150 YEARS OF CELEBRATING THE MAHATMA

GUJARAT GAS

GGL/SEC/935/2021

4th September, 2021

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

Sub: Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Notice of 9th Annual General Meeting (AGM) alongwith Annual Report of Gujarat Gas Limited for the Financial Year 2020 – 21.

Respected Sir/ Madam,

This is further to our Letter dated 26th August, 2021, wherein, the Company had informed that the 9th Annual General Meeting is scheduled to be held on **Tuesday, 28th September, 2021 at 12.00 P.M.** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

In terms of the requirement of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company including the Notice of AGM for the Financial Year 2020–21. The Company has sent the same today through electronic mode to the Members who have registered their E-Mail IDs with the Company's R&TA/Depository Participant.

The Notice of AGM along with the Annual Report for the Financial Year 2020 - 21 is also available on the website of the Company viz. www.gujaratgas.com. Further, the Notice of AGM will also be available on the website of Central Depository Services (India) Limited at www.evotingindia.com.

You are requested to kindly take the above information on record.

Thanking You.

For Gujarat Gas Limited

Sandeep Dave
Company Secretary

GUJARAT GAS LIMITED (A GSPC Group Company – Government of Gujarat Undertaking) (Formerly known as GSPC Distribution Networks Limited)
Corporate Office : 2, Shanti Sadan Society, Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006, Gujarat, India.
Tel.: +91-79-26462980, 26460095 **Fax :** +91-79-26466249
Registered Office : Gujarat Gas CNG Station, Sector-5/C, Gandhinagar - 382 006, Gujarat, India. Tel.: +91-79-23264777, 23264999
Website : www.gujaratgas.com, www.gspcgroup.com **CIN :** L40200GJ2012SGC069118

GUJARAT GAS

9th ANNUAL REPORT
2020-21

www.gujaratgas.com

GUJARAT GAS

GUJARAT GAS LIMITED

CIN: L40200GJ2012SGC069118

BOARD OF DIRECTORS

Shri Anil Mukim, IAS Chairman (w.e.f. 1st April, 2020)

Dr. Rajiv Kumar Gupta, IAS (w.e.f. 5th July, 2021)

Shri Milind Torawane, IAS (w.e.f. 10th August, 2017)

Shri K.D. Chatterjee (w.e.f. 21st April, 2015)

Shri Jal Patel (w.e.f. 21st April, 2015)

Dr. Manjula Subramaniam, IAS (Retd.) (w.e.f. 28th August, 2020)

Prof. Yogesh Singh (w.e.f. 15th August, 2021)

Shri Bhadresh Mehta (w.e.f. 15th August, 2021)

Shri Sanjeev Kumar, IAS, Managing Director (w.e.f. 18th December, 2019)

Smt. Sunaina Tomar, IAS (upto 5th July, 2021)

Prof. Piyush Kumar Sinha (upto 15th August, 2021)

Prof. Vishal Gupta (upto 15th August, 2021)

CHIEF FINANCIAL OFFICER

Mr. Nitesh Bhandari

COMPANY SECRETARY

Mr. Sandeep Dave

INTERNAL AUDITORS

Dalal & Shah Chartered Accountants LLP

SECRETARIAL AUDITORS

Manoj Hurkat & Associates

REGISTRAR & SHARE TRANSFER AGENT

M/S KFin Technologies Private Limited., Hyderabad

BANKERS & FINANCIAL INSTITUTION

Axis Bank

Bank of Baroda

Federal Bank

HDFC Bank

ICICI Bank

IDBI Bank

IndusInd Bank

Kotak Mahindra Bank

Punjab National Bank

RBL Bank

State Bank of India

Union Bank of India

Yes Bank

STATUTORY AUDITORS

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

COST AUDITORS

Ashish Bhavsar & Associates, Cost Accountants,
916, Shiromani Complex, Opp. Ocean Park, Nehrunagar, Satellite Road,
Ahmedabad - 380 015

REGISTERED OFFICE

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

CORPORATE OFFICE

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

9th ANNUAL REPORT 2020 – 21

GUJARAT GAS LIMITED

Registered Office: Gujarat Gas CNG Station, Sector 5/C, Gandhinagar – 382006, Gujarat
Tel: +91-79-26462980 Fax + 91-79-26466249
website: www.gujaratgas.com,
E-mail Id: Investors@GUJARATGAS.com
CIN: L40200GJ2012SGC069118

NOTICE OF 9TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 9th (Ninth) Annual General Meeting of the Members of Gujarat Gas Limited will be held on Tuesday, 28th September, 2021 at 12:00 Noon, through Video Conference ("VC') / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the Financial Year ended 31 st March, 2021 and the Reports of the Board of Directors together with the Reports of Statutory Auditors and Nil Comments of the Comptroller & Auditor General of India.
2. To declare Dividend on equity shares for the Financial Year 2020-21.
3. To re-appoint Shri. Milind Torawane, IAS, (DIN: 03632394), who retires by rotation and being eligible offers himself for re-appointment.
4. To authorise the Board of Directors of the Company to fix remuneration of Statutory Auditors of the Company for Financial Year 2021 -22, in terms of the provisions of Section 142 of Companies Act, 2013.

SPECIAL BUSINESS

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

   "RESOLVED THAT Dr. Rajiv Kumar Gupta, IAS, (DIN: 03575316) who was appointed as an Additional Director pursuant to provisions of Sections 149,152, 161 of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company till further orders by Government of Gujarat in this regard, who shall be liable to retire by rotation."

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

   RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, **Prof. Yogesh Singh,** (DIN:06600055) who was appointed as an Additional and Independent Director of the Company under Section 161 of the Companies Act, 2013 and who holds office till conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for the first term of 5 years w.e.f. 15th August 2021, subject to review of annual performance and whose term of office shall not be liable to retirement 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 pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, **Shri Bhadresh Mehta,** (DIN: 02625115) who was appointed as an Additional and Independent Director of the Company under Section 161 of the Companies Act, 2013 and who holds office till conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for the first term of 5 years w.e.f. 15th August 2021, subject to review of annual performance and whose term of office shall not be liable to retirement by rotation.

GUJARAT GAS LIMITED

Registered Office: Gujarat Gas CNG Station, Sector 5/C, Gandhinagar – 382006, Gujarat
Tel: +91-79-26462980 Fax + 91-79-26466249
website: www.gujaratgas.com,
E-mail Id: Investors@GUJARATGAS.com
CIN: L40200GJ2012SGC069118

NOTICE OF 9TH ANNUAL GENERAL MEETING

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

   "RESOLVED THAT pursuant to the provisions of the Section 148 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of M/s. Ashish Bhavsar & Associates, Cost Accountants, (firm registration No. 000387) the Cost Auditors of the Company, (whose appointment and remuneration has been recommended by the Audit Committee and approved by the Board of Directors), for conducting the audit of the cost records maintained by the Company for the Financial Year 2021-22, i.e. Rs. 1,30,000/- (Rupees One Lac Thirty Thousands only) + GST and out of pocket expenses, is hereby ratified.

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

By Order of the Board
For Gujarat Gas Limited

Sandeep Dave
Company Secretary

Date: 25th August, 2021
Place: Ahmedabad

Notes:

1. Considering the CoVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated 5th May, 2020 read together with Circulars dated 8th April, 2020 and 13th April, 2020 and Circular dated 13th January, 2021 (collectively referred as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular dated 12th May, 2020 and circular dated 15th January, 2021 (collectively referred to as "SEBI Circulars") permitted convening of the Annual General Meeting through Video Conferencing (VC) or Audio Visual Means (OVAM), without the physical presence of the members at the common venue. In Accordance with the MCA Circulars, provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be Registered Office of the Company. The Central Depository Services (India) Limited will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the Meeting through VC/OAVM is explained in later part of Notes.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. Since this AGM shall be conducted through VC/OAVM, the facility for appointment of proxy by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip including the Route Map are not annexed hereto.
3. Corporate Members are requested to send a scanned copy of its Board Resolution authorizing its representative to attend the AGM through VC/OAVM and to vote at the AGM pursuant to Section 113 of the Companies Act, 2013 to the scrutiniser at **manojhurkat@hotmail.com**.
4. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the special business to be transacted at the AGM and the relevant details of the Directors seeking appointment/re-appointment at the AGM as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) 2015 is annexed thereto. The Board of Directors have considered and decided to include the Item No. 5 to 8 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
5. The Company has fixed Thursday, 9th September, 2021 as "Record Date" for determining entitlement of Final Dividend of Rs. 2/- (i.e. 100%) per Share for the Financial Year ended on 31st March, 2021.

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT/LOGIN CREDENTIALS FOR E-VOTING

6. In Compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 stating that owning to the difficulties involved in dispatching of physical copies of the financial statements (including the Report of Board of Directors, Auditor's Report and other documents required to be annexed therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose E-mail addresses are registered with the Company or the Depository Participant(s).
7. Members who have not updated their E-mail addresses and mobile number with the Company/ R&TA KFin Technologies Private Limited/respective Depository Participants are requested to follow the below procedure to get their E-mail addresses updated to obtain the copy of Annual Report and Login Credentials for attending AGM/casting votes through E-voting at **www.evotingindia.com:**

- **Shareholders holding Shares in physical mode :** The Shareholders are requested to update their email addresses by sending following documents by E-mail at **einward.ris@kfintech.com** or by writing to R&TA at Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032:
  a) A signed request letter mentioning your name, folio number and complete address;
  b) Self attested scanned copy of the PAN Card; and
  c) Self attested scanned copy of any document (such as AADHAR Card, Driving Licence, Passport) in support of the address of the Member as registered with the Company.
- **Shareholders holding Shares in Demat mode :** The Shareholders are requested to provide the following details by E-mail at **einward.ris@kfintech.com** or by writing to R&TA at Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032:
  a) Name and Demat account details (CDSL - 16 digit beneficiary ID or NSDL - 16 digit DP ID + Client ID)
  b) Client Master or copy of Consolidated Account statement
  c) Self attested scanned copy of the PAN Card; and
  d) Self attested scanned copy of any document (such as AADHAR Card, Driving Licence, Passport) in support of the address of the Member as registered with the Company.

  Shareholders holding Shares in Demat mode are also requested to update their E-mail addresses and mobile number with their Depository Participants.

- **For Individual Demat shareholders** – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

  If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to **helpdesk.evoting@cdslindia.com** or contact at 022- 23058738 and 022-23058542/43. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to **helpdesk.evoting@cdslindia.com** or call on 022-23058542/43.

8. Notice of the AGM along with the Annual Report 2020 – 2021 is also available on the website of the Company i.e. **www.gujaratgas.com**, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange Limited at **https://www.bseindia.com/** and **https://www.nseindia.com/** respectively. Further, the AGM Notice will also be available on the website of CDSL **www.evotingindia.com**.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM

9. The Company will provide facility of VC/OAVM to its member for participating at the AGM.

   The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

10. Members attending the AGM through VC/ OAVM shall be counted for purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING AGM

11. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility to the Members to exercise their right to vote by electronic means in respect of the Resolution(s) contained in this Notice. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the Authorised Agency to provide remote e-voting facility (i.e. the facility of casting votes by a Member by using an electronic voting system from a place other than the venue of a General Meeting) as well as e-voting facility during the AGM.

