,299 Thousand)

i. Includes income tax demand of Rs.17,486 thousand (Previous Year Rs. 17,486 thousand) including interest on tax, relating to A.Y. 1996-97 to 2000-01 due to disallowance of depreciation claimed on leased assets. The total amount paid by Company / adjusted by tax authorities towards above demand aggregates to Rs. 12,557 thousand (Previous year Rs. 12,557 thousand).The appeals for all the above years are pending with the ITAT.

The Assessing Officer has also levied a penalty under section 271(1) (c) for A.Y. 1996-97, amounting Rs. 6,773 thousand (Previous Year Rs 6,773 thousand). The total amount paid by Company / adjusted by tax authorities towards above demand aggregates to Rs. 4,144 thousand (Previous year Rs. 4,144 thousand). The appeal against this is pending with the ITAT.

ii. Includes income tax demand of Rs. 5,462 thousand (Previous Year Rs. 5,462 thousand) for the A.Y. 1996-97 on account of disallowance of loss on sale of securities as business loss. The total amount paid by Company / adjusted by tax authorities towards above demand aggregates to Rs. 5,462 thousand (Previous year Rs. 5,462 thousand) The Company preferred an appeal against the above demand and CIT (A) has quashed the demand. However, the Income Tax Department has filed an appeal against the above order with ITAT.

iii. Includes income tax demand of Rs.14,422 thousand (Previous Year Rs. 14,422 thousand) for the A.Y. 2001-02 on account of disallowance of claim for bad debts. The Company has paid an amount of Rs. 7,600 thousand (Previous Year Rs. 7,600 thousand) out of the above demand. Recently the Tribunal has ruled partly in favour of the Company by allowing bad debts towards bill discounting transactions. An appeal has been preferred with the High Court against the Tribunal order. Recently the High Court has restored back the matter to the ITAT and matter is pending with Tribunal.

Further the Assessing Officer has levied a penalty under section 271(1)(c) of the Income Tax Act 1961, amounting Rs. 10,007 thousand (Previous year 10,007 thousand). The Company preferred an appeal against the above demand



and the ITAT has decided the matter in favour of the company. Currently there is no outstanding demand payable for this matter

- iv. Includes income tax demand of Rs. 14,812 thousand (Previous Year Rs. 14,812 thousand) for the A.Y. 2002-03 on account of disallowance of claim for bad debts and professional expenses. The total amount paid by Company / adjusted by tax authorities towards above demand aggregates to Rs. 8,826 thousand (Previous year Rs. 8,826 thousand). Recently the Tribunal has ruled partly in favour of the Company by allowing bad debts towards bill discounting transactions. An appeal has been preferred with the High Court against the Tribunal order. Recently the High Court has restored back the matter to the ITAT and matter is pending with Tribunal.
 - v. Includes income tax demand of Rs. 2,855 thousand (Previous year Rs. 2,855 thousand) for the A.Y. 2003-04 on account of disallowance of claim for bad debts. Recently the Tribunal has ruled in favour of the Company and has allowed claim of bad debts. Department may prefer an appeal against the Tribunal's order. The total amount paid by company / adjusted by tax authorities towards above demand aggregates to Rs. 2,855 thousand (Previous year Rs. 2,855 thousand).
 - vi. Includes income tax demand of Rs. 227 thousand (Previous year Rs.227 thousand) for A.Y. 04-05 on account of disallowance of claim for bad debts. The appeal for A.Y 2004-05 is pending with the ITAT. The total amount paid by company / adjusted by tax authorities towards above demand aggregates to Rs. 227 thousand (Previous year Rs. 227 thousand).
 - vii. Includes income tax demand of Rs.20,135 thousand (Previous year Rs.20,135 thousand) for the assessment year 2006-07 on account of disallowance of service charges paid to GGCL and inventory written off during the year. The total amount paid by Company / adjusted by tax authorities towards above demand aggregates to Rs.18,283 thousand (Previous year 18,283 thousand). The CIT (A) has decided the appeal partly in our favour by allowing the service charges as deductible business expenditure. The appeal is pending with the ITAT.
 - viii. Includes income tax demand of Rs.25,354 thousand (Previous year Rs.25,354 thousand) for the assessment year 2007-08 on account of disallowance of service charges paid to GGCL. The total amount paid by Company / adjusted by tax authorities towards above demand aggregates to Rs.18,963 thousand (Previous year 18,963 thousand). The CIT (A) has decided the appeal in our favour by allowing the service charges as deductible business expenditure. The Department may prefer an appeal with the ITAT.
Includes income tax demand of Rs.34,766 thousand (Previous year Rs.34,766 thousand) for the assessment year 2008-09 on account of disallowance of service charges paid to GGCL. The total amount paid by Company / adjusted by tax authorities towards above demand aggregates to Rs.140 thousand (Previous year NIL) The CIT (A) has decided the appeal in our favour by allowing the service charges as deductible business expenditure. The Department may prefer an appeal with the ITAT.
 - ix. Includes income tax demand of Rs.29,124 thousand (Previous year NIL) for the assessment year 2009-10 on account of disallowance of service charges paid to GGCL. The total amount paid by Company / adjusted by tax authorities towards above demand aggregates to Rs.3,290 thousand (Previous year NIL). The Company has preferred an appeal with CIT (A) against the said order.
- b. Interest tax exposures of Rs. 4,146 thousand (Previous Year Rs. 4,146 thousand). The interest tax authorities in the assessment contented that the activities of the Company are chargeable to interest tax and raised a total demand of Rs. 56,395 thousand for the Assessment Years 1995-96 to 2000-01. The Company had filed an appeal against the above demands and CIT (A) ruled in favour of the Company for the Assessment Years 1995-96, 1996-97, 1997-98, 1998-99 and 2000-01 and quashed the demands for these years aggregating to Rs. 50,267 thousand. However for A.Y.1999-2000, CIT (A) ruled against the Company and raised a demand of Rs.4,146 thousand. The Company has paid an amount of Rs.1,250 thousand (Previous Year Rs.1,250 thousand) out of the above demand. ITAT had ruled partly against the Company and had asked the Assessing Officer to re-examine the levy. The Company had preferred an appeal before the High Court against the ITAT order. Recently the High Court has restored back the matter to the ITAT and matter is pending with Tribunal.
Further, the Assessing Officer has levied a penalty in A.Y.1999-2000 under section 13 of the Interest Tax Act 1974, amounting Rs.1,982 thousand (Previous Year Rs. 1,982 thousand).The Company preferred an appeal against the above demand and CIT (A) ruled in favour of the Company and quashed the penalty demand. The appeal is pending with the ITAT. Currently there is no outstanding demand payable for this matter.
- c. The Company had retrenched 8 employees in the year 2002 under the provisions of The Industrial Disputes Act, 1949. The employees had filed an appeal against the above retrenchment in a labour court. The Company had reached a settlement with two of the above employees and had provided for Rs. 677 Thousand (Previous Year 677 thousand), being the compensation payable to the remaining employees under The Industrial Disputes Act, 1949. Any additional amount due to the employees will be determined based on decision by the labour court and hence amount payable ultimately cannot be ascertained at this stage.



2) A Quantitative information for each class of Traded Goods

	Rs. In thousand					
	As at December 31, 2011			As at December 31, 2010		
	Qty. (Nos.)	Amount	Total	Qty. (Nos.)	Amount	Total
Opening Stock						
Meters	13,320	20,390		20,403	26,316	
Regulators	10,257	11,167		11,979	12,181	
Others (Refer Note below)		51,478	83,035		61,852	100,349
Purchases						
Meters	25,381	27,844		31,753	32,972	
Regulators	11,274	11,192		20,758	21,521	
Others (Refer Note below)		110,754	149,790		66,022	120,515
Cost of Material Consumed						
Meters	30,643	31,906		38,836	38,898	
Regulators	16,066	15,219		22,480	22,535	
Others (Refer Note below)		104,667	151,792		76,396	137,829
Closing Stock						
Meters	8,058	16,328		13,320	20,390	
Regulators	5,465	7,140		10,257	11,167	
Others (Refer Note below)		57,565	81,033		51,478	83,035

Note: Others include spares and support items for gas connection.

B. A consolidated amount is charged for material used and Installation Services from the customers, hence separate disclosure regarding amount of sales for each category of material and installation income has not been given.

3) Services charges represent amounts paid to Gujarat Gas Company Limited, the holding Company, for use of office premises, common facilities and employees. The same has been disclosed under Schedule 13 - Installation Cost.

4) Details of investments as listed in Schedule 4 are as follows:

	As at December 31, 2011			As at December 31, 2010		
	Face Value Rs.	Number	Rs. in thousand	Face Value Rs.	Number	Rs. in thousand
	SHARES-FULLY PAID UP					
Unquoted Equity Shares of Prudential Sugar Corporation Limited (formerly Prudential Mouli Sugars Limited)	10	11,600	116	10	11,600	116
Less: Provison			116			116
TOTAL			Nil			Nil

5) Auditors' Remuneration:

	Year ended	Year ended
	December 31, 2011 (Rs. In thousand)	December 31, 2010 (Rs. in thousand)
Audit Fees	350	350
Others	-	25
Out of Pocket Expenses (including service tax)	62	31
	412	406

6) Value of imports calculated on CIF basis:

	Year ended	Year ended
	December 31, 2011 (Rs. In thousand)	December 31, 2010 (Rs. in thousand)
Traded Goods	16,839	17,567



- 7) The provision for income tax has been calculated based on income earned during the year ended December 31, 2011 in accordance with Guidance Note on measurement of Income Tax expense for Interim Financial Reporting. However the tax year end of the company being March 31, 2012, the ultimate liability for the A.Y. 2012-13 will be determined on the total income of the company for the year ending March 31, 2012.

8) **Earnings Per Share (EPS):**

Particulars	Year ended December 31, 2011 (Rs. In thousand)	Year ended December 31, 2010 (Rs. in thousand)
Net Profit attributable to Equity Shareholders (Rs. In Thousands)	44,748	42,139
Weighted average number of equity shares outstanding during the year. (No. in Thousands)	2,000	2,000
Basic Earning per Share of Rs 10/- each (in Rs.)	22.37	21.07

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.



9) Disclosures as per AS - 15(Revised) 'Employee Benefits' for year ended December 31, 2011:

(i) Disclosures for Defined Benefit Plans

	Year ended December 31, 2011	(Rs in thousand) Year ended December 31, 2010
a Gratuity (Unfunded)		
<u>Change in the defined benefit obligations</u>		
Defined benefit obligation at beginning of the year	770	664
Service cost	57	47
Interest cost	67	56
Actuarial loss/(gain)	116	3
Benefits paid	-	-
Defined benefit obligation at the end of the year	<u>1,010</u>	<u>770</u>
<u>Change in plan assets</u>	N.A.	N.A.
Present value of unfunded obligations	<u>1,010</u>	<u>770</u>
The Net amount recognized in the statement of Profit & Loss are as follows		
Current Service cost	57	47
Interest cost	67	56
Expected return on plan assets	-	-
Net actuarial loss/(gain) recognised	116	3
Net amount recognised during the year	<u>240</u>	<u>106</u>
The principal actuarial assumptions used are as follows		
Discount rate	8.65%	8.40%
Rate of increase in compensation levels (Refer Note below)	7.00%	7.00%
b Leave Encashment (Unfunded)		
<u>Change in the defined benefit obligations</u>		
Defined benefit obligation at beginning of the year	364	309
Service cost	20	20
Interest cost	31	26
Actuarial loss/(gain)	53	9
Benefits paid	-	-
Defined benefit obligation at the end of the year	<u>468</u>	<u>364</u>
The Net amount recognized in the statement of Profit & Loss for year ended are as follows		
Current Service cost	20	20
Interest cost	31	26
Net actuarial loss/(gain) recognised	53	9
Net amount recognised during the year	<u>104</u>	<u>55</u>
The principal actuarial assumptions used are as follows		
Discount rate	8.65%	8.40%
Rate of increase in compensation levels (Refer Note below)	7.00%	7.00%
Note :- The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
(ii) Disclosures for Defined Contribution Plans		
Employer's contribution towards Provident Fund	159	133
	<u>159</u>	<u>133</u>



(iii) Additional Disclosures as required by AS- 15

	Rs in thousand				
	Year ended 31-Dec-11	Year ended 31-Dec-10	Year ended 31-Dec-09	Year ended 31-Dec-08	Year ended 31-Dec-07
a. Gratuity (Unfunded)					
Change in the defined benefit obligations					
Present Value of defined benefit obligation as at beginning of the year	770	664	539	361	498
Current Service cost	57	47	43	37	30
Interest Cost	67	56	44	27	41
Actuarial (Gains)/Loss	116	3	38	114	86
Benefits Paid	-	-	-	-	(294)
Present Value of defined benefit obligation as at end of the year	1,010	770	664	539	361
b. Leave Encashment (Unfunded)					
Change in the defined benefit obligations					
Present Value of defined benefit obligation as at beginning of the year	364	309	330	244	302
Current Service cost	20	20	11	27	18
Interest Cost	31	26	27	18	25
Actuarial (Gains)/Loss	53	9	(59)	41	65
Benefits Paid	-	-	-	-	(166)
Present Value of defined benefit obligation as at end of the year	468	364	309	330	244

**10. Deferred Tax:**

(A) The movement in deferred tax asset account is as follows:

	Amount in Rs. thousand	
	Year ended December 31, 2011	Year ended December 31, 2010
Opening Balance	74,694	74,408
Accrual for current year deferred tax asset	7,287	286
Closing Balance	81,981	74,694

(B) Break up of deferred tax assets

	Year ended December 31, 2011	Year ended December 31, 2010
Deferred Tax Assets:		
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	81,469	74,317
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under section 43B of the Income Tax Act.	512	377
	81,981	74,694

11. Segment Reporting under Accounting Standard 17:

The company is primarily engaged in the business of sale of gas connections. Prior to that, the Company was engaged in the business of Lease financing. Considering the nature of business, its mode of operations, reporting systems and element of risks and returns for its various activities, the company is engaged in one segment only. The company is primarily operating in the domestic market and there are no reportable geographical segments. Accordingly, information relating to segmental reporting as per Accounting Standard 17 is not required to be furnished.

12. Related Party disclosures under Accounting Standard 18:

The following transaction were carried out during the year in ordinary course of business.

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount (Rs. In thousand)	
			Year ended December 31, 2011	Year ended December 31, 2010
Gujarat Gas Company Limited	Holding Company	Income		
		Sale of gas connections	274,329	276,052
		Alteration Income	21,063	19,986
		Expenses		
		Service Charges paid for pre regulatory connections	5,673	2,493
		Dividend Paid	2,795	2,096
		Amount receivable at year end	66,376	33,755
Equity Share Capital held	13,975	13,975		

Notes:

- The Company is using the ERP software packages implemented by Gujarat Gas Company Limited being "SAP" and "Gas Distribution and Billing System" since August 2003, without payment of any consideration.
- In addition to the transactions with related parties given in the table, BG Group Plc., BG Asia Pacific Holdings Pte. Limited and BG North Sea Holdings Ltd are holding company of Gujarat Gas Company Limited but with whom no transaction have occurred during the year.

**13. Disclosures required by the Micro, Small and Medium Enterprises and Development Act, 2006 are as under:**

Particulars	Amount (Rs. in thousand)	
	Year ended December 31, 2011	Year ended December 31, 2010
The principal amount remaining unpaid as at the end of accounting year [including Interest due thereon - 110 thousand (Previous Year - 82 thousand)]	1477	281
Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid at the end of accounting year*	110	82
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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

14. The Company had applied for de-registration as a Non Banking Financing Company with Reserve Bank of India (RBI) , vide application dated June 8, 2010. The Company has ceased the leasing and financing activities since the year 2007. RBI approved the de-registration vide order dated April 28,2011.

Since the Company was registered as NBFC,the company had been following the prudential norms and other requirements (including transfer of 20 % of Profit after tax to a special reserve as per section 45IC of Reserve Bank of India Act,1934) till the time of de-registration .Considering the provisions of NBFC are no longer applicable to the Company, the amount set aside as Special Reserve has been transferred to General Reserve of the Company.

15. Previous Year figures have been reclassified / regrouped wherever considered necessary to conform to the Current Year's figures.

For and on behalf of the Board**For Price Waterhouse**

Firm Registration No.- 301112E
Chartered Accountants

Shaleen Sharma

Chairman

Sugata Sircar

Director

V. Nijhawan

Partner

Membership No. F-87228

Chintan Trivedi

Company Secretary

Place : Gurgaon

Date : February 21, 2012

Place : Ahmedabad

Date : February 21, 2012



Information pursuant to part (IV) of the Companies Act, 1956

**BALANCE SHEET ABSTRACT AND COMPANY'S
GENERAL BUSINESS PROFILE**

I. REGISTRATION DETAILS	
Registration No.	: 21778 of 1994
State Code	: 04
Balance Sheet Date	: 31-12-2011
II. CAPITAL RAISED DURING THE YEAR	
(Amount Rs. in thousands)	
Public Issue	: Nil
Rights Issue	: Nil
Bonus Issue	: Nil
Private Placement	: Nil
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	
(Amount Rs. in thousands)	
Total Liabilities	: 311,158
Total Assets	: 311,158
Sources of Funds	:
Paid-up Capital	: 20,000
Reserves and Surplus	: 226,972
Secured Loans	: Nil
Unsecured Loans	: Nil
Deferred Tax Liability	: Nil
Applications of Funds	:
Net Fixed Assets	: Nil
Investments	: Nil
Net Current Assets	: 164,991
Miscellaneous Expenditure	: Nil
Accumulated Losses	: Nil
Deferred Tax Assets	: 81,981
IV. PERFORMANCE OF THE COMPANY	
(Amount Rs. in thousands)	
Total Income	: 300,317
Total Expenditure	: 231,380
Profit Before Tax	: 68,937
Profit After Tax	: 44,748
Earnings Per Share (Rs.)	: 22.37
Dividend Rate (%)	: 30%
V. GENERIC NAME OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY (As per monetary terms)	:
Item Code No. (ITC Code)	: -
Product Description	: Sales of Gas Connections

FORM OF PROXY



GUJARAT GAS

GUJARAT GAS COMPANY LIMITED

Registered Office: 2, Shantisadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006



I/We of being member(s) of the Gujarat Gas Company Limited, hereby appoint of or failing him of as my / our proxy to vote for me / us on my / our behalf, at the THIRTY SECOND ANNUAL GENERAL MEETING of the Company to be held on Thursday, 26 April 2012 at 10.00 a.m. at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad – 380 015 and at any adjournment thereof.

Signed at (place) this day of, 2012.

DP ID & Client ID / Membership Folio No.....

No. of Shares held.....

Fifteen Paise Revenue Stamp

IMPORTANT

- 1. Revenue Stamp of Fifteen paise is to be affixed on this form.
2. The Form should be signed across the stamp as per specimen signature registered with the Company.
3. The Companies Act, 1956 provides that an instrument appointing a proxy shall be deposited at the Registered Office of the Company, not less than FORTY EIGHT HOURS before the time fixed for holding the Meeting.
4. A Proxy need not be a Member.



ATTENDANCE SLIP



GUJARAT GAS

GUJARAT GAS COMPANY LIMITED

Registered Office: 2, Shantisadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad – 380 006

To be handed over at the entrance of the Meeting Hall

Table with 2 columns: Member information and Proxy information. Rows include Name of the attending Member, Membership Folio No./ DP ID & Client ID, Name of Proxy, and No. of Shares held.

I hereby record my presence at the THIRTY SECOND ANNUAL GENERAL MEETING of the company at 10.00 a.m. at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad – 380 015 on Thursday, 26 April 2012.



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

INVESTING IN GROWTH



Growth,

at Gujarat Gas, is at the root of an exciting people-centric journey, covering new geographical areas, touching more lives and imbibing a philosophy of high-performance and safe delivery, that the Company has worked hard to inculcate. A widening presence, larger number of customers, foresight to plan ahead and the ability to respond nimbly to challenging situations indicate the Company's progress. This has led to higher value being created for customers and other stakeholders, internal and external. The Company believes in investment for sustainable growth and continues to create new network and infrastructure to cover more households, vehicles, industrial units and other establishments.





GUJARAT GAS



INVESTING IN GROWTH



GOING FURTHER

The Company grew its pipeline network significantly in 2012 by laying nearly 60 kms of additional steel pipelines. In reaching over 34,000 new residences and converting over 23,000 vehicles to CNG along with launching 8 new CNG stations, the Company executed its growth focus with zeal by investing close to above Rs. 1800 million towards expansion. The 8 new CNG stations have now taken the total number of stations commissioned by the Company up to 54. In the industrial segment, viable segments were tapped and 250,000 scmd of additional volumes were commissioned.



RECEIVING AUTHORIZATION

Gujarat Gas, received authorization from the Petroleum and Natural Gas Regulatory Board (PNGRB) for the distribution of natural gas in areas covering Surat and Bharuch districts. On the whole, the 8979 sq. kms of Geographical Area (GA) authorized by the PNGRB covers 21 charged areas, spanning across three districts and encompassing sixteen talukas. The PNGRB also authorised the Company's transmission pipeline which is approximately 75 kms long extending from Hazira to Ankleshwar. 2012 was also a milestone year for the Company's expansion drive with new presence established post successful commissioning and delivery of the Bardoli network.



OPTIMIZING

The Company achieved a 29% increase in annual revenues and 5% increase in profits in a challenging economic scenario. The situation was aggravated by increasing average gas costs mainly impacted by higher proportion of Regassified Liquefied Natural Gas (RLNG) in the mix. Careful and consistent optimization, to balance gas costs, volumes and prices in a responsible manner, steered the Company to achieve its results.



WORKING SAFER

Gujarat Gas's contributions towards raising the benchmark in Safety have been acknowledged by several agencies. The Company has bagged the "WINNER Rotating Shield" and a "Certificate of Honour" from the Gujarat Safety Council for the year 2011 (GSC Award 2011) in Category II B Petroleum (Refining & Processing) Gas Generation & Distribution, Petrochemicals, in recognition of maintaining the Lowest D.I.I. (Disabling Injury Index). This award is another encouragement for our continuous endeavour towards "Zero Injury" in our operations and an assurance to all employees, contractors and other associates about the Company's commitment for a safe operating environment. Prevention of third party damages and on-ground process safety continue to be the areas of sharp focus.



INVESTING IN GROWTH



TRANSFORMING FASTER

The Company also adapted to the advancements in technology services available with an eye on increasing efficiencies across all levels. Improvements in the scalability of its customer service, billing and management systems and its inventory and plant management systems have been brought about by “Parivartan”, a project for the implementation of relevant SAP modules. This will, in time, enhance the scalability, reliability and effectiveness of the relevant systems.



HARVESTING STRONGER

The consolidated net sales for the year 2012 were Rs. 30,669 million compared to Rs. 23,819 million in the previous year. The total volume of gas sold during the period was 1,157 mmscm compared to 1,246 mmscm in the same period, last year. The consolidated profit after tax increased to Rs. 2,885 million from Rs. 2,748 million last year. The Company, distributed approximately 3.2 mmscmd of natural gas and continues to be the premier gas distribution Company in the country with proven expertise in distributing gas to an entire spectrum of customers – Industrial, Commercial, Domestic and CNG. Gujarat Gas distributes gas to about 375,500 industrial, commercial and domestic customers through its pipeline network and CNG to over 192,100 vehicles.





GUJARAT GAS





GUJARAT GAS

BOARD OF DIRECTORS

Dr. Varesh Sinha, IAS, Chairman (w.e.f. 12 June 2013)
 Dr. Hasmukh Adhia, IAS (w.e.f. 12 June 2013)
 Mr. D.J. Pandian, IAS (w.e.f. 12 June 2013)
 Mr. Tapan Ray, IAS, (w.e.f. 12 June 2013)
 Mr. Sugata Sircar
 Prof. Pradip Khandwalla
 Mr. Jal Patel
 Mr. Ajit Kapadia

Mr. Hasmukh Shah (Upto 12 June 2013)
 Mr. Sudhir Mankad (Upto 6 May 2013)
 Mr. Walter Simpson (Upto 8 July 2012)
 Mr. Shahram Jahanbani (Upto 12 June 2013)
 Mr. Shaleen Sharma, (Upto 12 June 2013)

Ms. Rajeshwari Sharma, Company Secretary

GROUP HEADS

Mr. Arun Ramakrishnan, Head - Strategy and Regulations
 Mr. Chirag Brahmabhatt, Director - HR and Administration
 Mr. Himanshu K. Upadhyay, Director - Policy & Corporate Affairs
 Mr. Nitesh Bhandari - Financial Controller
 Mr. Nitin Patil, Director - Technical & HSSE

SUBSIDIARY COMPANIES

Gujarat Gas Financial Services Ltd

BOARD OF DIRECTORS

Mr. Tapan Ray, IAS (w.e.f. 9 July 2013)
 Mr. PPG Sarma (w.e.f. 9 July 2013)
 Mr. Sugata Sircar
 Mr. Shaleen Sharma (Upto 23 July 2012)
 Mr. Manu Verma (Upto 8 July 2013)
 Mr. Sadhan Banerjee (Upto 8 July 2013)

Gujaratgas Trading Company Ltd

BOARD OF DIRECTORS

Mr. Tapan Ray, IAS (w.e.f. 9 July 2013)
 Mr. Sugata Sircar
 Prof. Pradip Khandwalla
 Mr. Shaleen Sharma (Upto 25 July 2012)
 Mr. Manu Verma (Upto 8 July 2013)

33rd Annual General Meeting

Date : 22 August 2013
 Day : Thursday
 Time : 11.00 a.m.
 Venue : H. T. Parekh Convention Centre
 Ahmedabad Management Association
 ATIRA, Dr. Vikram Sarabhai Marg
 Vastrapur, Ahmedabad - 380 015

BANKERS

HDFC Bank Limited
 ICICI Bank Limited
 State Bank of India
 Kotak Mahindra Bank Limited

AUDITORS

PRICE WATERHOUSE
 Chartered Accountants
 Building 8, 7th & 8th Floor, Tower B,
 DLF Cyber City Gurgaon - 122 022, Haryana

CORPORATE OFFICE

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

OFFICES

SURAT

Adajan Gam,
 Post Box No. 915, P.O. Navyug College,
 Surat - 395009

CNG Office (Surat)

CNG Office,
 3rd Floor, Swastik House, Kargil Chowk, Piplod,
 Surat - 395007

ANKLESHWAR

Surati Bhagol, Umarwada Road, Via Piraman Naka,
 Ankleshwar - 393001

BHARUCH

Anand Mangal Society,
 Son Talavadi, Bharuch - 392001

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**NOTICE**

NOTICE is hereby given that the Thirty Third Annual General Meeting of the Members of Gujarat Gas Company Limited will be held on Thursday, 22 August 2013, at 11.00 A.M. at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad - 380 015, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Directors' Report, the Audited Profit and Loss Account and Cash Flow Statement for the year ended on 31 December 2012, the Balance Sheet as that date and the Auditors' Report thereon.
2. To declare Dividend on Preference Shares.
3. To confirm payment of Interim Dividend on Equity Shares.
4. To appoint a Director in place of Mr. Ajit Kapadia, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Jal Patel, who retires by rotation and being eligible, offers himself for re-appointment.
6. To fix remuneration of Statutory Auditors of the Company in terms of provisions of Section 224 (8) (aa) of the Companies Act, 1956.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Dr. Varesh Sinha, IAS, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956, read with Article 79 of the Articles of Association of the Company and who holds office till conclusion of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Dr. Has Mukh Adhia, IAS, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956, read with Article 79 of the Articles of Association of the Company and who holds office till conclusion of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. D.J. Pandian, IAS, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956, read with Article 79 of the Articles of Association of the Company and who holds office till conclusion of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."
10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Tapan Ray, IAS, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956, read with Article 79 of the Articles of Association of the Company and who holds office till conclusion of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."
11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:



"RESOLVED THAT Mr. Sugata Sircar who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956, read with Article 79 of the Articles of Association of the Company and who holds office till conclusion of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT Mr. Sudhir Mankad, former Independent Director of the Company, be paid commission for the financial year 2012, as set out in the Explanatory Statement annexed to this Notice convening the Thirty Third Annual General Meeting.

RESOLVED FURTHER THAT the above commission shall not exceed one percent of the net profits of the Company as provided under Section 309(4) of the Companies Act, 1956 ("the Act"), and computed in the manner referred to in Section 198 of the Act, or any amendment or re-enactment thereof, in addition to the fees for attending the meetings of the Board of Directors of the Company or any Committee thereof."

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered as follows:

The following alterations be made:

Existing Clause 2(ii)(a)

- (a) BGAPH means British Gas Asia Pacific Holdings Pte Limited, a Company incorporated and registered under the Companies Act, 1967 of Singapore, having its registered office at 83, Clemenceau Avenue, #14-08 UE Square, Singapore 239920 including its nominees, successors and assigns or such other subsidiary of BG plc., a Company incorporated in England, as shall hold shares in the company from time to time including such subsidiary's nominees, successors and assigns.

Existing Clause 2(ii)(a) to be substituted with the following:

- (a) GDNL means GSPC Distribution Networks Limited, a Company incorporated under the Companies Act, 1956 having its registered office at Block No. 15, 3rd Floor, Udyog Bhavan, Sector-11, Gandhinagar-382011 including its nominees, successors and assigns or its any other subsidiary

Existing Clause 57

The quorum for a general meeting shall be five members present in person or through duly authorised representatives. Provided however that quorum shall not be deemed to have been constituted unless a duly authorised representative of BGAPH is present.

Existing Clause 57 to be substituted with the following:

The quorum for a general meeting shall be five members present in person or through duly authorised representatives. Provided however that quorum shall not be deemed to have been constituted unless a duly authorised representative of GDNL is present.

Existing Clause 59

The Chairman of the Board shall preside at general meetings. In case he is absent at such meeting, the Directors present representing BGAPH shall elect one of them to preside at such general meeting. In case there is no Director representing BGAPH present at such meeting, the members present shall elect one of them, being a member entitled to vote, to be the Chairman.

Existing Clause 59 to be substituted with the following:

The Chairman of the Board shall preside at general meetings. In case he is absent at such meeting, the Directors present representing GDNL shall elect one of them to preside at such general meeting. In case there is no Director representing GDNL present at such meeting, the members present shall elect one of them, being a member entitled to vote, to be the Chairman.

**Existing Clause 88A**

Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one-third (1/3) of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, which must include at least one nominee of BGAPH.

If at any meeting of the Board, a quorum is not present or if during such a meeting, a quorum ceases to be present, the meeting shall stand adjourned to such other day and at such other time and place as the Board may determine. At this meeting too, the quorum requirements specified herein shall have to be satisfied.

Provided that notwithstanding anything contained above, where at any time the number of interested Directors exceeds or is equal to two-thirds (2/3) of the total strength, the number of the remaining Directors, that is to say, the number of remaining Directors who are not interested, present at the meeting being not less than two (2), shall be the quorum during such time.

Existing Clause 88A to be substituted with the following:

Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one-third (1/3) of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, which must include at least one nominee of GDNL.

If at any meeting of the Board, a quorum is not present or if during such a meeting, a quorum ceases to be present, the meeting shall stand adjourned to such other day and at such other time and place as the Board may determine. At this meeting too, the quorum requirements specified herein shall have to be satisfied.

Provided that notwithstanding anything contained above, where at any time the number of interested Directors exceeds or is equal to two-thirds (2/3) of the total strength, the number of the remaining Directors, that is to say, the number of remaining Directors who are not interested, present at the meeting being not less than two (2), shall be the quorum during such time.

Existing Clause 90

The Chairman of the Board of Directors of the company shall be nominated by BGAPH.

The Chairman shall have a casting vote at the Board meeting and general meetings. The Chairman of the Board shall preside at the meetings of the Board. In the event, the Chairman is not present in any Board meeting, the Directors present representing BGAPH shall elect one of them to preside at such meeting. In case all Directors representing BGAPH and present at such meeting are, in respect of any agenda item at the meeting, interested Directors, the other Directors present shall elect one of the such other Directors to preside in respect of that agenda item at such meeting.

Existing Clause 90 to be substituted with the following:

The Chairman of the Board of Directors of the Company shall be nominated by GDNL.

The Chairman shall have a casting vote at the Board meeting and general meetings. The Chairman of the Board shall preside at the meetings of the Board. In the event, the Chairman is not present in any Board meeting, the Directors present representing GDNL shall elect one of them to preside at such meeting. In case all Directors representing GDNL and present at such meeting are, in respect of any agenda item at the meeting, interested Directors, the other Directors present shall elect one of the such other Directors to preside in respect of that agenda item at such meeting.

Existing First Para in Clause 98(i)

BGAPH shall have the power to nominate a person as Managing Director and Whole-time Director.

Existing first para in Clause 98(i) to be substituted with the following:

GDNL shall have the power to nominate a person as Managing Director and Whole-time Director.

**NOTES:**

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto and forms part of the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than forty eight hours before the commencement of the Annual General Meeting.
3. Members/proxies are requested to bring the attendance slip duly filled in for attending the meeting along with copy of the Annual Report for Financial Year 2012.
4. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary, at the Registered Office, so as to reach at least seven days before the date of the meeting to enable the management to keep the required information readily available at the Thirty Third Annual General Meeting.
5. Members are advised that pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remained unpaid/unclaimed for a period of seven years till CY-2005 have been transferred to the Investor Education and Protection Fund of the Central Government ('IEPF'). After such transfer, no claim of the members whatsoever shall lie on the said amount.
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Reports can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to get their e-mail addresses registered with Karvy Computershare Private Limited, RTA of the Company.
7. The Board of Directors, in its meeting held on 25 September 2012, had declared an Interim Dividend of Rs. 7.00 per Share on the paid-up Equity Share Capital of the Company, which was paid on 22 October 2012. Members who have not received or not encashed their dividend warrants may approach Karvy Computershare Pvt. Ltd, Registrar & Share Transfer Agent of the Company, for revalidating the warrants or for obtaining duplicate warrants.
8. SEBI has made it mandatory for the transferee(s) to furnish a copy of PAN Card to the Company/RTAs for registration of transfers and for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form. Accordingly, members holding shares in physical mode should attach a copy of their PAN Card for every transfer request sent to the Company/RTA.
9. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding the shares in physical form may obtain and send the ECS mandate form to Karvy Computershare Pvt. Ltd, RTA of the Company. Those holding shares in Electronic form may obtain and send the ECS mandate form directly to their Depository Participant (DP). Those who have already furnished the ECS mandate form to the Company/RTA/DP with complete details need not send it again.

The Shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Karvy Computershare Private Limited, RTA of the Company to enable them to print these details on the dividend warrants.
10. Members, holding the shares in physical form and wishing to avail the nomination facility, are requested to send the duly filled nomination form to Karvy Computershare Pvt. Ltd, Hyderabad, the RTA. Nomination form may be downloaded from the Company's website www.gujaratgas.com under the investors section.
11. Pursuant to SEBI circular, the shareholders holding shares in physical form are requested to submit the notarised copy of the PAN in compliance of the KYC norms.



12. Members are requested to notify immediately any change of address:
- to their Depository Participant (DP) in respect of shares held in dematerialized form, and
 - to the Company at its Registered Office or to its RTA, Karvy Computershare Pvt. Ltd in respect of their physical shares, if any, quoting their folio number.

EXPLANATORY STATEMENT

Annexed to the Notice convening the Thirty Third Annual General Meeting to be held on Thursday, 22 August 2013:

ITEM NO. 4

Mr. Ajit Kapadia, Director, retires by rotation and being eligible offers himself for re-appointment.