12. The cut off date for the purpose of e-voting (including remote e-voting) is Tuesday, 21st September, 2021. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories at the close of business hours on 21st September, 2021 shall be entitled to vote on the resolutions proposed to be passed at the AGM by electronic means. The Voting rights of the members shall be in proportion of the paid-up value of their shares in the equity capital of the Company as on the cut off date for the purpose of the e-voting.

13. The Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

Commencement of remote e-voting	09:00 A.M. (IST) on Friday, 24th September, 2021
End of remote e-voting	05:00 P.M. (IST) on Monday, 27th September, 2021

14. The Board of Directors of the Company have appointed M/s Manoj Hurkat & Associates, Practising Company Secretary, as the Scrutinizer to scrutinize the entire e-voting process (i.e. remote e-voting and e-voting facility during AGM) in a fair and transparent manner.

15. The Scrutinizer shall submit, on or before 30th September, 2021 (12:00 Noon) , a consolidated Scrutinizer's Report (for votes casted during the AGM and votes casted through remote e-voting) of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him, who shall declare the result forthwith.

16. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website **www.gujaratgas.com** and on the website of Central Depository Services (India) Limited immediately after the result is declared and shall be simultaneously communicated to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) where the Equity Shares of the Company are Listed.

17. **Information and instructions relating to e-voting are given as under:**

Remote E-voting:

(I) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(ii) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders Login Method	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are **https://web.cdslindia.com/myeasi/home/login** or visit **www.cdslindia.com** and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also link provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KFIN/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at **https://web.cdslindia.com/myeasi/Registration/EasiRegistration** 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on **www.cdslindia.com** home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: **https://eservices.nsdl.com** either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at **https://eservices.nsdl.com.** Select "Register Online for IDeAS "Portal or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp** 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **https://www.evoting.nsdl.com/** either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in** or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(iii) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders**.

1) The shareholders should log on to the e-voting website **www.evotingindia.com.**
2) Click on "Shareholders" module.
3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number provided in the E-mail sent to the Shareholders.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

(iv) After entering these details appropriately, click on "SUBMIT" tab.

(v) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(vii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(viii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(x) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xiii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xiv) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; **manojhurkat@hotmail.com** , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at **Investors@GUJARATGAS.com.** The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **atleast 10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at **Investors@GUJARATGAS.com**. These queries will be replied to by the company suitably . It is to be noted that Company reserves the rights to restrict the number of questions and number of speakers, as appropriate for smooth conduct of AGM.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Further, the facility of e-voting will also be available at the AGM and the members who have not cast their vote by remote e-voting on all or any of the resolutions set out in the Notice can cast their vote at the Meeting. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the Annual General Meeting. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCEDURE FOR INSPECTION OF DOCUMENTS

18. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode on the basis of prior request. Members seeking to inspect such documents can send the e-mail to **Investors@GUJARATGAS.com**.

19. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act shall be available for inspection electronically by the Members during the E-AGM upon login CDSL e-voting system at **https://www.evotingindia.com**.

DIVIDEND RELATED INFORMATION:

20. Subject to approval of the Members at the AGM, the Dividend will be paid by the Company on or before 27th October, 2021 to the Members whose name appears on the Company's Register of Members as on the Record Date i.e. Thursday, 9th September, 2021 as Beneficial owners as at the close of business hours on Thursday, 9th September, 2021, as per the list to be furnished by the Depositories in respect of the shares held in electronic form and for physical shareholders after giving effect to all valid share transfer in physical form received as at the close of business hours on Thursday, 9th September, 2021.

21. It is to be noted that payment of Dividend shall be made through electronic mode to the shareholders who have updated their bank details. Dividend Warrants/Demand drafts will be dispatched to the registered address of the Shareholders who have not updated their bank details, upon availability of postal services.

22. Members holding shares in Demat Form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their Demat accounts, will be used by the Company for the payment of Dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in Demat Form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in Demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.

23. Members holding shares in Physical Form are requested to register / update Bank Mandates by submitting following details / documents by E-mail at **einward.ris@kfintech.com** or by writing to our R&TA, KFin Technologies Private Limited (KFintech):

a) Name and Branch of Bank in which Dividend is to be received and Bank Account Type;

b) Bank Account Number allotted by your Bank after implementation of Core Banking Solutions;

c) 11 digit IFSC Code; and

d) Self attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case Shares are held jointly.

24. **INFORMATION ON TDS ON DIVIDEND INCOME:**

Members may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1st April, 2020 shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of payment of dividend.

FOR RESIDENT SHAREHOLDERS:

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Resident Shareholder	10%	No TDS shall be deducted in the case where the total Dividend Income for FY 2021-22 to the Individual Shareholder from the respective entity paying the dividend does not exceed Rs. 5,000/-
Resident Individual submitting form 15G/15H	NIL	• Duly filled Form 15G (Individual with age less than 60 years) • Duly filled Form 15H (Individual with age 60 years or more) Blank Form 15G and 15H can be downloaded from GGL's website at **https://www.gujaratgas.com/investors/tds-on-dividend/**
Insurance Companies	NIL	• Self-Attested copy of PAN & IRDAI Registration Certificate • Duly signed self-declaration Declaration format can be downloaded from GGL's website at **https://www.gujaratgas.com/investors/tds-on-dividend/**
Mutual Funds	NIL	• Self-Attested copy of PAN & Registration Certificate • Duly signed self-declaration Declaration format can be downloaded from GGL's website at **https://www.gujaratgas.com/investors/tds-on-dividend/**

Alternative Investment Fund Category- I & II	NIL	• Self-Attested copy of PAN & Registration Certificate issued by SEBI • Self-Declaration that its income is exempt under section 10(23FBA) read with Section 115UB read with Section 197A(1F) of the Act.
Order u/s 197 of the Act	Rate provided in the order	• Valid Lower / NIL Withholding Tax Certificate obtained from Income Tax Authorities for the F.Y. 2021-22 • Self-attested copy of PAN Gujarat Gas Limited's tax deduction account number (TAN) which is required for applying lower/ nil TDS certificate is AHMG05349B.

FOR NON-RESIDENT SHAREHOLDERS

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Non-Resident Shareholder including Foreign Institutional Investors / Foreign Portfolio Investors ('FII/FPI']	20% (plus applicable surcharge and cess) or Tax treaty rate (if the same is availed on the basis of submission of requisite documents and disclosures)	If Non-Resident Shareholder wishes to avail the benefits of Tax Treaty, they will have to submit the following: • Self-attested copy of Permanent Account Number (PAN Card), if any, allotted by the Indian income tax authorities; • Self-attested copy of Tax Residency Certificate (TRC) applicable for FY 2021-22 obtained from the tax authorities of the Country of which the Shareholder is resident. • Duly signed Form 10F with all the requisite details • Self-Declaration by the Non-Resident Shareholder of having no Permanent Establishment (No PE) /Fixed Base in India, beneficial ownership & compliance with provisions of Multilateral Instrument (MLI). The format for "Form 10F" and "Self Declaration by Non-Residents" can be downloaded from GGL's website at **https://www.gujaratgas.com/investors/tds-on-dividend/** The Company is not obligated to apply the beneficial DTAA rates at the time of Tax deduction / withholding on Dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident Shareholder.
Submitting Order under section 197 or 195 of the Act.		• Valid Lower / NIL Withholding Tax Certificate obtained from Income Tax Authorities for the F.Y. 2021-22 • Self-attested copy of PAN Gujarat Gas Limited's tax deduction account number (TAN) which is required for applying lower/ nil TDS certificate is AHMG05349B.

The Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

In the event of any Income Tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

It may be further noted that in case the tax on said dividend is deducted at a higher rate, in absence of receipt of the aforementioned details / documents from residential shareholders, there would still be an option available to the shareholder to claim the appropriate refund at the time of filing the return of income as per eligibility. No claim shall lie against the Company for such taxes deducted.

We request you to provide these details and documents as mentioned above on or before two days post record date. Kindly note that the aforementioned documents are required to be submitted by uploading the same at **https://ris.kfintech.com/form15** or by E-mail at **einward.ris@kfintech.com** on or before 11th September, 2021 in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax Rate. No communication on the Tax determination / deduction shall be entertained post the aforementioned timeline.

The Company vide its separate email communication dated 23rd August, 2021 had informed the Members regarding this change in the Income Tax Act, 1961 as well as the relevant procedure to be adopted by the Members to avail the applicable tax rate. Further, this process & various formats are also available at Company's website viz. **https://www.gujaratgas.com/investors/tds-on-dividend/**

IEPF RELATED INFORMATION:

25. The erstwhile Gujarat Gas Company Limited and Gujarat Gas Financial Services Limited had paid dividends to its shareholders and pursuant to the Companies Act, 2013, the amount of such dividends pertaining to 2013-14 (i.e. From 01-01-2013 to 31-03-2014), that was unclaimed/ unpaid have been transferred to the Investor Education and Protection Fund (IEPF) of the Government. Members who have not encashed their dividend warrants pertaining to FY 2014-15 to FY 2019-20, may approach the Company or its Registrar & Share Transfer Agent for obtaining payment thereof mentioning the relevant folio number or DPID/ Client ID, for issuance of duplicate / revalidated dividend warrant(s).

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

    The Company has been sending reminders to those members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. The Company has uploaded full details (Name, Folio no/DP id/Client id) of such shareholders on its website **www.gujaratgas.com.** Members who have not encashed their dividend pertaining to the FY 2014-15 to FY 2019-20 are advised to write to the Company or KFin Technologies Private Limited (KFin), the Registrar and Share Transfer Agent, at Selenium Tower B, Plot 31 - 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Phone No.: 040 67161753 or e-mail: **einward.ris@kfintech.com** immediately for obtaining payment thereof mentioning the relevant Folio number or DP ID and Client ID along with bank details.

    The aforesaid Rules provides for the manner of transfer of the unpaid and unclaimed dividends to IEPF and the manner of transfer of shares in case any dividend has not been encashed by the shareholders on such shares during the last seven years to the designated demat account of the IEPF Authority. As per the requirement, the Company had sent information to all the shareholders who had not claimed/encashed dividends in the last seven years intimating, amongst other things, the requirements of the aforesaid rules with regard to transfer of shares and that in the event those shareholders do not claim any unclaimed/unpaid dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF demat Account by the due date prescribed as per the aforesaid rules and as amended from time to time. The Company had also simultaneously published notice in the leading newspaper in English and regional language having wide circulation as per statutory requirement and uploaded on the "Investors Section" of the Website of the Company viz. **www.gujaratgas.com** giving details of such shareholders and shares due to be transferred. In case valid claim is not received, the respective shares will be credited to the demat account of the IEPF Authority.

26. Members may note that they can claim back the Shares as well as unclaimed Dividends transferred to the IEPF Authority. Concerned Members/Investors are advised to visit the weblink http://www.iepf.gov.in/IEPF/refund.html or contact R&TA for lodging claim for refund of Shares and/or Dividend from the IEPF Authority.

OTHER INFORMATION:

27. As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Securities of listed companies can be transferred only in Dematerialized Form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in Physical Form are requested to consider converting their holdings to Dematerialized Form.

28. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Accordingly, if not submitted, Members holding Shares in electronic mode are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Further, the Members holding Shares in physical form can submit their PAN details to KFin Technologies Private Limited.

29. SEBI with an objective to streamline and strengthen the procedures and processes with regard to handling and maintenance of records, transfer of securities etc. issued Guidelines, wherein, it requires companies to take special efforts to collect copy of PAN and bank account details of the physical shareholders. Accordingly, physical shareholders who have not submitted, are requested to provide/submit the self attested copy of PAN Card, Original Cheque leaf duly cancelled with name of 1st holder/sole holder (if name is not printed, self-attested copy of first and last page of recently updated pass book of 1st holder) to the R&TA.

30. As stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, profile of Directors seeking re-appointment / appointment is separately annexed herewith.

31. The Resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of requisite number of votes in favour of the Resolutions.

For Gujarat Gas Limited

Date: 25th August, 2021
Place: Ahmedabad

Sandeep Dave
Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (2) OF THE COMPANIES ACT, 2013

Item No. 5 Appointment of Dr. Rajiv Kumar Gupta, IAS as Director liable to retire by rotation.

Dr. Rajiv Kumar Gupta, IAS, had been appointed as an Additional Director by the Board of Directors effective from 5th July, 2021 in view of communication no - MIS/15-2014/1345/E dated 01/07/2021 received from Energy and Petrochemicals Department, Government of Gujarat. He and his relatives hold nil shares of the Company.

As per the provisions of section 161 of the Companies Act, 2013, and the Articles of Association of the Company, he holds the office of Director till the conclusion of this Annual General Meeting. A notice under section 160 of the Companies Act, 2013, has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Director of the Company.

Accordingly, the Board recommends the said resolution in relation to his appointment as Director liable to retire by rotation, for your approval by passing an ordinary resolution.

His brief profile, nature of expertise, names of listed entities in which he holds directorship /membership of Committees of Board and details of his shareholding in the Company and other information is annexed to this Explanatory Statement.

Copy of aforesaid communication from Energy and Petrochemicals Department would be available for inspection through electronic mode.

None of the Directors/Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 5 of this Notice, except Dr. Rajiv Kumar Gupta, IAS and his relative as the resolution pertains to his appointment.

Item No. 6 Appointment of Prof. Yogesh Singh as an Independent Director for the first term of 5 years w.e.f. 15/08/2021

Prof. Yogesh Singh had been appointed as an Additional and Independent Director of the Company by the Board of Directors to hold office for the period of 5 years effective from 15/08/2021. The Government vide its letter no- MIS/15-2014/1345/E dated 26th July, 2021 has approved his appointment as an Independent Director as he fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the management.

Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and recommend their appointment to the Board. The NRC has recommended appointment of Prof. Yogesh Singh as an Independent Director.

Prof. Yogesh Singh has given a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and also the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He and his relatives hold Nil shares of the Company. His name has been included in the databank of Independent Director.

In opinion of the Board as well as Energy and Petrochemicals Department, Government of Gujarat, he fulfills the conditions specified in the Act and Rules framed thereunder for appointment as an Independent Director. A notice under section 160 of the Companies Act, 2013, has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Independent Director of the Company. Copy of the letter for his appointment as an Independent Director setting out terms and conditions as well as communication dated 26th July, 2021 would be available for inspection through electronic mode. His brief profile, nature of expertise, names of listed entities in which he holds directorship /membership of Committees of Board and details of his shareholding in the Company and other information is annexed to this Explanatory Statement. Accordingly, the Board recommends the said resolution in relation to appointment of Independent Director not liable to retire by rotation, for your approval by passing an ordinary resolution.

None of the Directors/ Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 6 of this Notice except Prof. Yogesh Singh and his relative as this resolution pertains to his appointment.

Item No. 7 Appointment of Shri Bhadresh Mehta as an Independent Director for the first term of 5 years w.e.f. 15/08/2021

Shri Bhadresh Mehta had been appointed as an Additional and Independent Director of the Company by the Board of Directors to hold office for the period of 5 years effective from 15/08/2021. The Government vide its letter no- MIS/15-2014/1345/E dated 26th July, 2021 has approved his appointment as an Independent Director as he fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the management.

Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and recommend their appointment to the Board. The NRC has recommended appointment of Shri Bhadresh Mehta as an Independent Director.

Shri Bhadresh Mehta has given a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and also the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He and his relatives hold Nil shares of the Company. His name has been included in the databank of Independent Director.

In opinion of the Board as well as Energy and Petrochemicals Department, Government of Gujarat, he fulfills the conditions specified in the Act and Rules framed thereunder for appointment as an Independent Director. A notice under section 160 of the Companies Act, 2013, has been received from a shareholder, signifying the intention to propose his candidature for appointment as the Independent Director of the Company. Copy of the letter for his appointment as an Independent Director setting out terms and conditions as well as communication dated 26th July, 2021 would be available for inspection through electronic mode. His brief profile, nature of expertise, names of listed entities in which he holds directorship /membership of Committees of Board and details of his shareholding in the Company and other information is annexed to this Explanatory Statement. Accordingly, the Board recommends the said resolution in relation to appointment of Independent Director not liable to retire by rotation, for your approval by passing an ordinary resolution.

None of the Directors/ Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 7 of this Notice except Shri Bhadresh Mehta and his relative as this resolution pertains to his appointment.

Item No. 8 Ratification of remuneration of Cost Auditors for FY 2021-22.

The Board of Directors at its Meeting held on 1st June, 2021, on the recommendation of the Audit Committee, appointed M/s Ashish Bhavsar & Associates, (firm Registration No. 000387) as the Cost Auditors to conduct the Audit of the cost accounts / records maintained by the Company for the Financial Year 2021-22 at the remuneration of Rs 1,30,000/- (Rupees One Lac Thirty Thousands only) + GST and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the said remuneration payable for FY 2021-22 to M/s Ashish Bhavsar & Associates, Cost Accountants as Cost Auditor is required to be ratified by the Members of the Company.

Therefore, the Directors recommend the Resolution at Item No. 8 of this Notice for your ratification / approval.

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

ANNEXURE TO THE EXPLANATORY STATEMENT

Information pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings(SS-2) of Directors seeking appointment / re-appointment / continuation of appointment at the forthcoming Annual General Meeting

1. Shri Milind Torawane, IAS (DIN: 03632394)

Name of Director	Shri Milind Torawane, IAS
Date of Birth	30/08/1972
Date of the first appointment on the Board	10th August, 2017
Qualifications	B.E. (Electronic & Tele Communication)
Nature of Expertise / Experience	He has held various important positions in Government of Gujarat (GoG) like Municipal Commissioner-Surat Municipal Corporation, Secretary-Housing & Nirmal Gujarat, Additional Chief Executive-Gujarat Urban Development Mission, Director-Diamond Research & Mercantile City Limited, etc. Lastly, he was Managing Director-Gujarat Urban Development Company Limited.
Terms and Conditions of Appointment and details of Remuneration	Nominee Director. He does not draw any remuneration from Company except *sitting fees and out of pocket expenses.
Names of other Companies in which the person also holds the directorship	Gujarat Mineral Development Corporation Limited GSPC LNG Limited Gujarat State Electricity Corporation Limited Gujarat State Investment Limited Gujarat State Financial Services Ltd Gujarat Alkalies and Chemicals limited Gujarat Industries Power Company Limited GACL- Nalco Alkalies and Chemicals Private Limited Gujarat Urja Vikas Nigam Limited
No. of Share held including shareholding as beneficial owner	Nil
Memberships/ Chairmanships of committees of Board of Directors of Company	Audit Committee- Member Stakeholder Relationship Committee- Member Risk Management Committee- Chairman Project Committee- Chairman Corporate Social Responsibility- Chairman
Names of other Companies in which the person also holds the membership of Committees of the board	Gujarat Alkalies and Chemicals Limited
Names of Listed entities in which person also holds the directorship and the membership of Committees of the Board	Gujarat Gas Limited Gujarat Mineral Development Corporation Limited Gujarat Alkalies and Chemicals limited
Number of Board Meetings attended during the financial year 2020-21	Gujarat Industries Power Company Limited 3
Disclosure of relationship between directors inter-se	NA

***Sitting fees of Government Director is being deposited in Government Treasury**

ANNEXURE TO THE EXPLANATORY STATEMENT

2. Dr. Rajiv Kumar Gupta, IAS (DIN: 03575316)

Name of Director	Dr. Rajiv Kumar Gupta, IAS
Date of Birth	06/05/1962
Date of the first appointment on the Board	5th July, 2021
Qualifications	Degree in Political Science and is a Gold Medalist. He also holds post graduate degree in Political Science and Ph.D. (International Law), in addition to having done specialized courses in Law, International Trade and Environment from United Nations University and University of Melbourne.
Nature of Expertise / Experience	Dr. Gupta has worked in various Government departments, both in Government of Gujarat and Government of India. Dr. Gupta has also headed foreign assignments and worked as Advisor Director at GAP Regional Dev Administration (UNDP) Turkey. He also possesses vast experience of heading various Govt. Public Sector Undertakings, both listed and unlisted, various Government regulatory bodies etc.
Terms and Conditions of Appointment and details of Remuneration	Nominee Director. He does not draw any remuneration from Company except **sitting fees and out of pocket expenses.
Names of other Companies in which the person also holds the directorship	Sardar Sarovar Narmada Nigam Limited Gujarat Mineral Development Corporation Limited Dholera Industrial City Development Limited Gujarat State Petroleum Corporation Limited Gujarat State Petronet Limited Dahej SEZ Ltd Gujarat Industrial Investment Corporation Limited
No. of Share held including shareholding as beneficial owner	Nil
Memberships/ Chairmanships of committees of Board of Directors of Company	Nil
Names of other Companies in which the person also holds the membership of Committees of the board	Nil
Names of Listed entities in which person also holds the directorship and the membership of Committees of the Board	Gujarat Gas Limited Gujarat Mineral Development Corporation Limited Gujarat State Petronet Limited
Number of Board Meetings attended during the financial year 2020-21*	NA
Disclosure of relationship between directors inter-se	NA