Brief resume and nature of expertise

Mr. Ajit Kapadia, after completing B.Sc. (Hons.) from Bombay University in 1960, proceeded to the U.S.A. and joined the University of Louisville, KY and completed M. Che. (Chemical Engineering) in 1963. Immediately, he joined Girdler Corporation in Louisville as a Process Engineer. During the four year tenure at Girdler, Mr. Kapadia was involved in design of fertilizer plants (Ammonia, Urea, etc.) and Methanol. In 1966, as a part of the Girdler technical team, Mr. Kapadia spent nine months assisting Fertilizer Corporation of India in commissioning their first methanol plant. In 1966, he joined Fluor Corporation in Houston, Texas. At Fluor, Mr. Kapadia got the first exposure to hydrocarbon processing and especially natural gas processing. Having been offered the position of Supervising Engineer with Engineers India Limited (EIL) to participate in process design of the naphtha cracker plant for Indian Petrochemicals Corporation Limited (IPCL), he returned to India in 1971.

With EIL, Mr. Kapadia had full involvement with Bombay High's development plan and especially with natural gas processing and transportation. In 1982, he was appointed as the Head of the Gas Task Force, a group formed by the Petroleum Ministry to review the entire country's natural gas availability and utilization pattern. In 1984, Mr. Kapadia was appointed as the first Director (Planning) with Gas Authority of India Limited (GAIL). After three years at GAIL, he joined Hindustan Oil Exploration Company Limited (HOEC) as the first employee and was soon invited to join the Board as the Managing Director. He has spent seventeen years establishing HOEC as the first private sector oil company in India.

Mr. Ajit Kapadia does not hold any shares or beneficial interest in any shares of your Company. He is on the Board of your Company from July 2003. Apart from Gujarat Gas Company Limited, Mr. Kapadia holds Directorship and Membership of the following Companies/Committees:

Directorships

Sr. No.	Name of the Company	Designation
1	Rubamin Limited	Director
2	Quanta Process Solutions Pvt. Limited	Chairman
3	Quanta Modular Plant Pvt. Ltd	Director
4	Entegra Limited	Director
5	Enertech Biofuels Limited	Director
6	Asian Oilfield Services Limited	Director
7	Green Krupa Power Private Limited	Director
8	Green Mountain Hydro Power Private Ltd	Director
9	Hurla Valley Power Private Limited	Director

**Membership of Committees**

Sr. No.	Name of the Company	Committee	Designation
1	Rubamin Limited	Audit Committee	Chairman
2	Asian Oilfield Services Limited	Audit Committee & Shareholder's Grievance Committee	Member

Your Directors recommend re-appointment of Mr. Ajit Kapadia as a Director of the Company.

No director other than Mr. Ajit Kapadia is in any way interested or concerned in the said resolution.

ITEM NO. 5

Mr. Jal Patel, Director, retires by rotation and being eligible offers himself for re-appointment.

Brief resume and nature of expertise

Mr. Jal Patel is an Associate Member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Company Secretaries of India. He possesses professional experience of more than 48 years.

Since 1962, he was associated with the German FAG Group of Bearing Companies and has handled various managerial functions. In 1977, he took over as the Managing Director. Subsequently he was promoted as the Vice Chairman and Managing Director before retiring in the year 2000. His area of expertise includes Finance, Accounts and Administration.

He is also actively involved with various social and welfare associations and federations as well as various trusts.

Mr. Jal Patel does not hold any shares or beneficial interest in any shares of your Company. He is on the Board of your Company from March 2001. He is also Chairman of the Audit Committee and a member of the Shareholder's Grievance Committee of your Company from April 2001.

Apart from Gujarat Gas Company Ltd, Mr. Jal Patel holds Directorships and Memberships of the following Companies/ Committees.

Directorships

Sr. No.	Name of the Company	Designation
1.	ABC Bearings Limited	Director
2.	Shri Dinesh Mills Limited	Director
3.	Styrolution ABS (India) Limited	Director
4.	Jewel Consumer Care Pvt. Limited	Director
5.	Munjal Auto Industries Limited	Director
6.	Eimco Elecon India Limited	Director
7.	Elecon Engg. Co. Ltd	Director

Membership of Committees

Sr. No.	Name of the Company	Committee	Designation
1.	ABC Bearings Limited	Audit Committee	Chairman
2.	Shri Dinesh Mills Limited	Shareholder Grievance Committee	Member
3.	Styrolution ABS (India) Limited	Audit Committee & Shareholder Grievance Committee	Member
4.	Eimco Elecon India Limited	Audit Committee	Member
5.	Elecon Engg. Co. Ltd.	Audit Committee	Chairman

Your Directors recommend the re-appointment of Jal Patel, as a Director of the Company.

No Director other than Mr. Jal Patel, is in any way interested or concerned in the said resolution.

**ITEM NO. 7**

Dr. Varesh Sinha, IAS was appointed as an Additional Director of the Company, by the Board of Directors at its meeting held on 12 June 2013. As per the provisions of Section 260 of the Companies Act, 1956, and the Articles of Association of the Company, he holds the office of Director till the conclusion of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956, alongwith the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Director of the Company.

Brief resume and nature of expertise

Dr. Varesh Sinha, IAS is the Chairman of the Company. He is a senior IAS officer having more than 35 years of experience in public, administrative and corporate service. He is a Graduate in Science (Physics and Maths) and holds a masters Degree in "Mathematical Statistics". He has also done Master of Business Administration (MBA) and Ph.D. (Statistics). He has held several important positions with Government of Gujarat and having worked in various sectors like Tourism, Agri-business, Energy, Education, Panchayat, Urban, Labour, Home, Finance etc. Previously, he has worked as Additional Chief Secretary, Finance Department of Government of Gujarat. At present, he is the Chief Secretary, Government of Gujarat.

He does not hold any shares and beneficial interest in any shares of your Company. Apart from Gujarat Gas Company Limited, he holds the following directorship:

Directorships

Sr. No.	Name of the Company	Designation
1.	Gujarat State Fertilizers & Chemicals Limited	Chairman
2.	Gujarat Narmada Valley Fertilizers & Chemicals Limited	Chairman
3.	Gujarat State Petroleum Corporation Limited	Chairman
4.	Gujarat Alkalies & Chemicals Limited	Chairman
5.	Sardar Sarovar Narmada Nigam Limited	Chairman

Your Directors recommend the appointment of Dr. Varesh Sinha, IAS, as a Director of your Company.

The following Promoter-Directors of the Company are deemed to be interested:

- (a) Dr. Varesh Sinha, IAS
- (b) Dr. Hasmukh Adhia, IAS
- (c) Mr. D.J. Pandian, IAS
- (d) Mr. Tapan Ray, IAS
- (e) Mr. Sugata Sircar

ITEM NO. 8

Dr. Hasmukh Adhia, IAS was appointed as an Additional Director of the Company, by the Board of Directors at its meeting held on 12 June 2013. As per the provisions of Section 260 of the Companies Act, 1956, and the Articles of Association of the Company, he holds the office of Director till the conclusion of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956, alongwith the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Director of the Company.

Brief resume and nature of expertise

Dr. Hasmukh Adhia, is a senior IAS officer having wide administrative and corporate experience. He has the distinction of being a 'Gold Medalist' from the Indian Institute of Management. He also holds a Ph.D in Yoga from Swami Vivekanand Yoga University, Bangalore. Prior to the present position he was Principal Secretary, Education Department from April, 2008 to January, 2013, Principal Secretary to Chief Minister, Gujarat from May, 2003 to June, 2006. He was also Director General of Sardar Patel Institute of Public Administration (SPIPA) and Managing Director, Gujarat State Financial Services Limited (GSFSL). He has also worked as Director in the Ministry of Industry, New Delhi, and Secretary Finance Department, Government of Gujarat and Industries Commissioner, Gujarat as well as Vice Chairman & Managing Director, Gujarat Industrial Development Corporation.



He has travelled widely around the World for promotion of industrial and infrastructure investment in India. At present, he is the Principal Secretary, Finance Department, Government of Gujarat.

He does not hold any shares and beneficial interest in any shares of your Company. Apart from Gujarat Gas Company Limited, he holds the following Directorship and Membership:

Directorships

Sr. No.	Name of the Company	Designation
1.	Gujarat State Investment Limited	Chairman
2.	Gujarat State Financial Services Limited	Managing Director
3.	Gujarat State Financial Services (CAPS) Limited	Managing Director
4.	Gujarat Alkalies and Chemicals Limited	Director
5.	Gujarat State Fertilizers and Chemicals Limited	Director
6.	Gujarat Narmada Valley Fertilizers and Chemicals Limited	Director
7.	Gujarat State Petroleum Corporation Limited	Director
8.	Sardar Sarovar Narmada Nigam Limited	Director
9.	Gujarat International Finance Tech City Limited (GIFTCL)	Director
10.	Gujarat State Petronet Limited	Director
11.	Goods & Service Tax Network	Director

Membership of Committees

Sr. No.	Name of the Company	Committee	Designation
1.	Gujarat State Petronet Limited	Audit Committee	Member
2.	Gujarat State Petroleum Corporation Limited	Audit Committee	Member
3.	Gujarat State Fertilizers and Chemicals Limited	Audit Committee	Member

Your Directors recommend the appointment of Dr. Hasmukh Adhia, IAS, as a Director of your Company.

The following Promoter-Directors of the Company are deemed to be interested:

- (a) Dr. Hasmukh Adhia, IAS
- (b) Dr. Varesh Sinha, IAS
- (c) Mr. D.J. Pandian, IAS
- (d) Mr. Tapan Ray, IAS
- (e) Mr. Sugata Sircar

ITEM NO. 9

Mr. D.J. Pandian, IAS was appointed as an Additional Director of the Company, by the Board of Directors at its meeting held on 12 June 2013. As per the provisions of Section 260 of the Companies Act, 1956, and the Articles of Association of the Company, he holds the office of Director till the conclusion of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956, alongwith the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Director of the Company.

**Brief resume and nature of expertise**

Mr. D J Pandian, is a senior IAS officer having wide administrative and corporate experience spanning more than 30 years. He holds degree in Master of Business Administration from Madras University. He has worked on deputation with the World Bank in Washington, D.C. from 1998 to 2001. He has also served as Director, External Commercial Borrowing, Ministry of Finance, Government of India from 1995 to 1997. He also served at several key positions in the Government of Gujarat. Prior to this, he was Managing Director of Gujarat State Petroleum Corporation Limited (GSPC) as well as Gujarat State Petronet Limited (GSPL) from October, 2001 to November, 2009. Presently, he is a Principal Secretary, Energy & Petrochemicals Department, Government of Gujarat Since November 2009.

He does not hold any shares and beneficial interest in any shares of your Company. Apart from Gujarat Gas Company Limited, he holds the following Directorship and Membership:

Directorships

Sr. No.	Name of the Company	Designation
1.	Gujarat Urja Vikas Nigam Limited	Chairman
2.	Gujarat State Electricity Corporation Limited	Chairman
3.	Gujarat Energy Transmission Corporation Limited	Chairman
4.	GSPC Pipavav Power Co. Ltd	Chairman
5.	Gujarat Industries Power Co. Ltd	Chairman
6.	GSPC Gas Co. Ltd	Chairman
7.	GSPC LNG Ltd	Chairman
8.	Gujarat Power Corporation Limited	CMD
9.	Gujarat Narmada Valley Fertilizers Co. Ltd	Director
10.	Gujarat State Fertilizers and Chemicals Ltd	Director
11.	Gujarat State Petronet Ltd	Director
12.	Mahaguj Collieries Ltd	Director
13.	Gujarat State Petroleum Corporation Ltd	Director
14.	Gujarat Alkalies & Chemicals Ltd	Director
15.	Torrent Power Ltd	Director

Membership of Committees

Sr. No.	Name of the Company	Committee	Designation
1.	Gujarat State Petronet Limited	Investor Grievance Committee	Member
2.	Gujarat Alkalies & Chemicals Ltd.	Audit Committee	Member
3.	Gujarat Alkalies & Chemicals Ltd.	Share holder Grievance Committee	Chairman

Your Directors recommend the appointment of Mr. D.J. Pandian, IAS, as a Director of your Company.

The following Promoter-Directors of the Company are deemed to be interested:

- (a) Mr. D.J. Pandian, IAS
- (b) Dr. Varesh Sinha, IAS
- (c) Dr. Hasmukh Adhia, IAS
- (d) Mr. Tapan Ray, IAS
- (e) Mr. Sugata Sircar

**ITEM NO. 10**

Mr. Tapan Ray, IAS was appointed as an Additional Director of the Company, by the Board of Directors at its meeting held on 12 June 2013. As per the provisions of Section 260 of the Companies Act, 1956, and the Articles of Association of the Company, he holds the office of Director till the conclusion of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956, alongwith the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Director of the Company.

Brief resume and nature of expertise

Mr. Tapan Ray, is a senior IAS officer having wide administrative and corporate experience of more than 31 years. He holds a Degree in Mechanical Engineering from the Indian Institute of Technology, Delhi, is a Post Graduate in Public Policy from Woodrow Wilson School, Princeton University USA, has a Master of Public Administration from Maxwell School, Syracuse University, USA and a Degree in Law with various Diplomas. He has also served as Principal Secretary (Economic Affairs), Finance Department, Government of Gujarat from June 2006 to November 2009. He has been appointed as Managing Director of Gujarat State Petroleum Corporation Limited (GSPC) as well as Gujarat State Petronet Limited (GSPL) since November 2009 and is looking after the entire GSPC Group.

He does not hold any shares and beneficial interest in any shares of your Company. Apart from Gujarat Gas Company Limited, he holds the following Directorship and Membership:

Directorships

Sr. No.	Name of the Company	Designation
1.	Gujarat State Petroleum Corporation Limited	Managing Director
2.	Gujarat State Petronet Limited	Managing Director
3.	GSPC Gas Company Limited	Director
4.	Sabarmati Gas Limited	Chairman
5.	GSPC LNG Limited	Director
6.	Guj Info Petro Limited	Director
7.	Gujarat State Energy Generation Limited	Director
8.	GSPC Pipavav Power Company Limited	Director
9.	ONGC Petro-additions Limited	Director
10.	Petronet LNG Limited	Director
11.	GSPL India Gasnet Limited	Chairman
12.	GSPL India Transco Limited	Chairman
13.	GSPC Distribution Networks Limited	Director

Membership of Committees

Sr. No.	Name of the Company	Committee	Designation
1.	Gujarat State Energy Generation Limited	Audit Committee	Member
2.	GSPC Gas Company Limited	Audit Committee	Chairman
3.	Gujarat State Petronet Limited	Investor Grievance Committee	Member
4.	GSPC Pipavav Power Company Limited	Audit Committee	Member
5.	GSPL India Gasnet Limited	Audit Committee	Chairman
6.	GSPL India Transco Limited	Audit Committee	Chairman



Your Directors recommend the appointment of Mr. Tapan Ray, IAS, as a Director of your Company.

The following Promoter-Directors of the Company are deemed to be interested:

- (a) Mr. Tapan Ray, IAS
- (b) Dr. Varesh Sinha, IAS
- (c) Dr. Hasmukh Adhia, IAS
- (d) Mr. D.J. Pandian, IAS
- (e) Mr. Sugata Sircar

ITEM NO. 11

Mr. Sugata Sircar, was appointed as an Additional Director of the Company, by the Board of Directors at its meeting held on 12 June 2013. As per the provisions of Section 260 of the Companies Act, 1956, and the Articles of Association of the Company, he holds the office of Director till the conclusion of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956, alongwith the requisite deposit has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Director of the Company.

Brief resume and nature of expertise

Mr. Sugata Sircar was appointed as the Managing Director on the Board of Gujarat Gas Company Limited from 12 June 2013.

He is a Chartered Accountant with over 24 years of experience in various industries including energy distribution, manufacturing of chemicals, textiles, tyres and food products.

He has earlier worked as the Finance Director of GGCL for more than 5 years till 30 June 2012 and has managed all areas of finance, including planning, accounting, taxation and treasury and was also responsible for the Company's secretarial function. He was a part of the Executive Committee of GGCL.

Prior to joining Gujarat Gas he worked with Cabot India, Madura Coats, Britannia and Dunlop.

He is a non-executive Director on Board of Gujarat Gas Financial Services Ltd and Gujaratgas Trading Company Ltd.

Mr. Sircar does not hold any shares or beneficial interest in any shares of your Company. Apart from Gujarat Gas Company Limited, Mr. Sircar holds Directorship and Membership of the following Companies/Committees:

Directorships

Sr. No.	Name of the Company	Designation
1.	Gujarat Gas Financial Services Ltd	Director
2.	Gujaratgas Trading Company Ltd	Director

He is also the Chairman of Share Transfer Committee of Gujarat Gas Financial Services Limited.

Your Directors recommend the appointment of Mr. Sugata Sircar, as a Director of your Company.

The following Promoter-Directors of the Company are deemed to be interested:

- (a) Mr. Sugata Sircar
- (b) Mr. Tapan Ray, IAS
- (c) Dr. Varesh Sinha, IAS
- (d) Dr. Hasmukh Adhia, IAS
- (e) Mr. D.J. Pandian, IAS

**ITEM NO. 12**

Mr. Sudhir Mankad, the former Independent Director of your Company was appointed on 10th January 2012. He resigned w.e.f 7th May 2013.

While acknowledging that the rich experience and expertise of Mr. Sudhir Mankad enables him to contribute to the business of the Company, the Board of Directors, at its meeting held on 21 February 2013, in token of appreciation and gratitude to him, proposed to pay the remuneration by way of Commission of Rs. 5 lakhs for CY-2012, subject to the approval of the Shareholders in addition to the sitting fees.

The above commission shall not exceed one percent of the net profits of the Company as provided under Section 309(4) of the Companies Act, 1956 ("the Act"), and computed in the manner referred to in Section 198 of the Act, or any amendment or re-enactment thereof. The Commission is recommended to be paid for his contribution to the Company.

Your directors recommend this Special Resolution for your approval. No Director other than Mr. Sudhir Mankad is in any way interested or concerned in the said resolution.

ITEM NO. 13

GSPC Distribution Networks Limited (GDNL) entered into a Share Purchase Agreement, dated 3 October 2012, (SPA) with BG Asia Pacific Holdings Pte Limited (BGAPH), the erstwhile promoter of GGCL and BG Energy Holdings Limited, the holding company of BGAPH, and acting as the guarantor for the BGAPH's obligations under the SPA, for acquisition of 83,518,750 Equity Shares constituting 65.12% of the paid up Equity Share capital of GGCL.

In compliance with Regulations 3(1) and 4 of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, (SAST Regulations), a mandatory Open Offer was made by GDNL along with Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Petronet Limited (GSPL) and GSPC Gas Company Limited (GSPC GAS) to acquire at the price of Rs. 314.17/- per equity share, up to 33,345,000 equity shares representing 26% of equity shares from the shareholders of GGCL. The said Open Offer had opened on 30 January 2013 and closed on 12 February 2013.

GDNL acquired 11,000,330 (8.58%) equity shares of Rs. 2/- each on 12 March 2013, in the Open Offer. GDNL completed the acquisition of 83,518,750 (65.12%) equity shares of Rs. 2/- each from BGAPH and consequently took over the control of the Company.

The Articles of Association of the Company in its current form include a reference to BG Asia Pacific Holdings Pte Ltd., the former Promoter of the Company. With the transfer of shares of BGAPH to GDNL, the current Promoters of the Company, the Shareholders are requested to consider the alteration in the Articles to the effect of substituting the reference to BGAPH with GDNL.

In compliance with Section 31 of the Companies Act, 1956, the members' approval is sought for amending the Articles of Association.

Your Directors recommend the approval for Alteration of Articles of Association as above.

The following Promoter-Directors of the Company are deemed to be interested:

- (a) Dr. Varesh Sinha, IAS
- (b) Dr. Hasmukh Adhia, IAS
- (c) Mr. D.J. Pandian, IAS
- (d) Mr. Tapan Ray, IAS
- (e) Mr. Sugata Sircar

By Order of the Board
Gujarat Gas Company Limited

Rajeshwari Sharma
Company Secretary

Date: 19 July 2013
Place: Ahmedabad



DIRECTORS' REPORT

DEAR SHAREHOLDERS

Your Directors have pleasure in presenting the 33rd Annual Report and the audited accounts for the year ended on 31 December 2012.

1. FINANCIAL RESULTS

(Rs. in millions)

Particulars	Consolidated Financials		Stand-alone Financials	
	Current Year	Previous Year	Current Year	Previous Year
Total income	31,632.33	24,750.78	31,575.61	24,704.43
Gross profit before interest, depreciation and tax	4,754.23	4,534.24	4,703.54	4,496.63
Less: Interest	1.58	1.49	1.58	1.49
Depreciation	658.28	602.04	653.62	593.33
Profit before tax	4,094.37	3,930.71	4,048.34	3,901.81
Tax expenses	1,209.00	1,182.46	1,181.85	1,163.00
Net Profit	2,885.37	2,748.25	2,866.49	2,738.81
Minority Interest	19.27	13.48	-	-
Profit attributable to Group	2,866.10	2,734.77	2,866.49	2,738.81
Add: Undistributed profit of earlier years	5,132.88	5,967.67	5,015.37	5,842.33
Balance available for Appropriation	7,998.98	8,702.44	7,881.86	8,581.14
Less: Appropriations:				
Transfer to general reserve	291.47	277.12	287.00	274.00
Preference dividend	2.65	10.80	2.65	10.80
Proposed Equity dividend	-	1,539.00	-	1,539.00
Corporate dividend tax on proposed dividend	1.11	252.09	0.43	251.42
Interim Dividend	897.75	1,282.50	897.75	1,282.50
Corporate dividend tax on interim dividend	145.64	208.05	145.64	208.05
Transfer to Capital Redemption Reserve	144.00	-	144.00	-
Surplus retained	6,516.36	5,132.88	6,404.39	5,015.37
Earning per Share (Rs.)	22.32	21.23	22.33	21.26

2. DIVIDEND

Your Directors recommend to the shareholders at their Annual General Meeting, the confirmation as the final dividend of the Interim Dividend of Rs. 7/- per fully paid up equity share of Rs. 2.00 each on 128,250,000 equity shares of the Company, declared by the Board of Directors on 25 September 2012 and paid on 22 October 2012, to those equity shareholders whose names appeared on the Register of Members of the Company as at the close of business hours of 9 October 2012.

Your Directors further recommend for consideration of the shareholders at the Annual General Meeting, the payment of the pro rata dividend of Rs. 2.65 million on which the distribution tax is Rs 0.43 million, for the period from 1 January 2012 till the date of redemption, on 7.5 % 14,400,000 Redeemable Cumulative Non-convertible Preference Share (RCNPS) of Rs. 10 each, which have been redeemed at par on 30 March 2012.

A sum of Rs. 287 million is proposed to be transferred to the General Reserve during the year.

3. CHANGE IN THE CONTROL OF COMPANY

GSPC Distribution Networks Limited (GDNL) entered into a Share Purchase Agreement (SPA), dated 3 October 2012, with BG Asia Pacific Holdings Pte Limited (BGAPH), the erstwhile promoter of GGCL and BG Energy Holdings Limited, the holding company of BGAPH, and acting as the guarantor for the BGAPH's obligations under the SPA, for acquisition of 83,518,750 Equity Shares constituting 65.12% of the paid up Equity Share capital of GGCL, for a purchase amount not exceeding Rs. 24,638,031,250/- (Rupees Twenty Four Billion Six Hundred Thirty Eight Million Thirty One Thousand and Two Hundred and Fifty only).



In compliance with Regulations 3(1) and 4 of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, (SAST Regulations), a mandatory Open Offer was made by GDNL along with Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Petronet Limited (GSPL) and GSPC Gas Company Limited (GSPC GAS) to acquire at the price of Rs. 314.17/- per equity share, up to 33,345,000 equity shares representing 26% of equity shares from the shareholders of GGCL, as a result of an agreement for a direct substantial acquisition of Equity Shares and voting rights, accompanied with a change in control of GGCL pursuant to the SPA.

The said Open Offer had opened on 30 January 2013 and closed on 12 February 2013. GDNL acquired 11,000,330 (8.58%) equity shares of Rs. 2/- each on 12 March 2013, in the Open Offer. GDNL completed the acquisition of 83,518,750 (65.12%) equity shares of Rs. 2/- each from BGAPH as per the SPA and BGAPH had transferred these Equity Shares to GDNL for the consideration of Rs 2463.46 crores (including escrow amount). As per the provisions of SPA, on 12 June 2013, BGAPH's four Nominee Directors on the Board of GGCL viz. Mr. Hasmukh Shah, Mr. Shaleen Sharma, Mr. Shahram Jahanbani and Mr. Sugata Sircar had resigned and in their place five Nominees of GDNL viz. Dr. Varesh Sinha, IAS, Mr. D.J. Pandian, IAS, Mr. Tapan Ray, IAS, Dr. Hasmukh Adhia, IAS and Mr. Sugata Sircar have been appointed as the Promoter-Directors. Dr. Varesh Sinha, IAS has been appointed as the Chairman of the Board and of the Company. Mr. Sugata Sircar has been re-appointed as the Managing Director upon the nomination by GDNL.

4. MANAGEMENT ANALYSIS

4.1 Industry Outlook and Developments

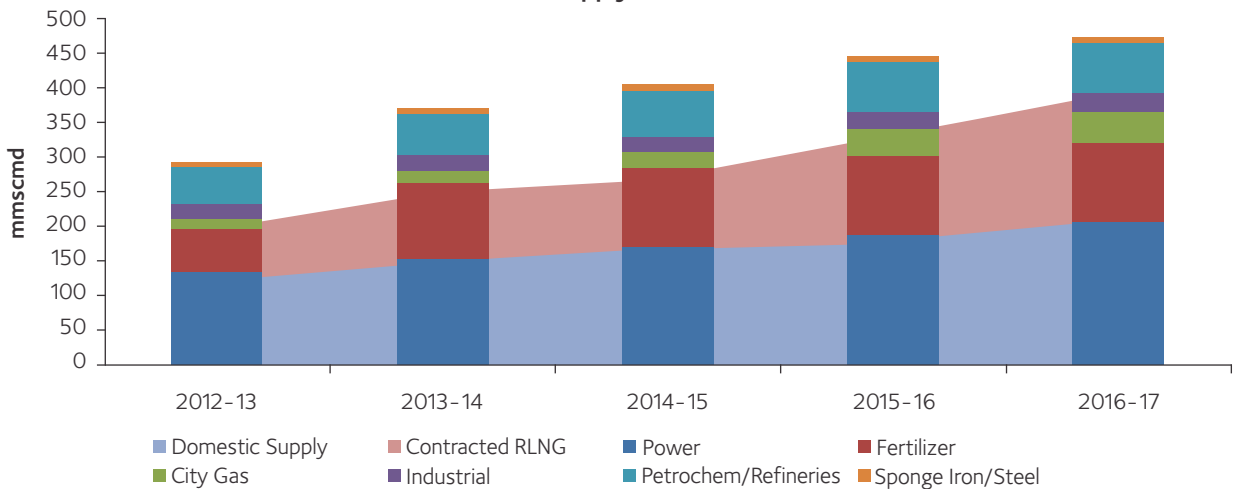
India has been among the fastest growing economies of the world. Though industrial and economic growth have slowed in the last year, the long term future outlook remains robust, with a targeted GDP growth rate of about 6.5%-7.0%. India's energy demand is expected to grow concurrently.

Natural gas is fast gaining its place in India's large and rapidly growing energy market. Due to its inherent environment friendly nature, ease of handling and greater efficiency, natural gas is proving its utility both as fuel and feedstock. It has helped to attract investments and catalyse new demand and supply. This sector has witnessed significant developments over the years. These include a progressive movement towards market based pricing, discoveries from the early NELP rounds, formation of Petroleum and Natural Gas Regulatory Board (PNGRB), significant new infrastructure in the form of trunk pipelines, commissioning of LNG terminals and city gas networks.

The PNGRB, which has been mandated with regulating the CGD sector, has an objective to promote the growth of the sector. It has outlined its vision of expanding the CGD network to over 300 cities in India. It is expected that the PNGRB will initiate competitive bidding for several cities depending on the availability of gas infrastructure and supply.

The country was self-sufficient in natural gas until 2004, when it began to import liquefied natural gas (LNG). As it has not been able to create sufficient natural gas infrastructure on a national level to meet domestic demand, India increasingly relies on imported LNG. Imported LNG currently contributes c. 30% of the total consumption of natural gas in India. The estimated growth in demand and supply for the natural gas including for CGD sector is shown below:

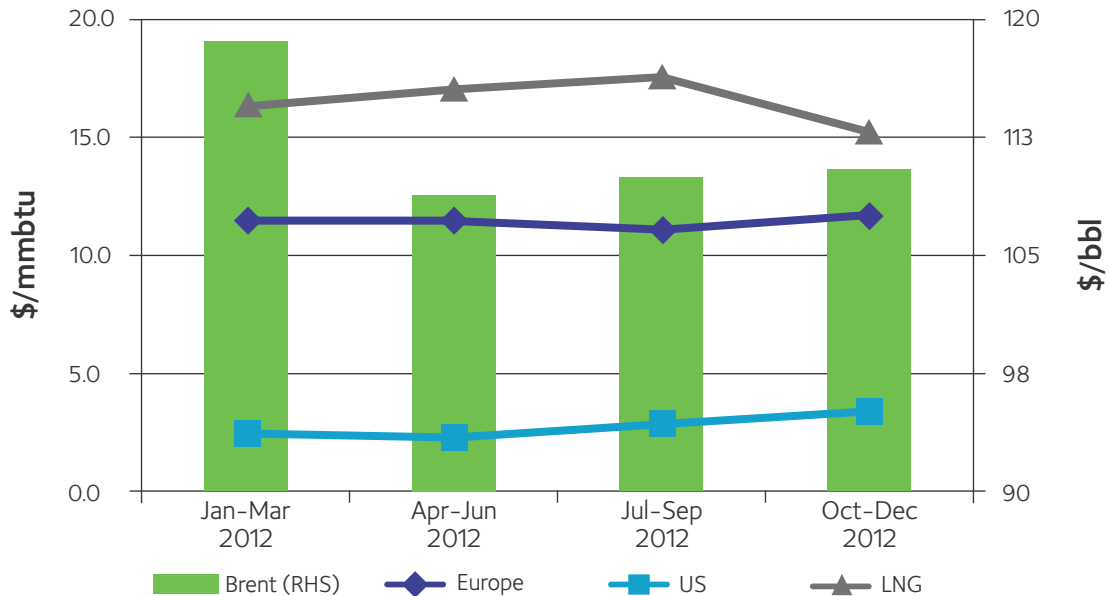
India Demand - Supply (XII Five Year Plan*)



*5 year roll out plan for PNGRB



It is expected that the natural gas demand over the medium to long term will have to be met with imported LNG. Indian companies use both long-term supply contracts and spot LNG contracts for import of LNG. Several players have attempted to secure new longer-term deals with suppliers for supplies commencing from 2017-18 onwards. Till then the market will have to rely on spot and short term Regasified LNG supplies. In recent years, several players have invested in increasing the country's LNG regasification capacity to meet the rising demand. New regasification capacities are being planned both in the west and east coasts of India.



(Source: World Bank Commodity price pink sheet April 2013)

The decline in production in India's KG D6 gas field resulted in even higher dependence on LNG imports. As seen from the figure above, LNG prices tend to be significantly higher than natural gas prices in US and Europe, mainly due to the Asian demand situation. Spot LNG prices in India continue to be benchmarked to Asian LNG prices.

An appropriate mix of indigenous supplies and RLNG will remain critical to remain competitive vis-à-vis alternate fuels. Your Company continues to balance its supply mix and focus on high value segments to maintain its growth.

4.2 Opportunities and Challenges

The CGD industry in India is at an early stage, currently accounting for about 8%-9% of the gas consumed in the country. While there has been slow down in industrial demand and investment in the recent year, the long term growth outlook remains robust in the state. The growth rate of urbanization, which impacts the Domestic and CNG segments of your Company directly and the Industrial segment indirectly, remains around 8% per year.

Natural gas is used in various applications and replaces different alternate fuels. Your Company has been focusing on increasing penetration in high value segments in its markets. This not only helps in increasing value but also helps in mitigating the increasing cost of gas. CNG remains a high value segment in your Company's markets and is a significant driver for future growth. Your Company is focused on growing high value industrial markets and expanding the CNG infrastructure in its operational areas, which are located in the heart of India's only CNG Corridor, to sustain the growth momentum in this business.

Moreover, imminent CGD projects both within and outside Gujarat present significant opportunities for investment. Your company continues to assess new geographical areas for expansion of its pipeline network and will be deciding on bidding for new areas as and when the PNGRB invites bids for new CGDs.

The declining availability of gas from indigenous sources will continue to pose a challenge to the growth of this business. The supply shortfall will largely be met with RLNG. Your Company has been procuring RLNG since 2009 and has established strong credentials with various RLNG suppliers to gain supply security and to purchase competitively priced RLNG, which is a significant portion of your Company's gas sourcing portfolio and is successfully sold in its markets.

Your Company is aware of the challenges in obtaining licenses for new areas, in running its operations at a high level of safety and integrity and in augmenting its gas supplies. Mitigation plans are in place to address these challenges.



4.3 Operations and Market Performance

Your Company received the authorisation from PNGRB for the geographic areas of Surat and Bharuch, its current areas of operation.

Your Company met the challenges of gas sourcing through the year by successfully procuring RLNG at competitive prices through medium term and short term contracts with various suppliers to ensure uninterrupted gas supplies to customers, and will continue to make concerted efforts to secure such supplies so as to maintain an efficient balance of medium and short term RLNG in its gas sourcing portfolio. This will ensure supply security for your Company's customers and generate flexibility in managing the variations in gas requirements of our various market segments.

Over 34,000 new household customers were connected on natural gas during the year, taking the total number of domestic customers of your Company to over 366,000. More than 192,000 vehicles now ply in your Company's operating areas on CNG. Your Company has c. 375,000 customers, including industrial and commercial units. Sales volumes grew by 6.2% in the residential segment and 5.8% in the CNG segment.

4.4 Future Outlook

Demand for natural gas is expected to grow as has been outlined above. It will be critical for your Company to grow in high value industrial markets and expand its network and CNG station infrastructure in order to meet the growth in demand. Your Company plans to continue extending its network to areas contiguous to its current operations. Opportunities for expansion to new geographical areas will continue to be assessed. Growth in new areas will be through the bidding process set out by the PNGRB.

Your Company will endeavour to grow value by identifying and accessing high value market segments.

Your Company will continue to invest in human resources and in systems and processes which strengthen the integrity and safety of your Company's assets. This will be the bedrock for the sustenance and growth of your Company's business.

4.5 Internal Control System and Risk Management

Your Company has a strong internal control framework and an elaborate internal control system to ensure protection of value, ensure adherence to operating standards and to eliminate the risk of fraud.

Your Company follows a comprehensive management assurance process which deals with the broad aspects of risks, compliances and assurances. The Internal Control Framework has identified various areas where internal controls are critical including Financial Control Assurance (FCA) processes which clearly lay down the procedures to be followed for activities which have a bearing on control risk. Various policies and operating procedures have also been laid down to ensure internal control and compliance to statutory requirements as to the Company's policies and standards.

The approach adopted by your Company is to embed internal controls in its software solutions to the extent possible. The Company has successfully implemented the ISU CCS, IM and PM solutions of SAP, to address billing, metering management, inventory, plant management and related activities. This comprehensive solution which integrates with the existing SAP solutions for financial accounting and procurement, significantly improves the efficiency, effectiveness, reliability and scalability of the aforesaid functions. The Company also uses a Geographical Information System (GIS) to effectively manage its network.

A process of gaining assurance has been implemented through the Letter of Assurance procedure, which is wide in scope and includes internal control and risk management. The procedure cascades the responsibilities for ensuring compliance to critical processes through the levels of management.