* Appointed w.e.f. 5th July, 2021

****Sitting fees of Government Director is being deposited in Government Treasury**

ANNEXURE TO THE EXPLANATORY STATEMENT

3. Prof. Yogesh Singh (DIN: 06600055)

Name of Director	Prof. Yogesh Singh
Date of Birth	13/04/1966
Date of the first appointment on the Board	15th August, 2021
Qualifications	M.Tech. (Electronics & Communication Engineering) and Ph.D. (Computer Engineering) degrees from National Institute of Technology, Kurukshetra, Haryana.
Nature of Expertise / Experience	Prof. Singh has an iconic track record of quality teaching, innovation and research with 'h' index of 31 and citation index of 3248, reported by Google scholar as on 11th November, 2019. A great mentor who has supervised 23 Ph.Ds in the area of Software Engineering. His areas of research include Software Testing, Software Quality & Metrics and Empirical Software Engineering. He is listed as the third best amongst the most productive Indian authors for participating in Software Engineering Research as reported by "Indian Computer Science Research Output during 1999 - 2008, Qualitative Analysis" published in Journal of Library & Information Technology, November 2010.
Terms and Conditions of Appointment and details of Remuneration	Independent Director. Terms and conditions of Appointment is as per his appointment letter. He does not draw any remuneration from Company except sitting fees and out of pocket expenses.
Names of other Companies in which the person also holds the directorship	Gujarat State Petroleum Corporation Limited GSPC (JPDA) Limited DTU Innovation and Incubation Foundation Gujarat State Petronet Limited
No. of Share held including shareholding as beneficial owner	Nil
Memberships/ Chairmanships of committees of Board of Directors of Company	Audit Committee – Member
Names of other Companies in which the person also holds the membership of Committees of the board	Gujarat State Petroleum Corporation Limited GSPC (JPDA) Limited Gujarat State Petronet Limited
Names of Listed entities in which person also holds the directorship and the membership of Committees of the Board	Gujarat Gas Limited Gujarat State Petronet Limited
Number of Board Meetings attended during the financial year 2020-21*	NA
Disclosure of relationship between directors inter-se	NA

* Appointed w.e.f. 15th August, 2021

ANNEXURE TO THE EXPLANATORY STATEMENT

4. Shri Bhadresh Mehta (DIN: 02625115)

Name of Director	Shri Bhadresh Mehta
Date of Birth	23/02/1960
Date of the first appointment on the Board	15th August, 2021
Qualifications	Chartered Accountant, Company Secretary and Cost Accountant
Nature of Expertise / Experience	He holds professionally qualified senior managerial experience with a proven success of over 25 years in steering finance, audit and infotech functions of reputed business groups. His areas of specialization are strategic planning, financial management, auditing, information technology and risk management.
Terms and Conditions of Appointment and details of Remuneration	Independent Director. Terms and conditions of Appointment is as per his appointment letter. He does not draw any remuneration from Company except sitting fees and out of pocket expenses.
Names of other Companies in which the person also holds the directorship	Symphony AU Pty Ltd, Australia Climate Technologies Pty Ltd, Australia Gujarat State Financial Services Limited Gujarat State Petronet Limited
No. of Share held held including shareholding as beneficial owner	Nil
Memberships/ Chairmanships of committees of Board of Directors of Company	Audit Committee – Member Nomination and Remuneration Committee- Member Project Committee– Member
Names of other Companies in which the person also holds the membership of Committees of the board;	Gujarat State Petronet Limited
Names of Listed entities in which person also holds the directorship and the membership of Committees of the Board	Gujarat Gas Limited Gujarat State Petronet Limited
Number of Board Meetings attended during the financial year 2020-21*	NA
Disclosure of relationship between directors inter-se	NA

* Appointed w.e.f. 15th August, 2021

By Order of the Board
For, Gujarat Gas Limited

Sandeep Dave
Company Secretary

Date: 25th August, 2021
Place: Ahmedabad

BOARD'S REPORT

Dear Members,
Gujarat Gas Limited

Your Directors have pleasure in presenting the 9th Annual Report and the Audited Financial Statements for the Financial Year ended on 31st March 2021.

Financial Highlights

(₹ in Crores)

Particulars	Standalone Financials		Consolidated Financials	
	12 Months ended 31/03/2021	12 Months ended 31/03/2020	12 Months ended 31/03/2021	12 Months ended 31/03/2020
Revenue from Operations	10,042.28	10,526.49	10,042.28	10,526.49
Other income	74.03	83.66	74.16	83.89
Total income	10,116.31	10,610.15	10,116.44	10,610.38
Profit before interest, depreciation and tax	**2,161.85**	**1,717.93**	**2,161.98**	**1,718.16**
Less: Interest	116.31	192.17	116.31	192.17
Depreciation	340.84	317.98	340.84	317.98
Profit before tax	**1,704.70**	**1,207.78**	**1,704.83**	**1,208.01**
Share of Profit from equity accounted investee	-	-	2.11	(0.03)
Minority Interest	-	-	-	-
Profit/(Loss) Before Tax and share of profit of associate	**1,704.70**	**1,207.78**	**1,706.94**	**1,207.98**
Tax expenses	429.20	14.46	429.22	9.16
Net Profit after tax for the period	**1,275.50**	**1,193.32**	**1,277.72**	**1,198.82**
Other Comprehensive Income (after tax)(OCI)				
-Equity Instruments through OCI	1.96	0.95	1.96	0.95
-Remeasurements of post-employment benefit obligation, net of tax	0.61	(4.65)	0.61	(4.65)
Share of Other comprehensive income of equity accounted investee	-	-	(0.03)	(0.05)
Total Comprehensive Income	**1,278.07**	**1,189.62**	**1,280.26**	**1,195.07**
RETAIN EARNINGS:				
Profit carried to retained earnings	1,275.50	1,193.32	1,277.72	1,198.82
Impact of Changes in accounting policy	-	-	-	-
Impact of Changes in accounting policy- share of equity accounted investee	-	-	-	0.01
Other Comprehensive Income carried to retained earnings	0.61	(4.65)	0.58	(4.70)
Refund of earlier year's Dividend distribution tax	-	-	-	-
Add: Undistributed profit /(loss) of earlier years	2,382.34	1,276.66	2,409.08	1,297.94
Balance available for Appropriation	**3,658.45**	**2,465.33**	**3,687.38**	**2,492.07**
Less: Appropriations:				
Transfer to general reserve	-	-		-
Preference dividend	-	-		-
Equity dividend	(86.05)	(68.84)	(86.05)	(68.84)
Corporate dividend tax on Equity dividend	-	(14.15)	-	(14.15)
Surplus / (Deficit) retained	**3,572.40**	**2,382.34**	**3,601.33**	**2,409.08**
Earnings per Share (Face value of Rs. 2 each) (Basic & Diluted)	18.53	17.33	18.56	17.41

BOARD'S REPORT

PERFORMANCE HIGHLIGHTS

- Gujarat Gas won the Business Today **BEST CEO AWARD 2020** in the Oil & Gas sector and ranked overall second across all sectors.
- Gujarat Gas won the Business Standard **STAR PSU AWARD 2020**
- Total volumes at ~same level of previous year despite Covid-19 impact in FY 21 (FY-21 9.39 mmscmd vs FY-20 9.44 mmscmd). Highest gas sales, crossed 12 mmscmd in Q4 FY 21; 22% volume growth in Q4 FY 21 as compared to Q4 FY 20
- Highest annual profit before tax of Rs 1,705 crores, increase by 41% compared to previous year
- Prepayment of term loans of Rs 988 crores during FY 21 through internal accruals bringing the debt levels at less than Rs 900 crores as on year end
- 150 new CNG Stations erected / commissioned in FY 2021; highest in the history of GGL
- New Domestic Connections of more than 1 Lakh in FY 2021
- Successful in ensuring uninterrupted gas supplies to its customers during Covid 19 pandemic and ensuing lockdown
- Currently supplying gas in all the Geographical Areas recently won in PNGRB's Bidding Round 9 and 10.
- First LNG/LCNG station in Gujarat - commissioned at Rajpipla in record six months' time
- Pipeline projects Outside Gujarat Geographical Areas ; Jalore – Sirohi – Pindwara Steel pipeline – 54 km laid, Madhya Pradesh - EPC contract - Steel pipeline - 33 km laid, Thane GA - Vasai/Virar & Dahanu - Virtual Pipeline and Domestic connections commissioned
- Integrated QHSE Management System of the Company has been assessed and certified as complying with the requirements of International Standards for Quality Management System - ISO 9001:2015, Environment Management System - ISO 14001:2015 and Occupational Health & Safety Management System - ISO 45001:2018

DIVIDEND

Your Directors recommend for consideration of the shareholders at the 9th Annual General Meeting, the Dividend of Rs. 2/- per fully paid up equity share of Rs. 2/- each (100%) on 68,83,90,125 equity shares for the Financial Year 2020-21. The weblink for Dividend Distribution Policy is available at https://www.gujaratgas.com/resources/downloads/policy-on-dividend-distribution.pdf

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Your Company does not have any subsidiary and joint venture. Guj Info Petro Limited is the Associate of your Company and the statement containing salient features of financial statements of Guj Info Petro Limited under first proviso to sub section (3) of section 129 in form AOC-1 is attached at **Annexure-5.**

CONSOLIDATED FINANCIAL STATEMENTS

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

DEPOSITS

During the year under review, your Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees, Securities and Investments, if any covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. A statement giving details of all Related Party Transactions is placed before the Audit Committee for approval/ ratification on a quarterly basis, as the case may be. The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is uploaded on the Company's Website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. The particulars of contracts or arrangements with Related Parties referred to in

BOARD'S REPORT

Section 188 (1) of the Companies Act, 2013, as prescribed in Form AOC - 2 of the Companies (Accounts) Rules, 2014 is enclosed herewith as Annexure -4 to this Report.

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

(₹ in Crores)

Name of Related Party	Relationship	Nature of Transactions & Balances	For Year ended 31st March 2021	For Year ended 31st March 2020
Gujarat State Petronet Limited - GSPL	Holding Company	Gas Transmission Expense	459.86	476.50
		Purchase of Natural Gas	0.31	-
		Right of Way Expense (ROW)	0.21	0.21
		Reimbursement of Expenses	0.10	0.003
		Dividend Paid	46.61	37.29
		Rent Expense	1.92	1.41
		Recharge of Salary - Expense	0.31	0.09
		Compression Charges	1.29	-
		Purchase of Material	0.17	-
		PNG Sales - Income	0.02	0.02
		O&M Charges Recovered - Income	0.05	0.04
		Rent - Income	0.03	0.03
		Reimbursement of Expenses - Income	4.60	3.02
		Recharge of Salary - Income	0.69	0.07
		Recharge of Capex (by GGL to GSPL)	-	1.73
		Recharge of Material - Income	-	0.68
		Facilitation Charges - Income	2.22	0.25
		Deposit Given - Paid / (Refund)	15.94	16.94
		Supervision Charges -Income	0.01	-
		Balance at the period end		
		Amount Receivable/(Payable)	(18.17)	(10.50)
		Deposits Asset / (Liability) - Net	37.35	21.39
		Bank Guarantee by GGL to GSPL	52.92	48.31
		Letter of Credit by GGL to GSPL	0.10	0.05

All transactions amount disclosed above are inclusive of tax.

Transfer of City Gas Distribution (CGD) Business of Amritsar and Bhatinda Geographical Areas (Gas)

Petroleum and Natural Gas Regulatory Board ("PNGRB") granted authorization in favour of Gujarat State Petronet Limited ("GSPL", parent company of Gujarat Gas Limited) for laying, building, operating or expanding City Gas Distribution network in GAs of Amritsar (May 2015) and Bhatinda (May 2016) District in the State of Punjab. In furtherance of overall strategic business objective and synergies, GSPL and Gujarat Gas Limited ("GGL" or "the Company") requested PNGRB for transfer of these GAs authorizations to GGL in line with applicable PNGRB Regulations. After due examination, PNGRB provided approval dated 29 June 2020 for transfer of these authorization for Amritsar and Bhatinda GAs from GSPL to GGL subject to fulfilment of below three conditions:

1) Revised Performance Bank Guarantee (PBG)
2) Revised Gas Sale Agreement in name of GGL
3) Financial Closure

During the year, the Company fulfilled the above conditions and same has been duly acknowledged and accepted by PNGRB.

The Board of the Company has approved the valuation and transfer / purchase of CGD Business of Amritsar and Bhatinda GAs from GSPL to the Company for cash consideration of INR 163.31 Crores (subject to various transaction adjustments) by slump sale through business transfer agreement at its meeting held on 1st June 2021.

BOARD'S REPORT

As on 31st March 2021, the Company has incurred total capital expenditure INR 197.46 Crores (previous year INR 122.19 Crores) with respect to these projects in GAs of Amritsar and Bhatinda and accounted the same as under in books of GGL for the year ended on 31.03.2021:

- Property, Plant and Equipment and intangible assets - INR 119.53 Crores (previous year INR 58.62 Crores)
- Capital Work in Progress (including capital inventory) - INR 77.93 Crores (previous year INR 63.57 Crores)

Until the transfer / purchase of CGD Business from GSPL to GGL, GSPL had contracted with GGL to use assets owned by GGL for limited period of time in exchange of facility service charges (equal to depreciation and all operating expenses) being paid by GSPL. Accordingly, GGL has recovered the operating expenditure amounting Rs. 5.79 Crores (Previous year Rs. 2.56 Crores) and facilitation fees income of Rs. 2.73 Crores (Previous year Rs. 0.21 Crores) from GSPL during the year for use of these assets.

STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

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

CORPORATE SOCIAL RESPONSIBILITY

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

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment and Resignation of Directors

Shri Anil Mukim, IAS, Chief Secretary, Government of Gujarat had been appointed as Additional Director and Chairman with effect from 1st April, 2020. His appointment had been regularized by the shareholders in the 8th AGM held on 24th September, 2020. Dr. J.N. Singh, IAS (Retd.) has ceased to be the Director and Chairman of the Company with effect from 1st April, 2020, as per Resolution of Energy & Petrochemicals Department, Government of Gujarat. Your Directors wish to place on record, appreciation for the services rendered by him as the Director and Chairman of the Company.

Dr. Manjula Subramaniam, IAS (Retd.) had been appointed as Independent Woman Director by the Board of Directors w.e.f. 28/08/2020 to hold office for the period of 5 years effective from 28/08/2020. Her appointment was subsequently approved by the Shareholders in the 8th Annual General Meeting held on 24th September, 2020.

Shri Milind Torawane, IAS, will retire by rotation and it is proposed to reappoint him as the Director of the Company in the ensuing 9th Annual General Meeting.

Dr. Rajiv Kumar Gupta, IAS, Additional Chief Secretary, Industries and Mines Department, Government of Gujarat had been appointed as Additional Director with effect from 5th July, 2021 in place of Smt Sunaina Tomar, IAS. It is proposed to appoint Dr. Rajiv Kumar Gupta, IAS at the ensuing 9th Annual General Meeting.

Prof. Yogesh Singh and Shri Bhadresh Mehta being qualified and eligible for appointment as Independent Directors in the Company in accordance with provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, were appointed by the Board of Directors for first tenure of 5 years with effect from 15th August, 2021, subject to approval of shareholders at 9th Annual General Meeting. It is proposed to appoint Prof. Yogesh Singh and Shri Bhadresh Mehta as Independent Directors in the ensuing 9th Annual General Meeting.

Smt. Sunaina Tomar, IAS has ceased to be the Director of the Company with effect from 5th July, 2021, on account of her transfer from Energy and Petrochemicals Department, Government of Gujarat. Your Directors wish to place on record, appreciation for the services rendered by her as the Director of the Company.

Prof. P.K. Sinha and Prof. Vishal Gupta have ceased to be Independent Directors of the Company with effect from 15th August, 2021, on account of expiry of their second tenure as Independent Directors of the Company. Your Directors wish to place on record, appreciation for the services rendered by them as Independent Directors of the Company.

A brief resume of the Directors to be appointed at the ensuing Annual General Meeting, nature of expertise in specific functional areas and details regarding the Companies in which the Directorship is held together with the Membership / Chairmanship of Committees of the Board is given in the Explanatory Statement forming part of the Notice of the 9th Annual General Meeting.

BOARD'S REPORT

DIRECTORS INDEPENDENCE

Pursuant to the provisions of Section 149 (6) of the Companies Act, 2013, the Independent Directors of the Company have given confirmation/declaration to the Board that they meet with the criteria of Independence and are Independent in terms of Section 149 (6) of the Companies Act, 2013. Further, they have also given the confirmations on independence as per provisions of Regulation 16(1)(b) and 25 (8) of the Listing Regulations.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the performance evaluation of the Board, Committees and individual Directors for FY 2020-21 was carried out as per the terms and conditions of their appointment based on the various parameters.

MEETINGS OF THE BOARD OF DIRECTORS

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

During the period beginning from 1st April, 2020 up to 31st March, 2021, 4 (four) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

AUDITORS

As your Company is a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, the C&AG had appointed M/s. S. R. Goyal & Co., Chartered Accountants as the Statutory Auditors of the Company for the Financial Year 2020-21.

C&AG has carried out supplementary audit of the Financial Statements of your Commpany pursuant to provisions of Section 143 (6) (a) of the Companies Act, 2013. The C&AG has issued the Nil Comment Report on the Financial Statements of the Commpany for the FY 2020-21.

ANNUAL ACCOUNTS

The Audit Committee at its Meeting held on 1st June, 2021, approved the Financial Statements for the Financial Year ended on 31st March, 2021 and recommended the same for approval of the Board which had been subsequently approved by the Board of Directors at its meeting held on 1st June, 2021.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Manoj Hurkat and Associates, Practising Company Secretaries to conduct the Secretarial Audit of the Company for the Financial Year 2020-21. The Report of Secretarial Auditor on Company's Secretarial Audit for the Financial Year 2020-21 is enclosed herewith as Annexure-3 to this Report. The Secretarial Audit Report is self explanatory in nature.

COST AUDITOR

Your Company is required to carry out Cost Audit pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014.

The Board of Directors has on the recommendation of the Audit Committee appointed M/s Ashish Bhavsar & Associates, Cost Accountants, as the Cost Auditor to audit the Cost Accounts of the Company for financial year 2021-22 on remuneration of Rs. 1,30,000/- (Rupees One Lac Thirty Thousands only) + GST and out of pocket expenses.

The Cost Audit Report for FY 2020-21 will be submitted to the Central Government in the prescribed format within stipulated time period.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in General Meeting for their ratification. Accordingly, the necessary resolution seeking Member's ratification for the remuneration payable to the Cost Auditors for FY 2021-22 is included in the Notice convening the 9th Annual General Meeting.

BOARD'S REPORT

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Risk Management

The Company has a well-defined Risk Management Framework for reviewing the major Risks and has adopted a Business Risk Management Policy. Further, pursuant to the requirement of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee inter-alia to monitor the Risk Management Plan of the Company.

Internal Control System

The Company has a proper and adequate system of Internal Controls commensurate with its size of operations and nature of business. These are regularly tested and certified by Auditors. Significant audit observations of audit team and follow up actions thereon are reported to the Audit Committee. The details about the identification of elements of Risk and Internal Control Systems are provided in detail in the Management Discussion & Analysis Report forming part of this Board's Report.

INTERNAL FINANCIAL CONTROLS

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

VIGIL MECHANISM

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

HEALTH, SAFETY AND ENVIRONMENT (HSE)

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

GGL has established its Quality, Occupational Health, Safety & Environment (QHSE) management system with reference to international standards ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007 and was certified by a third party certification body after rigorous certification audit in 2018 along with periodic audits in successive years 2019 & 2020. Recently GGL has made the transition of its Occupational Health & Safety (OH&S) management system from OHSAS 18001 to new ISO standard 45001:2018 and successfully completed its recertification audit as per ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018. The certifications demonstrate sustenance and company's continued commitment to quality, health, safety and environment management and customer satisfaction which is the key to sustainable business performance. GGL ensures that all management decisions reflect its Quality, Health, Safety & Environment (QHSE) intentions and QHSE management systems reflect best industry practices and are properly resourced. GGL aims to be an industry leader in City Gas Distribution business through its QHSE performance.

GGL recognizes that the protection of the health and safety of all those involved in its operation and public at large and protection of the environment is the prime responsibility of company and its' management at every level.

GGL has embarked into new areas in terms of geography with inclusion of new Geographical Areas in the states of Punjab, Haryana, Madhya Pradesh & Rajasthan and into new business areas in terms of faster reaching customers in our operational areas by supplying of Natural Gas using regasification of LNG, decompression of CNG for areas where pipeline laying project may take significant time. GGL takes extra HSE precautions for all such new areas of geography and business. Risk assessment through safety engineering studies has been at the fore-front of all such projects where we conduct studies like Hazard Operability (HAZOP), Hazard Identification (HAZID), Hazardous Area Classification (HAC) and Quantitative Risk assessment (QRA), Escape Muster Evacuation & Rescue Analysis (EMERA) for all types of Gas installations at the planning stage itself and compliance to recommendations of these studies so that risks can be mitigated. GGL assets have been designed, constructed, commissioned, operated and maintained, such that the risks to personnel are reduced to as low as reasonably practicable (ALARP).

BOARD'S REPORT

Liquefied Natural Gas (LNG) is natural gas, predominantly methane (CH4) that have been liquefied for ease of storage or transportation. In absence of natural gas source/tap-off point in proximity of the remote areas, GGL has commissioned Gujarat's first LNG/LCNG hub at Rajpipla, Narmada located 20 KM from Statue of Unity (SoU). Liquefied Natural Gas (LNG) is being transported through Cryogenic Road Tanker from source LNG Terminal to GGL LNG /LCNG Stations. This LNG is pressurized & re-gasified through ambient vaporizers for dispensing to customer vehicles as automobile fuel and Piped natural gas to domestic commercial & industrial customers on priority. GGL has taken utmost precaution in establishment of this LCNG station, in terms of quality, safety & environmental compliance. GGL has carried out safety engineering studies such as HAZOP, QRA, EMERA & HAC at planning stage along with implementation of their recommendation to reduce and control the risks.