The Company has implemented a comprehensive compliance matrix for various groups and activities. Compliances by various groups are regularly reviewed by the Internal Audit team with reference to the Compliance Matrix. Review of the compliances made by various groups and periodic update of the Compliance Matrix helps in sustaining a strong compliance environment. The Internal Audit Team carries out reviews of internal controls as a part of an approved audit plan. Regular reviews of audit non-conformities and the findings of investigations carried out by the internal audit team, provides the feedback to the management and the Audit Committee on the status of internal controls in place, and helps in ensuring corrective action.

Risk management is considered to be an effective tool in your Company to deliver its business plan and annual objectives. A register is prepared to capture the risks perceived for the business with inputs from various groups. The same is reviewed by the group heads and by the Executive Committee. The most critical risks are reviewed by the Audit Committee on a quarterly basis.

Your Company follows the Value Assurance Framework (VAF) for assessing and deciding on all major projects. This is a comprehensive system of assessment, designed to address all relevant aspects of a project at the earliest opportunity so as to ensure the most optimal decision and smooth execution. your Company also has a system of carrying out Post Investment Appraisals for projects above a threshold value.

**4.6 Health, Safety, Security and Environment (HSSE)**

The care for Health, Safety, Security and the Environment (HSSE) remains a core value of the Company. The approach adopted by the Company is to protect the health, safety and security of all employees, customers, stakeholders and third parties associated with the company in any way and to protect the environment in which it operates. HSSE is therefore embedded in all the activities and is a "way of doing business". The Company believes that a strong HSSE culture indicates a strong awareness of risks and the attitude to mitigate those risks and minimize them to acceptable levels. Accordingly, the safe delivery of projects and operation of its facilities is a critical success factor for the Company's business. A number of initiatives are run through the year to engage employees, contractors and other stakeholders in addressing HSSE risks.

Clear matrices are laid down to measure performance on HSSE parameters & improvement plans. All managers are accountable for HSSE within their area of business and are responsible for ensuring that their teams adopt exemplary HSSE behaviours.

Total Recordable Case Frequency (TRCF) is a measure of HSSE incidents of "recordable" category. The result for the year 2012 was 0.136 which represents a significant improvement towards the goal of "Zero Injury".

Several initiatives were taken up by the Company during the year as well, to further strengthen its HSSE culture. The senior management team led such initiatives, conducted Safety Management Tours of operation and work sites and focused on employee engagement programs such as campaigning for HSSE "Life Savers", Safety 101 (One Goal, Zero Injury, One Team) Initiative, Staying Committed to OICC (Observation, Intervention, Compliance & Contractor Management) etc. Senior managers carried out regular HSSE performance review meetings with the high risk contractors.

The Company has invested nearly 14000 man days in safety & competency Training to front line staff.

The Company has completed Certification of its Emergency Response & Disaster Management Plan (ERDMP) by PNGRB accredited third party Inspection Agency for compliance with PNGRB Regulations.

Contribution to Environment

Det Norske Veritas (DNV) has carried out "EHSMS periodic audit" for OHSAS- 18001 -2007 and Environment Management System (ISO 14001 -2004) across the Company's installations and offices in September. World Environment Day was celebrated at all locations on June 5 and was followed by events like tree plantation activities, observe car pooling, 'No Print' day- aimed at reducing the carbon foot print.

The Company has undertaken or contributed indirectly in various initiatives during the year, which include a significant contribution towards reduction of 179.56 tones of CO₂ through various Green House Gas emissions reduction projects.

4.7 Contribution to Society

During the year, your Company continued working on the strategy that was developed in 2009 for carrying out activities for Corporate Social Responsibility (CSR), focusing on environmental education and skill development. The strategy also addresses the need for supporting various sustainable development projects to benefit the communities in which your Company operates.

Your Company continued to support the Skill Development Project through vocational training at an ITI. The programme aims at equipping local unemployed youth with technical and safety skills for handling ground connections for supply of gas.

Your Company supported a project aimed at improving the living conditions of excavation workers and supported health check-up camps in the Company's areas of operations.

Your Company supported the Government of Gujarat's initiative on school enrolment drive by providing school bags to newly enrolled girl children at various municipal schools in and around the Ankleshwar - Bharuch area.

Road safety campaigns were carried out in schools & ITIs in the Surat, Ankleshwar and Bharuch areas for creating awareness among students.

Your Company also extended support to GRISERVE, a programme focussed on providing services on cattle raising in villages.

5. SUBSIDIARIES**5.1 Gujaratgas Trading Company Limited (GTCL)**

Gujaratgas Trading Company Limited (GTCL), a wholly-owned subsidiary of the Company is engaged in the business of selling natural gas. During the year under review, GTCL achieved sales of Rs. 1153.66 million as against Rs. 1326.65 million during the previous year. Total income for the year was Rs. 1163.57 million including other income of Rs. 9.91 million as against total income of Rs. 1336.38 million including other income of Rs. 9.73 million in the previous year.

Profit before tax (PBT) was Rs. 10.02 million during the year as against Rs. 9.99 million in the previous year.

The accounts for GTCL are a part of this Annual Report.

5.2 Gujarat Gas Financial Services Limited (GFSL)

Gujarat Gas Financial Services Limited (GFSL), another subsidiary of your Company, carried out the job of installing gas connections for domestic and commercial customers of the Company. While GFSL earlier had the status of a certified Non Banking Financial Company (NBFC), it surrendered its NBFC status to the Reserve Bank of India as it stopped providing lease finance since April 2007.



During the year under review, the net total income was Rs. 101.21 million as compared to Rs. 78.29 million in the year 2011 and the profit after tax was Rs. 63.98 million as compared to Rs. 44.75 million for the previous year.

The accounts of GFSL are a part of this Annual Report.

6. FINANCE

The net cash profits of your Company increased over the previous year. Investments were made in extension of pipeline network and in reinforcements and up gradation of existing network as required. Investments were also made to upgrade the IT solutions and hardware of your Company to enhance reliability and enable scalability. A portion of the profits generated during the year has been paid out as interim dividend. Appropriate provisions have been made in the accounts wherever necessary for contingencies, bad debts and diminution in value of investments. During the year under review, your Company has not invited any fixed deposits within the meaning of Section 58A of the Companies Act, 1956.

7. STATUTORY INFORMATION

As required under Section 212 of the Companies Act, 1956, the audited accounts for the year ended on 31 December 2012 and Auditors' Report thereon, along with the Directors' Reports of Gujaratgas Trading Company Limited and Gujarat Gas Financial Services Limited, the subsidiaries of GGCL, are attached to GGCL's Balance Sheet.

7.1 Energy, Technology and Foreign Exchange

Since the Company is not a scheduled industry, the details in respect of Form A pursuant to Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not required to be furnished. However, the details in respect of Form B pursuant to Rule 2 are submitted as Annexure-1 and forms part of this report.

7.2 Human Relations and Particulars of Employees

Your Company employed 575 employees as on 31st December 2012. During the year, your Company continued its focus on building capabilities and developing competencies of its employees through a robust Annual Development Review process. The average training man days for the year was 2.8 per employee.

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

Particulars of employees in receipt of remuneration exceeding the limits prescribed under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is provided in the Annexure forming part of this Report. In terms of section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. The Annexure is available for inspection by Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting, and if any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, whereupon a copy would be sent.

7.3 Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("the ESOP 2008")

The details of the Options granted up to 31 December 2012 under the Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("the ESOP") and other disclosures as required under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are set out in the Annexure to this Report. The Company's Auditors, Price Waterhouse, have certified to the effect that the ESOP has been implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolutions passed by the members in this regard.

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

Under the ESOP, Options have been granted, which provide the benefit or right but not the obligation for exercising at a future date, equivalent number of equity shares each of the face value of Rs. 2/- each of Gujarat Gas Company Limited against the Options that have vested under the ESOP. The ESOP provides for graded vesting of Options granted, over a period of 4 years from the date of grant. The Options are to be exercised within a maximum period of 2 years from the date of Vesting. Within the Exercise Period, the Option holder has the option to either purchase the shares from the Trust at the Exercise Price or to give a Mandate of Sale of the shares ("the Mandate") to the Trust in accordance with the terms and conditions of the ESOP.

As per the terms and conditions of the ESOP, the Trust has purchased out of the funds advanced by the Company, shares from the open market at ruling prices, at different points of time in respect of the underlying options. These shares purchased by the Trustee(s) are held in their capacity as the Trustee(s) till the Options are exercised upon Vesting by the Option holders as per the terms of ESOP. The Trust had purchased from the secondary market 1,995,500 equity shares of Rs. 2/- each, as of 31 December 2012 in the name of the Trustee(s) of the Trust.

Under the ESOP, these Equity Shares are subsequently sold following the Mandate from the Option holders or transferred to the Option holders, as the case may be, at the time of the Exercise of the Options upon Vesting. Accordingly, the Trustee(s) sold 1,541,000 equity shares till December 2012, through open market and the difference between the sale price and the Exercise Price, net of charges and taxes were given to the Option holders as per the ESOP.



The Trustee is authorized to execute the purchase and sale of shares of the Company, on behalf of the Option holders, in accordance with the ESOP.

Your Company has not passed any resolution for buy-back of shares.

7.4 Directors' Responsibility Statement

Your Directors hereby state:

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 December 2012 and of the profit of the Company for the year ended on that date;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the annual accounts on a going concern basis.

7.5 Report on Corporate Governance

As stipulated by Clause 49 of the Listing Agreement, the Report on Corporate Governance is given separately in this Annual Report and forms part of this Report. The certificate regarding compliance with the Corporate Governance Code is enclosed.

8. AUDITORS AND AUDITORS' REPORT

Price Waterhouse, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have expressed their unwillingness to be re-appointed as the Statutory Auditors of the Company.

Pursuant to the takeover of the control of the Company by GDNL, the Company has become a Government company. The appointment of statutory auditor will be made in accordance with the relevant provisions of the Companies Act, as applicable in the case of Government companies.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

9. COST AUDITOR AND COST AUDITORS' REPORT

Pursuant to the directions of the Central Government for audit of Cost Accounts, your Company has appointed M/s. Atul Bhatt & Co, as the Cost Auditor for the period from 01.01.2013 to 31.12.2013. The Cost Audit Report for the CY-2012 has been filed within prescribed time limits.

10. DIRECTORS

On 12 June 2013, BGAPH's four Nominee Directors on the Board of GGCL viz. Mr. Hasmukh Shah, Mr. Shaleen Sharma, Mr. Shahram Jahanbani and Mr. Sugata Sircar had resigned and in their place five Nominees of GDNL viz. Dr. Varesh Sinha, IAS, Mr. D.J. Pandian, IAS, Mr. Tapan Ray, IAS, Dr. Hasmukh Adhia, IAS and Mr. Sugata Sircar have been appointed as the Promoter-Directors. Mr. Sudhir Mankad resigned as the Independent Director from the Board of Directors of the Company w.e.f. 7 May 2013.

Mr. Ajit Kapadia and Mr. Jal Patel, the Directors retire by rotation at the ensuing Annual General Meeting and being eligible, they have offered themselves for re-appointment.

For perusal of the shareholders, a brief resume of the Directors being appointed or re-appointed, nature of their expertise, the status of their shareholding in the Company, the names of the companies in which they hold directorship and the details of membership of the committees of the Board are given in the Explanatory Statement to the Notice convening the Annual General Meeting of the Company. The Board of Directors recommends their appointment / re-appointment.

11. APPRECIATION

Your Directors appreciate the continued support received from the customers and wish to acknowledge the support and assistance received from the Central and the State Governments, gas suppliers and CNG franchisees.

Your Directors place on record their appreciation for the employees for their dedicated performance. Your Directors appreciate the contribution made by the contractors and vendors of the Company.

Your Directors express their gratitude to its erstwhile promoter viz. BG Group for their valuable contribution throughout the year and also thank all the shareholders for their continuing support to the Company.

For and on behalf of the Board

Dr. Varesh Sinha, IAS
Chairman

Date: 8 July 2013
Place: Gandhinagar



ANNEXURE - 1
Companies (Disclosure of Particulars in The Report of Board of Directors) Rules, 1988
FORM - B

Sr. No.	Particulars	Action taken	
1	Research and Development (R&D)		
A	Specific areas in which R&D carried out by the Company		Nil
B	Benefits derived as a result of the above R&D		NA
C	Future plan of action		Nil
D	Expenditure on R&D		
	a. Capital		Nil
	b. Recurring		Nil
	c. Total		Nil
	d. Total R&D expenditure as a percentage of total turnover		Nil
2	Technology Absorption, Adaptation and Innovation		
A	Efforts in brief, made towards technology absorption, adaptation and innovation		Nil
B	Benefits derived as a result of the above efforts		Nil
C	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:		Nil
	a. Technology imported		
	b. Year of import		
	c. Has technology been fully absorbed?		
	d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action		
3	Foreign Exchange Earnings & Outgo		
		Current Year (Rs. in million)	Previous Year (Rs. in million)
	Total Foreign Exchange earned	Nil	Nil
	Total Foreign Exchange outgo	23.71	21.66

For and on behalf of the Board

Dr. Varesh Sinha, IAS
Chairman

Date: 8 July 2013
Place: Gandhinagar



ANNEXURE - 2

Statement as at 31 December 2012 pursuant to clause 12 (Disclosures in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

a)	Total number of Options granted	Gujarat Gas Company Limited Employee Stock Option Plan - 2008 14,80,000 Options (2008) 3,40,000 Options(2009) 4,03,000 Options (2010) 84,000 Options (2011) Nil (2012)
b)	(i) Pricing Formula	The Pricing Formula as approved by the Shareholders of the Company provides that the Exercise Price for Grants made in November, 2008, shall be calculated at 10% discount of the latest available closing price of the Shares on the Stock Exchange on which there was highest trading volumes on the date of the Board Meeting in which the grant of Options is approved. The Compensation Committee has decided the Exercise Price for all subsequent grants. The Exercise Price has been calculated as rounded off to the nearest integer.
	(ii) Exercise Price	Rs. 95.00, adjusted on allocation of bonus for 13,93,000 Options granted in November, 2008, (Rs. 189.00, calculated at 10% discount of the Rs. 210.00 being the closing price of the Shares on the NSE having highest trading volumes on 23 October 2008). Rs. 115.00, adjusted on allocation of bonus for 2,89,000 Options granted in May 2009, (Rs. 230.00, calculated at 10% discount of the Rs. 255.00 being the closing price of the Shares on the BSE having largest trading volumes on 29th April 2009). Rs. 143.00, adjusted on allocation of bonus for 21,000 Options granted in August 2009, (Rs. 286.00 calculated at 10% discount of the Rs. 317.40 being the closing price of the Shares on the BSE having largest trading volumes on 27 July 2009). Rs. 219.00, for 95,000 Options granted in March 2010, (Rs. 219.00 calculated at 10% discount of the Rs. 242.95 being the closing price of the Shares on the NSE having largest trading volumes on 3 March 2010). Rs. 277.00, for 1,90,000 Options granted in 22 July 2010, (Rs. 277.00 calculated at 10% discount of the Rs. 308.00 being the closing price of the Shares on the NSE, having largest trading volumes on 23 July 2010). Rs. 352.00, for 1,18,000 Options granted in October 2010, (Rs. 352.00 calculated at 10% discount of the Rs. 391.00 being the closing price of the Shares on the NSE having largest trading volumes on 27 October 2010). Rs. 337.00, for 84,000 Options granted in April 2011, (Rs. 337.00 calculated at 10% discount of Rs. 374.45 being the closing price of the Shares on the NSE having largest trading volumes on 27 April 2011).
c)	Total number of Options vested	3,38,750 numbers (2010) 7,24,500 numbers (2011) 5,63,000 numbers (2012)
d)	Total number of Options exercised	2,80,000 numbers (2010) 4,34,250 numbers (2011)



- e) The total number of shares arising as a result of exercise of Options

No new equity shares were issued on exercise of options.

The first Vesting Date under the ESOP was 1 November 2010 and accordingly, Option holders had exercised their options for the shares vested in them. As per the ESOP, the Options holders had given the "Mandate of Sale", whereby the Trustees had to sell 2,70,000 equity shares in December 2010, through open market and the difference between the sale price and the exercise price, net of charges and taxes were given to the option holders as per ESOP.

Also, as per the ESOP, one of the Option holders, upon vesting, had exercised his right by opting to have 10,000 shares transferred in his name instead of giving the Mandate of sale. Therefore, the Trustees had transferred to the concerned Option holder, these 10,000 equity shares at the pre-determined Exercise Price of Rs. 95.00 per share (at the time of grant in November 2008, the Exercise Price was fixed at 10% discount to the ruling market price).

Under the ESOP, further options vested on 11 May 2011, 1 August 2011 and 1 November 2011. Accordingly, the Option holders had exercised their options for the shares vested in them. As per the ESOP, the Options holders had given the "Mandate of Sale", whereby the Trustees had to sell 6,250 equity shares in March 2011, 91,500 equity shares in August 2011, 5,000 equity shares in September 2011 and 3,31,500 equity shares in December 2011, through open market and the difference between the sale price and the exercise price, net of charges and taxes were given to the option holders as per ESOP.

Under the ESOP, further options vested on 4 March 2012, 11 May 2012, 26 July 2012, 1 August 2012 and 1 November 2012, accordingly, Option holders had exercised their options for the shares vested in them. As per the ESOP, the Options holders had given the "Mandate of Sale", whereby the Trustees had to sell 2,59,250 equity shares in March 2012, 1,250 equity shares in May 2012, 34,147 equity shares in June 2012, 16,353 equity shares in August 2012, 77,250 equity shares in September 2012, 3,32,250 Equity shares in November 2012, and 86,250 Equity Shares in December 2012 through open market and the difference between the sale price and the exercise price, net of charges and taxes were given to the option holders as per ESOP.

Also, as per the ESOP, two of the Option holders, upon vesting, had exercised their right by opting to have 20,000 shares transferred in their name instead of giving the Mandate of Sale. Therefore, the Trustees had transferred to the concerned Option holder, these 20,000 equity shares at the pre-determined Exercise Price of Rs. 95.00 per share (at the time of grant in November 2008, the Exercise Price was fixed at 10% discount to the ruling market price).

f)	Total number of Options lapsed	98,500 (till 31 December 2011) 107,000 (till December 2012) 87,250 (during CY 2012)
g)	Variation of terms of Options	NA
h)	Money realised by exercise of Options	Money realized by the GGCL ESOP Trust on exercise of options : Rs. 26.60 million (2010) Rs. 42.90 million (2011) Rs. 84.19 million (2012)
i)	Total number of Options in force	1,786,000 (2010) 1,328,750 (2011) 414,750 (2012)



j)	Employee wise details of options granted to:	
(i)	senior managerial personnel;	<p>Himanshu Upadhyay - 65,000 (Vested and Exercised - 12,500) - (2010) (Vested and Exercised - 3,750) - (2011) (Vested and Exercised - 45,000) - (2012) Outstanding as on date - 3,750</p> <p>Nitin Patil - 50,000 (Vested and Exercised - 12,500) - (2011) (Vested and Exercised - 37,500) - (2012) Outstanding as on date - Nil</p> <p>Sanjeev Gupta - 50,000 (Vested and Exercised - 12,500) - (2011) (Vested and Exercised - 25,000) - (2012) Outstanding as on date - 12,500</p> <p>Rajeshwari Sharma - 30,000 (Vested and Exercised - 5000) - (2011) (Vested and Exercised - 10,000) - (2012) Outstanding as on date - 15,000</p> <p>Nitesh Bhandari - 50,000 (Vested and Exercised - 30,000) - (2011) (Vested and Exercised - 16,250) - (2012) Outstanding as on date - 3750</p> <p>Chirag Brahmabhatt - 50,000 Vested and Exercised - 6,250) - (2010) (Vested and Exercised - 12,500) - (2011) (Vested and Exercised - 7,500) - (2012) Outstanding as on date - 23,750</p>
(ii)	any other employee who received a grant in any one year of Option amounting to 5% or more of Option granted during that year.	Nil
(iii)	identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
k)	Diluted Earnings Per Share (EPS) pursuant to issue of equity shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	NA
l)(i)	Method of calculation of employee compensation cost	The employee compensation cost has been calculated based on the Fair Value method of accounting using the Black-Scholes Option Pricing Formula.
(ii)	Where the company has calculated The employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed.	NA
(iii)	The impact of this difference on profits and on EPS of the Company	NA



m)	Weighted-average exercise prices and weighted-average fair values of options granted for options whose exercise price either equals or exceeds or is less than the market price of the stock	The weighted average exercise price per Option is Rs. 258/- of the outstanding options as at 31 -Dec-2012. The weighted average fair value per Option at the grant date is Rs 97/- of the outstanding options as at 31 -Dec-2012.
n)	A description of the method and significant assumptions used during the year to estimate the fair values of options	NA

Note: On 22 September 2009, Bonus Options were allocated on unvested Options in the same ratio as bonus shares (i.e. in the ratio of 1 bonus share for every one equity share) and the Exercise Price thereof was halved, in accordance with the ESOP 2008 read with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

For and on behalf of the Board

Dr. Varesh Sinha, IAS
Chairman

Date: 8 July 2013

Place: Gandhinagar

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE****To the Members of Gujarat Gas Company Limited**

We have examined all relevant records of Gujarat Gas Company Limited for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Vadodara Stock Exchange Limited and Ahmedabad Stock Exchange Limited for the financial year ended on 31st December, 2012. 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 i.e. Gujarat Gas Company Limited has complied with all the mandatory conditions of the said Clause - 49 of the Listing Agreement.

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

For Manoj Hurkat & Associates

Company Secretaries

Manoj R. Hurkat

Partner

Membership No: FCS 4287

Certificate of Practice No.: CP - 2574

Date: 28 June, 2013

**A REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance.

1. GGCL's Philosophy on Corporate Governance

Your Company believes that corporate governance is driven by the core values of the Company. Your company promotes the values of customer orientation, team work, commitment, growth and trust. These reflect the Company's approach to all its stakeholders in the course of carrying out its business. The Company's values are portrayed in a set of strong Business Principles. These Business Principles are continuously communicated and reinforced with employees and contractors.

Your Company ensures appropriate disclosures to transparently communicate significant events and information regarding the performance of the Company.

A Whistle Blower Policy is in operation under which a person can raise a complaint. A mechanism exists to address any such complaint in an independent and objective manner.

The Company seeks to comply with all applicable legal, regulatory and license requirements and strives to work constructively with regulatory bodies.

2. Board of Directors

As on 31 December 2012, the Board comprised of eight directors of which seven were non-executive directors. Of these seven non-executive directors, four were independent directors. The composition of the Board was in conformity with the provisions of the Corporate Governance Code of the Listing Agreement.

Details of composition of the Board, category of the directors as well as their directorships on Board and memberships in

Names of the Directors	Category	Number of Directorships Held	Number of Board Committees in which Chairman / Member	
			Membership	Chairmanship
Mr. Hasmukh Shah, Chairman	Promoter & Non-executive Directors	5	1	2
Mr. Shahram Jahanbani		2	2	-
Mr. Shaleen Sharma		2	-	-
Prof. Pradip Khandwalla	Non-executive and Independent Directors	5	3	1
Mr. Jal Patel		7	5	3
Mr. Ajit Kapadia		5	2	1
Mr. Sudhir Mankad		12	5	-
Mr. Sugata Sircar, Managing Director	Promoter and Executive Director	3	2	1

The above details represent Membership/Chairmanship of Audit Committee and Shareholder's/Investor's Grievance Committee as per Clause 49 of the Listing Agreement.

During CY 2012, eight Board Meetings were held on 10 January 2012, 23 February 2012, 26 April 2012, 26 July 2012, 25 September 2012, 17 October 2012, 5 November 2012 and 21 December 2012.

Details of attendance of the directors at the Board Meetings held during the Calendar Year 2012 and at the last Annual General Meeting is given below:

Names of the Directors	Number of Board Meetings held while holding the office	Number of Board Meetings attended while holding the office	Attendance at the last AGM
Mr. Hasmukh Shah	8	8	Yes
Ms. Martha Desmond	3	3	No
Mr. Walter Simpson	3	3	Yes
Prof. Pradip Khandwalla	8	8	Yes
Mr. Jal Patel	8	8	Yes
Mr. Ajit Kapadia	8	8	Yes
Mr. Shaleen Sharma	8	7	Yes
Mr. Sudhir Mankad	8	8	Yes
Mr. Shahram Jahanbani	5	5	N.A
Mr. Sugata Sircar	5	5	N.A



The Board Meetings are generally held in Ahmedabad, where the registered office of the Company is located. The Board meets at least once a quarter with a gap between two meetings not exceeding four months. It has remained the practice of the Company to place before the Board, all the matters listed in Annexure 1A to Clause 49 of the Listing Agreement. The board agenda papers and other explanatory notes are circulated to the directors in advance. Draft minutes of the meetings of the Board of Directors and its Committees are circulated to the directors for their comments before being recorded in the Minute Books. Similarly, minutes of the subsidiary companies are circulated to the directors as a part of the Board Agenda. The directors also have access to all the information about the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior Management Personnel are invited to attend the Board Meetings to provide clarifications as and when required.

3. Audit Committee

The present members of the Audit Committee are Mr. Jal Patel, Chairman, Prof. Pradip Khandwalla, and Dr. Hasmukh Adhia, IAS. All the members of the Committee are Non-executive Directors. Mr. Patel and Prof. Khandwalla are Independent Directors. All the members of the Committee are qualified professionals and have accounting or related financial management expertise. The quorum of the Committee is two members, requiring presence of both the Independent Directors. Mr. Jal Patel, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The terms of reference and powers of the Audit Committee are in compliance with the provisions of the Corporate Governance Code of the Listing Agreements and the Companies Act, 1956. Major terms include overseeing the financial reporting process, review of financial statements, ensuring independence of external auditors, review of internal control systems and overseeing of the internal audit department. The Committee reviews internal audit reports and findings of the statutory auditors. The Committee also reviews the risk register recording the key risks, mitigation plan and responsibility assigned for the risks. Also, all relevant information and reports are placed before the Audit Committee in compliance with the provisions of the Corporate Governance Code.

The Committee invites Senior Management Personnel of GGCL as it considers appropriate, to attend the meetings of the Committee. The internal auditor, head of finance and representative of the statutory auditors are permanent invitees at the meetings. The Company Secretary acts as Secretary to the Committee. Minutes of the Audit Committee Meetings are circulated and discussed at the Board Meetings.

The Committee met four times during the year under review.

Details of meetings of Audit Committee and attendance

Sr. No.	Date of Meeting	Number of Members	Attendance
1	23 February 2012	3	3
2	26 April 2012	3	3
3	26 July 2012	2	2
4	5 November 2012	4	4

4. Remuneration of Directors

The Board of Directors constituted a Remuneration Committee comprising of Mr. Jal Patel (Chairman) and Prof. Pradip Khandwalla. The Remuneration Committee meeting was held on 25 April 2012 and 12 June 2012 during the year under review. The terms of reference include review of, and decision on the remuneration of the Managing Director, based on the performance and defined assessment criteria and considered such other matters as may be required by the Board of Directors from time to time. The Committee made recommendations for the consideration and approval of the Board of Directors. This Committee has been dissolved w.e.f. 12 June 2013. The Board has constituted the HR Committee w.e.f. 12 June 2013.

The details of managerial remuneration paid to the Managing Director in the year 2012 are given below.

**Details of remuneration package of the Managing Director**

Elements of remuneration package	Fixed component / Performance linked incentive	Mr. Shaleen Sharma (upto 30 June 2012) Amount Rs.	Mr. Sugata Sircar (from 1 July 2012) Amount Rs.
Basic salary	Fixed	4,951,118	3,029,562
Contribution to Provident Fund and Gratuity Fund		1,574,952	509,268
Perquisites and Allowances	Value of benefits with upper ceiling		
HRA/Rent free accommodation, Medical and other allowances		777,681	1,014,390
Gas, electricity and other expenses		117,685	54,500
Expenses on cook, sweeper and servant		87,400	33,907
Performance bonus	Performance linked incentive	2,052,915	2,285,000
Total		9,561,751	6,926,627

Note: Performance bonus for Mr. Shaleen Sharma reflects the amount paid in 2012 above the provision earlier made. Performance bonus for Mr. Sugata Sircar is the provisional amount for the year 2012.

Other Details

Criteria	Mr. Shaleen Sharma	Mr. Sugata Sircar
Major criteria for performance bonus	<ul style="list-style-type: none"> • Health, safety, security & environment • Profit before tax • Return on average capital employed • Volume throughput • Opex / volume • Investment (Capex) 	<ul style="list-style-type: none"> • Health, safety, security & environment • Profit before tax • Return on average capital employed • Volume throughput • Opex / volume • Investment (Capex)
Service contract	For a period of five years commencing from 1 July 2007	For a period of five years commencing from 1 July 2012
Notice period	3 months	3 months
Severance fees	Nil	Nil
Stock option & pension	Nil	Nil

Details of sitting fees paid during CY 2012

Sitting fees were paid to the Chairman and Independent Directors for attending meetings of the Board of Directors and its Committees. An amount of Rs.20,000 per meeting was paid as sitting fees for attending Board Meetings and Rs.18,000 per meeting for attending Committee Meetings. The Managing Director was not paid sitting fees for attending the meetings of the Board of Directors or its Committees. Total sitting fees paid during the year 2012 amounted to Rs. 16,10,000/-.

Details of commission paid to Directors

In order to bring the remuneration of the Chairman and the Independent Directors in line with current trends and ensuring that the remuneration is commensurate to the time devoted and the contribution made by them, remuneration by way of following Commission for CY 2011 & CY 2012 was paid to these Non-executive directors, after the approval of the Board:

Sr. No.	Name of Director	Designation	CY-2011	CY-2012
1.	Mr. Hasmukh Shah	Chairman	Rs 8.0 lakhs	Rs 8.0 lakhs
2.	Mr. Jal Patel	Chairman, Audit Committee	Rs 6.5 lakhs	Rs 6.5 lakhs
3.	Prof. Khandwalla	Independent Director	Rs 6.5 lakhs	Rs 6.5 lakhs
4.	Mr. Ajit Kapadia	Independent Director	Rs 5.0 lakhs	Rs 5.0 lakhs
5.	Mr. Bikash C. Bora	Independent Director	Rs. 3.14 lakhs*	Nil

* (Proportionate till 18 August 2011, the resignation date, @ Rs. 5.00 lakhs p.a.)



The above Commission was within one per cent of the net profits for CY 2011 & CY-2012 and calculated in accordance with the provisions of the applicable laws. The Commission was paid for their contribution at the Board and its Committee Meetings as well as time spent on operational matters other than at the meetings.

It may be noted that the Board has approved the Commission of Rs. 5 lakhs to be paid to Mr. Sudhir Mankad who had been appointed as the Independent Director w.e.f. 10 January 2012 and therefore, it is proposed to pay him the above Commission, subject to the approval of the General Meeting.

5. Shareholders' Grievances Committee

GGCL has a Shareholders' Grievances Committee to approve share transfers, transmissions, consolidation, sub-division, etc. and for redressal of complaints / requests received from the shareholders. The present members of the Committee are Prof. Pradip Khandwalla, the Chairman, Mr. Jal Patel, Mr. D.J. Pandian, IAS and Mr. Sugata Sircar. Ms. Rajeshwari Sharma, Company Secretary is the Compliance Officer.

The Committee had sub-delegated powers to the Managing Director to approve share transfers upto 10,000 shares per folio, name deletions and share transmissions. As the shares of the Company are under compulsory demat trading for all investors, this delegation is considered adequate. To facilitate smooth redressal of the shareholders' requests and complaints, the Committee has prescribed time limits for redressing various types of shareholders' requests and complaints. Share transfers and related requests are placed for approval of the Managing Director on a weekly basis. Details of the share transfer requests approved by the Managing Director are placed to the Shareholders' Grievances Committee.

The Company received 180 complaints during the year 2012. All the complaints were resolved to the satisfaction of the shareholders.

6. Compensation Committee

The Compensation Committee of the Board comprises of Mr. D.J. Pandian, IAS, Chairman, Prof. Pradip Khandwalla and Mr. Jal Patel. The Compensation Committee administers and superintends the GGCL - Employee Stock Option Plan 2008 ("the ESOP 2008" or "the Plan"), inter alia including the formulation of the following detailed terms and conditions:

- a. Eligibility and quantum of options to be granted under the ESOP 2008 per employee and in aggregate
- b. The conditions under which option vested in employees may lapse in case of termination of employment for misconduct
- c. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period
- d. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- e. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period
- f. The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.
- g. The grant, vest and exercise of option in case of employees who are on long leave
- h. Determine the procedure for cash less exercise of Options
- i. Constitution of the Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("the Trust"), to administer the ESOP 2008, through the allocation of the equity shares to be purchased from the market either by the transfer of shares to the employees or by execution of the mandate of sale given by the employee for the sale of equity shares in accordance with the Deed of Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("the Deed of Trust").
- j. Direct the trustee(s) of the trust to administer the provisions of the Plan, as and when required, as per the applicable laws and resolve any issue that arises in the administration of the Plan through the Trust
- k. Any other related or incidental matter.

During the year under review four meetings of the Compensation Committee were held on 23 February 2012, 26 April 2012, 26 July 2012 and 5 November 2012.

**7. General Body Meetings**

Location and time of last three AGMs / EGMs

Date	Time	Venue
26 April 2012 (AGM)	10.00 a.m.	H.T. Parekh Convention Centre, Ahmedabad
28 April 2011 (AGM)	10.00 a.m.	Management Association, ATIRA, Vastrapur,
22 April 2010 (AGM)	10.00 a.m.	Ahmedabad-380 015

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

Annual General Meeting held on 26 April 2012

No special resolution was passed at the Annual General Meeting held on 26 April 2012.

Annual General Meeting held on 28 April 2011

A resolution for grant of approval to the payment of commission for the period of three financial years effective from the financial year ending 31 December 2010 to the Chairman and Independent Directors of the Company.

Annual General Meeting held on 22 April 2010

A resolution for grant of approval to the payment of commission for the financial year 2009 to the Chairman and Independent Directors of the Company.

Postal Ballot

Special resolution for Alteration of Articles of Association was passed through Postal Ballot in the year 2012 under the provisions of section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011. The Company had appointed Mr. Chirag Shah, Partner, Samdani Shah & Associates as the scrutinizer for conducting the Postal Ballot in a fair and transparent manner. The details of voting pattern is as under:

Promoter/ Public	No. of Shares held (1)	No. of Votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/ (1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/ (2)]*100	% of Votes against on votes polled (7) = [(5)/ (2)]*100
Promoter and Promoter Group	83518750	83518750	100%	83518750	0	100%	0.00%
Public- Institutional Holders	27811906	18631542	66.99%	18631542	0	100%	0.00%
Public- Others	16919344	195980	1.16%	189716	6264	96.80%	3.20%
Total	128250000	102346272	79.80%	102340008	6264	99.99%	0.01%

8. Disclosures**Related Party Transactions**

Related Party Transactions are disclosed in the Notes to Accounts forming part of this Annual Report. Transactions entered into by the Company with the related parties during the year were placed to the Audit Committee for review. There are no pecuniary relationships or transactions with the non-executive directors. A procedure is in place for disclosure of interest by the senior management team.

Whistle Blower Policy

GGCL has implemented a Whistle Blower policy covering the contractors and suppliers besides its employees. The policy provides access to the Managing Director and the Chairman of Audit Committee. Persons covered under the policy can lodge their complaints through anonymous e-mails besides usual means of communication like written complaints or over telephone. None of the persons covered under the policy has been denied access to the Audit Committee.