GGL conducts its business in a safe and responsible manner and ensures compliance with the all legal and regulatory requirements. Compliance assurance of the same is confirmed through internal audits / inspections with respect to all applicable PNGRB regulations and ISO standards covering all geographical areas of GGL every year including this financial year. GGL also conducts periodic compliance audits through PNGRB approved third party inspection agency. The safe delivery of projects and safe operations of assets is a critical success factor for the company's business. GGL sets HSE targets and closely monitors it to achieve continual improvement in QHSE performance.

GGL recognizes that leadership commitment is fundamental for continual improvement in HSE performance. GGL management team members review HSE performance on regular basis.

GGL is committed to protect safety, health and well-being of people working for the organization. Lost Time Injury Frequency (LTIF) is the industry standard key indicator which is used to measure GGL's occupational safety performance. GGL has achieved Lost Time Injury Frequency of 0.321 for the FY 2020-21. Total man-hours of GGL in FY 2020-21 is 21.823 Million. GGL, as a responsible organization, recognizes and understands the various global challenges with respect to environmental degradation and climate change. Building awareness among the employees and community about these challenges is an effective way of addressing these challenges. GGL raises the awareness through various activities like knowledge sharing programs, quiz, various other competitions, etc. throughout the entire organization as well as sapling plantation drives. GGL also educates and influences various third-party utility companies, authorities and their contractors who undertake digging activities on or near the underground GGL gas pipeline network. This is done to focus on the safety risks and environmental impact of the release of Natural gas which can occur as a result of damaging GGL's natural gas pipelines while digging/excavation operations. The third parties are urged to dial in to GGL to confirm the location prior to starting any digging/excavation activities so that damage to Natural gas pipeline network can be prevented.

GGL has a well-developed and certified Emergency Response and Disaster Management Plan through PNGRB approved Third Party Inspection agency (TPIA) for each of its operational Geographical Areas. GGL conducts mock-drills at defined intervals to check adequacy of preparedness against various anticipated emergency scenarios across all locations. In FY 2020-21, GGL carried out 102 Level-1 Mock-drills, 23 Level-2 Mock-drills & 11 Level-3 Mock-drills including participation in the offsite mock drills organized by District authorities.

GGL has well defined Lifesavers rules for all the critical activities and monitors lifesaver compliance. In FY 2020-21, GGL has achieved close to 94% compliance to lifesavers rules.

To improve HSE performance, various HSE initiatives and programs are implemented as part of HSE improvement plan. In FY 2020-21, GGL has achieved more than 94% compliance to its HSE improvement plan.

GGL always ensures that safety training programs are conducted periodically for employees and contractor staff which includes basic safety, practical fire-fighting, first aid, defensive driving and other technical competency trainings in various areas such as plumbing, CNG filling, Welding, Working at height etc. More than 628 Safety & Technical competency training programs have been conducted during FY 2020-21.

BOARD'S REPORT

GGL organizes various safety awareness programs including awareness regarding Natural Gas related safety for its customers, general public, employees, contractors and other stakeholders such as third-party utility. Around 1058 safety awareness programs have been conducted for employees and contractors during FY 2020-21. Around 305 Natural Gas safety awareness program have also been conducted for general public, customers and other utility companies.

GGL has also established a system for evaluating contractor performance on monthly basis. Quality & HSE performance has been made an essential part of this performance evaluation with pre-defined key indicators. GGL conducts monthly online HSE Quiz based on monthly HSE focus area to raise awareness amongst employees across GGL.

In the last quarter of this financial year, GGL decided to focus on few key areas identified based on incident areas and major activities undergoing:

Jan 2021: Driving Safety including CNG Transportation

Feb 2021: Excavation Safety

Mar 2021: Lifting Safety

Various initiatives including display of posters focusing on safe practices, awareness sessions with employees, online quiz, onsite briefing sessions and spot quiz for contractors' staff.

With an intention to motivate and foster a positive HSE culture and step-up HSE-AI compliance and performance, GGL has put in place HSE reward and recognition scheme to acknowledge significant HSE contribution of employees and contractor staff and to boost their confidence. Under this scheme Best HSE contributors among employees and contractor staff are identified on monthly basis at each geographical area and are rewarded by GA management during monthly HSE committee meeting. Along with that every month GGL recognizes and rewards persons reporting Best Hazard & Best Near miss carefully selected based on quality and safety criticality and also identifies Best HSE contributor amongst all employees in every quarter and entire financial year for each operations area/corporate office.

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

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

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

On the onset of Corona virus pandemic and hard time of lockdown across country, GGL being a responsible company and as an essential service has continued its operations with reduced staff at field & offices and rest working from home with support of information technology to ensure uninterrupted supply of Piped Natural Gas (PNG) to its residential, commercial and Industrial customers and to ensure continuity of its CNG operation.

To safeguard the life of its employee, contractor staff, customers and other stakeholders against COVID-19, GGL has developed and implemented various guidelines for precautions to be taken against COVID-19, while continuing emergency and customer services operations, in line with various orders & advisories released by Ministry of Health & Family Welfare and Ministry of Home affairs. During these times to raise the awareness about precautions against COVID-19, GGL has developed & displayed various posters and conducted awareness sessions. GGL is ensuring compliance with the guidelines at offices and operation & project sites including travel.

BOARD'S REPORT

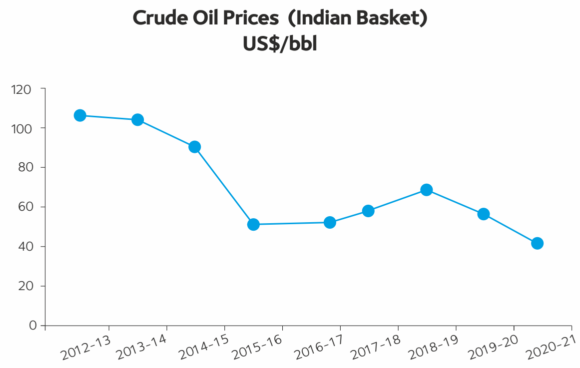
MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion & Analysis is as under:

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

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

World energy demand has been increasing steadily with Natural Gas accounting nearly half of increased consumption. Gas demand growth was especially strong in China and the United States, where cheap gas continues to replace coal for electricity generation. As per the International Energy Agency, India along with China is highly dependent on natural gas imports as domestic production exceeds consumption.



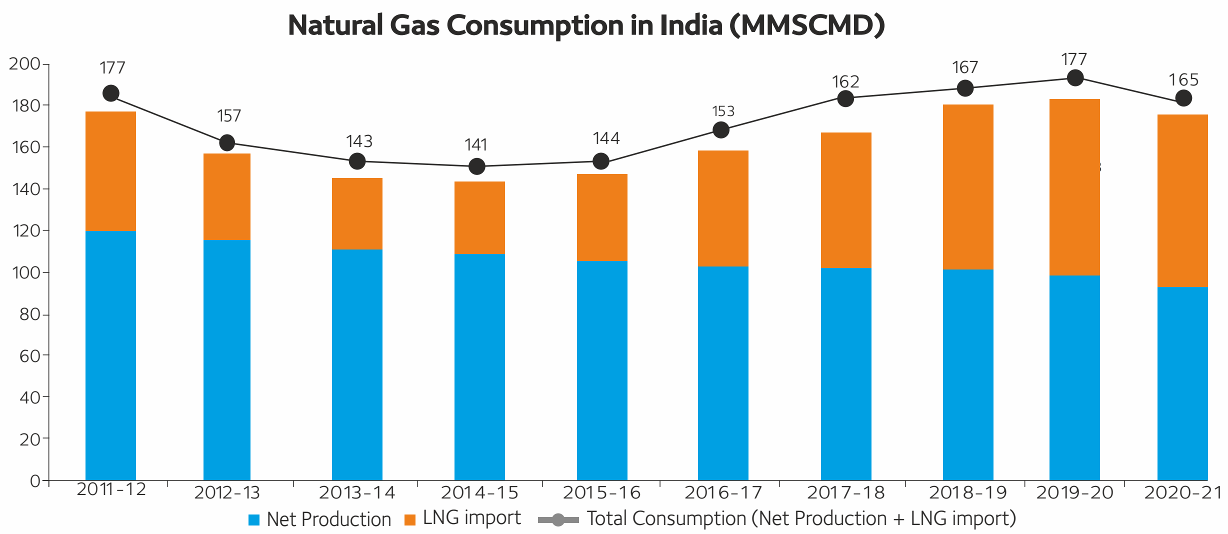
Crude Oil prices have always been at the forefront for all energy prices including Natural Gas. The crude oil prices had softened drastically in the initial part of FY 2020-21 on account of the Pandemic COVID 19.

The oil prices in FY 2020-21 has seen major volatility with the lowest being at 19.90 $/bbl in Apr 2020 and the highest being 64.73 in Mar 2021. However the average crude oil price has been much lower for the FY 2020-21 than FY 2019-20

The oil prices peaked in the last quarter of FY 2020-21 mainly on account of increased economic activity post the slowdown of CoVID-19 outbreak coupled with announcement by Saudi Arabia to reduce oil production over and above the levels agreed by OPEC+.

Growth of India's share in the global energy market is expected to increase in the coming years. India has been mainly dependent on high polluting fuels viz. coal, Furnace Oil to meet its ever growing energy needs. Government of India; realizing the importance of protecting the environment has announced; one of its important initiatives for a more sustainable future; an aggressive target to increase the share of Natural Gas in the overall energy consumption mix to 15 percent from the current levels of 6 percent by 2030.

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



The City Gas Distribution ("CGD") business in India contributes around 20% of total natural gas consumption in India and it is expected that the share of CGD shall grow in the coming years with start of CGD operations in newer geographies.

BOARD'S REPORT

2. OPPORTUNITIES AND THREATS

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

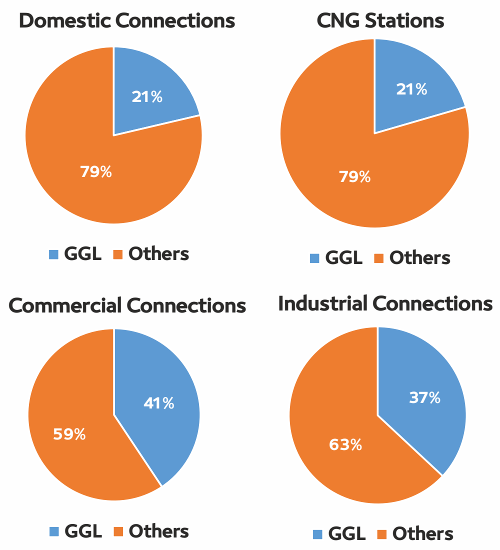
In the coming Financial Year it is also expected that the PNGRB shall be announcing the 11 th CGD Bidding Round wherein it is likely that many new GAs which are contiguous to your company's existing CGD operations shall also be included. This shall give your company another opportunity to expand its foot prints.

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

In addition, during the FY 2020-21, the sector regulator Petroleum and Natural Gas Regulatory Board notified regulations enabling open access to CGD business in India. While this may have some impact on GGL's business; it shall also allow GGL to access other CGD markets too. Hence the net impact on account of the open access regulations may be minimal in the foreseeable future.

3. SALES AND MARKET PERFORMANCE

The sector regulator approved the transfer of license from GSPL to GGL for the GA of Amritsar District and Bhatinda Distrcit. Your Company now has total 27 CGD licenses and operates in 43 districts and six states and one Union territory which accounts to c. 12% of total CGD licenses and c. 10% total Authorized areas issued by PNGRB in India and one transportation pipeline license.



Your Company has an expanse of around 1,75,600 square kilometres of licensed area under its umbrella and continues to hold the leadership position of being the largest CGD Company in terms of market share with catering to more than 15.46 lakh residential consumers, over 12,900 commercial customer, has erected / commissioned 539 CNG stations for vehicular consumers and provides clean energy solutions to over 4,000 industrial units through its wide spread operations with more than 30,000 kilometres of Natural Gas pipeline network. In the GA of Amritsar and Bhatinda, natural gas is supplied to over 4,450 residential customers, 36 commercial customers and 3 industrial customers. In addition, 20 CNG stations are erected / commissioned in these GA's.

Despite the dynamic business environment and intensely competitive energy market; Your Company has been resilient to connect around 347 new industrial units during the year. In addition, 3 new industrial units have been added in Amritsar and Bhatinda.

Despite the CoVID-19 pandemic, your company has witnessed a moderate growth of 1% in industrial sales compared to previous year. The average CNG volume decreased by 12% and commercial segment volume decreased by 31% mainly on account of the CoVID-19 pandemic. The CNG volumes and commercial segment volumes have recovered during the last quarter of FY 2020-21. Your Company has continued its focused efforts for developing and growing PNG (Domestic) and CNG business. Your Company added more than 1,02,000 residential customers and erected / commissioned 150 new CNG stations during the year (including the GAs of Amritsar and Bhatinda). Your company is aggressively planning for penetration in PNG (domestic), PNG (commercial) and CNG (transport) sector which is comparatively less volatile.

4. OUTLOOK

The future outlook for natural gas in India depends on the growth in demand, the evolution of the pricing regime, and the pace of gas infrastructure expansion. With outbreak of pandemic COVID-19, the demand for oil & gas is likely to remain stable. The demand will steadily rise with opening of the economy after the pandemic.

Your company has already adopted digitization of its critical processes and due to that these processes were least impacted during the Covid-19 lockdown period. Going forward also, your company shall leverage its endeavors for more digitization and aims to set benchmark in the CGD industry for complete E-Office, benefiting all the stakeholders viz. consumers, vendors, suppliers and employees. India's Natural Gas supply and demand outlook is changing. The Government of India (GoI) wants to make India a

BOARD'S REPORT

gas-based economy by boosting domestic production and buying cheap LNG. India has set a target to raise the share of gas in its primary energy mix to 15% by 2030. To improve the share of Natural Gas and promote a gas-based and clean fuel economy, the GoI has adopted a systematic approach to focus on all aspects of the gas sector viz upstream, midstream and downstream including CGD network development.

Your Company has been continuously growing and expanding its horizon by venturing into new geographic areas and is committed to reach every possible Natural Gas user across its licensed expanse of around 1,75,600 square kilometres through its ever growing pipeline network spread across 43 districts and six states and one UT. Your Company shall continue to focus on growing the penetration in the current operating areas by increasing the PNG connections and additional CNG stations while tapping the untapped potential by expeditious rollout of distribution network in the newly acquired geographic areas as well. With this focused endeavour GGL shall continue its efforts in providing clean fuel solutions across all operational area to augment an energetic top-line and bottom-line in coming years.

5. RISKS AND CONCERNS

The world runs on energy. Conventional fuels such as petrol and diesel have been in use for transportation for decades. But the current demand–supply gap in energy, depletion of oil-based fuels and environmental constraints have created a necessity for alternate energy resources which are cleaner and environment friendly. Natural gas is being considered as the fuel for today and is being looked as transportation as well as a domestic fuel. CGD is a growing business sector and it aims to provide uninterrupted supply of gas to domestic, commercial and industrial customers in the form of PNG and CNG. Natural Gas Distribution or CGD system is a pipeline system for transport of gas and their distribution among consumers. The distribution system includes gas distribution mains and service lines. The pressure is regulated in the system and is usually designed as closed ring or loop systems, in order to ensure uninterrupted gas supply. The sector has attracted many engineers, managers, and practitioners. The CGD sector has seen a tremendous growth over the past few decades but as the sector is still in the development stage, especially in India, many challenges are being faced by all the stakeholders of the CGD sector. Challenges and issues are now discussed in many forums and corrective actions are being taken. In CGD sector most of the issues are complex and the mechanism for combating the same are jointly worked out by the government and CGD entities. CGD business like any other business is also exposed to inherent business risks due to internal and/ or external factors. To name a few, the risks could vary from continuous availability of economic gas supplies, pipeline connectivity for expansion in unconnected areas, abundant availability of economical alternate fuels, global economic downturn, crude market volatility, delay in permissions from various statutory bodies for laying the infrastructure etc. While some of these risks may be beyond the mitigation capability of any company or industry, as a prudent and responsible Company all possible measures are being taken to safe guard the interest of the Company from being impacted due to the above listed risks and concerns. Your Company has adequate internal control procedure for assessing various business risks, which, the Company is likely to face in near to mid-term future and also prepares mitigation measures.

INTERNAL CONTROL SYSTEM AND ADEQUACY

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

FINANCIAL AND OPERATIONAL PERFORMANCE

The stand-alone net profit after tax (Total comprehensive income) for the current financial year 2020-21 increased to Rs. 1278.07 Crores from Rs. 1189.62 Crores in the previous year. The Company had a healthy net cash inflows from operations of Rs. 1655.18 Crores during the financial year 2020-21. During the year, the Company also prepaid loans amounting to Rs 988 crores from internal accruals bringing down the total debt level to Rs. 897 crores at the end of financial year.

Investments were made in extension of pipeline network to reach new areas and in reinforcements and upgradation of existing network as required. Investments were also made to connect residential customers and augmenting the CNG infrastructure. Investments were also made to upgrade the IT infrastructure and integrate SAP to enhance reliability and enable scalability. Appropriate provisions have been made in the accounts wherever necessary for contingencies, bad debts and diminution in value of investments. No amount has been transferred to the General Reserve during the year.

BOARD'S REPORT

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

Particulars	FY 2020-2021	FY 2019-2020	Remarks	Reason for changes
Debtors Turnover	15.53	20.63	Revenue From Operation / Average Trade Receivable	Ratio for FY 2019-20 was Higher due to reduction of sales and hence receivables in last billing cycle of March 2020 on account of lockdown due to COVID 19.
Inventory turnover	-	-	Not relevant from company perspective	NA
Interest Coverage Ratio	14.58	7.11	(EBITDA-current tax)/ Interest Cost	Interest Coverage Ratio is improved due to - increase in profitability and - reduction in borrowings cost on account of prepayments of loans during FY 2020-21 and - reduction in interest rates
Current Ratio	1.21	1.58	Current assets / Current liabilities net of customer deposit	NA
Debt Equity	0.20	0.61	Total Borrowing / Total Equity	Debt Equity ratio has improved due to prepayments of Borrowings during FY 2020-21 and increase in Total equity due to profits earned in FY 2020-21.
Operating Profit Margin (%)	20.79%	15.53%	Operating income / Revenue from operations	Operating Profit Margin(%) is improved mainly on account of increase in margins.
Net Profit Margin (%)	12.70%	11.34%	PAT / Revenue from operations	NA
Return on Net Worth	32%	42%	PAT / Average net worth	NA

- Previous year's ratios have been reclassified wherever necessary to confirm to the current period's presentation.

IMPACT OF COVID-19

In view of the pandemic relating to Coronavirus (COVID-19), the Company has considered the possible effects including but not limited to assessment of going concern assumptions, the carrying amount of current assets and assessed the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets as evident so far in the preparation of these financial results. The Company currently has a comfortable liquidity position and continues to service its debt obligations.

The impact of the COVID-19 pandemic, if any, may be different from that estimated as at the date of approval of these financial statements.

Considering the second wave of COVID 19 across the country a definitive assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment. The Company is continuously monitoring material changes in such information and economic forecasts.

Due to the COVID-19 impact, primarily in the first quarter, the results of the company for year ended on 31st March, 2021 are not comparable with corresponding period of FY 2019-20 to that extent.

HUMAN RELATIONS AND PARTICULARS OF EMPLOYEES

Your Company employed 1050 employees as on 31st March 2021. Your Company has a focus on building capabilities and developing competencies of its employees. The Company believes that training and development is of vital importance to create a climate where people maximize their technical skills and inner potential which can help the Company in capitalizing the emerging business opportunities through their involvement. Considering the pandemic situation, during the year, employees were facilitated for various virtual training programs and seminars to enhance their skills/knowledge. Your Company has in place an attractive policy of performance linked incentive to encourage and reward employee performance.

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

BOARD'S REPORT

CORPORATE GOVERNANCE

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

ANNUAL RETURN

The Annual Return of the Company in the Form MGT – 7 is available on the website of the Company at https://www.gujaratgas.com/resources/downloads/draft-annual-return-2020-21-03092021.pdf

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

The details about conservation of energy, technology absorption, foreign exchange earnings and outgo is attached at **Annexure – 6.**

Foreign Exchange Earnings and Outgo-

The Company has incurred expenditure in Foreign Exchange to the extent of Rs. 0.49 Crores during FY 2020-21 (Previous year FY 2019-20 Rs. 1.50 Crores) and the Foreign Exchange Earnings during FY 2020-21 were Rs. NIL (Previous year FY 2019-20 Rs. NIL).

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. that in the preparation of the annual accounts, financial statements for the year ended 31st March, 2021, the applicable accounting standards have been followed and no material departures have been made from the same;

b. that accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the year ended on that date;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the annual financial statements have been prepared on a going concern basis;

e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Directors place on record their deep appreciation to employees of the Company at all levels for their hard work, dedication and commitment. The Directors are extremely grateful for all the support given by the Government of Gujarat at all levels. The Directors place on record their sincere thanks to the Promoters, Shareholders, Suppliers, Lenders and Customers for their valuable support, trust and confidence reposed in the Company.

For and on behalf of the Board of Directors

Date : 25th August, 2021 — **Anil Mukim, IAS**

Place : Gandhinagar — **Chairman**

ANNEXURE – 1
A REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance as on 20th April, 2021.

1. GGL's philosophy on Corporate Governance

Your Company believes that Corporate Governance is driven by the core values of the Company. Your Company promotes the values of customer orientation, team work, commitment, growth and trust. These reflect the Company's approach to all its stakeholders in the course of carrying out its business. The Company's values are portrayed in a set of strong Business Principles. These Business Principles are continuously communicated and reinforced with employees and contractors. The Company seeks to comply with all applicable legal, regulatory and license requirements and strives to work constructively with regulatory bodies.

2. Board of Directors

The Board has nine (9) Directors, 8 of whom are Non-Executive Directors (NEDs) and 1 Executive Director (ED). Five (5) of these are Independent Directors, which is in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of composition of the Board as on 20th April, 2021, category as well as their Directorships on Board and Memberships in committees of companies, are given below:

Sr. No.	Name of Director	Position/Category	*No. of Directorship including Gujarat Gas Ltd.	No. of Membership/ Chairmanship in Board Committees in which Chairman / Member**	
				+Membership	Chairmanship
1	Mr. Anil Mukim, IAS	Promoter and Non - Executive Director	*11	0	2
2	Smt Sunaina Tomar, IAS		10	1	0
3	Mr. Sanjeev Kumar, IAS	Promoter and Executive Director	10	4	0
4	Mr. Milind Torawane, IAS	Promoter and Non- Executive Director	10	4	0
5	Dr. Manjula Subramaniam, IAS (Retd.)	Non- Executive and Independent Director	5	1	1
6	Mr. Jal Patel		4	2	3
7	Mr. K.D. Chatterjee		2	2	1
8	Prof. Piyush Kumar Sinha		7	3	0
9	Prof. Vishal Gupta		1	1	0

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

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

+ Membership does not include Chairmanship.

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

Sr No.	Name of Director	Name of Listed Entities	Category of Directorship
1	Mr. Anil Mukim, IAS	Gujarat Alkalies and Chemicals Limited	Chairman
		Gujarat Narmada Valley Fertilizers & Chemicals Limited	Chairman
		Gujarat State Petronet Limited	Chairman & Managing Director
		Gujarat Gas Limited	Chairman
		Gujarat State Fertilizers & Chemicals Limited	Chairman
2	Smt. Sunaina Tomar IAS	Torrent Power Limited	Director
		Gujarat State Petronet Limited	Director
		Gujarat Gas Limited	Director
		Gujarat State Fertilizers & Chemicals Limited	Director
		Gujarat Industries Power Company Limited	Chairman
3	Mr. Sanjeev Kumar, IAS	Gujarat Gas Limited	Managing Director
		Gujarat State Petronet Limited	Jt. Managing Director
		Petronet LNG Limited	Director
4	Mr. Milind Torawane, IAS	Gujarat Mineral Development Corporation Limited	Director
		Gujarat Gas Limited	Director
		Gujarat Alkalies and Chemicals Limited	Managing Director
		Gujarat Industries Power Company Limited	Nominee Director
5	Dr. Manjula Subramaniam, IAS (Retd.)	Gujarat Gas Limited	Independent Director
		Span Divergent Limited	Director
		Gujarat Industries Power Company Limited	Director
6	Mr. Jal Patel	Elecon Engineering Company Limited	Director
		Munjal Auto Industries Limited	Director
		Gujarat Gas Limited	Independent Director
7	Mr. K.D.Chatterjee	Gujarat Gas Limited	Independent Director
8	Prof. Piyush Kumar Sinha	Ujaas Energy Limited	Independent Director
		Gujarat Gas Limited	Independent Director
		Infibeam Avenues Limited	Director
9	Prof. Vishal Gupta	Gujarat Gas Limited	Independent Director

The details of attendance of the Directors at the Board Meetings for the Period from 1st April, 2020 up till 20th April, 2021 and at the last Annual General Meeting is given below:

Names of the Directors	Number of Board Meetings held while holding office	Number of board meetings attended while holding office	Attendance at the last AGM
Shri Anil Mukim, IAS (appointed w.e.f. 1st April, 2020)	4	4	Yes
Smt Sunaina Tomar, IAS	4	4	Yes
Shri Sanjeev Kumar, IAS	4	4	Yes
Mr. Milind Torawane, IAS	4	3	No
Dr. Manjula Subramaniam, IAS (Retd.)	2	1	Yes
Mr. Jal Patel	4	4	Yes
Mr. K. D. Chatterjee	4	4	Yes
Prof. Piyush Kumar Sinha	4	4	Yes
Prof. Vishal Gupta	4	3	Yes

Note: 1. None of the Directors are related inter se
2. No. of Shares held by Non Executive & Executive Director: Nil
3. Weblink for familiarization programme: https://www.gujaratgas.com/resources/downloads/details-of-familiarization-programme-12042021.pdf

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

The Board Meetings were held as follows:

Sr No.	Date of Board Meeting
1	5th June, 2020
2	4th August, 2020
3	5th November, 2020
4	5th February, 2021

Disclosure regarding appointment/ reappointment of Director(s)

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

3. Audit Committee

The composition of the Audit Committee on 20th April, 2021 is as follows:

1.	Mr. Jal Patel	Chairman
2.	Mr Sanjeev Kumar, IAS	Member
3.	Mr.Milind Torawane, IAS	Member
4.	Mr. K. D. Chatterjee	Member
5.	Prof. P.K. Sinha	Member
6.	Prof. Vishal Gupta	Member

Mr Sandeep Dave, Company Secretary acts as the Secretary of the Audit Committee. Mr Sanjeev Kumar, IAS is an Executive Director and remaining all the members of the Committee are Non-executive Directors. Mr. Jal Patel, Mr. K. D. Chatterjee, Prof. P.K. Sinha and Prof. Vishal Gupta are Independent Directors. All the members of the Committee are qualified professionals and have accounting or related financial management expertise. The quorum of the Committee is three (3) members, with presence of at least 2 Independent Directors.

Terms of reference / scope of Audit Committee is in line with the provisions of section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 further the Audit Committee acts in accordance with the terms of reference, as specified in writing by the Board, which inter alia, includes;

(1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) changes, if any, in accounting policies and practices and reasons for the same;

(c) major accounting entries involving estimates based on the exercise of judgment by management;

(d) Significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

(5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

(8) Approval or any subsequent modification of transactions of the Company with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the Company, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) Discussion with internal auditors of any significant findings and follow up there on;

(15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) To review the functioning of the vigil mechanism;

(19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

(21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

The audit committee shall mandatorily review the following information:

(1) Management discussion and analysis of financial condition and results of operations;

(2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

(3) Management letters / letters of internal control weaknesses issued by the statutory auditors;

(4) Internal audit reports relating to internal control weaknesses; and

(5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(6) Statement of deviations: (a)quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32 (1) (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Details of meetings of Audit Committee during the period from 1st April, 2020 up to 20th April, 2021 and attendance is as under:

Sr.No.	Date of Meeting	Number of Members	Attendance
1	5th June, 2020	6	5
2	4th August, 2020	6	6
3	5th November, 2020	6	5
4	5th February, 2021	6	4
5	17th March, 2021	6	5
6	31st March, 2021	6	5

4. Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee (NRC) as on 20th April, 2021, is as follows:

1.	Mr. K. D. Chatterjee	Chairman
2	Smt. Sunaina Tomar, IAS	Member
3	Mr. Jal Patel	Member
4	Prof. Vishal Gupta	Member

Mr Sandeep Dave, Company Secretary acts as Secretary of the Nomination and Remuneration Committee. All the members of the Committee are Non-executive Directors. Mr. K. D. Chatterjee, Prof. Vishal Gupta and Mr. Jal Patel are Independent Directors. All the members of the Committee are qualified professionals. The quorum of the Committee is two (2) members with presence of at least 1 Independent Director.

The scope of this Committee is as under:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) devising a policy on diversity of board of directors;

(4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors, their appointment and removal.

(5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(6) recommend to the board, all remuneration, in whatever form, payable to senior management.

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

Details of meetings of NRC are as below:

Sr.No.	Date of Meeting	Number of Members	Attendance
1	4th June, 2020	4	4
2	5th November, 2020	4	3

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

5. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the performance evaluation of individual Directors for FY 2020-21 was carried out as per the terms and conditions of their appointment based on the various parameters.

6. Sitting fees

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

During the Financial Year 2020-2021 sitting fees of Rs. 8,25,000/- had been paid to directors for meeting of Board or its Committees, sitting fees of Government Directors had been deposited in Government treasury.

7. Stakeholders Relationship Committee, Business Responsibility Committee and Risk Management Committee

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

The Company had received 33 letters of various types of requests, inquiries and complaints during the FY 2020-21. All the complaints were resolved to the satisfaction of the shareholders.

The composition of this Committee as on 20th April, 2021, is as under:

1.	Mr. KD Chatterjee	Chairman
2.	Mr. Milind Torawane, IAS	Member
3.	Mr. Jal Patel	Member

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

Sr.No.	Date of Meeting	Number of Members	Attendance
1	4th June, 2020	3	2
2	4th August, 2020	3	2
3	5th November, 2020	3	2
4	5th February, 2021	3	2

Mr Sandeep Dave, Company Secretary acts as the Secretary of the Committee. The quorum of the Committee is two (2) members.

Business Responsibility Report (BRR) and BR Committee

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

1	Mr. K. D. Chatterjee, Member
2	Mr. Jal Patel, Member

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

The Company Secretary acts as the Secretary of the Committee.

Risk Management Committee (RMC)

The RMC has been constituted with below mentioned scope of work:

1. To lay down the procedures to inform the Board of Directors about the risk assessment and minimization procedures, based on the management's perception of risk factors specific to the Company and the such function shall specifically cover cyber security;
2. To recommend to the Board of Directors the Risk Management Plan (RMP) of the Company and assist the Board in the implementation of the RMP;
3. To monitor and review the RMP;
4. To evaluate internal financial controls and risk management systems;
5. To carry out such responsibilities and functions as may be entrusted by the Board from time to time.

The composition of this Committee as on 20th April, 2021, is as under:

	Risk Management Committee	
1	Shri Milind Torawane, IAS	Chairman
2	Shri Jal Patel	Member
3	Shri K.D. Chatterjee	Member
4	Shri Sanjeev Kumar, IAS, MD	Member
5	Shri Nitesh Bhandari, CFO	Member

Details of meetings of RMC are as below:

Sr. No.	Date of Meeting	Number of Members	Attendance
1	4th June, 2020	5	4
2	4th August, 2020	5	5
3	5th November, 2020	5	4
4	5th February, 2021	5	4

Mr Sandeep Dave, Company Secretary acts as the Secretary of the Committee. The quorum of the Committee is three (3) members.

8. General Body Meetings:

Location and time of last three AGMs.

Annual General Meeting

Date	Time	Venue
24th September, 2020	12:00 P.M.	Gujarat Gas CNG Station,Sector 5/C, Gandhinagar – 382 006, Gujarat.
20th September, 2019	12:00 P.M.	Seminar Hall - 2 (SR2), Gate No. 1, Mahatma Mandir, Gandhinagar, Gujarat
27th September, 2018	3:30 P.M.	Seminar Hall-2 (SR-2), Gate No-1, Mahatma Mandir, Gandhinagar Gujarat

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

Annual General Meeting held on 24th September, 2020

No Special Resolution was passed at the Annual General Meeting held on 24th September, 2020.

Annual General Meeting held on 20th September, 2019

1. Re-Appointment of Prof. Piyush Kumar Sinha as an Independent Director for the second term.
2. Re-Appointment of Prof. Vishal Gupta as an Independent Director for the second term.
3. To approve enhancement of the Borrowing Powers of the Board under Section 180 (1) (c) of the Companies Act, 2013.

Annual General