**Code of Conduct**

GGCL has implemented a Code of Conduct based on its business principles along with implementation framework for its directors and senior management of the Company. The Code of Conduct has also been posted on GGCL website. In compliance with the Code, the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code for the year ended 31 December 2012. A declaration to this effect signed by the Managing Director forms part of this Annual Report.

Other Disclosures

1. There are no non-compliances by the Company on any matter related to capital markets, during the last three years. Similarly, there are no penalties or strictures imposed by the stock exchanges, SEBI or any statutory authority on any matter related to capital markets during the last three years.
2. The Company has a detailed Business Risk Management Process which is periodically reviewed by the Board of Directors for determining its effectiveness.
3. The Board of Directors and the Audit Committee periodically review the status of compliances in respect of applicable laws and report thereon by the Internal Audit team.

9. Means of Communication

The Company regularly brings out its Quarterly Results for information of its Shareholders through publications thereof in one English language newspaper, having nation wide circulation and in one regional language newspaper. The Company has its own website - <http://www.gujaratgas.com>, on which the Quarterly Results and Presentations made to the institutional investors and analysts are displayed.

The Directors' Report deals with all the matters stipulated under the Management Discussion and Analysis Report.

GGCL has not mailed half-yearly results to the shareholders in view of the above-mentioned means of communication adopted by the Company.

The documents referred to but not sent to the persons entitled to receive notice of the Annual General Meeting, will be made available for inspection of Shareholders at the Registered Office of the Company during working hours for a period of 21 days before the date of AGM.

10. General Shareholder Information

All the required information has been furnished under the head "Information for Investors".

11. Compliance

GGCL has complied with the mandatory requirements of the Corporate Governance Code. The Board would review implementation of the non-mandatory requirements of the Corporate Governance Code in due course of time. The certificate regarding compliance with the Corporate Governance Code for the year 2012 is annexed to this report.

For and on behalf of the Board

Dr. Varesh Sinha, IAS
Chairman

Date: 8 July 2013
Place: Gandhinagar



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To,
The Shareholders,
Gujarat Gas Company Ltd

Gujarat Gas Company Limited has in place a Code of Conduct ("the Code") for its Board of Directors and Senior Management Personnel. I report that the Code has been complied with by the Board of Directors and senior management of the Company for the CY-2012.

For Gujarat Gas Company Limited

Sugata Sircar
Managing Director

Date: 6 March 2013
Place: Ahmedabad



INFORMATION FOR INVESTORS

1. Annual General Meeting Details

At 11.00 a.m. on Thursday, 22 August 2013 at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad - 380 015.

2. Financial Year

The Company follows Calendar Year as its Financial Year.

3. Book Closure Date

The Register of Members and Share Transfer Book of the Company shall remain closed from 16 August 2013 to 22 August 2013 (both days inclusive) for Annual General Meeting.

Shareholders are requested to update their addresses, bank account details and ECS details with the depositories if shares are held in demat form and with the Registrar and Share Transfer Agent if shares are held in physical mode.

4. Listing on Stock Exchanges and Stock Code

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

Ahmedabad Stock Exchange Limited	20860
Bombay Stock Exchange Limited	523477
National Stock Exchange of India Limited	GUJARAT GAS
Vadodara Stock Exchange Limited	23477

Listing fees have been paid for the year 2012 - 13 and for the year 2013 - 14 as per the Listing Agreement with the respective Stock Exchanges.

5. Market Price Data

Market price data on the Bombay Stock Exchange Limited, Mumbai for the year 2012 is given below:

Month	Highest (Rs.)	Lowest (Rs.)
January	422.00	354.50
February	432.65	365.60
March	437.00	382.00
April	408.85	270.00
May	329.70	270.00
June	345.50	288.25
July	345.00	294.00
August	319.80	289.05
September	351.00	290.00
October	352.50	296.55
November	303.00	298.50
December	308.80	300.60

6. Registrar and Share Transfer Agents and Share Transfer System

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

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

Karvy Computershare Private Limited, Unit: GUJARAT GAS COMPANY LIMITED, Plot no. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081. Phone Number: 040-44655000, Fax Number: 040-23420814

**7. Distribution of Shareholding**

Distribution of Shareholding as on 31 December 2012 is given below:

Category	No. of Shareholders	Shares held in physical form	Shares held in dematerialised form	Total no. of shares held	% to capital
Resident Individuals	29,319	1,512,098	9,800,967	11,313,065	8.82
Foreign Institutional Investors (FIIs)	56	0	21,258,089	21,258,089	16.58
Non-resident Indians (NRIs)	573	6000	320,142	326,142	0.25
Indian Companies	731	8010	5,335,468	5,343,478	4.17
Mutual Funds & UTI	17	1000	2,409,220	2,410,220	1.88
Public Financial Institutions, Government Companies and Banks	3	0	202,780	202,780	0.16
Foreign Promoters	1	0	83,518,750	83,518,750	65.12
Others	756	15,000	3,862,476	3,877,476	3.02
Total	31,456	1,542,108	126,707,892	128,250,000	100.00

8. Dematerialisation of Shares and Liquidity

Equity shares of your Company can be traded in electronic form only by all the investors. Your Company has established connectivity with both the depositories viz. NSDL and CDSL through its Share Transfer Agent.

Equity shares of your Company are regularly traded on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. 26.30% equity shares of the Company are held by non-promoter shareholders.

9. Your Company does not have any GDRs/ADRs/Warrants or any other convertible instruments.**Ankleshwar**

Surati Bhagol, Umarwada Road,
Near Piraman Naka,
Ankleshwar- 393001
District-Bharuch

Mora (Surat)

Survey No. 150,
Opp. Reliance Gate No 3-B,
Surat-Hazira Road,
Mora, Surat

Surat

Plot No. 87-88,
Mahyavanshi Mohallo,
Adajan Gam- 395009,
Surat

Sachin

Block No. 248, Near Srikant Nagar,
GIDC Sachin, Village - Unn,
Magdalla-Sachin Road, Surat

Valia

Plot. No. 192, Near St. Paul school,
Village : Kosamdi,
Taluka-Ankleshwar,
District-Bharuch

Atodara

R. S. No. 64/1, & 64/2,
Village-Atodara, Olpad- Sayan Road,
Taluka-Olpad, District-Surat

Rahadpor

Plot No 16 to 24, Survey no. 75/123,
At and Post Rahadpor,
Palej-Tankaria Road, Bharuch

Amboli

Plot no. 71 - 72, Amboli, Taluka:
Ankleshwar District-Bharuch

Jhagadia

Plot No-773/A & 773/B,
GIDC Jhagadia,
District-Bharuch

Vadoli

Block No. 546/1, Village-Vadoli,
Olpad - Kim State Highway,
Taluka-Olpad, District-Surat

Palsana

Survey No. 168 & 168/P,
Village-Lingad, Taluka-Palsana,
District-Surat

Hazira

Plot No : 364, Opp. GSPL Guest
House, Hazira Village,
Taluka: Choryasi, District: Surat

**11. Correspondence with the Company**

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

Gujarat Gas Company Limited, 2, Shantisadan Society, Nr. Parimal Garden, Ellis Bridge, Ahmedabad - 380006, India. Telephone Numbers: (079) 26462980, 26460095, Fax: (079) 26466249.

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

12. Nomination Facility

The Companies Act, 1956 provides for nomination facility to the investors. As a shareholder, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail of this facility especially by the shareholders who currently hold shares in their single name.

Nomination can avoid the process of acquiring right in shares through transmission by law. In case of nomination by the joint holders, such nomination will be effective only on the death of all the holders. Shareholders may write to the Company at the registered office for obtaining the nomination form. The nomination form is also available on the Company's website viz. www.gujaratgas.com. In case the shares held in demat form, you may contact your depository participant for nomination.

13. Unclaimed Dividend

The Company has transferred unclaimed dividend for the financial years 1991-92 to 1994-95 to the General Revenue Account of the Central Government. Shareholders, who have not encashed their dividend warrants for the above years, are requested to lodge their claims with the Registrar of Companies, Gujarat, Ahmedabad. Your Company has also transferred unclaimed dividend for the financial years 1995-96 to 1998-99, financial period of April-December 1999 and interim including final dividend for the year 2001, 2002, 2003 and 2004 to the Investor Education and Protection Fund in compliance with the provisions of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Your Company has transferred the unclaimed amount of dividend for the calendar year 2005 to the Investor Education and Protection Fund in terms of the provisions of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

14. Folio Merging

Members who hold shares in the same order of names in more than one folio are requested to send their requests for merging all their shareholdings into one folio, along with the share certificates, in case of physical shares.

15. Permanent Account Number (PAN) for Security Transactions

The shareholders, who are holding shares in the physical form, are requested to furnish the attested copies of their PAN to Karvy Computershare Private Limited, the Registrar and Share Transfer Agent. This is in view of the direction of SEBI, making PAN as the sole identification number for all security transactions in line with the KYC norms. Based on the said directive, the shareholders, holding physical shares are requested to produce the PAN document as stated above, which shall form a part of the details of shareholders of the Company.

16. Green Initiative

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notices/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participant.

For and on behalf of the Board

Dr. Varesh Sinha, IAS
Chairman

Date: 8 July 2013
Place: Gandhinagar



AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT GAS COMPANY LIMITED

The Board of Directors of Gujarat Gas Company Limited

1. We have audited the attached consolidated Balance Sheet of Gujarat Gas Company Limited (the "Company") and its subsidiaries; hereinafter referred to as the "Group" (refer Note 2(a) to the attached consolidated financial statements) as at December 31, 2012, the related consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements notified under Section 211(3C) of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at December 31, 2012;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Subramanian Vivek

Partner
Membership Number 100332

Place: Ahmedabad
Date: February 21, 2013



CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2012

	Note	As at 31-12-2012 Rs. in million	As at 31-12-2011 Rs. in million
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	256.50	400.50
Reserves and Surplus	4	9,398.08	7,631.32
		<u>9,654.58</u>	<u>8,031.82</u>
Minority Interest	5	91.59	74.40
Non-current Liabilities			
Deferred tax Liabilities (Net)	6	876.92	738.99
Other Long-term Liabilities	7	2,689.04	2,543.16
Long-term Provisions	8	-	48.14
		<u>3,565.96</u>	<u>3,330.29</u>
Current Liabilities			
Trade Payables		1,015.95	1,207.64
Other Current Liabilities	9	1,387.18	1,202.52
Short-term Provisions	10	84.75	1,881.37
		<u>2,487.88</u>	<u>4,291.53</u>
Total		<u><u>15,800.01</u></u>	<u><u>15,728.04</u></u>
ASSETS			
Non-current Assets			
Fixed Assets		11	
Tangible Assets		7,427.05	6,491.23
Intangible Assets		459.00	145.14
Capital Work-in-progress		1,114.05	1,045.43
Intangible Assets under Development		13.60	210.71
		<u>9,013.70</u>	<u>7,892.51</u>
Non-current Investments	12	10.00	10.00
Long-term Loans and Advances	13	204.31	374.55
Other Non-current Assets		10.16	10.91
		<u>9,238.17</u>	<u>8,287.97</u>
Current Assets			
Current Investments	14	3,855.10	5,001.79
Inventories	15	243.33	157.51
Trade Receivables	16	1,834.49	1,647.10
Cash and Cash Equivalents	17	420.27	142.49
Short-term Loans and Advances	18	84.88	209.96
Other Current Assets	19	123.77	281.22
		<u>6,561.84</u>	<u>7,440.07</u>
Total		<u><u>15,800.01</u></u>	<u><u>15,728.04</u></u>

This is the Balance Sheet referred to in our report of The notes are an integral part of these financial statements. even date.

For Price Waterhouse
Firm Registration Number – 301112E
Chartered Accountants

Subramanian Vivek
Partner
Membership No. 100332

Place: Ahmedabad
Date: February 21, 2013

For and on behalf of the Board

Hasmukh Shah
Chairman

Jal Patel
Director

Nitesh Bhandari
Financial Controller

Sugata Sircar
Managing Director

Rajeshwari Sharma
Company Secretary

Place: Ahmedabad
Date: February 21, 2013

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE
YEAR ENDED DECEMBER 31, 2012**

	Note	Year ended 31-12-2012 Rs. in million	Year ended 31-12-2011 Rs. in million
Income			
Revenue from Operations (Gross)	22	31,509.80	24,583.27
Less : Excise duty on gas sales		549.32	397.36
Revenue from Operations (Net)		30,960.48	24,185.91
Other Income	23	671.85	564.87
Total Revenue		31,632.33	24,750.78
Expenses			
Material Consumed/Processed		24,836.45	18,395.41
Employee Benefits Expense	24	639.56	607.81
Finance Costs	27	1.58	1.49
Depreciation and Amortization Expense	11	658.28	602.04
Other Expenses	28	1,402.09	1,213.32
Total Expenses		27,537.96	20,820.07
Profit Before Tax		4,094.37	3,930.71
Tax Expenses			
Current Tax		1,096.28	1,112.55
Income Tax Provision for earlier years written back		(25.21)	-
Deferred Tax	6	137.93	69.91
Profit for the year		2,885.37	2,748.25
Minority Shareholders Interest		19.27	13.48
Profit for the year		2,866.10	2,734.77
Earnings per Equity Share (EPS):			
Basic Earnings per Share of Rs. 2/- each (Rs.)		22.32	21.23
Diluted Earnings per Share of Rs. 2/- each (Rs.)		22.32	21.23

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse
Firm Registration Number – 301112E
Chartered Accountants

Subramanian Vivek
Partner
Membership No. 100332

Place: Ahmedabad
Date: February 21, 2013

The notes are an integral part of these financial statements.

For and on behalf of the Board

Hasmukh Shah
Chairman

Sugata Sircar
Managing Director

Jal Patel/Nitesh Bhandari
Director/Financial Controller

Rajeshwari Sharma
Company Secretary

Place: Ahmedabad
Date: February 21, 2013



**CONSOLIDATED CASH FLOW STATEMENT FOR THE
YEAR ENDED DECEMBER 31, 2012**

	Year ended 31-12-2012 Rs. in million	Year ended 31-12-2011 Rs. in million
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	4,094.37	3,930.71
Adjustments for:		
Depreciation and Amortization Expense	658.28	602.04
Provision for Gratuity Benefits	19.85	25.66
Provision for Accrued Leave Benefits	2.98	10.14
Provision for Diminution in Value of Assets	17.31	-
Provision Against Doubtful Capital Advances	33.47	35.21
(Profit)/Loss on Sale of Tangible Assets (Net)	16.56	7.04
Provision for Doubtful Debts	3.50	-
Share Based Compensation Expenses	11.99	25.55
Provision for Wealth Tax	0.40	0.40
Other Provisions	-	2.18
Bad Debts Written off	1.12	2.01
Provision/Write off for Inventory Obsolescence	36.97	2.49
Deposits from Supplier Written back	(38.69)	-
Inventory Written back	(50.00)	(28.42)
Profit on sale of Investment (Net)	(80.83)	(51.37)
Provisions/Liabilities no Longer Required Written Back	(153.76)	(108.94)
Dividend Income	(220.80)	(308.23)
Interest Income	(45.65)	(36.66)
Operating Profit Before Working Capital Changes	4,307.07	4,109.81
Adjustments for Changes in Working Capital		
Increase/(Decrease) in other Long Term Liabilities	2.14	-
Increase/(Decrease) in Trade Payables	(185.29)	208.39
Increase/(Decrease) in other Current Liabilities	396.11	55.07
(Increase)/Decrease in Inventories	(72.79)	(25.67)
(Increase)/Decrease in Trade Receivables	(192.05)	(237.89)
(Increase)/Decrease in Long-term Loans & Advances	146.54	35.47
(Increase)/Decrease in Short-term Loans & Advances	57.67	(2.23)
(Increase)/Decrease in other Non-current Assets	0.75	(10.91)
(Increase)/Decrease in other Current Assets	(94.92)	20.20
Cash generated from operations	4,365.23	4,152.24
Taxes Paid (Net of refunds & TDS)	(1,068.22)	(1,110.14)
Net Cash from Operating Activities	3,297.01	3,042.10
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Tangible/Intangible Assets/Capital Work in progress	(1,700.01)	(1,096.10)
Sale of Tangible Assets	28.02	23.02
Purchase of Current Investments	(34,809.49)	(27,987.71)
Sale of Current Investments	36,037.01	28,515.02
Interest Received	45.13	36.39
Dividends Received	220.80	308.23
Net Cash used in Investing Activities	(178.54)	(201.15)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Preference Shares Redemption	(144.00)	-
Deposits Accepted During the year (Net)	143.74	490.36
Dividend Paid (Including Corporate Dividend Tax)	(2,840.43)	(3,282.43)
Net Cash used in Financing Activities	(2,840.69)	(2,792.07)



	Year ended 31-12-2012 Rs. in million	Year ended 31-12-2011 Rs. in million
NET INCREASE IN CASH AND CASH EQUIVALENTS	277.78	48.88
Cash and Cash Equivalents at the beginning of the year	142.49	93.61
Cash and Cash Equivalents at the end of the year	420.27	142.49
Closing Cash and Cash Equivalents comprise:		
Balances with Banks :		
- In Current Accounts	290.97	100.93
- In Dividend Accounts	28.17	21.20
- In Term Deposits	101.00	20.20
Cash in Hand	0.13	0.16
Total Cash and Cash Equivalents as per Cash Flow Statement	420.27	142.49

Notes to Cash Flow Statement:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- Previous Year figures have been regrouped and reclassified wherever considered necessary to conform to current year's figures.
- The amounts in dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date of declaration of the dividend.
- Figures in brackets indicate cash outflows.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse

Firm Registration Number – 301112E
Chartered Accountants

Subramanian Vivek

Partner
Membership No. 100332

Place: Ahmedabad
Date: February 21, 2013

For and on behalf of the Board

Hasmukh Shah
Chairman

Sugata Sircar
Managing Director

Jal Patel
Director

Nitesh Bhandari
Financial Controller

Rajeshwari Sharma
Company Secretary

Place: Ahmedabad
Date: February 21, 2013

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012****(1) General Information:**

Gujarat Gas Company Limited and its subsidiaries are primarily engaged in Natural Gas Business in Gujarat. Natural gas business involves distribution of gas from sources of supply to centers of demand and to the end customers. Gujarat Gas Company Limited has two subsidiary companies namely Gujaratgas Trading Company Limited and Gujarat Gas Financial Services Limited.

(2) Summary of Significant Accounting Policies:**a) Basis of Preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

These financial statements comprise a consolidation of the financial statements of Gujarat Gas Company Limited and its subsidiary companies Gujaratgas Trading Company Limited and Gujarat Gas Financial Services Limited (collectively referred to as 'the Group'). The financial statements have been prepared in accordance with the principles and procedures laid down in the Accounting Standard 21 'Consolidated Financial Statements'.

b) Fixed Assets (Tangible / Intangible assets)

The Fixed Assets are stated at their acquisition or construction cost and any attributable cost of bringing the asset to its working condition for its intended use and net of accumulated depreciation.

- (i) All directly attributable expenditure incurred during the period of construction are carried forward and on completion, are capitalized with the respective fixed assets.
- (ii) Gains or losses arising from disposal/retirement of fixed assets, which are carried at cost, are recognised in the Statement of Profit and Loss.
- (iii) On the acquisition of an undertaking, the difference between the purchase consideration and the value of the net assets acquired is recognized as goodwill.

c) Depreciation / Amortisation

- (i) Depreciation is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 or over the estimated useful lives of the assets, whichever is higher. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.
- (ii) Licenses / Softwares are amortised on a straight line basis over a period of six years from the date of their availability for use by the Group.
- (iii) Goodwill which has a limited useful economic life is amortised over a period of five years on a straight line basis from the year of creation.

d) Investments

Current investments are carried at cost or fair value determined categorywise, whichever is lower.

Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

e) Inventories

Stores and Pipes fittings are valued at lower of cost and net realisable value. Cost is determined on weighted average cost method.

**f) Foreign Currency Transactions****Initial Recognition**

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

Subsequent Recognition

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

g) Employee Benefits**(i) Post-employment benefit plans****i. Defined Contribution Plan**

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

ii. Defined Benefit Plan

The Group provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is administered through a Trust. Contributions in respect of gratuity are made to the approved Gratuity Fund. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year and is recognised in the Balance Sheet as reduced by the fair value of Gratuity Fund. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(ii) Long-term Employment Benefits

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

(iii) Short-term Employment Benefits

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

(iv) Employee Stock Option Plan

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

h) Revenue Recognition**(i) Revenue on sale of natural gas is recognised on transfer of title to customers at delivery point.****(ii) Gas transmission income is recognised in the same period in which the related volumes of gas are delivered to the customers.**



- (iii) Commitment income from customers for gas sales and gas transmission is recognised on establishment of certainty of receipt of consideration from its customers. Delayed payment charges are recognised on establishment of certainty of receipt of consideration from its customers.
- (iv) Dividend income is recognised when the right to receive dividend is established.
- (v) The difference between the amounts charged from customers for gas connections and actual consumption of material and labour charges is disclosed as Service and Fitting Income (Net) under Other Operating Revenue.

i) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

j) Leases

As a lessor

Operating Leases

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

Finance Leases

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

In respect of assets leased before April 1, 2001, the Group follows the recommendation of the Institute of Chartered Accountants of India contained in the Guidance Note on Accounting for Leases. Accordingly lease rentals accounted as income on finance leases are adjusted by creating lease terminal adjustment account so as to recover the capital cost of the leased asset within the tenure of lease agreements or earlier as ascertained by the management.

In respect of assets leased after April 1, 2001, the aggregate of minimum lease payments less unearned finance income is recognised as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance Income is recognized over the term of the lease using net investment method, which reflects a constant periodic rate of return. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

As a lessee

Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

k) Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting preference dividends and any attributable distribution tax thereto for the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of any dilutive potential equity shares.

**l) Taxation**

Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax reflects the impact of timing differences between taxable income and accounting income originating during the year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset is recognized on carry forward losses (if any) under tax laws, only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. At each reporting date, the unrecognised deferred tax assets are reassessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The MAT credit available is recognized as an asset only to the extent there is convincing evidence that the group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit is recognized as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The "MAT Credit Entitlement" asset is reviewed at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

m) Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

n) Provisions and Contingencies

Provisions: Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

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



o) Segment Reporting

The Group primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The other activity of the Group comprises leasing of natural gas fired Cogeneration units, the income from which is not material in financial terms. Further, the Group is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard 17 on "Segment Reporting" are not relevant to the Group.

p) Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents represents cash in hand and demand deposits with bank.

q) Accounting for Joint Ventures

The Group's joint venture "Petroleum Infrastructure Limited" (incorporated in India with 50% stake being held by the Company), has been liquidated as on April 27, 2012, accordingly the Group's interest in the joint venture has been accounted for in accordance with Accounting Standard 13 "Accounting for Investments" and has not been disclosed as per Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures".



(3) Share Capital	As at 31-12-2012	As at 31-12-2011
a) Authorized		
i Equity Shares		
Number of shares of Rs. 2/- each	140,000,000	140,000,000
Rs. in million	280.00	280.00
ii 7.5% Redeemable Preference Shares		
Number of shares of Rs. 10/- each	17,000,000	17,000,000
Rs. in million	170.00	170.00
Total Authorized Share Capital (Rs. in million)	450.00	450.00
b) Issued, Subscribed and Paid up	As at	As at
	31-12-2012	31-12-2011
i Equity Shares		
Number of shares of Rs. 2/- each	128,250,000	128,250,000
Rs. in million	256.50	256.50
ii 7.5% Redeemable Preference Shares		
Number of shares of Rs. 10/- each	-	14,400,000
Rs. in million	-	144.00
Total Paid up Share Capital (Rs. in million)	256.50	400.50

c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares. Each equity shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, is subject to shareholders' approval in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders are entitled to receive the residual assets of the company in proportion to their shareholding.

d) Reconciliation of movement in number of Equity Shares

	As at 31-12-2012	As at 31-12-2011
Shares outstanding at the beginning of the year	128,250,000	128,250,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	128,250,000	128,250,000
Paid up Share Capital (Rs. in million)	256.50	256.50

e) Shareholder holding more than 5% Equity Shares

Sr. No.	Name of the Shareholder	As at 31-12-2012 No. of shares held (% of shareholding)	As at 31-12-2011 No. of shares held (% of shareholding)
1	BG Asia Pacific Holdings Pte. Limited	83,518,750 (65.12%)	83,518,750 (65.12%)
2	Aberdeen Global Indian Equity Fund Mauritius Limited	12,256,000 (9.56%)	12,256,000 (9.56%)

BG Asia Pacific Holdings Pte. Limited is the holding company of Gujarat Gas Company Limited, the ultimate holding company being BG Group Plc.

**f) Shareholder holding more than 5% Preference Shares**

The preference shares were fully held by holding company BG Asia Pacific Holdings Pte. Limited. These preference shares were redeemed on 30 March 2012.

g) Reconciliation of movement in number of Preference Shares

Shares outstanding at the beginning of the year
Shares issued during the year
Shares redeemed during the year
Shares outstanding at the end of the year
Paid up Share Capital (Rs. in million)

	As at 31-12-2012	As at 31-12-2011
Shares outstanding at the beginning of the year	14,400,000	14,400,000
Shares issued during the year	-	-
Shares redeemed during the year	14,400,000	-
Shares outstanding at the end of the year	-	14,400,000
Paid up Share Capital (Rs. in million)	-	144.00

h) The holding Company had issued bonus equity shares in the ratio of 1:1 in 2009, resulting in an increase in the issued equity share capital from 64,125,000 shares of face value Rs 2 each to 128,250,000 shares of face value Rs 2 each. The Group has not bought back any equity shares during the past 5 years. The Group has not allotted any shares as fully paid pursuant to contracts without payment being received in cash, during the past 5 years.

(4) Reserves and Surplus**a) Capital Redemption Reserve**

As per last Balance Sheet
Add : Transferred from Statement of Profit and Loss
Balance at the end of the year

	As at 31-12-2012 Rs. in million	As at 31-12-2011 Rs. in million
As per last Balance Sheet	-	-
Add : Transferred from Statement of Profit and Loss	144.00	-
Balance at the end of the year	144.00	-

Towards redemption of the preference shares on 30 March 2012, an equivalent amount of accumulated profits were transferred to Capital Redemption Reserve to comply with the requirements of Section 80 of the Companies Act, 1956.

b) Stock Options Outstanding Account (Net) (Refer Note 27)

Stock Options Outstanding Account
As per last Balance Sheet
Add : Allotment of new options during the year
Less : Exercise of options during the year
Add : Transfer to General Reserve on exercise of options during the year
Less : Lapse of options during the year
Balance at the end of the year

As per last Balance Sheet	79.38	92.90
Add : Allotment of new options during the year	-	10.11
Less : Exercise of options during the year	64.18	27.45
Add : Transfer to General Reserve on exercise of options during the year	33.60	12.45
Less : Lapse of options during the year	8.10	8.63
Balance at the end of the year	40.70	79.38

Less : Deferred Stock Option Outstanding Account

As per last Balance Sheet
Add : Allotment of new options during the year
Less : Expenses during the period
Less : Lapse of options during the year
Add : Amortized portion on lapsed options reversed in Expenses
Balance at the end of the year
Net balance

As per last Balance Sheet	30.87	54.94
Add : Allotment of new options during the year	-	10.11
Less : Expenses during the period	17.42	28.87
Less : Lapse of options during the year	8.10	8.63
Add : Amortized portion on lapsed options reversed in Expenses	5.43	3.32
Balance at the end of the year	10.78	30.87
Net balance	29.92	48.51

c) General Reserve

As per last Balance Sheet
Add : Transferred from Statement of Profit and Loss
Less : Adjustment to Amount recoverable from ESOP Trust
Add : Transferred from Special Reserve
Balance at the end of the year

As per last Balance Sheet	2,449.93	2,097.39
Add : Transferred from Statement of Profit and Loss	291.47	277.13
Less : Adjustment to Amount recoverable from ESOP Trust	33.60	12.45
Add : Transferred from Special Reserve	-	87.86
Balance at the end of the year	2,707.80	2,449.93



Gujarat Gas Financial Services Limited, a subsidiary company, had applied for de-registration as a Non Banking Financing Company with Reserve Bank of India (RBI), vide application dated June 8, 2010. RBI had approved the de-registration vide order dated April 28, 2011. Considering the provisions of NBFC are no longer applicable to the Company, the amount set aside as Special Reserve had been transferred to General Reserve in 2011.

d) Surplus from Statement of Profit and Loss

As per last Balance Sheet	5,132.88	5,967.67
Add: Profit for the year	2,866.10	2,734.77
Less: Appropriations		
Proposed Dividend		
- Preference Shares	2.65	10.80
- Equity Shares	-	1,539.00
Corporate Dividend Tax on Proposed Dividend	1.11	252.09
Interim Equity Dividend	897.75	1,282.50
Corporate Dividend Tax on Interim Equity Dividend	145.64	208.05
Transfer to Capital Redemption Reserve	144.00	-
Transfer to General Reserve	291.47	277.12
Balance at the end of the year	<u>6,516.36</u>	<u>5,132.88</u>
Total	<u>9,398.08</u>	<u>7,631.32</u>

(5) Minority Interest

Minority Interest represents the interest of minority shareholders with an aggregate shareholding of 30.12% in the subsidiary company Gujarat Gas Financial Services Limited. Reconciliation of Minority Interest is given below:

	Year ended 31-12-2012 Rs. in million	Year ended 31-12-2011 Rs. in million
Opening Balance	74.40	63.00
Add : Share in Current Year Profit	19.27	13.48
Less : Share in Proposed Dividend and Corporate Dividend Tax	2.08	2.08
Closing Balance	<u>91.59</u>	<u>74.40</u>

(6) Deferred Tax Liabilities (Net)

	As at 31-12-2011 Rs. in million	Movement during the year Rs. in million	As at 31-12-2012 Rs. in million
Deferred Tax Liabilities:			
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	824.50	146.83	971.33
Total (A)	<u>824.50</u>	<u>146.83</u>	<u>971.33</u>
Deferred Tax Assets:			
Provision for Doubtful Debts	7.13	0.65	7.78
Provision for Diminution in the value of Fixed Assets/Capital Work in progress/Capital Advances	11.42	13.31	24.73
Expenditure under Section 43B of the Income Tax Act	66.96	(5.06)	61.90
Total (B)	<u>85.51</u>	<u>8.90</u>	<u>94.41</u>
Total (A-B)	<u>738.99</u>	<u>137.93</u>	<u>876.92</u>
Previous year	669.08	69.91	738.99



	As at 31-12-2012 Rs. in million	As at 31-12-2011 Rs. in million
(7) Other Long-term Liabilities		
Deposits from customers	2,668.92	2,525.18
Deposits from collection centres and others	20.12	17.98
Total	2,689.04	2,543.16
<p>Deposits from customers, considered as a source of long term funds, are refundable, net of outstanding, only on termination/modification of the gas sale agreement.</p>		
(8) Long-term Provisions		
Other Provisions	-	48.14
Total	-	48.14
<p>Pursuant to AS-29, the disclosure relating to Provisions are given below :</p>		
Opening Balance	48.14	45.96
Additions during the year	-	2.18
Less : Provision no longer required written back during the year	48.14	-
Closing Balance	-	48.14
<p>The provision relates to estimated cash outflow in relation to sale of gas pipelines.</p>		
(9) Other Current Liabilities		
Dues to Micro and Small Enterprises	3.52	16.20
Deposits from Supplier	-	38.69
Advance From Customers	122.91	124.38
Deposit from Collection centres and others	6.77	7.41
Deposit from Customers towards Minimum Guarantee Offtake	122.47	31.75
Unpaid Dividends to Equity shareholders (Refer Note below)	28.17	21.20
Employee Payable	88.16	78.46
Other Payables	817.47	750.44
Other Liabilities for Statutory Dues	197.71	133.99
Total	1,387.18	1,202.52
<p>Note : Unpaid dividend will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date of declaration of the dividend.</p>		
(10) Short-term Provisions		
Proposed Dividend (Including Corporate Dividend Tax)	5.85	1,803.99
Provision for Employee Gratuity Benefits	22.86	24.30
Provision for Employee Accrued Leave Benefits	56.04	53.08
Total	84.75	1,881.37



GUJARAT GAS COMPANY LIMITED (CONSOLIDATED)

(11) FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01-01-2012	Additions For the Year	Deduction/ Adjustments For the Year	As at 31-12-2012	As at 01-01-2012	For The Year	Deduction/ Adjustments For the Year	As at 31-12-2012	As at 31-12-2011
Tangible Assets:									
Land (Refer Note 1 below)	401.87	-	409.01	-	-	-	-	401.87	
Buildings	339.00	84.69	-	423.69	66.80	8.82	-	348.07	272.20
Plant and Machinery	8,504.10	1,411.43	11.67	9,903.86	3,074.76	526.08	5.61	6,308.63	5,429.34
Office Equipment	100.52	9.72	4.48	105.76	31.40	5.65	2.72	71.43	69.12
Computer Hardware	358.89	60.94	20.37	399.46	239.63	42.36	20.27	137.74	119.26
Furniture, Fixtures and Fittings	70.48	8.84	2.42	76.90	33.35	5.08	2.40	40.87	37.13
Vehicles	10.28	25.79	101.39	47.00	10.32	15.50	41.82	69.90	
Assets given on Finance Lease (Prior to April 1, 2001)									
Plant and Machinery	855.50	-	-	855.50	462.11	11.27	-	382.12	393.39
Asset given on Operating Lease (After April 1, 2001)									
Plant and Machinery	67.82	-	67.82	-	38.41	3.06	41.47	-	29.41
(Less)/Add :									
Lease Terminal Adjustment									
TOTAL	10,815.08	1,593.04	132.55	12,275.57	3,993.46	612.64	87.97	7,757.44	6,821.62
Intangible Assets:									
Goodwill	1.22	-	-	1.22	1.22	-	-	-	-
Software/License	246.14	359.50	-	605.64	125.00	45.64	-	435.00	121.14
Right of use of Land	24.00	-	-	24.00	-	-	-	24.00	24.00
	271.36	359.50	-	630.86	126.22	45.64	-	459.00	145.14
Capital Work in Progress (Refer Notes 2 and 3 below)									
Intangible assets under development									
TOTAL	11,086.44	1,952.54	132.55	12,906.43	4,450.07	658.28	87.97	9,013.70	7,892.51
Previous Year									
Tangible Assets	9,942.11	923.84	50.87	10,815.08	3,780.55	572.08	28.78	6,491.23	
Intangible Assets	248.26	60.44	37.34	271.36	96.26	29.96	-	145.14	

NOTES :

1. Land includes leasehold land Rs. 0.18 million (Previous year Rs. 0.18 million).
2. Capital Work in Progress includes Capital Inventory Rs. 515.49 million (Previous year Rs. 530.88 million).
3. Capital Work in Progress is shown net off a provision for diminution in value of asset Rs. 17.31 million (Previous year Nil).
4. Capital Inventory includes material in transit amounting to Rs. 84.28 million (Previous year Rs. 63.99 million).



	As at 31-12-2012 Rs. in million	As at 31-12-2011 Rs. in million
(12) Non-current Investments		
(At cost less provision for other than temporary diminution in value of investments)		
Equity Shares		
Trade - Unquoted	10.00	85.00
Less: Provision	-	75.00
Other than Trade - Unquoted	0.12	0.12
Less: Provision	0.12	0.12
Total	10.00	10.00
Aggregate Cost of Unquoted Investments	10.12	85.12
Aggregate Provision for Diminution in Value of Investments	0.12	75.12
(13) Long-term Loans and Advances		
(Unsecured-considered good, unless otherwise stated)		
Capital Advances	45.95	106.73
Capital Advances-Considered Doubtful	58.91	35.21
Less: Provision Against Doubtful Advances	58.91	35.21
	-	-
Finance Lease Receivable	-	8.85
Deposits Recoverable	13.95	13.76
Balances with Government Authorities	0.92	3.82
Amount Recoverable from ESOP Trust	126.47	223.43
Other Receivables	17.02	17.96
Total	204.31	374.55
(14) Current Investments		
(At cost or fair market value whichever is lower, determined categorywise)		
Units of Mutual Funds (Unquoted)	3,855.10	5,001.79
Aggregate Cost of Unquoted Investments	3,855.10	5,001.79
(15) Inventories		
Stores and Pipe Fittings	243.33	157.51
(Valued at cost or market value whichever is lower)		



	As at 31-12-2012 Rs. in million	As at 31-12-2011 Rs. in million
(16) Trade Receivables		
Secured – Considered Good*		
- Exceeding Six Months	1.48	9.92
- Others	1,576.92	1,211.08
Unsecured – Considered Good		
- Exceeding Six Months	2.86	3.29
- Others	658.46	614.83
Unsecured – Considered Doubtful		
Exceeding Six Months	23.98	21.97
Less: Provision for Doubtful Debt	23.98	21.97
	-	-
Less: Advance From Customers towards MGO	405.23	192.02
Total	1,834.49	1,647.10
*Secured against Security Deposit received from the customers and disclosed under Note 7 other long term liabilities		
(17) Cash and Cash Equivalents		
Balances with Banks in Current Accounts	290.97	100.93
Balances with Banks in Dividend Accounts	28.17	21.20
Balances with Banks in Fixed Deposit Account (less than 3 months maturity)	101.00	20.20
Cash on Hand	0.13	0.16
Total	420.27	142.49
The amounts in dividend accounts are not available for use and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date of declaration of the dividend.		
(18) Short-term Loans and Advances		
(Unsecured – considered good, unless otherwise stated)		
Finance Lease Receivable	8.85	25.17
Deposits Recoverable	25.67	18.27
Balances with Government Authorities	4.36	17.96
Amount Recoverable from ESOP Trust	0.95	78.99
Other Receivables	12.67	13.80
Advance Payment of Tax and Tax Deducted at Source	8,688.11	7,640.42
Less : Provision for Taxation	8,655.73	7,584.65
	32.38	55.77
Total	84.88	209.96
Provision for tax and advance tax include aggregate balance of Rs. 3,791.96 million (Previous year Rs. 2,940.63 million) and Rs. 3,612.62 million (Previous year Rs. 2,773.84 million) respectively for certain Assessment Years wherein the provision for tax is higher than advance tax. Considering that Assessing Officer adjusts the refund of one year with others, the same have not been presented on gross basis.		
(19) Other Current Assets		
(Unsecured-considered good, unless otherwise stated)		
Asset held for disposal	-	252.89
Interest accrued on term deposits but not due	0.60	0.09
Receivable for Sale of Asset	80.17	-
Prepayments for Goods	31.10	18.12
Prepayments for Services	11.90	10.12
Total	123.77	281.22

**(20) Contingent Liabilities:**

- (a) Claims not acknowledged as debts Rs. 26.02 million (Previous year Rs. 14.51 million)
- (b) Claims of Rs. 21.74 million (Previous year Rs. 29.98 million) have been disputed by the Company. The Company is, however, indemnified by an insurance policy.
- (c) Income tax related exposures of Rs. 287.93 million (Previous year Rs. 278.79 million)
1. For holding company, Gujarat Gas Company Limited: Rs. 79.49 million (Previous year Rs. 79.49 million)
 2. For subsidiary company, Gujarat Gas Financial Services Limited: Rs. 190.56 million (Previous Year Rs. 181.42 million)
 3. For subsidiary company, Gujaratgas Trading Company Limited: Rs. 17.88 million (Previous Year Rs. 17.88 million)
- (d) Interest tax related exposures of subsidiary company, Gujarat Gas Financial Services Limited: Rs. 4.15 million (Previous Year Rs. 4.15 million).
- (e) Service tax related exposures of holding company, Gujarat Gas Company Limited: Rs. 306.67 million (Previous year Rs. 17.41 million)
- (f) Excise related exposures of holding company, Gujarat Gas Company Limited: Rs. 1.82 million (Previous year Nil)

- (21) Estimated amount of contracts net of advances remaining to be executed on capital account and not provided for Rs. 332.58 million (Previous year Rs. 442.17 million).

(22) Revenue from Operations

	Year ended 31-12-2012 Rs. in million	Year ended 31-12-2011 Rs. in million
Sales of Natural Gas (Gross)	31,218.41	24,216.45
Other Operating Revenue :		
Gas Transmission Income	146.78	165.54
Service and Fitting Income (Net)	140.22	170.84
Lease Income	0.92	21.43
Income from Finance Lease	3.47	9.01
Total	31,509.80	24,583.27

(23) Other Income

Interest on Bank Fixed Deposits	6.22	2.52
Interest on Income Tax Refund	3.15	-
Interest on Others (Customers and Staff advances)	39.43	34.13
Dividend from Subsidiaries	-	-
Dividend from Trade Investments	4.00	4.00
Dividend from Mutual Funds	216.80	304.23
Profit on Sale of Current Investments (Net)	80.83	51.37
Liabilities no Longer Required Written Back	153.76	108.94
Foreign Exchange Fluctuations Gain (Net)	-	0.24
Other Miscellaneous Income	167.66	59.44
Total	671.85	564.87

(24) Employee Benefits Expense

Salaries, Wages and Bonus	537.92	500.35
Share based Compensation	11.99	25.55
Contribution to Provident and Other Funds	48.77	51.51
Welfare Expenses	40.88	30.40
Total	639.56	607.81



	Year ended 31-12-2012 Rs. in million	Year ended 31-12-2011 Rs. in million
(25) Disclosures as per AS-15 (Revised) 'Employee Benefits' for year ended December 31, 2012 :		
a) Disclosures for Defined Contribution Plans		
Employer's Contribution to Provident Fund	28.92	25.85
b) Disclosures for Defined Benefit Plans - Gratuity (Funded)		
<u>Change in the defined benefit obligations</u>		
Defined benefit obligation as at beginning of the year	102.54	80.02
Service Cost	10.10	8.42
Interest Cost	8.87	6.91
Actuarial Loss/(Gain)	12.52	8.16
Benefits Paid	(4.90)	(0.97)
Defined benefit obligation as at year end	129.13	102.54
<u>Change in plan assets</u>		
Fair value of plan assets as at beginning of the year	78.23	69.79
Expected Return on Plan Assets	7.78	6.66
Contributions by Employer	21.31	11.58
Actuarial (Loss)/Gain	3.86	(8.83)
Benefits Paid	(4.90)	(0.97)
Fair value of plan assets as at year end	106.28	78.23
Present value of unfunded obligations	22.85	24.31
The Net amount recognized in the Statement of Profit & Loss is as follows		
Current Service Cost	10.10	8.42
Interest Cost	8.87	6.91
Expected Return on Plan Assets	(7.78)	(6.66)
Net Actuarial Loss/(Gain) Recognised	8.66	16.99
Net amount Recognised	19.85	25.66
Actual Return on Plan Assets	11.64	(2.17)
The major categories of plan assets as a percentage of total plan assets as at year end are as follows:		
Government of India Securities	-	-
Insurer Managed Funds	100%	100%
The principal actuarial assumptions used are as follows:		
Discount Rate	8.16%	8.65%
Expected Rate of Return on Plan Assets	9.00%	9.00%
Rate of Increase in Compensation Levels (Refer Note below)	7.00%	7.00%
Note: The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
c) Disclosures for Defined Benefit Plans - Leave Encashment (Unfunded)		
<u>Change in the defined benefit obligations</u>		
Defined benefit obligation as at beginning of the year	50.37	40.24
Service Cost	5.32	3.60
Interest Cost	4.36	3.48
Actuarial Loss/(Gain)	(9.84)	3.88
Benefits Paid	(0.02)	(0.83)
Defined benefit obligation as at year end	50.19	50.37



The Net amount recognized in the Statement of Profit & Loss is as follows

	Year ended 31-12-2012 Rs. in million	Year ended 31-12-2011 Rs. in million
Current Service Cost	5.32	3.60
Interest Cost	4.36	3.48
Net Actuarial Loss/(Gain) Recognised	(9.84)	3.88
Net Amount Recognised	(0.16)	10.96
The principal actuarial assumptions used are as follows:		
Discount Rate	8.16%	8.65%
Rate of Increase in Compensation Levels (Refer Note below)	7.00%	7.00%

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

d) Additional Disclosures as per AS-15

Change in the defined benefit obligations - Gratuity (Funded) (Rs. in million)

	Year ended 31-12-2012	Year ended 31-12-2011	Year ended 31-12-2010	Year ended 31-12-2009	Year ended 31-12-2008
Present Value of defined benefit obligation as at beginning of the year	102.54	80.02	65.50	52.87	38.54
Current Service Cost	10.10	8.42	6.93	5.92	5.33
Interest Cost	8.87	6.91	5.51	4.36	2.89
Actuarial (Gains)/Loss	12.52	8.16	2.72	3.50	8.14
Benefits Paid	(4.90)	(0.97)	(0.64)	(1.15)	(2.03)
Present Value of defined benefit obligation as at end of the year	129.13	102.54	80.02	65.50	52.87

Change in Plan Assets - Gratuity (Funded) (Rs. in million)

	Year ended 31-12-2012	Year ended 31-12-2011	Year ended 31-12-2010	Year ended 31-12-2009	Year ended 31-12-2008
Fair value of plan assets as at beginning of the year	78.23	69.79	55.13	37.29	32.65
Expected Return on Plan Assets	7.78	6.66	5.62	4.16	3.32
Contributions by Employer	21.31	11.58	9.72	10.53	8.96
Actuarial (Loss)/Gain	3.86	(8.83)	(0.04)	4.30	(5.60)
Benefits Paid	(4.90)	(0.97)	(0.64)	(1.15)	(2.04)
Fair value of plan assets as at year end	106.28	78.23	69.79	55.13	37.29
Present value of unfunded obligations	22.85	24.31	10.23	10.37	15.58

Change in the defined benefit obligations - Leave Encashment (Unfunded) (Rs. in million)

	Year ended 31-12-2012	Year ended 31-12-2011	Year ended 31-12-2010	Year ended 31-12-2009	Year ended 31-12-2008
Present value of defined benefit obligation as at beginning of the year	50.37	40.24	32.96	27.27	22.66
Current Service Cost	5.32	3.60	3.71	2.27	2.05
Interest Cost	4.36	3.48	2.77	2.25	1.70
Actuarial (Gains)/Loss	(9.84)	3.88	1.46	2.11	2.43
Benefits Paid	(0.02)	(0.83)	(0.66)	(0.94)	(1.57)
Present value of defined benefit obligation as at end of the year	50.19	50.37	40.24	32.96	27.27

Note: Expected contributions to be paid to the Gratuity plan during the year ending December 31, 2013 cannot be ascertained at this stage.

**(26) Employee Stock Option Plan 2008:**

The Group implemented an Employee Stock Option Plan 2008 ('ESOP 2008') which provides for the allotment of equity shares of Rs. 2/- each to eligible employees of the holding Company and its subsidiaries. The Scheme is administered by an ESOP Trust (Gujarat Gas Company Limited Employee Stock Option Welfare Trust) which purchases, out of the funds advanced by the Group, the shares equivalent to the number of options granted, for allotment to the grantees. IDBI Trusteeship Services Limited are the trustees of the said trust. The trustees can purchase or sell the shares from the market as per the approved scheme.

Pursuant to the above scheme, the Group has granted options, as mentioned here below, convertible into equity shares of Rs. 2/- each to employees of the holding Company and its subsidiaries. The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options was approved. The Scheme provides for graded vesting of options granted, over a period of 4 years from the date of grant.

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

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

Details of movement under the Stock option plan for the year ended December 31, 2012 is as follows:

	Year ended 31-12-2012		Year ended 31-12-2011	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)
Options outstanding at the beginning of the year	1,328,750	162	1,786,000	142
Add: Options granted during the year	-	-	84,000	337
Less: Options forfeited during the year	87,250	242	107,000	213
Less: Options expired during the year	-	-	-	-
Less: Options exercised during the year	826,750	106	434,250	99
Options outstanding at end of the year	414,750	257	1,328,750	162

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

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. The weighted average remaining contractual life of options outstanding as on 31 December 2012 is 2.67 years. (Previous year 2.80 years)

In accordance with Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities Exchange Board of India, an amount of Rs. 11.99 million (Previous year Rs. 25.55 million) has been recognised as an expense in Employee Benefits Expenses (Note 24) and corresponding liability has been disclosed as Stock Options Outstanding Account (Note 4). The balance of Rs. 29.92 million (Previous year Rs. 48.51 million) in Stock Options Outstanding Account (Note 4) represents the amortised cost of stock options outstanding. As on 31 December 2012, the amount recoverable from ESOP trust is Rs. 127.42 million (Previous year Rs. 302.43 million).

The Group has adjusted loss of Rs. 33.60 million (Previous year loss of Rs. 12.45 million) to General Reserve as the difference between the cost incurred by the ESOP Trust for the purchase of shares and the exercise price of those options which have been exercised by the employees during the current year, in accordance with Guidance Note on accounting for Employee share based payment, issued by the ICAI.



	Year ended 31-12-2012 Rs. in million	Year ended 31-12-2011 Rs. in million
(27) Finance Costs		
Interest and Other Financial Charges	1.58	1.49
Total	1.58	1.49
(28) Operating and Other Expenses		
Stores and Chemicals Consumed	28.36	31.34
Power and Fuel	247.74	202.24
Rent	96.60	68.91
Rates and Taxes	3.39	6.37
Repairs:		
- To Buildings	5.08	5.16
- To Plant and Machinery	244.18	167.60
- To Others	107.66	108.09
Total Repairs	356.92	280.85
Insurance	16.75	18.79
Stationery and Printing	8.67	7.70
Advertisement Expenses	19.91	14.34
Communication Expenses	22.67	25.19
Vehicle Hire Charges	70.38	69.01
Travelling Expenses	21.70	34.96
Donation	3.10	5.37
Legal, Professional and Consultancy	121.41	149.82
Loss on Sale of Fixed Assets (Net)	16.56	7.04
Bad Debts/Advances written off	1.12	2.01
Wealth Tax	0.40	0.40
Other Provisions	-	2.18
Provision for Doubtful Debts	3.50	-
Provision for Diminution in Value of Asset/Capital Work in progress	17.31	-
Provision Against Doubtful Capital Advances	33.47	35.21
Provision/Write off for Inventory Obsolescence	36.97	2.49
Service Charges	126.48	120.57
Foreign Exchange Fluctuations Loss (net)	0.20	-
Agency & Contract Staff Expenses	63.32	52.07
Miscellaneous Expenses	85.16	76.46
Total	1,402.09	1,213.32

The Group has taken premises for business and residential use for its employees under cancelable operating lease agreements. The total lease rentals recognised as an expense during the year under the above lease agreements aggregates to Rs. 10.96 million (Previous year Rs. 12.17 million). The lease agreement typically ranges from 1 to 9 years.

**(29) Related Party Transactions:**

The Company is controlled by BG Asia Pacific Holdings Pte. Limited which owns 65.12% of the Company's shares, the ultimate parent being BG Group plc.

The following related party transactions were carried out during the year in the ordinary course of business:

(Rs. in million)				
Name of the Related Party	Nature of Relationship	Nature of Transaction	Year ended 31-12-2012	Year ended 31-12-2011
BG International Limited	Under Common Control	Expense :		
		Reimbursement of salary for seconded personnel (Paid) (including Tax Deducted at Source)	0.39	9.08
		Reimbursement of Software License charges	8.46	7.30
		Reimbursement of Expenses (Paid)	0.15	-
		Income:		
		Service charges for secondment of employees	12.25	7.70
		Reimbursement of Expenses (Received)	0.75	1.54
		Provision no longer required written back	78.72	-
		Amount payable at the year end	68.23	133.75
		BG Asia Pacific Holdings Pte. Limited	Holding Company	Dividend Paid
- Equity	1,586.72			1,837.26
- Preference	10.80			10.80
Share Capital held at year end				
- Equity	167.03			167.03
BG Energy Holdings Limited	Under Common Control	- Preference	-	144.00
		Commission on Purchases*	4.28	3.76
		Commission on corporate guarantee given to supplier* (*Included in gas purchases)	1.39	1.22
		Amount payable at the year end	4.59	3.69
Petroleum Infrastructure Limited	Joint Venture	Bad debts recovered	0.22	-
		Investment at year end	-	75.00
		Provision for diminution in value of investment at year end	-	75.00
Mahanagar Gas Limited	Under Common Control	Sale of Material	0.01	5.04
BG India Energy Solutions Private Limited	Under Common Control	Purchase of Natural Gas (Net of VAT)	15,680.09	10,819.00
		Amount payable at the year end	465.10	772.90
BG Exploration and Production India Limited	Under Common Control	Income:		
		Service charges for secondment of employees	0.69	14.67
		Reimbursement of expenses (Received)	0.59	2.46
		Expenses:		
		Legal and Professional	54.99	82.35
		Reimbursement of expenses (Paid)	5.43	8.59
Shaleen Sharma (upto 30 June, 2012)	Key Management Personnel	Amount payable at the year end	38.18	64.51
		Remuneration as Managing Director	9.56	17.00
Sugata Sircar (From 1 July, 2012)	Key Management Personnel	Remuneration as Managing Director	6.93	-
Gujarat Gas Company Limited Employee Stock Option Welfare Trust	Enterprise Controlled by the Company	Amount received for option exercise (Excluding adjustment of Rs. 64.18 million (Previous year Rs. 27.45 million) on account of exercise of option during the year)	110.82	13.15
		Amount receivable at the year end	127.42	302.42
		Contribution Paid	21.31	11.58
Gujarat Gas Company Limited Employees Gratuity Trust Fund	Enterprise Controlled by the Company			

a) The above do not include BG North Sea Holdings Ltd, which is holding company of BG Asia Pacific Holding Pte Ltd, but with whom no transaction have occurred during the year.

**(31) The undertakings which have been consolidated in these financial statements are as follows**

Name of the Undertaking	Relationship	Country of Incorporation	Proportionate Beneficial Ownership Interest / Voting Power
Gujarat Gas Financial Services Limited	Subsidiary	India	69.88%
Gujaratgas Trading Company Limited	Subsidiary	India	100%

(32) Earnings per Share

	Year ended 31-12-2012	Year ended 31-12-2011
Net Profit after Tax (Rs. in million)	2,866.10	2,734.77
Less: Preference Dividend and corporate dividend tax on preference dividend (Rs. in million)	3.08	12.55
Net profit attributable to Equity Shareholders (Rs. in million)	2,863.02	2,722.22
Weighted average number of equity shares outstanding during the year (No. in million)	128.25	128.25
Basic earnings per share of Rs. 2/- each (in Rs.)	22.32	21.23

The Group does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earnings per share of the Group remain the same.

- (33)** The provision for income tax has been calculated based on income earned during the year ended December 31, 2012. However the tax year end being March 31, 2013 the ultimate liability for the Assessment Year 2013-14 will be determined based on the total income for the year ending March 31, 2013. The provision for wealth tax has been made based on the net wealth as on December 31, 2012. However the ultimate liability for the Assessment Year 2013-14 will be determined based on the net wealth as on March 31, 2013.

(34) Dividends proposed/declared by the holding company (excluding dividend distribution tax)

Particulars	Rs. Per share	Rs. In million	Period/Year ended
Equity			
- Proposed Final Dividend	-	-	December 31, 2012
	(12.00)	(1,539.00)	December 31, 2011
- Interim Dividend	7.00	897.75	September 25, 2012
	(10.00)	(1,282.50)	November 30, 2011
Preference Dividend	7.50%	2.65	December 31, 2012
	(7.50%)	(10.80)	December 31, 2011

Previous year figures are in brackets



- (35) Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under :

Particulars	(Rs. in million)	
	Year ended December 31, 2012	Year ended December 31, 2011
Principal amount remaining unpaid as at the end of accounting year [including Interest due thereon-Nil (Previous year-Nil)]	3.63	16.31
Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid at the end of accounting year	0.11	0.11
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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

- (36) In view of the general clarification issued by the Institute of Chartered Accountants of India on Accounting Standard 21 "Consolidated Financial Statements", the consolidated financial statements do not include notes such as quantitative information, forex earnings / expense etc. which are not necessary to present true and fair view of the financial statements.
- (37) The financial statements for the year ended 31 December, 2011 had been prepared as per the then applicable Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 December, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for presentation of previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

For Price Waterhouse
Firm Registration Number – 301112E
Chartered Accountants

For and on behalf of the Board

Subramanian Vivek
Partner
Membership No. 100332

Hasmukh Shah
Chairman

Sugata Sircar
Managing Director

Jal Patel
Director

Nitesh Bhandari
Financial Controller

Rajeshwari Sharma
Company Secretary

Place: Ahmedabad
Date: February 21, 2013

Place: Ahmedabad
Date: February 21, 2013



AUDITORS' REPORT TO THE MEMBERS OF GUJARAT GAS COMPANY LIMITED

1. We have audited the attached Balance Sheet of Gujarat Gas Company Limited (the "Company") as at December 31, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on December 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at December 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Subramanian Vivek

Partner
Membership Number 100332

Place: Ahmedabad
Date: February 21, 2013

**ANNEXURE TO AUDITORS' REPORT**

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Gujarat Gas Company Limited on the financial statements as of and for the year ended December 31, 2012]

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items, other than underground gas pipelines which are not physically verifiable, over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during and subsequent to the year and no material discrepancies have been noticed on such verification.
(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory [excluding stocks with third parties] has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d)/(f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the Company has entered all the transactions required to be entered in the register maintained under section 301 of the Companies Act, 1956.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for secondment of employees to the extent of Rs. 54,986,955 in respect of Legal and Professional expenses payable to and Rs 687,137 for Service charges receivable from BG Exploration and Production India Limited where we are unable to comment as there are no comparable market prices available, being services of specialized/proprietary nature.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs



- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, wealth tax and customs duty which have not been deposited on account of any dispute. The particulars of dues of service tax and excise duty as at December 31, 2012 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax (including interest and penalty thereon)	305,812,068 857,798	2005-2011 2007-2010	CESTAT Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty (including interest and penalty thereon)	1,816,193	October 2006	Commissioner (Appeals)

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Subramanian Vivek

Partner
Membership Number 100332

Place: Ahmedabad
Date: February 21, 2013



BALANCE SHEET AS AT DECEMBER 31, 2012

	Note	As at 31-12-2012 Rs. in million	As at 31-12-2011 Rs. in million
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	256.50	400.50
Reserves and Surplus	4	9,162.54	7,394.71
		<u>9,419.04</u>	<u>7,795.21</u>
Non-current Liabilities			
Deferred tax Liabilities (Net)	5	932.52	800.52
Other Long-term Liabilities	6	2,689.04	2,543.16
Long-term Provisions	7	-	48.14
		<u>3,621.56</u>	<u>3,391.82</u>
Current Liabilities			
Trade Payables	8	1,016.38	1,216.72
Other Current Liabilities	9	1,373.87	1,203.38
Short-term Provisions	10	82.47	1,877.11
		<u>2,472.72</u>	<u>4,297.21</u>
Total		<u>15,513.32</u>	<u>15,484.24</u>
ASSETS			
Non-current Assets			
Fixed Assets	11		
Tangible Assets		7,509.91	6,519.53
Intangible Assets		459.00	145.14
Capital Work-in-progress		1,050.14	964.40
Intangible Assets under Development		13.60	210.71
		<u>9,032.65</u>	<u>7,839.78</u>
Non-current Investments	12	25.27	25.27
Long-term Loans and Advances	13	204.09	374.49
Other Non-current Assets		10.16	10.91
		<u>9,272.17</u>	<u>8,250.45</u>
Current Assets			
Current Investments	14	3,706.39	4,877.87
Inventories	15	243.33	157.51
Trade Receivables	16	1,834.49	1,647.06
Cash and Cash Equivalents	17	300.23	92.64
Short-term Loans and Advances	18	40.55	179.78
Other Current Assets	19	116.16	278.93
		<u>6,241.15</u>	<u>7,233.79</u>
Total		<u>15,513.32</u>	<u>15,484.24</u>

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse
Firm Registration Number – 301112E
Chartered Accountants

Subramanian Vivek
Partner
Membership No.100332

Place: Ahmedabad
Date: February 21, 2013

The notes are an integral part of these financial statements.

For and on behalf of the Board

Hasmukh Shah Chairman
Sugata Sircar Managing Director

Jal Patel Director
Nitesh Bhandari Financial Controller
Rajeshwari Sharma Company Secretary

Place: Ahmedabad
Date: February 21, 2013



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2012

	Note	Year ended 31-12-2012 Rs. in million	Year ended 31-12-2011 Rs. in million
INCOME			
Revenue from Operations (Gross)	22	31,470.63	24,556.80
Less : Excise duty on gas sales		549.32	397.36
Revenue from Operations (Net)		30,921.31	24,159.44
Other Income	23	654.30	544.99
Total Revenue		31,575.61	24,704.43
EXPENSES			
Material Consumed/Processed		24,837.48	18,396.78
Employee Benefits Expense	24	635.21	603.63
Finance Costs	27	1.58	1.49
Depreciation and Amortization Expense	11	653.62	593.33
Other Expenses	28	1,399.38	1,207.39
Total Expenses		27,527.27	20,802.62
Profit Before Tax		4,048.34	3,901.81
Tax Expenses			
Current Tax		1,075.00	1,081.00
Income Tax Provision for earlier years written back		(25.15)	-
Deferred Tax	5	132.00	82.00
Profit for the year		2,866.49	2,738.81
Earnings Per Equity Share (EPS):			
Basic Earnings per Share of Rs. 2/- each (Rs.)		22.33	21.26
Diluted Earnings per Share of Rs. 2/- each (Rs.)		22.33	21.26

This is the Statement of Profit and Loss referred to in our report of even date.

The notes are an integral part of these financial statements.

For Price Waterhouse

Firm Registration Number – 301112E
Chartered Accountants

Subramanian Vivek

Partner
Membership No. 100332

Place: Ahmedabad
Date: February 21, 2013

For and on behalf of the Board

Hasmukh Shah **Sugata Sircar**
Chairman Managing Director

Jal Patel **Nitesh Bhandari** **Rajeshwari Sharma**
Director Financial Controller Company Secretary

Place: Ahmedabad
Date: February 21, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

	Year ended 31-12-2012 Rs. in million	Year ended 31-12-2011 Rs. in million
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	4,048.34	3,901.81
Adjustments for:		
Depreciation and Amortization Expense	653.62	593.33
Provision for Gratuity Benefits	19.60	25.43
Provision for Accrued Leave Benefits	2.97	10.03
Provision for Diminution in Value of Assets	17.31	-
Provision Against Doubtful Capital Advances	33.47	35.21
(Profit)/Loss on Sale of Tangible Assets (Net)	16.56	6.79
Provision for Doubtful Debts	3.50	-
Share Based Compensation Expenses	11.99	25.55
Provision for Wealth Tax	0.40	0.40
Other Provisions	-	2.18
Bad Debts Written off	1.12	2.01
Provision/Write off for Inventory Obsolescence	36.97	2.49
Deposits from Supplier Written Back	(38.69)	-
Inventory Written Back	(50.00)	(28.42)
Profit on Sale of Investment (Net)	(80.82)	(51.37)
Provisions/Liabilities no longer required written back	(153.76)	(108.94)
Dividend Income	(215.21)	(301.30)
Interest Income	(39.43)	(34.13)
Operating Profit before Working Capital Changes	4,267.94	4,081.07
Adjustments for Changes in Working Capital		
Increase/(Decrease) in other Long-term Liabilities	2.14	-
Increase/(Decrease) in Trade Payables	(200.34)	226.68
Increase/(Decrease) in other Current Liabilities	388.53	97.59
(Increase)/Decrease in Inventories	(72.79)	(25.67)
(Increase)/Decrease in Trade Receivables	(192.05)	(237.89)
(Increase)/Decrease in Long-term Loans & Advances	146.70	43.53
(Increase)/Decrease in Short-term Loans & Advances	39.05	(2.31)
(Increase)/Decrease in other Non-current Assets	0.75	(10.91)
(Increase)/Decrease in other Current Assets	(90.12)	21.91
Cash Generated from Operations	4,289.81	4,194.00
Taxes paid (Net of refunds & TDS)	(1,012.00)	(1,078.32)
Net Cash from Operating Activities	3,277.81	3,115.68
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Tangible/Intangible Assets/Capital Work in Progress	(1,767.04)	(1,136.69)
Sale of Tangible Assets	28.02	23.02
Purchase of Current Investments	(34,754.21)	(27,944.05)
Sale of Current Investments	36,006.51	28,441.02
Interest Received	39.43	34.13
Dividends Received	215.21	301.30
Net Cash used in Investing Activities	(232.08)	(281.27)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Preference Shares Redemption	(144.00)	-
Deposits Accepted during the year (Net)	143.74	490.36
Dividend Paid (including Corporate Dividend Tax)	(2,837.88)	(3,280.72)
Net Cash used in Financing Activities	(2,838.14)	(2,790.36)



	Year ended 31-12-2012 Rs. in million	Year ended 31-12-2011 Rs. in million
NET INCREASE IN CASH AND CASH EQUIVALENTS	207.59	44.05
Cash and Cash Equivalents at the beginning of the year	92.64	48.59
Cash and Cash Equivalents at the end of the year	300.23	92.64
Closing Cash and Cash Equivalents comprise:		
Balances with Banks :		
- In Current Accounts	272.82	71.95
- In Dividend Accounts	27.30	20.56
Cash in Hand	0.11	0.13
Total Cash and Cash Equivalents as per Cash Flow Statement	300.23	92.64

Notes to Cash Flow Statement:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- Previous Year figures have been regrouped and reclassified wherever considered necessary to conform to current year's figures.
- The amounts in dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date of declaration of the dividend.
- Figures in brackets indicate cash outflows.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse

Firm Registration Number – 301112E
Chartered Accountants

Subramanian Vivek

Partner
Membership No. 100332

Place: Ahmedabad
Date: February 21, 2013

For and on behalf of the Board

Hasmukh Shah Chairman
Sugata Sircar Managing Director

Jal Patel Director
Nitesh Bhandari Financial Controller
Rajeshwari Sharma Company Secretary

Place: Ahmedabad
Date: February 21, 2013



NOTES TO FINANCIAL STATEMENTS

(1) General Information:

Gujarat Gas Company Limited ("Company") is primarily engaged in Natural Gas Business in Gujarat. Natural gas business involves distribution of gas from sources of supply to centers of demand and to the end customers. The Company is listed on the Ahmedabad Stock Exchange, Bombay Stock Exchange, National Stock Exchange and Vadodara Stock Exchange.

(2) Summary of Significant Accounting Policies:**a) Basis of Preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

b) Fixed Assets (Tangible / Intangible Assets)

The Fixed Assets are stated at its acquisition or construction cost and any attributable cost of bringing the asset to its working condition for its intended use and net of accumulated depreciation.

- (i) All directly attributable expenditure incurred during the period of construction are carried forward and on completion, are capitalized with the respective fixed assets.
- (ii) Gains or losses arising from disposal / retirement of fixed assets, which are carried at cost, are recognised in the Statement of Profit and Loss.

c) Depreciation / Amortisation

- (i) Depreciation is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 or over the estimated useful lives of the assets, whichever is higher. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.
- (ii) Licenses / Softwares are amortised on a straight line basis over a period of six years from the date of its availability for use by the Company.

d) Investments

Current investments are carried at cost or fair value determined categorywise, whichever is lower.

Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

e) Inventories

Stores and Pipes fittings are valued at lower of cost and net realisable value. Cost is determined on weighted average cost method.

f) Foreign Currency Transactions**Initial Recognition**

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

Subsequent Recognition

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

g) Employee Benefits**(i) Post-employment Benefit Plans****i Defined Contribution Plan**

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

ii Defined Benefit Plan

The Company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is administered through a Trust. Contributions in respect of gratuity are made to the approved Gratuity Fund of the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year and is recognised in the Balance Sheet as reduced by the fair value of Gratuity Fund. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**(ii) Long Term Employment Benefits**

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

(iii) Short Term Employment Benefits

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

(iv) Employee Stock Option Plan

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

h) Revenue Recognition:

- (i) Revenue on sale of natural gas is recognised on transfer of title to customers at delivery point.
- (ii) Gas transmission income is recognised in the same period in which the related volumes of gas are delivered to the customers.
- (iii) Commitment income from customers for gas sales and gas transmission is recognised on establishment of certainty of receipt of consideration from its customers. Delayed payment charges are recognised on establishment of certainty of receipt of consideration from its customers.
- (iv) Dividend income is recognised when the right to receive dividend is established.
- (v) The difference between the amounts charged from customers for gas connections and actual consumption of material and labour charges is disclosed as Service and Fitting Income (Net) under Other Operating Revenue.

i) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

j) Leases:

As a lessor

Operating Leases

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

Finance Leases

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

In respect of assets leased before April 1, 2001, the Company follows the recommendation of the Institute of Chartered Accountants of India contained in the Guidance Note on Accounting for Leases. Accordingly lease rentals accounted as income on finance leases are adjusted by creating lease terminal adjustment account so as to recover the capital cost of the leased asset within the tenure of lease agreements or earlier as ascertained by the management.

In respect of assets leased after April 1, 2001, the aggregate of minimum lease payments less unearned finance income is recognised as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance Income is recognized over the term of the lease using net investment method, which reflects a constant periodic rate of return. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

As a lessee

Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

**k) Earnings Per Share (EPS):**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable distribution tax thereto for the period.

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

l) Taxation:

Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax reflects the impact of timing differences between taxable income and accounting income originating during the year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset is recognized on carried forward losses (if any) under tax laws, only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. At each reporting date, the unrecognised deferred tax assets is reassessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

m) Impairment of Assets:

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

n) Provisions and Contingencies:

Provisions: Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

o) Segment Reporting:

The Company primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The other activity of the Company comprises leasing of natural gas fired Cogeneration units, the income from which is not material in financial terms. Further, the Company is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard 17 on "Segment Reporting" are not relevant to the Company.

p) Cash and Cash Equivalents:

In the Cash Flow Statement, cash and cash equivalents represents cash in hand and demand deposits with bank.

q) Accounting for Joint Ventures:

The Company's joint venture "Petroleum Infrastructure Limited" (incorporated in India with 50% stake being held by the Company), has been liquidated as on April 27, 2012, accordingly the Company's interest in the joint venture has been accounted for in accordance with Accounting Standard 13 "Accounting for Investments" and has not been disclosed as per Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures".

**(3) Share Capital****a) Authorized****i) Equity Shares**

Number of shares of Rs. 2/- each

Rs. in million

As at 31-12-2012	As at 31-12-2011
---------------------	---------------------

140,000,000	140,000,000
-------------	-------------

280.00	280.00
--------	--------

ii) 7.5% Redeemable Preference Shares

Number of shares of Rs. 10/- each

Rs. in million

17,000,000	17,000,000
------------	------------

170.00	170.00
--------	--------

Total Authorized Share Capital (Rs. in million)

450.00	450.00
---------------	---------------

b) Issued, Subscribed and Paid up**i) Equity Shares**

Number of shares of Rs. 2/- each

Rs. in million

As at 31-12-2012	As at 31-12-2011
---------------------	---------------------

128,250,000	128,250,000
-------------	-------------

256.50	256.50
--------	--------

ii) 7.5% Redeemable Preference Shares

Number of shares of Rs. 10/- each

Rs. in million

-	14,400,000
---	------------

-	144.00
---	--------

Total Paid up Share Capital (Rs. in million)

256.50	400.50
---------------	---------------

c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares. Each equity shareholder is eligible for one vote per share held.

The dividend proposed by the Board of Directors, is subject to shareholders' approval in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are entitled to receive the residual assets of the Company in proportion to their shareholding.

d) Reconciliation of movement in number of Equity Shares

Shares outstanding at the beginning of the year

Shares issued during the year

Shares bought back during the year

Shares outstanding at the end of the year

Paid up Share Capital (Rs. in million)

As at 31-12-2012	As at 31-12-2011
128,250,000	128,250,000
-	-
-	-
128,250,000	128,250,000
256.50	256.50

e) Shareholder holding more than 5% Equity Shares

Sr. No.	Name of the Shareholder	As at 31-12-2012	As at 31-12-2011
		No. of shares held (% of shareholding)	No. of shares held (% of shareholding)
1	BG Asia Pacific Holdings Pte. Limited	83,518,750 (65.12%)	83,518,750 (65.12%)
2	Aberdeen Global Indian Equity Fund Mauritius Limited	12,256,000 (9.56%)	12,256,000 (9.56%)

BG Asia Pacific Holdings Pte. Limited (BGAPH) is the holding company of Gujarat Gas Company Limited, the ultimate holding company being BG Group Plc.

f) Shareholder holding more than 5% preference shares

The preference shares were fully held by holding company BG Asia Pacific Holdings Pte. Limited. These preference shares were redeemed on 30 March 2012.

**g) Reconciliation of movement in number of Preference Shares**

	As at 31-12-2012	As at 31-12-2011
Shares outstanding at the beginning of the year	14,400,000	14,400,000
Shares issued during the year	-	-
Shares redeemed during the year	14,400,000	-
Shares outstanding at the end of the year	-	14,400,000
Paid up Share Capital (Rs. in million)	-	144.00

- h)** The Company had issued bonus equity shares in the ratio of 1:1 in 2009, resulting in an increase in the issued equity share capital from 64,125,000 shares of face value Rs 2 each to 128,250,000 shares of face value Rs 2 each. The Company has not bought back any equity shares during the past 5 years. The Company has not allotted any shares as fully paid pursuant to contracts without payment being received in cash, during the past 5 years.

(4) Reserves and Surplus**a) Capital Redemption Reserve**

	As at 31-12-2012 Rs. in million	As at 31-12-2011 Rs. in million
As per last Balance Sheet	-	-
Add : Transferred from Statement of Profit and Loss	144.00	-
Balance at the end of the year	<u>144.00</u>	<u>-</u>

Towards redemption of the preference shares on 30 March 2012, an equivalent amount of accumulated profits were transferred to Capital Redemption Reserve to comply with the requirements of Section 80 of the Companies Act, 1956.

b) Stock Options Outstanding Account (Net) (Refer Note 26)

Stock Options Outstanding Account		
As per last Balance Sheet	79.38	92.90
Add : Allotment of new options during the year	-	10.11
Less : Exercise of options during the year	64.18	27.45
Add : Transfer to General Reserve on exercise of options during the year	33.60	12.45
Less : Lapse of options during the year	8.10	8.63
Balance at the end of the year	<u>40.70</u>	<u>79.38</u>
Less : Deferred Stock Option Outstanding Account		
As per last Balance Sheet	30.87	54.94
Add : Allotment of new options during the year	-	10.11
Less : Expenses during the period	17.42	28.87
Less : Lapse of options during the year	8.10	8.63
Add : Amortized portion on lapsed options	5.43	3.32
Balance at the end of the year	<u>10.78</u>	<u>30.87</u>
Net balance	<u>29.92</u>	<u>48.51</u>

c) General Reserve

As per last Balance Sheet	2,330.83	2,069.28
Add : Transferred from Statement of Profit and Loss	287.00	274.00
Less : Adjustment to Amount recoverable from ESOP Trust	33.60	12.45
Balance at the end of the year	<u>2,584.23</u>	<u>2,330.83</u>

**d) Surplus from Profit and Loss Account**

	As at 31-12-2012 Rs. in million	As at 31-12-2011 Rs. in million
As per last Balance Sheet	5,015.37	5,842.33
Add: Profit for the year	2,866.49	2,738.81
Less: Appropriations		
Proposed Dividend		
- Preference Shares	2.65	10.80
- Equity Shares	-	1,539.00
Corporate Dividend Tax on Proposed Dividend	0.43	251.42
Interim Equity Dividend	897.75	1,282.50
Corporate Dividend Tax on Interim Equity Dividend	145.64	208.05
Transfer to Capital Redemption Reserve	144.00	-
Transfer to General Reserve	287.00	274.00
Balance at the end of the year	<u>6,404.39</u>	<u>5,015.37</u>
Total	<u>9,162.54</u>	<u>7,394.71</u>

(5) Deferred Tax Liabilities (Net)

	As at 31-12-2011 Rs. in million	Movement during the year Rs. in million	As at 31-12-2012 Rs. in million
Deferred Tax Liabilities :			
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	885.52	141.06	1,026.58
Total (A)	<u>885.52</u>	<u>141.06</u>	<u>1,026.58</u>
Deferred Tax Assets :			
Provision for Doubtful Debts	7.13	0.65	7.78
Provision for Diminution in the value of Fixed Assets/Capital work in progress/Capital Advances	11.42	13.31	24.73
Expenditure under section 43B of the Income Tax Act	66.45	(4.90)	61.55
Total (B)	<u>85.00</u>	<u>9.06</u>	<u>94.06</u>
Total (A-B)	<u><u>800.52</u></u>	<u><u>132.00</u></u>	<u><u>932.52</u></u>
Previous year	718.52	82.00	800.52
Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing tax laws.			

(6) Other Long-term Liabilities

	As at 31-12-2012 Rs. in million	As at 31-12-2011 Rs. in million
Deposits from Customers	2,668.92	2,525.18
Deposit from Collection Centres and Others	20.12	17.98
Total	<u>2,689.04</u>	<u>2,543.16</u>

Deposits from customers, considered as a source of long term funds, are refundable, net of outstanding, only on termination/modification of the gas sale agreement.



	As at 31-12-2012 Rs. in million	As at 31-12-2011 Rs. in million
(7) Long-term Provisions		
Other Provisions	-	48.14
Total	-	48.14
Pursuant to AS-29, the disclosure relating to Provisions are given below :		
Opening Balance	48.14	45.96
Additions during the year	-	2.18
Less : Provision no longer required written back during the year	48.14	-
Closing Balance	-	48.14
The provision relates to estimated cash outflow in relation to sale of gas pipelines.		
(8) Trade Payables		
Dues to Related Parties-GTCL	93.35	133.34
Dues to Others	923.03	1,083.38
Total	1,016.38	1,216.72
(9) Other Current Liabilities		
Dues to Micro and Small Enterprises	2.58	14.83
Deposits from Supplier	-	38.69
Advance From Customers	122.91	105.19
Deposit from Collection Centres and Others	6.77	7.41
Deposit from Customers towards Minimum Guarantee offtake	122.47	31.76
Unpaid Dividends to Equity Shareholders (Refer Note below)	27.30	20.56
Dues to Related Parties-GFSL	32.37	66.38
Employee Payable	87.10	77.41
Other Payables	777.42	720.58
Other Liabilities for Statutory Dues	194.95	120.57
Total	1,373.87	1,203.38
Note : Unpaid dividend will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date of declaration of the dividend.		
(10) Short-term Provisions		
Proposed Dividend (including Corporate Dividend Tax)	3.08	1,801.22
Provision for Employee Gratuity Benefits	21.59	23.29
Provision for Employee Accrued Leave Benefits	55.56	52.60
Provision for Taxation	8,201.27	-
Less : Advance payment of Tax and Tax deducted at source	8,199.03	-
	2.24	-
Total	82.47	1,877.11

As at 31 December 2012, provision for tax and advance tax include aggregate balance of Rs. 3,636.72 million and Rs. 3,812.22 million respectively for certain Assessment Years wherein the advance tax is higher than provision for tax. Considering that Assessing Officer adjusts the refund of one year with others, the same have not been presented on gross basis.



GUJARAT GAS COMPANY LIMITED

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01-01-2012	Additions For the Year	Deduction/ Adjustments For the Year	As at 31-12-2012	As at 01-01-2012	For The Year	Deduction/ Adjustments For the Year	As at 31-12-2012	As at 31-12-2011
Tangible Assets:									
Land (Refer Note 1 below)	401.87	7.14	-	409.01	-	-	-	409.01	401.87
Buildings	339.00	84.69	-	423.69	66.80	8.82	-	348.07	272.20
Plant and Machinery	8,602.04	1,461.34	11.67	10,051.71	3,081.40	532.69	5.61	6,443.23	5,520.64
Office Equipment	100.52	9.72	4.48	105.76	31.40	5.65	2.71	71.42	69.12
Computer Hardware	358.89	60.94	20.37	399.46	239.63	42.36	20.27	137.74	119.26
Furniture, Fixtures and Fittings	70.48	8.84	2.42	76.90	33.34	5.08	2.40	40.88	37.14
Vehicles	116.54	10.28	25.79	101.03	46.65	10.32	15.50	59.56	69.89
Assets given on Finance Lease (Prior to April 1, 2001)									
Plant and Machinery	279.63	-	-	279.63	85.83	-	-	193.80	193.80
Asset given on Operating Lease (After April 1, 2001)									
Plant and Machinery	67.82	-	67.82	-	38.41	3.06	41.47	-	29.41
(Less)/Add:									
Lease Terminal Adjustment	-	-	-	-	193.80	-	-	(193.80)	(193.80)
TOTAL	10,336.79	1,642.95	132.55	11,847.19	3,623.46	607.98	87.96	7,703.71	6,713.33
Intangible Assets:									
Software/License	246.14	359.50	-	605.64	125.00	45.64	-	435.00	121.14
Right of use of Land	24.00	-	-	24.00	-	-	-	24.00	24.00
Capital Work in Progress (Refer Notes 2 and 3 below)	270.14	359.50	-	629.64	125.00	45.64	-	459.00	145.14
Intangible Assets under Development								1,050.14	964.40
TOTAL	10,606.93	2,002.45	132.55	12,476.83	3,942.26	653.62	87.96	9,032.65	7,839.78
Previous Year	9,422.49	962.42	48.12	10,336.79	3,280.17	563.37	26.28	6,519.53	
Tangible Assets	247.04	60.44	37.34	270.14	95.04	29.96	-	145.14	
Intangible Assets									

NOTES :

1. Land includes leasehold land Rs. 0.18 million (Previous year Rs. 0.18 million).
2. Capital Work in Progress includes Capital Inventory Rs. 451.58 million (Previous year Rs. 449.85 million).
3. Capital Work in Progress is shown net off a provision for diminution in value of asset Rs. 17.31 million (Previous year Nil).
4. Capital Inventory includes material in transit amounting to Rs. 84.28 million (Previous year Rs. 63.99 million).



	As at 31-12-2012 Rs. in million	As at 31-12-2011 Rs. in million
(12) Non-current Investments		
(At cost less provision for other than temporary diminution in value of investments)		
Equity Shares		
Trade - Unquoted	25.27	100.27
Less: Provision	-	75.00
Total	25.27	25.27
(a) In Equity Shares of Subsidiary Companies		
1,397,500 shares (Previous year 1,397,500 shares) of Rs. 10 each fully paid-up in Gujarat Gas Financial Services Limited	14.00	14.00
9,000 shares (Previous year 9,000 shares) of Rs. 100 each fully paid-up in Gujaratgas Trading Company Limited	1.27	1.27
(b) In Equity Shares of Joint Venture		
7,500,000 shares (Previous year 7,500,000 shares) of Rs. 10 each fully paid-up in Petroleum Infrastructure Limited	-	75.00
Less : Provision for diminution in value of investment	-	75.00
The Company's joint venture "Petroleum Infrastructure Limited" (Incorporated in India with 50% stake being held by the Company) has been dissolved as on 27 April 2012.		
(c) Others		
20,000,000 shares (Previous year 20,000,000 shares) of Re 1 each fully paid-up in Gujarat State Petroleum Corporation	10.00	10.00
Aggregate cost of Unquoted Investments	25.27	100.27
Aggregate provision for diminution in value of investments	-	75.00
(13) Long-term Loans and Advances		
(Unsecured - considered good, unless otherwise stated)		
Capital Advance	45.95	106.73
Capital Advance - Considered doubtful	58.91	35.21
Less: Provision Against Doubtful Advances	58.91	35.21
	-	-
Finance Lease Receivable	-	8.85
Deposits Recoverable	13.95	13.76
Balances with Government Authorities	0.92	3.82
Amount Recoverable from ESOP Trust	126.47	223.43
Other Receivables	16.80	17.90
Total	204.09	374.49
(14) Current Investments		
(At cost or fair market value whichever is lower, determined categorywise)		
Units of Mutual Funds (Unquoted)	3,706.39	4,877.87
Aggregate cost of Unquoted Investments	3,706.39	4,877.87

**(14) Current Investments**

Details of Investment in Mutual Funds

Scheme	As at 31-12-2012		As at 31-12-2011	
	No. of units	Rs. in million	No. of units	Rs. in million
Birla SL Cash Manager Fund - Dividend	-	-	258,500	25.86
Birla SL Cash Plus Fund - Dividend	356,992	35.77	-	-
Birla SL Dynamic Bond Fund - Dividend	3,150,955	32.51	3,150,955	32.51
Birla SL Fixed Term Plan Series CU - Growth	-	-	5,000,000	50.00
Birla SL Fixed Term Plan Series CW - Growth	-	-	4,000,000	40.00
Birla SL Fixed Term Plan Series DL - Growth	-	-	3,015,448	30.15
Birla SL Fixed Term Plan Series DN - Growth	-	-	5,327,423	53.27
Birla SL Savings Fund - Growth	586,159	100.93	586,159	100.93
Birla SL Short Term FMP Series 20 - Dividend	-	-	3,000,000	30.00
Birla SL Ultra Short Term Fund - Dividend	-	-	768,988	76.94
Birla Sunlife Short Tem Fund - Dividend	21,028,737	245.05	-	-
DSP BlackRock Liquidity Fund - Dividend	180,388	180.45	-	-
DWS Cash Opportunities Fund - Dividend	20,158,418	202.13	-	-
DWS Fixed Term Fund Series 90 - Growth	-	-	3,000,000	30.00
DWS Insta Cash Plus Fund - Dividend	-	-	9,461,017	95.10
DWS Treasury Fund Cash Plan - Dividend	960,274	96.40	-	-
DWS Treasury Fund Investment Plan - Dividend	-	-	2,030,024	20.38
DWS Ultra Short Term Fund - Dividend	-	-	61,758,189	618.69
HDFC Cash Management Fund - Dividend	6,671,789	70.96	-	-
HDFC High Interest Fund - Dividend	7,203,170	76.27	-	-
IDFC Ultra Short Term Fund - Dividend	-	-	4,833,639	48.40
JM Fixed Maturity Fund Series XX Plan B - Growth	-	-	2,000,000	20.00
JM High Liquidity Fund - Dividend	18,020,121	187.95	17,987,143	180.17
JM Money Manager Fund Regular Plan - Dividend	-	-	9,973,029	99.84
JM Money Manager Fund Super Plan - Dividend	-	-	5,010,250	50.16
JM Money Manager Fund Super Plus Plan - Dividend	5,051,791	50.55	20,097,056	201.08
JM Short Term Fund - Dividend	20,114,789	202.06	-	-
JPMorgan India Fixed Maturity Plan 367D Series 1-Growth	-	-	3,000,000	30.00
JPMorgan India Liquid Fund - Dividend	16,878,170	168.92	11,002,757	110.11
JPMorgan India Treasury Fund - Dividend	-	-	32,739,964	327.69
Kotak Liquid Fund - Dividend	16,021,830	195.92	6,137,798	75.05
Kotak Flexi Debt Scheme - Dividend	-	-	22,371,434	224.78
Kotak Flexi Debt Scheme - Growth	13,560,374	151.28	13,560,374	151.28
Kotak FMP Series 40 - Growth	-	-	5,000,000	50.00
Kotak FMP Series 42 - Growth	-	-	2,000,019	20.00
Kotak FMP Series 43 - Growth	-	-	3,000,000	30.00
Kotak FMP Series 59 - Dividend	-	-	3,000,000	30.00
Kotak FMP Series 82 - Growth	2,000,000	20.00	-	-
L&T Liquid Fund - Dividend	214,631	217.13	-	-
Principal Cash Management Fund - Dividend	201,172	201.19	-	-
Prudential ICICI Blended Plan B - Dividend	-	-	1,300,315	13.01
Prudential ICICI Flexible Income Plan - Dividend	599,938	101.23	599,938	101.23



(14) Current Investments

Details of Investment in Mutual Funds

Scheme	As at 31-12-2012		As at 31-12-2011	
	No. of units	Rs. in million	No. of units	Rs. in million
Reliance Fixed Horizon Fund XIX Series 10 - Growth	-	-	3,000,000	30.00
Reliance Fixed Horizon Fund XIX Series 11 - Growth	-	-	5,000,000	50.00
Reliance Fixed Horizon Fund XIX Series 8 - Growth	-	-	5,000,000	50.00
Reliance Fixed Horizon Fund XIX Series 9 - Growth	-	-	5,001,080	50.01
Reliance Fixed Horizon Fund XX Series 13 - Growth	-	-	6,001,087	60.01
Reliance Fixed Horizon Fund XX Series 15 - Growth	-	-	2,000,000	20.00
Reliance Fixed Horizon Fund XX Series 4 - Dividend	-	-	4,001,449	40.01
Reliance Fixed Horizon Fund XX Series 5 - Dividend	-	-	5,000,000	50.00
Reliance Fixed Horizon Fund XX Series 6 - Dividend	-	-	3,000,000	30.00
Reliance Fixed Horizon Fund XX Series 8 - Dividend	-	-	5,000,000	50.00
Reliance Fixed Horizon Fund XXI Series 18 - Growth	5,507,250	55.07	-	-
Reliance Fixed Horizon Fund XXI Series 6 - Growth	5,005,606	50.06	-	-
Reliance Liquid Fund- Treasury Plan - Dividend	95,777	146.42	-	-
Reliance Money Manager Fund - Growth	122,338	151.25	122,338	151.25
Reliance Short Term Fund - Dividend	3,091,611	33.30	-	-
Religare Fixed Maturity Plan Series IX Plan C - Dividend	-	-	2,000,000	20.00
Religare Fixed Maturity Plan Series VI Plan D - Growth	-	-	3,000,000	30.00
Religare Fixed Maturity Plan Series VI Plan E - Growth	-	-	2,000,000	20.00
Religare FMP Series XIII Plan F - Growth	2,000,000	20.00	-	-
Religare Liquid Fund - Dividend	43,484	43.52	100,009	100.09
Religare Short Term Plan - Dividend	15,120,442	151.36	-	-
Religare Ultra Short Term Fund - Dividend	-	-	150,149	150.41
SBI Debt Fund Series 13 Months 13 - Growth	2,000,000	20.00	-	-
SBI Debt Fund Series 180 days 22 - Dividend	-	-	3,000,000	30.00
SBI Debt Fund Series 367 Days 16 - Growth	3,000,000	30.00	-	-
SBI Debt Fund Series 367 Days 6 - Growth	-	-	4,004,294	40.04
SBI Magnum Income FR Savings Plus Bond Plan - Dividend	-	-	3,050,182	30.69
SBI Premier Liquid Fund - Dividend	100,187	100.51	2,996,580	30.06
SBI Short Term Fund - Dividend	4,797,540	50.53	-	-
SBI SHF Ultra Short Term Fund - Dividend	-	-	7,564,056	75.69
Sundaram Money Fund - Dividend	15,924,693	160.76	-	-
Sundaram Ultra Short Term Fund - Dividend	-	-	32,166,510	322.86
TATA Fixed Maturity Plan Series 31 Scheme C - Growth	-	-	5,000,000	50.00
TATA Fixed Maturity Plan Series 36 Scheme C - Growth	-	-	3,000,000	30.00
TATA Fixed Maturity Plan Series 37 Scheme A - Growth	-	-	3,251,916	32.52
Tata Floater Fund - Dividend	-	-	2,004,295	20.11
Tata Liquid Fund - Dividend	41,953	46.76	-	-
Templeton India TMA Fund - Dividend	37,230	37.26	-	-
Templeton Ultra Short Bond Fund - Dividend	-	-	24,445,837	244.74
UTI Money Market Fund - Dividend	49,114	49.28	59,868	60.07
UTI Short Term Income Fund - Dividend	2,310,548	23.65	2,192,350	22.38
UTI Treasury Advantage Fund - Growth	-	-	20,291	20.30
TOTAL	212,207,471	3,706.39	408,102,710	4,877.87



	As at 31-12-2012 Rs. in million	As at 31-12-2011 Rs. in million
(15) Inventories		
Stores and Pipe Fittings (Valued at cost or market value whichever is lower)	243.33	157.51
(16) Trade Receivables		
Secured - Considered Good*		
- Exceeding Six Months	1.48	9.92
- Others	1,576.92	1,211.08
Unsecured - Considered Good		
- Exceeding Six Months	2.86	3.29
- Others	658.46	614.79
Unsecured - Considered Doubtful Exceeding Six Months	23.98	21.97
Less: Provision for Doubtful Debt	23.98	21.97
	-	-
Less: Advance From Customers towards MGO	405.23	192.02
Total	1,834.49	1,647.06
*Secured against Security Deposit received from the customers and disclosed under Note 6 Other Long-term Liabilities		
(17) Cash and Cash Equivalents		
Balances with Banks in Current Accounts	272.82	71.95
Balances with Banks in Dividend Accounts	27.30	20.56
Cash on Hand	0.11	0.13
Total	300.23	92.64
The amounts in dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date of declaration of the dividend.		
(18) Short-term loans and advances		
(Unsecured - considered good, unless otherwise stated)		
Finance Lease Receivable	8.85	25.17
Deposits Recoverable	15.24	10.32
Balances with Government Authorities	3.74	17.43
Amount Recoverable from ESOP Trust	0.95	78.99
Other Receivables	11.77	12.99
Advance Payment of Tax and Tax Deducted at Source	-	7,186.30
Less : Provision for Taxation	-	7,151.42
	-	34.88
Total	40.55	179.78

As at 31 December 2011, provision for tax and advance tax include aggregate balance of Rs. 2,749.41 million and Rs. 2,587.96 million respectively for certain Assessment Years wherein the provision for tax is higher than advance tax. Considering that Assessing Officer adjusts the refund of one year with others, the same have not been presented on gross basis.



	As at 31-12-2012 Rs. in million	As at 31-12-2011 Rs. in million
(19) Other Current Assets		
(Unsecured - considered good, unless otherwise stated)		
Asset held for Disposal	-	252.89
Receivable for Sale of Asset	80.17	-
Prepayments for Goods	24.52	15.95
Prepayments for Services	11.47	10.09
Total	116.16	278.93
(20) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts Rs. 26.02 million (Previous year Rs. 14.51 million).		
(b) Claims of Rs. 21.74 million (Previous year Rs. 29.98 million) against the Company have been disputed by the Company. The Company is, however, indemnified by an insurance policy.		
(c) Income tax related exposures Rs. 79.49 million (Previous year Rs. 79.49 million)		
(d) Service tax related exposures Rs. 306.67 million (Previous year Rs. 17.41 million)		
(e) Excise related exposures Rs. 1.82 million (Previous year Nil)		
(21) Estimated amount of contracts net of advances remaining to be executed on capital account and not provided for Rs. 332.58 million (Previous year Rs. 442.17 million).		
(22) Revenue from Operations		
Sales of Natural Gas (Gross)	31,218.41	24,216.45
Other Operating Revenue :		
Gas Transmission Income	146.78	165.54
Service and Fitting Income (Net)	101.05	144.37
Lease Income	0.92	21.43
Income from Finance Lease	3.47	9.01
Total	31,470.63	24,556.80
(23) Other Income		
Interest on Others (Customers and Staff advances)	39.43	34.13
Dividend from Subsidiaries	4.19	2.80
Dividend from Trade Investments	4.00	4.00
Dividend from Mutual Funds	207.02	294.50
Profit on Sale of Current Investments (Net)	80.82	51.37
Liabilities no longer required written back	153.76	108.94
Foreign Exchange Fluctuations Gain (net)	-	0.24
Other Miscellaneous Income	165.08	49.01
Total	654.30	544.99
(24) Employee Benefits Expense		
Salaries, Wages and Bonus	534.13	496.65
Share based Compensation	11.99	25.55
Contribution to Provident and Other Funds	48.34	51.12
Welfare Expenses	40.75	30.31
Total	635.21	603.63

**(25) Disclosures as per AS-15 (Revised) "Employee Benefits" for year ended December 31, 2012 :****a) Disclosures for Defined Contribution Plans**

Employer's Contribution to Provident Fund

28.74

25.69

b) Disclosures for Defined Benefit Plans - Gratuity (Funded)**Change in the defined benefit obligations**

Defined benefit obligation as at beginning of the year

101.53

79.24

Service Cost

10.04

8.37

Interest Cost

8.78

6.85

Actuarial Loss/(gain)

12.42

8.04

Benefits Paid

(4.90)

(0.97)

Defined benefit obligation as at year end**127.87****101.53****Change in plan assets****Fair value of plan assets as at beginning of the year****78.23****69.79**

Expected Return on Plan Assets

7.78

6.66

Contributions by Employer

21.31

11.58

Actuarial (loss)/Gain

3.86

(8.83)

Benefits Paid

(4.90)

(0.97)

Fair value of plan assets as at year end**106.28****78.23****Present value of unfunded obligations****21.59****23.30****The Net amount recognized in the Statement of Profit & Loss is as follows**

Current Service Cost

10.04

8.37

Interest Cost

8.78

6.85

Expected Return on Plan Assets

(7.78)

(6.66)

Net Actuarial Loss/(gain) Recognised

8.56

16.87

Net Amount Recognised**19.60****25.43**

Actual Return on Plan Assets

11.64

(2.17)

The major categories of plan assets as a percentage of total plan assets as at year end are as follows

Government of India Securities

-

-

Insurer Managed Funds

100%

100%

The principal actuarial assumptions used are as follows

Discount Rate

8.16%

8.65%

Expected Rate of Return on Plan Assets

9.00%

9.00%

Rate of Increase in Compensation Levels (Refer Note below)

7.00%

7.00%

Note: The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.**c) Disclosures for Defined Benefit Plans-Accrued Leave Benefits (Unfunded)****Change in the defined benefit obligations**

Defined benefit obligation as at beginning of the year

49.89

39.86

Service Cost

5.05

3.58

Interest Cost

4.32

3.45

Actuarial Loss/(gain)

(9.54)

3.83

Benefits Paid

(0.02)

(0.83)

Defined benefit obligation as at year end**49.70****49.89****The Net amount recognized in the Statement of Profit & Loss is as follows**

Current Service Cost

5.05

3.58

Interest Cost

4.32

3.45

Net Actuarial Loss/(gain) Recognised

(9.54)

3.83

Net Amount Recognised**(0.17)****10.86**

**The principal actuarial assumptions used are as follows**

Discount Rate	8.16%	8.65%
Rate of increase in Compensation Levels (Refer Note below)	7.00%	7.00%

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

d) Additional Disclosures as per AS-15**Change in the defined benefit obligations - Gratuity (Funded)** (Rs. in million)

	Year ended 31-12-2012	Year ended 31-12-2011	Year ended 31-12-2010	Year ended 31-12-2009	Year ended 31-12-2008
Present Value of defined benefit obligation as at beginning of the year	101.53	79.24	64.83	52.33	38.18
Current Service Cost	10.04	8.37	6.88	5.88	5.29
Interest Cost	8.78	6.85	5.45	4.32	2.86
Actuarial (Gains)/Loss	12.42	8.04	2.72	3.46	8.03
Benefits Paid	(4.90)	(0.97)	(0.64)	(1.16)	(2.03)
Present Value of defined benefit obligation as at end of the year	127.87	101.53	79.24	64.83	52.33

Change in Plan Assets - Gratuity (Funded) (Rs. in million)

	Year ended 31-12-2012	Year ended 31-12-2011	Year ended 31-12-2010	Year ended 31-12-2009	Year ended 31-12-2008
Fair value of plan assets as at beginning of the year	78.23	69.79	55.13	37.29	32.65
Expected return on Plan Assets	7.78	6.66	5.62	4.16	3.32
Contributions by Employer	21.31	11.58	9.72	10.53	8.96
Actuarial (loss)/Gain	3.86	(8.83)	(0.04)	4.30	(5.60)
Benefits Paid	(4.90)	(0.97)	(0.64)	(1.15)	(2.04)
Fair value of plan assets as at year end	106.28	78.23	69.79	55.13	37.29
Present value of unfunded obligations	21.59	23.30	9.45	9.70	15.04

Change in the defined benefit obligations - Accrued Leave Benefits (Unfunded) (Rs. in million)

	Year ended 31-12-2012	Year ended 31-12-2011	Year ended 31-12-2010	Year ended 31-12-2009	Year ended 31-12-2008
Present value of defined benefit obligation as at beginning of the year	49.89	39.86	32.64	26.93	22.41
Current Service Cost	5.05	3.58	3.69	2.26	2.02
Interest Cost	4.32	3.45	2.74	2.22	1.68
Actuarial (Gains)/Loss	(9.54)	3.83	1.45	2.17	2.39
Benefits Paid	(0.02)	(0.83)	(0.66)	(0.94)	(1.57)
Present value of defined benefit obligation as at end of the year	49.70	49.89	39.86	32.64	26.93

Note: Expected contributions to be paid to the Gratuity plan during the year ending December 31, 2013 cannot be ascertained at this stage.

**(26) Employee Stock Option Plan 2008**

The Company implemented an Employee Stock Option Plan 2008 ('ESOP 2008') which provides for the allotment of equity shares of Rs. 2/- each to eligible employees of the Company and its subsidiaries. The Scheme is administered by an ESOP Trust (Gujarat Gas Company Limited Employee Stock Option Welfare Trust) which purchases, out of the funds advanced by the Company, the shares equivalent to the number of options granted, for allotment to the grantees. IDBI Trusteeship Services Limited are the trustees of the said trust. The trustees can purchase or sell the shares from the market as per the approved scheme.

Pursuant to the above scheme, the Company has granted options, as mentioned here below, convertible into equity shares of Rs. 2/- each to employees of the Company and its subsidiaries. The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options were approved. The Scheme provides for graded vesting of options granted, over a period of 4 years from the date of grant.

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

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

Details of movement under the Stock Option Plan for the year ended December 31, 2012 is as follows:

	Year ended 31-12-2012		Year ended 31-12-2011	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)
Options outstanding at the beginning of the year	1,328,750	162	1,786,000	142
Add: Options granted during the year	-	-	84,000	337
Less: Options forfeited during the year	87,250	242	107,000	213
Less: Options expired during the year	-	-	-	-
Less: Options exercised during the year	826,750	106	434,250	99
Options outstanding at end of the year	414,750	257	1,328,750	162

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

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. The weighted average remaining contractual life of options outstanding as on 31 December 2012 is 2.67 years. (Previous year 2.80 years)

In accordance with Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities Exchange Board of India, an amount of Rs. 11.99 million (Previous year Rs. 25.55 million) has been recognised as an expense in Employee Benefits Expenses (Note 24) and corresponding liability has been disclosed as Stock Options Outstanding Account (Note 4). The balance of Rs. 29.92 million (Previous year Rs. 48.51 million) in Stock Options Outstanding Account (Note 4) represents the amortised cost of stock options outstanding. As on 31 December 2012, the amount recoverable from ESOP trust is Rs. 127.42 million (Previous year Rs. 302.43 million).



The Company has adjusted loss of Rs. 33.60 million (Previous year loss of Rs. 12.45 million) to General Reserve as the difference between the cost incurred by the ESOP Trust for the purchase of shares and the exercise price of those options which have been exercised by the employees during the current year, in accordance with Guidance Note on accounting for Employee share based payment, issued by the ICAI.

	Year ended 31-12-2012 Rs. in million	Year ended 31-12-2011 Rs. in million
(27) Finance Costs		
Interest and Other Financial Charges	1.58	1.49
Total	1.58	1.49
(28) Operating and Other Expenses		
Stores and Chemicals Consumed	28.36	31.34
Power and Fuel	247.74	202.24
Rent	96.60	68.91
Rates and Taxes	2.74	2.64
Repairs:		
- To Buildings	5.08	5.16
- To Plant and Machinery	244.18	167.60
- To Others	107.66	108.09
Total Repairs	356.92	280.85
Insurance	16.59	18.78
Stationery and Printing	8.67	7.70
Advertisement Expenses	19.91	14.34
Communication Expenses	22.64	25.16
Vehicle Hire Charges	70.38	69.01
Travelling Expenses	21.68	34.94
Donation	3.10	5.37
Legal, Professional and Consultancy	119.88	148.07
Loss on Sale of Fixed assets (Net)	16.56	6.79
Bad Debts/Advances written off	1.12	2.01
Wealth Tax	0.40	0.40
Other Provisions	-	2.18
Provision for Doubtful Debts	3.50	-
Provision for Diminution in Value of Asset/Capital Work in progress	17.31	-
Provision Against Doubtful Capital Advances	33.47	35.21
Provision/Write off for Inventory Obsolescence	36.97	2.49
Service Charges	126.48	120.57
Foreign Exchange Fluctuations Loss (net)	0.11	-
Agency & Contract Staff Expenses	63.32	52.07
Miscellaneous Expenses	84.93	76.32
Total	1,399.38	1,207.39

The Company has taken premises for business and residential use for its employees under cancelable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to Rs. 10.96 million (Previous year Rs. 12.17 million). The lease agreement typically ranges from 1 to 9 years.

**(29) Related Party Transactions:**

The Company is controlled by BG Asia Pacific Holdings Pte. Limited which owns 65.12% of the Company's shares, the ultimate parent being BG Group plc.

The following related party transactions were carried out during the year in the ordinary course of business:

Name of the Related Party	Nature of Relationship	Nature of Transaction	(Rs. in million)			
			Year ended 31-12-2012	Year ended 31-12-2011		
BG International Limited	Under Common Control	Expense :				
		Reimbursement of salary for seconded personnel (Paid) (including Tax Deducted at Source)	0.39	9.08		
		Reimbursement of Software License charges	8.46	7.30		
		Reimbursement of Expenses (Paid)	0.15	-		
		Income:				
		Service charges for secondment of employees	12.25	7.70		
		Reimbursement of Expenses (Received)	0.75	1.54		
		Provision no longer required written back	78.72	-		
		Amount payable at the year end	68.23	133.75		
		BG Asia Pacific Holdings Pte. Limited	Holding Company	Dividend Paid		
- Equity	1,586.72			1,837.26		
- Preference	10.80			10.80		
Share Capital held at year end						
- Equity	167.03			167.03		
- Preference	-			144.00		
Gujarat Gas Financial Services Limited (Refer Note a)	Subsidiary	Income:				
		Service Charges for domestic gas connections	2.51	5.67		
		Dividend	4.19	2.80		
		Expense :				
		Cost of domestic gas connections	312.46	274.33		
		Reimbursement of Alteration charges	41.59	21.06		
		Investment at year end	14.00	14.00		
		Amount payable at the year end	32.37	66.38		
		Gujaratgas Trading Company Limited (Refer Note a)	Subsidiary	Income:		
				Service charges (including service tax)	0.33	0.33
Expenses:						
Purchase of Natural Gas (Net of VAT)	1,153.66			1,326.65		
Investment at year end	1.27			1.27		
Amount payable at the year end	93.35			133.34		
Petroleum Infrastructure Limited	Joint Venture	Bad debts recovered	0.22	-		
		Investment at year end	-	75.00		
		Provision for diminution in value of investment at year end	-	75.00		
Mahanagar Gas Limited	Under Common Control	Sale of material	0.01	5.04		



Name of the Related Party	Nature of Relationship	Nature of Transaction	(Rs. in million)	
			Year ended 31-12-2012	Year ended 31-12-2011
BG India Energy Solutions Private Limited	Under Common Control	Purchase of Natural Gas (Net of VAT)	15,680.09	10,819.00
		Amount payable at the year end	465.10	772.90
BG Exploration and Production India Limited	Under Common Control	Income:		
		Service charges for secondment of employees	0.69	14.67
		Reimbursement of expenses (Received)	0.59	2.46
		Expenses:		
		Legal and Professional	54.99	82.35
		Reimbursement of expenses (Paid)	5.43	8.59
		Amount payable at the year end	38.18	64.51
Shaleen Sharma (upto 30 June, 2012)	Key Management Personnel	Remuneration as Managing Director	9.56	17.00
Sugata Sircar (From 1 July, 2012)	Key Management Personnel	Remuneration as Managing Director	6.93	-
Gujarat Gas Company Limited Employee Stock Option Welfare Trust	Enterprise Controlled by the Company	Amount Received for option exercise [Excluding adjustment of Rs. 64.18 million (Previous year Rs. 27.45 million) on account of exercise of option during the year]	110.82	13.15
		Amount receivable at the year end	127.42	302.42
Gujarat Gas Company Limited Employees Gratuity Trust Fund	Enterprise Controlled by the Company	Contribution paid	21.31	11.58

Note:

- a) Gujarat Gas Financial Services Limited and Gujaratgas Trading Company Limited have been using the ERP software packages implemented by Gujarat Gas Company Limited being "SAP" and "Gas Distribution and Billing System" since August 2003 and August 2004 respectively without payment of any consideration.
- b) The above do not include BG North Sea Holdings Ltd and BG Energy Holdings Ltd, who are holding company of BG Asia Pacific Holdings Pte Ltd, but with whom no transaction have occurred during the year.

**GUJARAT GAS COMPANY LIMITED****(30) Assets Given on Lease**

Leasing operations of the Company mainly involves leasing of gas based generator sets under operating and finance lease arrangements.

i) Assets on finance lease:

Under finance lease arrangements, the lease agreements have been entered for a fixed period of 6 years, at the end of which the ownership of assets will be transferred to the lessee on payment of consideration specified in the Lease Agreements.

	Year ended 31-12-2012				Year ended 31-12-2011			
	Gross Investment in the lease	Unearned Finance Income	Taxes	Present Value of Minimum Lease Payments receivable	Gross Investment in the lease	Unearned Finance Income	Taxes	Present Value of Minimum Lease Payments receivable
Total	9.76	0.81	0.10	8.85	39.35	4.27	1.06	34.02
Out of the above, receivable:								
Not later than 1 year	9.76			8.85	29.59			25.17
Later than 1 year and not later than 5 years	-			-	9.76			8.85
Later than 5 years	-			-	-			-

ii) Assets on operating lease:

The ownership of the gas based generator sets remains with the Company throughout the life of the generators. The lease agreements may typically range from 6 to 12 years, which are cancellable.



	Year ended 31-12-2012 Rs. in million	Year ended 31-12-2011 Rs. in million
(31) Payments to Auditors		
- Audit Fees	5.30	5.30
- Reimbursement of Expenses (Including Service Tax)	1.01	1.04
Total	6.31	6.34
(32) Value of Imports Calculated on C.I.F. Basis		
Capital Goods	-	5.75
Spare Parts	7.09	2.29
Total	7.09	8.04
(33) Earnings Per Share		
Net Profit after Tax (Rs. in million)	2,866.49	2,738.81
Less: Preference Dividend and Corporate Dividend Tax on Preference dividend (Rs. in million)	3.08	12.55
Net Profit attributable to Equity Shareholders (Rs. in million)	2,863.41	2,726.26
Weighted average number of equity shares outstanding during the year (No. in million)	128.25	128.25
Basic earnings per share of Rs. 2/- each (in Rs.)	22.33	21.26

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

	Year ended December 31, 2012		Year ended December 31, 2011	
	Percentage	Rs. in million	Percentage	Rs. in million
(34) Value of Imported & Indigenous Raw Material, Stores & spares and percentage thereof to the total consumption				
(a) Raw Materials - Natural Gas				
- Indigenous	100%	24,837.48	100%	18,396.78
(b) Stores and spares				
- Imported	3%	4.60	11%	1.41
- Indigenous	97%	151.91	89%	55.19
TOTAL	100%	156.51	100%	56.60
(35) Purchases, Production / Processed and Sales				
	Year ended December 31, 2012		Year ended December 31, 2011	
Natural Gas	Qty (in LSCM)	Rs. in million	Qty (in LSCM)	Rs. in million
Purchased / Processed	11,820.07	24,837.48	12,734.06	18,396.78
Sales*	11,573.83	30,669.09	12,457.08	23,819.09

* Excluding line loss and internal consumption of 246.24 LSCM (Previous year 276.98 LSCM)



(36) Expenditure in Foreign Currency	Year ended	Year ended
	December 31, 2012	December 31, 2011
	Rs. in million	Rs. in million
(i) Travelling Expenses	0.37	1.61
(ii) Subscription	0.28	0.37
(iii) Training	0.91	0.16
(iv) Legal & Professional	4.07	3.82
(v) Repairs	9.53	6.13
(vi) Telecommunication	1.46	1.53

(37) Dividends Proposed/Declared by the Company (excluding dividend distribution tax)

Particulars	Rs. Per share	Rs. in million	Period / Year ended
Equity			
- Proposed Final Dividend	-	-	December 31, 2012
	(12.00)	(1,539.00)	December 31, 2011
- Interim Dividend	7.00	897.75	September 25, 2012
	(10.00)	(1,282.50)	November 30, 2011
Preference Dividend	7.50%	2.65	December 31, 2012
	(7.50%)	(10.80)	December 31, 2011

Previous year figures are in brackets

Dividends remitted by the Company in foreign currency during the year

Particulars	Rs. in million	No. of Non Resident Shareholders	No. of Shares	Period/Year ended
Equity				
- Final Dividend	1,002.14	1	83,511,750	December 31, 2011
	(1,002.14)	(1)	(83,511,750)	December 31, 2010
- Interim Dividend	584.58	1	83,511,750	September 25, 2012
	(835.12)	(1)	(83,511,750)	November 30, 2011
Preference Dividend	10.80	1	14,400,000	December 31, 2011
	(10.80)	(1)	(14,400,000)	December 31, 2010

Previous year figures are in brackets

- (38) The provision for income tax has been calculated based on income earned during the year ended December 31, 2012. However the tax year end of the Company being March 31, 2013 the ultimate liability for the Assessment Year 2013-14 will be determined based on the total income of the Company for the year ending March 31, 2013. The provision for wealth tax has been made based on the net wealth as on December 31, 2012. However the ultimate liability for the Assessment Year 2013-14 will be determined based on the net wealth as on March 31, 2013.

**(39) Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under :**

Particulars	(Rs. in million)	
	Year ended December 31, 2012	Year ended December 31, 2011
Principal amount remaining unpaid as at the end of accounting year [including Interest due thereon - Nil (Previous year - Nil)]	2.58	14.83
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid at the end of accounting year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

(40) The amount of foreign currency expense payables that are not hedged by a derivative instrument as on December 31, 2012 are as under

Particulars	As at December	As at December
	31, 2012	31, 2011
Value (in Rs. million)	0.01	2.48
	(Includes EURO 565)	(Includes USD 31,980 and EURO 11,001)

(41) The financial statements for the year ended 31 December, 2011 had been prepared as per the then applicable Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 December, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for presentation of previous year figures does not impact recognition and measurement principles followed for preparation of financial statements

For Price Waterhouse

Firm Registration Number – 301112E
Chartered Accountants

Subramanian Vivek

Partner
Membership No. 100332

Place: Ahmedabad
Date: February 21, 2013

For and on behalf of the Board

Hasmukh Shah Chairman
Sugata Sircar Managing Director

Jal Patel Director
Nitesh Bhandari Financial Controller
Rajeshwari Sharma Company Secretary

Place: Ahmedabad
Date: February 21, 2013



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY**

Name of the subsidiary	Gujaratgas Trading Company Ltd.
1. The financial year of the Subsidiary Company ended on	31st December 2012
2. (a) No. of Equity Shares held by Gujarat Gas Company Limited in the subsidiary as on 31st December, 2012 (b) Extent of interest of Gujarat Gas Company Limited in the capital of the subsidiary	9,000 Equity Shares of Rs. 100 each fully paid up (Previous year 9,000) 100% (Previous year 100%)
3. Net Aggregate amount of profits of the subsidiary so far as it concerns the members of Gujarat Gas Company Ltd., and is not dealt with in the Company's accounts (a) Profit / (Loss) for the financial year ended on 31st December, 2012 of the subsidiary. (b) Profit / (Loss) for the previous financial years of the subsidiary since it became subsidiary of Gujarat Gas Company Limited.	Rs. 10.00 million (Previous year Rs. 9.91 million) Rs. 122.93 million (Previous year Rs. 113.02 million)
4. Net Aggregate amount of Profit / (Loss) of the subsidiary so far as dealt with or provision is made for those Profit / (Loss) in Gujarat Gas Company Limited's accounts. (a) For the subsidiary's Financial year ended on 31st December, 2012 (b) For its previous financial years since it became the subsidiary of Gujarat Gas Company Limited	Nil (Previous year Nil) Rs. 137.50 million (Previous year Rs. 137.50 million)

For and on behalf of the Board

HASMUKH SHAH
Chairman

SUGATA SIRCAR
Managing Director

Place : Ahmedabad
Date : February 21, 2013

JAL PATEL
Director

NITESH BHANDARI
Financial Controller

RAJESHWARI SHARMA
Company Secretary

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,
1956 RELATING TO SUBSIDIARY COMPANY**

Name of the subsidiary	Gujarat Gas Financial Services Ltd.
1. The financial year of the Subsidiary Company ended on	31st December 2012
2. (a) No. of Equity Shares held by Gujarat Gas Company Limited in the subsidiary as on 31st December, 2012 (b) Extent of interest of Gujarat Gas Company Limited in the capital of the subsidiary	13,97,500 Equity Shares of Rs. 10/- each fully paid up (Previous year 13,97,500) 69.88% (Previous year 69.88%)
3. Net Aggregate amount of profits of the subsidiary so far as it concerns the members of Gujarat Gas Company Ltd., and is not dealt with in the Company's accounts (a) Profit for the financial year ended on 31st December, 2012 of the subsidiary. (b) Profit for the previous financial years of the subsidiary since it became subsidiary of Gujarat Gas Company Limited.	Rs. 44.71 million (Previous year Rs. 30.60 million) Rs.164.01 million (Previous year Rs. 137.60 million)
4. Net Aggregate amount of Profit/Losses of the subsidiary so far as dealt with or provision is made for those profits / losses in Gujarat Gas Company Limited's accounts. (a) For the subsidiary's Financial year ended on 31st December, 2012 (b) For its previous financial years since it became the subsidiary of Gujarat Gas Company Ltd.	Rs. 4.19 million (Previous year Rs. 2.80 million) Rs. 71.13 million (Previous year Rs. 66.94 million)

For and on behalf of the Board**HASMUKH SHAH**
Chairman**SUGATA SIRCAR**
Managing DirectorPlace : Ahmedabad
Date : February 21, 2013**JAL PATEL**
Director**NITESH BHANDARI**
Financial Controller**RAJESHWARI SHARMA**
Company Secretary



**GUJARATGAS TRADING COMPANY LIMITED
DIRECTORS' REPORT**

DEAR SHAREHOLDERS

Your Directors are glad in presenting the 32nd Annual Report together with the audited accounts of Gujaratgas Trading Company Limited for the year ended on 31 December 2012.

FINANCIAL RESULTS

Particulars	(Rs. in Lac)	
	Current year ended on 31.12.2012	Previous year ended on 31.12.2011
Total income	11,635.70	13,363.77
Profit before tax	100.18	99.89
Tax (Current)	0.15	0.76
Profit after tax	100.03	99.13
Add: Profit brought forward from previous year	962.66	863.53
Profit available for appropriation	1062.69	962.66
Transfer to general reserve	-	-
Proposed dividend	-	-
Corporate dividend tax	-	-
Surplus retained	1062.69	962.66

DIVIDEND

Your directors do not recommend any dividend for the year under review.

CHANGE IN THE CONTROL OF GUJARATGAS COMPANY LIMITED (GGCL), THE PROMOTER.

GSPC Distribution Networks Limited (GDNL) entered into a Share Purchase Agreement, dated 3 October 2012, (SPA) with BG Asia Pacific Holdings Pte Limited (BGAPH), the erstwhile promoter of GGCL and BG Energy Holdings Limited, the holding company of BGAPH, and acting as the guarantor for the BGAPH's obligations under the SPA, for acquisition of 83,518,750 Equity Shares constituting 65.12% of the paid up Equity Share capital of GGCL, for a purchase amount not exceeding Rs. 24,638,031,250/- (Rupees Twenty Four Billion Six Hundred Thirty Eight Million Thirty One Thousand and Two Hundred and Fifty only).

In compliance with Regulations 3(1) and 4 of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, (SAST Regulations), a mandatory Open Offer was made by GDNL along with Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Petronet Limited (GSPL) and GSPC Gas Company Limited (GSPC GAS) to acquire at the price of Rs. 314.17/- per equity share, up to 33,345,000 equity shares representing 26% of equity shares from the shareholders of GGCL, as a result of an agreement for a direct substantial acquisition of Equity Shares and voting rights, accompanied with a change in control of GGCL pursuant to the SPA.

The said Open Offer had opened on 30 January 2013 and closed on 12 February 2013. GDNL acquired 11,000,330 (8.58%) equity shares of Rs. 2/- each on 12 March 2013, in the Open Offer. GDNL completed the acquisition of 83,518,750 (65.12%) equity shares of Rs. 2/- each from BGAPH as per the SPA and BGAPH had transferred these Equity Shares to GDNL. As a result of these acquisitions, GDNL has substituted BGAPH as the promoter of GGCL and has taken over the control of GGCL.

OPERATIONS

Your Company, the wholly-owned subsidiary of Gujarat Gas Company Limited is engaged in the business of selling natural gas. During the year under review, your Company achieved sales of Rs. 11,536.57 lacs as against Rs. 13,266.53 lacs during the previous year. The total income for the year was Rs. 11,635.70 lacs including other income of Rs. 99.13 lacs as against total income of Rs. 13,363.77 lacs including other income of Rs. 97.24 lacs in the previous year. The Profit before tax (PBT) was Rs. 100.18 lacs during the year as against Rs. 99.89 lacs in the previous year.

STATUTORY INFORMATION

Energy, Technology and Foreign Exchange

The particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not required to be reported as your Company is a trading company. During the year under review, there were no foreign exchange earnings whereas foreign exchange outgo was to the extent of Rs. 174.13 lacs.

**Particulars of Employees**

Since no employee of the Company, whether employed throughout the year or any part thereof, is in receipt of remuneration exceeding the limits prescribed under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, no particulars are being provided thereunder.

Fixed Deposits

During the year under review, your Company has not invited any fixed deposits within the meaning of Section 58A of the Companies Act, 1956.

Directors' Responsibility Statement

Your directors hereby state

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31 December 2012 and of the profit of the company for the year ended on that date;
- iii. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the directors have prepared the annual accounts on a going concern basis.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

AUDITORS

GDNL has substituted BGAPH as the promoter of GGCL and has taken over the control of GGCL. Consequently, your Company has become a Government company and the Statutory Auditors will be appointed by the Comptroller and Auditor General of India. The Shareholders are requested to fix their remuneration.

DIRECTORS

Mr. Shaleen Sharma and Mr. Manu Verma resigned as Directors of the Company. Mr. Tapan Ray, IAS has been appointed as an Additional Directors of the Company.

Mr. Sugata Sircar retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment. Your directors recommend his re-appointment.

APPRECIATION

Your directors hereby place on record their appreciation for the support received from the customers, the Central and State Governments and its bankers.

Your directors are grateful to the promoter viz. Gujarat Gas Company Limited and BG Group for their valuable contribution throughout the year and also thank the shareholders for their support to the Company.

For and on behalf of the Board

Tapan Ray, IAS
Chairman

Date: 09 July 2013

Place: Ahmedabad

**AUDITORS' REPORT TO THE MEMBERS OF GUJARATGAS TRADING COMPANY LIMITED**

1. We have audited the attached Balance Sheet of GujaratGas Trading Company Limited (the "Company") as at December 31, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the Directors, as on December 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse

Firm Registration Number 012754N
Chartered Accountants

Subramanian Vivek

Partner
Membership Number 100332

Place: Ahmedabad
Date: February 21, 2013

**ANNEXURE TO AUDITOR'S REPORT**

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Gujaratgas Trading Company Limited on the financial statements as of and for the year ended December 31, 2012]

- i. The Company does not hold any fixed assets during the year ended December 31, 2012. Therefore, the provisions of Clause 4(i) of the Order are not applicable to the Company.
- ii. The Company does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted / taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) [(b), (c) and (d) / (f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at December 31, 2012 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and interest thereon	5,497,600	Assessment Year 2007-08	Commissioner of Income Tax (Appeal)
		7,631,900	Assessment Year 2008-09	Commissioner of Income Tax (Appeal)
		2,618,227	Assessment Year 2009-10	Commissioner of Income Tax (Appeal)

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.



- xiii. As the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse

Firm Registration Number 012754N
Chartered Accountants

Subramanian Vivek

Partner
Membership Number 100332

Place: Ahmedabad
Date: February 21, 2013

GUJARATGAS TRADING COMPANY LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2012

	Note	As at 31-12-2012 Rs. in thousand	As at 31-12-2011 Rs. in thousand
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	900	900
Reserves and Surplus	4	132,919	122,916
		<u>133,819</u>	<u>123,816</u>
Non-current Liabilities			
Other Long-term Liabilities		12,325	12,325
Current liabilities			
Trade Payables	5	92,919	124,256
Other Current Liabilities	6	4,785	9,800
Short-term Provisions	7	14,753	16,431
		<u>112,457</u>	<u>150,487</u>
Total		<u><u>258,601</u></u>	<u><u>286,628</u></u>
ASSETS			
Non-current Assets			
Long-term Loans and Advances	8	12,325	12,325
Current assets			
Current Investments	9	148,705	123,915
Trade Receivables	10	93,350	133,338
Cash and Cash Equivalents	11	3,883	16,712
Short-term Loans and Advance		338	338
Other Current Assets		-	-
		<u>246,276</u>	<u>274,303</u>
Total		<u><u>258,601</u></u>	<u><u>286,628</u></u>

This is the Balance Sheet referred to in our report of even date.

The accompanying notes form an integral part of these financial statements.

For Price Waterhouse

Firm Registration Number – 012754N
Chartered Accountants

For and on behalf of the Board

Subramanian Vivek
Partner
Membership No. 100332

Sugata Sircar
Chairman

Manu Verma
Director

Place: Ahmedabad
Date: February 21, 2013

Place: Ahmedabad
Date: February 21, 2013



GUJARATGAS TRADING COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2012

	Note	Year ended 31-12-2012 Rs. in thousand	Year ended 31-12-2011 Rs. in thousand
Income			
Revenue from Operations		1,153,657	1,326,653
Other Income	13	9,913	9,724
Total Revenue		1,163,570	1,336,377
Expenses			
Material Consumed/Processed		1,152,629	1,325,283
Other Expenses	14	923	1,105
Total Expenses		1,153,552	1,326,388
Profit Before Tax		10,018	9,989
Tax Expenses			
Current Tax		15	76
Profit for the year		10,003	9,913
Earnings per equity share (EPS):			
Basic/Diluted Earning per Share of Rs. 100 each (in Rs.)	15	1,111.44	1,101.44

This is the Statement of Profit and Loss referred to in our report of even date.

The accompanying notes form an integral part of these financial statements.

For Price Waterhouse

Firm Registration Number - 012754N
Chartered Accountants

For and on behalf of the Board

Subramanian Vivek

Partner
Membership No. 100332

Sugata Sircar

Chairman

Manu Verma

Director

Place: Ahmedabad

Date: February 21, 2013

Place: Ahmedabad

Date: February 21, 2013



GUJARATGAS TRADING COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

	Year ended 31-12-2012 Rs. in thousand	Year ended 31-12-2011 Rs. in thousand
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Tax	10,018	9,989
Adjustments for:		
Profit on Sale of Investment (Net)	(5)	(2)
Dividend Income	(9,784)	(9,722)
Operating Profit before working capital changes	<u>229</u>	<u>265</u>
Adjustments for changes in working capital		
Increase / (Decrease) in Trade Payables	(31,337)	(17,741)
Increase / (Decrease) in other Current Liabilities	(5,015)	4,499
(Increase) / Decrease in Trade Receivable	39,988	(5,180)
(Increase) / Decrease in Short-term Loans and Advances	-	(89)
Cash generated from Operations	<u>3,865</u>	<u>(18,246)</u>
Taxes (Paid)/Refunded (net of TDS)	(1,693)	(6,534)
Net Cash from Operating Activities	<u>2,172</u>	<u>(24,780)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(55,285)	(43,660)
Sale of Investments	30,500	74,000
Dividends Received	9,784	9,722
Net Cash from Investing activities	<u>(15,001)</u>	<u>40,062</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(12,829)</u>	15,282
Cash and Cash Equivalents at the beginning of the year	<u>16,712</u>	<u>1,430</u>
Cash and Cash Equivalents at the end of the year	<u>3,883</u>	<u>16,712</u>
Cash and Cash Equivalents comprise		
Cash in Hand	2	2
Balances with Banks		
- In Current Accounts	3,881	16,710
Total Cash and Cash Equivalents at the end of the year	<u>3,883</u>	<u>16,712</u>

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse

Firm Registration Number - 012754N
Chartered Accountants

Subramanian Vivek

Partner
Membership No. 100332

Place: Ahmedabad

Date: February 21, 2013

For and on behalf of the Board

Sugata Sircar

Chairman

Manu Verma

Director

Place: Ahmedabad

Date: February 21, 2013



**GUJARATGAS TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS**

- (1) **General Information:**
Gujaratgas Trading Company Limited (“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 / or to the end customers.
- (2) **Summary of Significant Accounting Policies:**
- a) **Basis of Preparation**
These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.
- b) **Investments**
Investments that are readily realisable and are materially intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as Long-term investments. Current investments are carried at cost or fair value determined categorywise, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.
- c) **Foreign Currency Transactions**
Initial Recognition: On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
Subsequent Recognition: As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of monetary items are recognised in the Statement of Profit and Loss.
- d) **Revenue Recognition**
(i) Revenue on sale of natural gas is recognised on transfer of title to customers at delivery point. **(ii)** Commitment income from customers for gas sales is recognized on establishment of certainty of receipt of consideration. Delayed payment charges are recognized on establishment of certainty of receipt of consideration. **(iii)** Dividend income is recognized when the right to receive the dividend is established.
- e) **Earnings Per Share (EPS)**
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company’s earnings per share is the net profit for the period after deducting any preference dividends and any attributable distribution tax thereto for the period. The weighted average number of equity shares outstanding during the respective periods is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.
- f) **Taxation**
Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred tax reflects the impact of timing differences between taxable income and accounting income originating during the year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against the current tax liabilities.
- g) **Provisions and Contingencies**
Provisions: Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.
Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.
- h) **Segment Reporting**
The Company operates in a single segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. Hence, disclosures required as per Accounting Standard-17 on Segment Reporting are not applicable to the Company.
- i) **Cash and Cash Equivalents**
In the Cash Flow Statement, cash and cash equivalents represents cash in hand and demand deposits with bank.



GUJARATGAS TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-12-2012	As at 31-12-2011
(3) Share Capital:		
a) Authorized Equity Share Capital		
Number of shares of Rs. 100 each	10,000	10,000
Rs. in Thousand	1,000	1,000
b) Equity Share Capital-shares issued, subscribed and paid up		
Number of shares of Rs. 100 each	9,000	9,000
Rs. in Thousand	900	900
<p>The company has only one class of Equity shares. Each equity shareholder is eligible for one vote per share held. The company does not have share application money pending allotment. The dividend proposed by the Board of Directors is subject to shareholders' approval in the ensuing Annual General Meeting.</p>		
c) Particulars of Movement in Equity Shares		
Shares outstanding at the beginning of the year	9,000	9,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	9,000	9,000
d) Shareholder holding more than 5% equity shares		
Name of the shareholder	No. of shares held	No. of shares held
	% of shareholding	% of shareholding
Gujarat Gas Company Limited and its nominees	9,000	9,000
	100%	100%
<p>BG Asia Pacific Holdings Pte. Limited is the holding company of Gujarat Gas Company Limited, the ultimate holding company being BG Group Plc.</p>		
e) The Company has not issued or bought back any equity shares during the past 5 years.		
(4) Reserves & Surplus:	As at	As at
	31-12-2012	31-12-2011
	Rs. in thousand	Rs. in thousand
a) General Reserve		
Balance as at the beginning of the year	26,650	26,650
Balance at the end of the year	26,650	26,650
b) Surplus in Statement of Profit & Loss		
Balance as at the beginning of the year	96,266	86,353
Add: Profit for the period	10,003	9,913
Balance at the end of the year	106,269	96,266
Total	132,919	122,916



GUJARATGAS TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-12-2012 Rs. in thousand	As at 31-12-2011 Rs. in thousand
(5) Trade Payables		
Dues to Micro, Small and Medium Enterprises	-	-
Other Creditors	92,919	124,256
Total	<u>92,919</u>	<u>124,256</u>
(6) Other Current Liabilities		
Payables to Non-trade creditors	4,686	176
Other Liabilities	99	9,624
Total	<u>4,785</u>	<u>9,800</u>
(7) Short-term Provisions		
Provision for Taxation	198,117	198,102
Less: Advance payment of Tax and Tax Deducted at Source	183,364	181,671
Total	<u>14,753</u>	<u>16,431</u>
<p>Provision for tax and advance tax include aggregate balance of Rs. 93,605 thousands (Previous year Rs. 93,590 thousands) and Rs. 1,00,934 thousands (Previous year Rs. 100,443 thousands) respectively for certain Assessment Years wherein the advance tax is higher than provision for tax. Considering that Assessing Officer adjusts the refund of one year with others, the same have not been presented on gross basis.</p>		
(8) Long-term Loans & Advances		
(Unsecured-Considered Good)		
Other Receivables	12,325	12,325
Total	<u>12,325</u>	<u>12,325</u>
(9) Current Investments		
(At cost or fair market value whichever is lower, determined category wise)		
Units of Mutual Funds (Unquoted)	148,705	123,915
Total	<u>148,705</u>	<u>123,915</u>
Aggregate Amount of Unquoted Investments	148,705	123,915

Details of Investments in Mutual Funds

Scheme	As at 31-12-2012		As at 31-12-2011	
	No. of units	Rs. in thousand	No. of units	Rs. in thousand
Reliance Liquidity Fund - Dividend	53,398	53,426	-	-
Birla SL Savings Fund - Dividend	555,955	55,634	606,095	60,651
HDFC Floating Rate Income Fund - Dividend	3,932,727	39,645	3,168,904	31,945
Reliance Money Manager Fund - Dividend	-	-	31,281	31,319
Total	4,542,080	148,705	3,806,280	123,915



**GUJARATGAS TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-12-2012 Rs. in thousand	As at 31-12-2011 Rs. in thousand
(10) Trade Receivables		
Unsecured - Considered Good		
- Exceeding Six Months	-	-
- Others (Receivable from Gujarat Gas Company Limited)	93,350	133,338
Total	93,350	133,338
(11) Cash & Cash Equivalents		
Cash on Hand	2	2
Bank Balance in Current Account	3,881	16,710
Total	3,883	16,712
(12) Contingent Liability		
Claims not acknowledged as debt		
Income Tax exposures of Rs. 17,881 thousand (Previous Year Rs. 17,881 thousand)		
(13) Other Income	Year ended 31-12-2012 Rs. in Thousand	Year ended 31-12-2011 Rs. in Thousand
Interest on Income Tax Refund	124	-
Dividend from Mutual Funds (Refer Note 2d (iii))	9,784	9,722
Profit on Sale of Current Investments	5	2
Total	9,913	9,724
(14) Operating and Other Expenses		
Rates and Taxes	8	3
Legal, Professional and Consultancy Expenses	578	760
Miscellaneous Expenses	337	342
Total	923	1,105
Payment to Auditors		
(Included in Legal, Professional and Consultancy Expenses)		
Audit fees	150	150
Reimbursement of Expenses (Including Service Tax)	35	29
Total	185	179
(15) Earnings per Share (EPS)	Year ended 31-12-2012	Year ended 31-12-2011
Net Profit/(Loss) attributable to Equity Shareholders (Rs. in thousand)	10,003	9,913
Weighted average number of equity shares (of Rs. 100 each) outstanding during the period (No. in thousand)	9	9
Basic EPS (in Rs.)	1,111.44	1,101.44

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted EPS of the Company remain the same.



GUJARATGAS TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(16) Related Party Transactions

The Company is controlled by Gujarat Gas Company Limited which is the beneficial owner of 100% shares. The ultimate parent of the Company is BG Group Plc.

The following transactions were carried out during the year in ordinary course of business:

Name of the related party	Nature of Relationship	Nature of Transactions	Year ended	Year ended
			31-12-2012	31-12-2011
			Rs. in thousand	Rs. in thousand
Gujarat Gas Company Limited	Holding Company	Expense :		
		Service charges paid (including service tax)	335	331
		Income :		
		Sale of Natural Gas	1,153,657	1,326,653
		Share capital held	900	900
BG Energy Holdings Limited	Under Common Control	Balance Receivable	93,350	133,338
		Commission on purchases* (refer Note c below)	4,276	3,758
		Commission on corporate guarantee given to supplier * (refer Note c below)	1,392	1,215
		Balance Payable	4,585	3,693

*Included in gas purchases

Note:

- The Company is using the "SAP" ERP software packages, implemented by Gujarat Gas Company Limited, since August 2003, without payment of any consideration.
- In addition to the transactions with related parties given in the table above, BG Asia Pacific Holdings Pte. Limited and BG North Sea Holdings Limited are holding company of Gujarat Gas Company Limited but with whom no transaction have occurred during the year.
- Commission to BG Energy Holdings Limited is payable on performance guarantee issued on behalf of Gujaratgas Trading Company Limited.
- There are no transactions between the Company and Sugata Sircar, the Chairman of the Company who is also the Managing Director of the holding company Gujarat Gas Company Limited.

(17) Purchase and Sale of Natural Gas

Product	Purchases		Sales	
	Qty in LSCM	Rs. in thousand	Qty in LSCM	Rs. in thousand
Natural Gas	1,030.14	1,152,629	1,030.14	1,153,657
	(1,370.32)	(1,325,283)	(1,370.32)	(1,326,653)

Previous year figures are in brackets

(18) Expenditure in Foreign Currency

	Year ended	Year ended
	31-12-2012	31-12-2011
	Rs. in thousand	Rs. in thousand
Material consumed / processed	1,152,629	1,325,283

(19) The amount of foreign currency payable that are not hedged by a derivative instrument as on 31 December 2012

	As at	As at
	31-12-2012	31-12-2011
Value (in Rs. thousand)	92,919	130,060
	(includes USD 1,696 thousand)	(includes USD 2,442 thousand)

**GUJARATGAS TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS**

- (20) The provision for income tax has been calculated based on income earned during the year ended December 31, 2012. However the tax year end of the Company being March 31, 2013, the ultimate liability for the Assessment Year 2013-14 will be determined based on the total income of the Company for the year ending March 31, 2013.
- (21) The financial statements for the year ended 31 December 2011 had been prepared as per the then applicable Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 December 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for presentation of previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.
-

For Price Waterhouse

Firm Registration Number - 012754N
Chartered Accountants

Subramanian Vivek

Partner
Membership No. 100332

Place: Ahmedabad
Date: February 21, 2013

For and on behalf of the Board

Sugata Sircar
Chairman

Manu Verma
Director

Place: Ahmedabad
Date: February 21, 2013



**GUJARAT GAS FINANCIAL SERVICES LIMITED
DIRECTORS' REPORT**

DEAR SHAREHOLDERS

Your Directors have pleasure in presenting the Nineteenth Directors' Report together with the audited annual accounts for the year ending on 31 December 2012.

FINANCIAL PERFORMANCE

(Rs. in thousands)

Particulars	2012	2011
Net Income	101,212	78,292
Operating expenditure	(6436)	(9304)
Profits before depreciation, interest, and tax	94,776	68,988
Less:		
Depreciation	-	(51)
Interest	-	-
Profit before Tax	94,776	68,937
Less:		
Provision for Tax - current and deferred	(30,793)	(24,189)
Profit after Tax	63,983	44,748
Add: Surplus of earlier years	123,427	90,111
Amount available for appropriations	187,410	134,859
Appropriations:		
Transfer to General Reserve	6399	4475
Dividend	6000	6000
Dividend Distribution Tax Surplus	973	957
	174,038	123,427

During the year under review, the net income was Rs. 101.21 million as compared to Rs. 78.29 million in the year 2011 and the profit after tax was Rs. 63.98 million as compared to Rs. 44.75 million for the previous year.

DIVIDEND

In view of the overall performance and financial position of the Company, Directors are pleased to recommend payment of dividend at the rate of 30% i.e. Rs. 3/- per share on fully paid equity shares of Rs. 10 each. The proposed dividend will involve total payout of Rs.6.97 million inclusive of dividend distribution tax of Rs. 0.97 million.

APPROPRIATIONS

A sum of Rs. 6.40 million (previous year Rs. 4.48 million) is proposed to be transferred to General Reserve.

CHANGE IN THE CONTROL OF GUJARAT GAS COMPANY LIMITED (GGCL), THE PROMOTER.

GSPC Distribution Networks Limited (GDNL) entered into a Share Purchase Agreement, dated 3 October 2012, (SPA) with BG Asia Pacific Holdings Pte Limited (BGAPH), the erstwhile promoter of GGCL and BG Energy Holdings Limited, the holding company of BGAPH, and acting as the guarantor for the BGAPH's obligations under the SPA, for acquisition of 83,518,750 Equity Shares constituting 65.12% of the paid up Equity Share capital of GGCL, for a purchase amount not exceeding Rs. 24,638,031,250/- (Rupees Twenty Four Billion Six Hundred Thirty Eight Million Thirty One Thousand and Two Hundred and Fifty only).

In compliance with Regulations 3(1) and 4 of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, (SAST Regulations), a mandatory Open Offer was made by GDNL along with Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Petronet Limited (GSPL) and GSPC Gas Company Limited (GSPC GAS) to acquire at the price of Rs. 314.17/- per equity share, up to 33,345,000 equity shares representing 26% of equity shares from the shareholders of GGCL, as a result of an agreement for a direct substantial acquisition of Equity Shares and voting rights, accompanied with a change in control of GGCL pursuant to the SPA.



The said Open Offer had opened on 30 January 2013 and closed on 12 February 2013. GDNL acquired 11,000,330 (8.58%) equity shares of Rs. 2/- each on 12 March 2013, in the Open Offer. GDNL completed the acquisition of 83,518,750 (65.12%) equity shares of Rs. 2/- each from BGAPH as per the SPA and BGAPH had transferred these Equity Shares to GDNL. As a result of these acquisitions, GDNL has substituted BGAPH as the promoter of GGCL and has taken over the control of GGCL.

DISCUSSION ON OPERATIONS

Business

Your Company carried out the job of installing gas connections for domestic customers of GGCL and commercial customers of the Company.

Investments

During the year, the Company maintained its investments in bank deposits. The total portfolio of investment in bank deposits was Rs. 101.00 million, as on 31 December 2012.

HEALTH, SAFETY, SECURITY & ENVIRONMENT (HSS&E)

The HSS&E policies are being strictly implemented and progress is monitored on a continual basis. Employees were provided training in behavior based safety and safety interventions. The employees were encouraged to report hazards and "near misses".

FINANCE AND INSURANCE

- Your Company remains a zero debt company.
- The Company's office assets, stocks, risks are adequately insured.

HUMAN RESOURCES

The number of employees as on 31 December 2012 were four.

STATUTORY INFORMATION

- There are no employees, whether employed throughout the year or any part thereof, in receipt of remuneration exceeding the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.
- Since the Company is not a schedule industry details in respect of conservation of energy, technology absorption is not required to be furnished.
- During the period, there were no foreign exchange earnings whereas the foreign exchange outgo was to the extent of Rs. 24.76 million. Information pursuant to Part II of Schedule VI of the Companies Act, 1956, has been given in the notes to the accounts.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217 (2AA) of the Companies Act, 1956, your Directors hereby state that:

1. In the preparation of the annual accounts for year 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year 2012 and of the profit or loss of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 (as amended), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

AUDITORS REPORT

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

AUDITORS

GDNL has substituted BGAPH as the promoter of GGCL and has taken over the control of GGCL. Consequently, your Company has become a Government company and the Statutory Auditors will be appointed by the Comptroller and Auditor General of India. The Shareholders are requested to fix their remuneration.

**DIRECTORS**

Mr. Shaleen Sharma, Mr. Sadhan Banerjee and Mr. Manu Verma resigned as Directors of the Company. Mr. Tapan Ray, IAS and Mr. PPG Sarma have been appointed as Additional Directors of the Company.

Mr. Sugata Sircar retires by rotation at the ensuing Annual General Meeting. Being eligible, he offered himself for re-appointment.

APPRECIATION

Your Directors wish to express their sincere appreciation to all their valuable customers for their continuing association with the Company. Your Directors express their gratitude to their promoter, Gujarat Gas Company Limited for its valuable contribution throughout the year. Your Directors also thank the shareholders for their continuing support to the Company. Your Directors express their appreciation of efforts put in by all employees of the Company and also wish to thank Government agencies for extending support to the Company's business.

For & on behalf of the Board

Tapan Ray, IAS
Chairman

Place: Gandhinagar
Date: 09 July 2013

**AUDITORS' REPORT TO THE MEMBERS OF
GUJARAT GAS FINANCIAL SERVICES LIMITED**

1. We have audited the attached Balance Sheet of Gujarat Gas Financial Services Limited (the "Company") as at December 31, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the Directors, as on December 31, 2012 and taken on record by the Board of Directors, none of the Directors are disqualified as on December 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at December 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Subramanian Vivek

Partner
Membership Number 100332

Place: Ahmedabad
Date: February 21, 2013

**ANNEXURE TO AUDITORS' REPORT**

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Gujarat Gas Financial Services Limited on the financial statements as of and for the year ended December 31, 2012]

- i. The Company does not hold any fixed assets during the year ended December 31, 2012. Therefore, the provisions of Clause 4 (l) of the Order are not applicable to the Company.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted / taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4 (iii) [(b), (c) and (d) / (f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. The Central Government of India has not prescribed the maintenance of cost records under Clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax as at December 31, 2012 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and Interest thereon	1,938,254	Assessment Year 1996-97	Assessing Officer

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.



- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Subramanian Vivek

Partner

Place: Ahmedabad

GUJARAT GAS FINANCIAL SERVICES LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2012

	Note	As at December 31, 2012 Rs. in thousand	As at December 31, 2011 Rs. in thousand
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	20,000	20,000
Reserves and Surplus	4	283,982	226,972
Current Liabilities			
Trade Payables	5	14,890	8,487
Other Current Liabilities	6	26,059	47,230
Short-term Provisions	7	8,719	8,461
Total		353,650	311,150
ASSETS			
Non - current Assets			
Fixed Assets			
Tangible Assets	8	-	-
Non-current Investments	9	-	-
Deferred Tax Assets	10	72,391	81,981
Long-term Loans and Advances	11	225	64
Current Assets			
Inventories	12	63,911	81,033
Trade Receivables	13	32,369	66,376
Cash and Bank Balances	14	116,158	33,127
Short-term Loans and Advances	15	60,984	46,280
Other Current Assets	16	7,612	2,289
Total		353,650	311,150

The accompanying notes form an integral part of these financial statements

For Price Waterhouse

Firm Registration No.- 301112E
Chartered Accountants

Sugata Sircar
Director

Sadhan Banerjee
Director

Subramanian Vivek

Partner
Membership No. 100332

Chintan Trivedi
Company Secretary

Place: Ahmedabad
Date: February 21, 2013

Place: Ahmedabad
Date: February 19, 2013



GUJARAT GAS FINANCIAL SERVICES LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2012

	Note	Year ended December 31, 2012 Rs. in thousand	Year ended December 31, 2011 Rs. in thousand
INCOME			
Revenue from Operations	19	337,159	287,362
Other Income	20	11,828	12,955
Total Revenue		348,987	300,317
EXPENSES			
Installation Cost	21	247,775	222,025
Employee Benefits Expense	22	4,347	4,178
Depreciation	8	-	51
Other Expenses	23	2,089	5,126
Total Expenses		254,211	231,380
Profit before Tax		94,776	68,937
Tax Expenses:			
Current Tax		21,262	31,476
Income Tax Provision for earlier years written back		(59)	-
Deferred Tax		9,590	(7,287)
Profit for the Year		63,983	44,748
Earning per Equity Share (Nominal Value of Rs. 10/- each)	24		
a. Basic		31.99	22.37
b. Diluted		31.99	22.37

The accompanying notes form an integral part of these financial statements

For Price Waterhouse

Firm Registration No.- 301112E
Chartered Accountants

Sugata Sircar
Director

Sadhan Banerjee
Director

Subramanian Vivek

Partner
Membership No. 100332

Chintan Trivedi
Company Secretary

Place: Ahmedabad
Date: February 21, 2013

Place: Ahmedabad
Date: February 19, 2013



GUJARAT GAS FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

	Year ended December 31, 2012 Rs. in thousand	Year ended December 31, 2011 Rs. in thousand
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	94,776	68,937
Adjustments for:		
Depreciation	-	51
(Profit) / Loss on sale of fixed assets(Net)	-	245
Interest Income on Term Deposits	(6,216)	(2,520)
Provision for Gratuity and Leave encashment	258	344
Operating Profit Before Working Capital Changes	88,818	67,057
Adjustments for changes in working capital		
(Increase) / Decrease In Sundry Debtors	34,007	(32,621)
(Increase) / Decrease In Other Current Assets	(4,811)	(1,715)
(Increase) / Decrease In Long - Term Loans And Advances	(161)	(8,064)
(Increase) / Decrease In Short - Term Loans And Advances	18,624	169
(Increase) / Decrease In Inventories	17,122	2,002
Increase / (Decrease) In Trade Payables	6,403	4,632
Increase / (Decrease) In Other Current Liabilities	(21,404)	(14,394)
Cash generated from / (used in) Operations	138,598	17,066
Taxes Paid (Net of TDS)	(54,532)	(25,290)
Net Cash from / (used in) Operating Activities	84,066	(8,224)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income received on Term Deposits	5,704	2,256
Net Cash from Investing Activities	5,704	2,256
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid (including Corporate Dividend Tax)	(6,739)	(4,499)
Net Cash used in Financing Activities	(6,739)	(4,499)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	83,031	(10,467)
Cash & Cash Equivalents at the beginning of the year	33,127	43,594
Cash & Cash Equivalents at the end of the year	116,158	33,127
Closing Cash & Cash Equivalents Comprise of:		
Cash in Hand	20	20
Balance with Scheduled Banks		
- In Current Account	14,272	12,274
- In Dividend Account (Refer Note (b) below)	866	633
- In Demand Deposit	101,000	20,200
Total Cash & Cash Equivalents as per Cash Flow Statement	116,158	33,127

Notes to Cash Flow Statement:

- The above Cash Flows Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.
- Previous Year figures have been reclassified / regrouped wherever considered necessary to conform to the Current Year's figures.
- Figures in brackets indicate cash outflows.

This is the Cash Flow referred to in our report of even date.

For and on behalf of the Board

For Price WaterhouseFirm Registration No.- 301112E
Chartered Accountants**Sugata Sircar**
Director**Sadhan Banerjee**
Director**Subramanian Vivek**Partner
Membership No. 100332**Chintan Trivedi**
Company SecretaryPlace: Ahmedabad
Date: February 21, 2013Place: Ahmedabad
Date: February 19, 2013

**GUJARAT GAS FINANCIAL SERVICES LIMITED**

Notes To The Financial Statement

Note No. 1 - General Information

The Company is primarily engaged in the business of sale of gas connections in India to its holding company, Gujarat Gas Company and other commercial and non commercial customers within India.

Note No. 2 - Significant Accounting Policies**I Basis of Preparation of Financial Statements**

"These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956."

II Revenue Recognition

Revenue from installation of gas connection is recognised at the time of commissioning of gas connection at customer's premises. Sale revenue comprises material used and installation charges collected from customers.

III Other Income

- (a) Financial income includes interest income on term deposits. Interest income is accrued evenly over the period of the instrument.
- (b) Delayed payment charges are recognised on the basis of certainty of collection.

IV Tangible Assets and Depreciation**(a) Tangible Assets**

- (i) The Fixed Assets are stated at its acquisition or construction cost and any attributable cost of bringing the asset to its working condition for its intended use and net of accumulated depreciation.
- (ii) Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value. Any expected loss is recognised immediately in the Statement of Profit and Loss.
- (iii) Gains or losses arising from disposal/retirement of fixed assets, which are carried at cost, are recognised in the Statement of Profit and Loss.

(b) Depreciation

Depreciation is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 or over the estimated useful lives of the assets, whichever is higher. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

(c) Impairment

Assessment is done at each period end date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

V Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

VI Inventories

Traded goods comprises of meters, regulators and other spares and support items used for providing gas connections. Inventories are valued at lower of cost and net realisable value. Cost is determined on weighted average cost method.

**GUJARAT GAS FINANCIAL SERVICES LIMITED**

Notes To The Financial Statement

VII Foreign Currency Transactions**Initial Recognition**

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

Subsequent Recognition

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

VIII Employee Benefits**(a) Post-employment Benefit Plans****i. Defined Contribution Plan**

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

ii. Defined Benefit Plan

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(b) Long-term Employment Benefits

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

(c) Short-term Employment Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the services. Short term employee benefits also includes Compensated Absences, which are expected to be availed or encashed within 12 months from the end of the year.

IX Taxes on Income

Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax reflects the impact of timing differences between taxable income and accounting income originating during the year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available which such deferred tax assets can be realised. Deferred tax asset is recognized on carry forward losses (if any) under tax laws, only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. At each reporting date, the unrecognised deferred tax assets is reassessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

**GUJARAT GAS FINANCIAL SERVICES LIMITED**

Notes To The Financial Statement

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

X Provisions and Contingent Liabilities**Provisions:**

Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities:

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

XI Segment Reporting

The Company is primarily engaged in the business of sale of gas connections. Considering the nature of business, its mode of operations, reporting systems and element of risks and returns for its various activities, the company is engaged in one segment only. The Company is primarily operating in the domestic market and there are no reportable geographical segments. Accordingly, information relating to segmental reporting as per Accounting Standard 17 is not required to be furnished.

XII Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable distribution tax thereto for the period. The weighted average number of equity shares outstanding during the respective periods is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

XIII Cash and Cash Equivalents

In cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks.

XIV Finance Leases**As a Lessor**

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

Assets given on Lease before April 1, 2001:

In respect of assets leased before April 1, 2001, the Company follows the recommendation of the Institute of Chartered Accountants of India contained in the Guidance Note on Accounting for Leases. Accordingly lease rentals accounted as income on finance leases are adjusted by creating lease terminal adjustment account so as to recover the capital cost of the leased asset within the tenure of lease agreements or earlier as ascertained by the management.

Assets given on Lease on or after April 1, 2001 :

In respect of assets leased after April 1, 2001, the aggregate of minimum lease payments less unearned finance income is recognised as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance Income is recognized over the term of the lease using net investment method, which reflects a constant periodic rate of return. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.



GUJARAT GAS FINANCIAL SERVICES LIMITED

Notes To The Financial Statement

Note No. 3 - Share Capital

Particulars	As at December 31, 2012		As at December 31, 2011	
	Number	Rs. in thousand	Number	Rs. in thousand
Authorised				
Equity Shares of Rs.10/- each	7,000,000	70,000	7,000,000	70,000
Preference Shares of Rs.10/- each	5,000,000	50,000	5,000,000	50,000
	12,000,000	1,20,000	12,000,000	1,20,000
Issued, Subscribed and Paid up				
Equity Shares of Rs.10/- each fully paid up (Refer foot note (a) below)	2,000,000	20,000	2,000,000	20,000
Total	2,000,000	20,000	2,000,000	20,000

Footnote :

(a) Out of the above 13,97,500 Shares (Previous year 13,97,500 Shares) of Rs.10/- each are held by holding company- Gujarat Gas Company Limited. The Ultimate holding company being BG Group plc.

(b) Reconciliation of the number of shares-Equity Shares outstanding at the beginning and at the end of the reporting period:

Particulars	Equity Shares		Equity Shares	
	Year Ended		Year Ended	
	December 31, 2012		December 31, 2011	
	Number	Rs. in thousand	Number	Rs. in thousand
Shares Outstanding at the beginning of the year	2,000,000	20,000	2,000,000	20,000
Shares Issued during the year	-	-	-	-
Shares Bought Back during the year	-	-	-	-
Shares Outstanding at the end of the year	2,000,000	20,000	2,000,000	20,000

(c) Shareholder holding more than 5 percent shares:

Particulars	Equity Shares		Equity Shares	
	As at December 31, 2012		As at December 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gujarat Gas Company Limited	1,397,500	69.88%	1,397,500	69.88%

(d) Rights, preference and restriction attached to share:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in the proportion of their shareholding.

(e) No shares have been allotted by way of bonus issue or for consideration other than cash during the 5 years immediately preceding December 31, 2012. Further, the company has not bought back any shares during the 5 years preceding December 31, 2012.



GUJARAT GAS FINANCIAL SERVICES LIMITED

Notes To The Financial Statement

Note No. 4 - Reserves and Surplus

Particulars	As at	As at
	December 31, 2012	December 31, 2011
	Rs. in thousand	Rs. in thousand
(a) General Reserve		
Balance as at the beginning of the year	103,545	11,212
Add: Transferred from Profit & Loss Account	6,399	4,475
Add: Transferred from Special Reserve as required by RBI (Refer note below)	-	87,858
Balance as at the end of the year	109,944	103,545
(b) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	123,427	90,111
Add: Net Profit for the current year	63,983	44,748
Less: Appropriations		
Proposed Dividends	6,000	6,000
Corporate Dividend Tax	973	957
Transfer to General Reserves	6,399	4,475
Balance as at the end of the year	174,038	123,427
Total	283,982	226,972

Note: The Company had applied for de-registration as a Non Banking Financing Company with Reserve Bank of India (RBI), vide application dated June 8, 2010. The Company has ceased the leasing and financing activities since the year 2007. RBI approved the de-registration vide order dated April 28, 2011. Considering the provisions of NBFC are no longer applicable to the Company, the amount set aside as Special Reserve had been transferred to General Reserve of the Company in 2011.

Note No. 5 - Trade Payables

Particulars	As at	As at
	December 31, 2012	December 31, 2011
	Rs. in thousand	Rs. in thousand
Trade Payables		
Dues to Micro, Small and Medium Enterprises (Refer Note 31)	938	1,367
Dues to Others	13,952	7,120
Total	14,890	8,487

Note No. 6 - Other Current Liabilities

Particulars	As at	As at
	December 31, 2012	December 31, 2011
	Rs. in thousand	Rs. in thousand
Advances from customers	-	19,189
Employee Payable	1,101	1,054
Statutory Dues	2,666	3,798
Unpaid Dividend (Refer Note Below)	866	633
Other Payable	21,426	22,556
Total	26,059	47,230

Note: The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.

Note No. 7 - Short-term provisions

Particulars	As at	As at
	December 31, 2012	December 31, 2011
	Rs. in thousand	Rs. in thousand
Provision for Employee Benefits: (Refer Note 23)		
For leave encashment	482	478
For Gratuity	1,264	1,010
Other Provisions:		
Proposed Dividend (Including Corporate Dividend Tax)	6,973	6,973
Total	8,719	8,461



GUJARAT GAS FINANCIAL SERVICES LIMITED

Notes To The Financial Statement

GUJARAT GAS COMPANY LIMITED

Note No. 8 - Tangible Fixed Assets

Particulars	Gross Block		Depreciation		Net Block		Rs. in thousand
	As at January 1, 2012	As at December 31, 2012	As at January 1, 2012	For the year	As at December 31, 2012	As at December 31, 2012	
Assets given on Lease							
Plant and Equipment	575,875	575,875	439,287	-	439,287	136,588	136,588
	575,875	575,875	439,287	-	439,287	136,588	136,588
Less: Lease Equalisation Reserve	-	-	136,588	-	136,588	(136,588)	(136,588)
Net Tangible Assets	575,875	575,875	575,875	-	575,875	-	-
Grand Total	575,875	575,875	575,875	-	575,875	-	-
Previous Year	578,630	575,875	578,334	51	575,875	-	-

**GUJARAT GAS FINANCIAL SERVICES LIMITED**
Notes To The Financial Statement**Note No. 9 - Non-current Investments (At cost)**

Particulars	As at December 31, 2012	As at December 31, 2011
	Rs. in thousand	Rs. in thousand
Other Investments		
Unquoted, Fully Paid-up		
11,600 equity shares of Rs. 10/- each fully paid up (Previous Year 11,600 equity shares of Rs. 10/- each) in Prudential Sugar Corporation Limited (formerly Prudential Mouli Sugars Limited)	116	116
Less: Provision for diminution in value of investment	116	116
Total	-	-

Note No. 10 - Deferred Tax Assets

Major components of deferred tax assets arising on account of timing differences are:

Nature of Timing Differences	As at December 31, 2012	As at December 31, 2011
	Rs. in thousand	Rs. in thousand
Deferred Tax Asset:		
Balance as at the beginning of the year	81,981	74,694
Deferred tax expense / (income) for the year	(9,590)	7,287
Balance as at the end of the year	72,391	81,981
In respect of difference in book and tax depreciation	71,824	81,741
In respect of provision for retirement benefits	567	240
Net Deferred Tax Asset	72,391	81,981

Note No. 11 - Long - Term Loans and Advances

Particulars	As at December 31, 2012	As at December 31, 2011
	Rs. in thousand	Rs. in thousand
Unsecured, Considered Good		
Loan to Employees	225	64
Total	225	64

Note No. 12 - Inventories

Particulars	As at December 31, 2012	As at December 31, 2011
	Rs. in thousand	Rs. in thousand
Traded Goods	63,911	81,033
Total	63,911	81,033



GUJARAT GAS FINANCIAL SERVICES LIMITED

Notes To The Financial Statement

Note No. 13 - Trade Receivables

Particulars	As at December 31, 2012	As at December 31, 2011
	Rs. in thousand	Rs. in thousand
Unsecured, Considered Good		
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
Others (Receivable from Holding Company - Gujarat Gas Company Limited)	32,369	66,376
Total	32,369	66,376

Note No. 14 - Cash and Bank Balances

Particulars	As at December 31, 2012	As at December 31, 2011
	Rs. in thousand	Rs. in thousand
Cash & Cash Equivalents		
Cash on Hand	20	20
Bank Balances		
in current accounts	14,272	12,274
Demand deposits (Less than 3 months maturity)	101,000	20,200
Other Bank Balances		
Unpaid Dividend Accounts	866	633
Total	116,158	33,127

Note: The amounts in dividend accounts are not available for use by the company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date of declaration of the dividend.

Note No. 15 - Short-term Loans and Advances

Particulars	As at December 31, 2012	As at December 31, 2011
	Rs. in thousand	Rs. in thousand
Unsecured, Considered Good		
CENVAT Credit Receivable	616	528
Other Deposits	10,429	7,956
Loan to Employees	562	485
MAT Credit Entitlement	1,653	-
Advance Payment of Tax and Tax Deducted at Source	305,714	272,444
Less : Provision for Taxation	(257,990)	(235,133)
Total	60,984	46,280

Note: Provision for tax and advance tax include aggregate balance of Rs. 18,700 thousands (Previous year Rs. 45,579 thousands) and Rs.18,102 thousands (Previous Year Rs. 44,332 thousands) respectively for certain Assessment Years wherein the provision for tax is higher than advance tax. Considering that Assessing Officer adjusts the refund of one year with others, the same have not been presented on gross basis.

Note No. 16 - Other Current Assets

Particulars	As at December 31, 2012	As at December 31, 2011
	Rs. in thousand	Rs. in thousand
Unsecured, Considered Good		
Interest Accrued on Demand Deposits but not due	599	87
Prepayment to Vendors	6,580	2,174
Other Receivable	433	28
Total	7,612	2,289



GUJARAT GAS FINANCIAL SERVICES LIMITED

Notes To The Financial Statement

Note No 17 - Contingent Liabilities**Claims against the company not acknowledged as debt**

Income Tax exposures of Rs. 190,563 thousands (Previous Year Rs. 181,423 thousands)

Interest Tax exposures of Rs. 4,146 thousands (Previous Year Rs. 4,146 thousands)

Note No 18 - Proposed Dividend

	As at December 31, 2012	As at December 31, 2011
	Rs. in thousand	Rs. in thousand
The Final Dividend Proposed for the year is as follows:		
On Equity Shares of Rs. 10 each		
Amount of Dividend Proposed	6,000	6,000
Dividend per Equity Share	Rs. 3 per share	Rs. 3 per share
Total	6,000	6,000

Note No. 19 - Revenue from Operations

Particulars	Year ended December 31, 2012	Year ended December 31, 2011
	Rs. in thousand	Rs. in thousand
Traded Goods		
Sale of Gas Connections (Refer Note Below)	336,871	287,176
Sale of Services		
Processing Fees	288	186
Total	337,159	287,362

Note 1: A consolidated amount is charged for material used and Installation Services from the customers, hence separate disclosure regarding amount of sales for each category of material and installation income has not been given.

Note No. 20 - Other Income

Particulars	Year ended December 31, 2012	Year ended December 31, 2011
	Rs. in thousand	Rs. In Thousand
Interest Income		
Interest on Demand Deposits	6,216	2,520
Interest on Income Tax Refund	3,035	5
Other Non operating Income		
Recovery against balances written off in earlier years	-	8,336
Foreign Exchange Gain	-	5
Miscellaneous Income	2,577	2,089
Total	11,828	12,955

Note No. 21 - Installation Cost

Particulars	Year ended December 31, 2012	Year ended December 31, 2011
	Rs. in thousand	Rs. in thousand
Cost of Traded Goods	169,051	151,792
Labour Charges	76,211	64,560
Service Charges	2,513	5,673
Total	247,775	222,025



GUJARAT GAS FINANCIAL SERVICES LIMITED

Notes To The Financial Statement

Note No. 22 - Employee Benefits Expenses

Particulars	Year ended December 31, 2012	Year ended December 31, 2011
	Rs. in thousand	Rs. in thousand
Employee Benefit Expenses		
Salaries and Wages and Bonus	3,783	3,680
Employer's Contribution to provident and other funds	432	399
Staff Welfare Expenses	132	99
Total	4,347	4,178

Note No. 23 - Other Expenses

Particulars	Year ended December 31, 2012	Year ended December 31, 2011
	Rs. in thousand	Rs. in thousand
Payment to Auditors		
Audit Fees	350	350
Reimbursement of Expenses (including Service Tax)	82	62
Legal and Professional Fees	514	576
Travelling and Conveyance	21	23
Rates and Taxes	640	3,727
Loss on sale of Fixed Assets	-	245
Communication Expenses	28	30
Insurance Charges	160	6
Advertisement Expenses	3	3
Net loss on Foreign Currency Transaction	92	-
Miscellaneous Expenses	199	104
Total	2,089	5,126

Note No. 24 - Earnings Per Equity Share

Particulars	Unit	Year ended December 31, 2012	Year ended December 31, 2011
		Rs. in thousand	Rs. in thousand
Earnings Per Equity Share:			
Net Profit after Tax		63,983	44,748
Weighted average number of equity shares outstanding during the year	No. of shares	2,000,000	2,000,000
Nominal Value of Equity Shares	Rs.	10.00	10.00
Basic / Diluted Earnings per Share	Rs.	31.99	22.37

Note: The company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the company remain the same.



GUJARAT GAS FINANCIAL SERVICES LIMITED

Notes To The Financial Statement

Note No. 25 - Disclosure as per AS-15 (Revised) 'Employee Benefits' for year ended December 31, 2012

a) Disclosures for Defined Contribution Plans

(Rs. in thousand)

	Year ended December 31, 2012	Year ended December 31, 2011
Employer's Contribution to Provident Fund	178	159
Total	178	159

b) Disclosures for Defined Benefit Plans

(i) Present Value of Defined Benefit Obligation

(Rs. in thousand)

	Gratuity		Leave Encashment	
	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2012	Year ended December 31, 2011
Balance at the beginning of the year	1,010	770	468	364
Current Service Cost	68	57	271	20
Interest Cost	87	67	41	31
Actuarial (Gains) / Losses	99	116	(298)	53
Balance at the end of the year	1,264	1,010	482	468

(ii) Expense recognised in the Statement of Profit and Loss

(Rs. in thousand)

	Gratuity		Leave Encashment	
	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2012	Year ended December 31, 2011
Current Service Cost	68	57	271	20
Interest Cost	87	67	41	31
Actuarial (Gains) / Losses	99	116	(298)	53
Total Expense	254	240	14	104

(iii) Actuarial Assumptions

The principal actuarial assumptions used are as follows

Discount rate	8.16%	8.69%
Rate of increase in compensation levels (Refer Note below)	7.00%	7.00%

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



GUJARAT GAS FINANCIAL SERVICES LIMITED

Notes To The Financial Statement

(iv) Amounts recognised in current year and previous four years

	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010	Year ended December 31, 2009	Year ended December 31, 2008
Gratuity					
Present Value of defined benefit obligation as at beginning of the year	1,010	770	664	539	361
Current Service Cost	68	57	47	43	37
Interest Cost	87	67	56	44	27
Actuarial (Gains)/Loss	99	116	3	38	114
Present Value of defined benefit obligation as at end of the year	1,264	1,010	770	664	539
Leave Encashment					
Defined Benefit Obligation	468	364	309	330	244
Current Service Cost	271	20	20	11	27
Interest Cost	41	31	26	27	18
Actuarial (Gains)/Loss	(298)	53	9	(59)	41
Present Value of defined benefit obligation as at end of the year	482	468	364	309	330



GUJARAT GAS FINANCIAL SERVICES LIMITED

Notes To The Financial Statement

Note No. 26 - Related Party Disclosures

(a) Names of related parties and nature of relationship:

Holding Company: Gujarat Gas Company Limited

Fellow Subsidiary: Gujarat Gas Trading Company Limited

(b) Nature of Transaction

Particulars	Year ended December 31, 2012	Year ended December 31, 2011
	Rs. in thousand	Rs. in thousand
Transactions with Holding Company		
Revenue		
Sale of Gas Connections (including service tax and VAT)	354,050	295,392
Expenses		
Service Charges paid for Pre-regulatory Connections	2,513	5,673
Dividend Paid	4,193	2,795
Amount receivable at year end	32,369	66,376
Equity Share Capital held	13,975	13,975

Note: The Company is using the "SAP" ERP software packages implemented by Gujarat Gas Company Limited, since August 2003, without payment of any consideration.

Note No. 27 - CIF Value of Imports

Particulars	Year ended December 31, 2012	Year ended December 31, 2011
	Rs. in thousand	Rs. in thousand
Traded Goods	24,755	16,839
Total	24,755	16,839

Note No. 28

The provision for income tax has been calculated based on income earned during the year ended December 31, 2012. However, the tax year end of the company being March 31, 2013, the ultimate liability for the A.Y. 2013-14 will be determined on the total income of the company for the year ending March 31, 2013.

Note No. 29 - Details of Consumption and Purchases

Particulars	Year ended December 31, 2012	Year ended December 31, 2011
	Rs. in thousand	Rs. in thousand
Value of imported and indigenous materials consumed:		
Imported Traded Goods	24,755	16,839
Percentage of Total Consumption	15%	11%
Indigenous Traded Goods	144,296	134,953
Percentage of Total Consumption	85%	89%



GUJARAT GAS FINANCIAL SERVICES LIMITED

Notes To The Financial Statement

Note No. 30 - Quantitative information for each class of Traded Goods

Particulars	Year ended December 31, 2012			Year ended December 31, 2011		
	Qty. (Nos.)	Amount Rs. in thousand	Total Rs. in thousand	Qty. (Nos.)	Amount Rs. in thousand	Total Rs. in thousand
Opening Stock						
Meters	8,058	16,328		13,320	20,390	
Regulators	5,465	7,140		10,257	11,167	
Others (Refer Note below)		57,565	81,033		51,478	83,035
Purchases						
Meters	33,804	32,204		25,381	27,844	
Regulators	17,176	17,527		11,274	11,192	
Others (Refer Note below)		102,198	151,929		110,754	149,790
Cost of Traded Goods						
Meters	35,046	35,655		30,643	31,906	
Regulators	12,697	14,010		16,066	15,219	
Others (Refer Note below)		119,386	169,051		104,667	151,792
Closing Stock						
Meters	6,816	12,877		8,058	16,328	
Regulators	9,944	10,657		5,465	7,140	
Others (Refer Note below)		40,377	63,911		57,565	81,033

Note:

- (a) Other includes spares and support items for gas connection.
(b) Consolidated amount is charged for material used and installation services from the customers, hence separate disclosure regarding amount of sales for each category of material and installation income has not been given.



GUJARAT GAS FINANCIAL SERVICES LIMITED

Notes To The Financial Statement

Note No. 31 - Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	Year ended	Year ended
	December 31, 2012	December 31, 2011
	Rs. in thousand	Rs. in thousand
The principal amount remaining unpaid as at the end of accounting year [including Interest due thereon- 110 thousand (Previous Year- 110 thousand)]	1048	1477
Interest paid by the company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued & remaining unpaid at the end of accounting year (Refer Note below)	110	110
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

Note No. 32

The financial statements for the year ended 31st December, 2011 had been prepared as per the then applicable Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st December, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for presentation of previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

For Price Waterhouse

Firm Registration No.- 301112E
Chartered Accountants

Sugata Sircar
Director

Sadhan Banerjee
Director

Subramanian Vivek

Partner
Membership No. 100332

Chintan Trivedi
Company Secretary

Place: Ahmedabad
Date: February 21, 2013

Place: Ahmedabad
Date: February 19, 2013



GUJARAT GAS

GUJARAT GAS COMPANY LIMITED

Registered Office: 2, Shantisadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006

I/We..... of
 being member(s) of the Gujarat Gas Company Limited, hereby appoint of
or failing him of
 as my/our proxy to vote for me/us on my/our behalf at the THIRTY THIRD ANNUAL GENERAL MEETING of the Company to be held
 on Thursday, 22 August 2013 at 11.00 a.m. at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr.
 Vikram Sarabhai Marg, Vastrapur, Ahmedabad - 380 015 and at any adjournment thereof.

Signed at..... (place) this day of 2013.

DP ID. & Client ID / Membership Folio No.

No of shares held

Fifteenpaise
 Revenue
 Stamp

Important

1. Revenue Stamp of Fifteen paise is to be affixed on this form.
2. The Form should be signed across the stamp as per specimen signature registered with the Company.
3. The Companies Act, 1956 provides that an instrument appointing a proxy shall be deposited at the Registered Office of the Company, not less than FORTY EIGHT HOURS before the time fixed for holding the meeting.
4. A proxy need not be a member.



GUJARAT GAS

GUJARAT GAS COMPANY LIMITED

Registered Office: 2, Shantisadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006

To be handed over at the entrance of the Meeting Hall

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

I hereby record my presence at the THIRTY THIRD ANNUAL GENERAL MEETING of the company at 11.00 a.m. at H. T. Parekh
 Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad - 380 015 on
 Thursday, 22nd August 2013.

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



GUJARAT GAS

Gujarat Gas Company Limited

Regd. Office: 2 Shantisadan Society, Nr. Parimal Garden, Ellisbridge, Ahmedabad - 380 006.
Tel. +91-79-26462980, 26460095 | Fax: 26466249 | Website: www.gujaratgas.com



QUARTERLY CORPORATE GOVERNANCE REPORT

Quarter ended on: 31st March 2014

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
I. Board of Directors	491		
A. Composition of Board	49 (IA)	No	Refer Note:1
B. Non-executive Directors' compensation & disclosures	49 (IB)	Yes	The Non-Executive Directors are paid sitting fees. Mr. Pradip Khandwalla, Mr. Jal Patel and Mr. Ajit Kapadia, the Independent Directors were paid Commission for CY-2012.
C. Other provisions as to Board and Committees	49 (IC)	Yes	-
D. Code of Conduct	49 (ID)	Yes	Declaration affirming the compliance with the Code of Conduct for FY 2013-14 will be published in the Annual Report of FY 2013-14.
II. Audit Committee	49 (II)		
A. Qualified & Independent Audit Committee	49 (IIA)	Yes	-
B. Meeting of Audit Committee	49 (IIB)	Yes	-
C. Powers of Audit Committee	49 (IIC)	Yes	-
D. Role of Audit Committee	49 II(D)	Yes	-
E. Review of information by Audit Committee	49 (IIE)	Yes	-
III. Subsidiary Companies	49 (III)	Yes	-
IV. Disclosures	49 (IV)		
A. Basis of related party transactions	49 (IV A)	Yes	-



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B. Disclosure of Accounting Treatment	49 (IV B)	Yes	-
C. Board Disclosures	49 (IV C)	Yes	-
D. Proceeds from public issues, rights issues, preferential issues, etc.	49 (IV D)	N.A.	-
E. Remuneration of Directors	49 (IV E)	Yes	-
F. Management	49 (IV F)	Yes	-
G. Shareholders	49 (IV G)	Yes	Company has delegated powers of share transfers to the In Charge CEO up to 10,000 shares in a single folio. The delegation is adequate as the shares of the company are under compulsory demat trading for all investors. The share transfers are approved at least once in a fortnight.
V. CEO / CFO Certification	49 (V)	Yes	The CEO / CFO Certification for FY 2013-14 will be placed to the Board along with Annual Accounts of FY 2013-14. The Company has extended its current Financial Year to fifteen months and consequently the current FY is for the period from 1 st January 2013 to 31 st March 2014.
VI. Report on Corporate Governance	49 (VI)	Yes	-
VII. Compliance	49 (VII)	Yes	-

Note: 1



VII. Compliance	49 (VII)	Yes	-
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Note: 1

The composition of the Board of Directors of the Company has undergone a change, pursuant to the takeover of control of the Company on 12th June, 2013 by GSPC Distribution Network Limited from BG Asia Pacific Holdings Pte Limited. As on 31st March, 2014 the Board of Directors of the Company had seven Directors comprising of four Promoter Nominees on the Board of GGCL and three Independent Directors also continue on the Board.

In order to comply with Clause 49 of the Listing Agreement, the Company is required to appoint one Independent Director on the Board of Directors of the Company against the appointment of the Promoter Directors.

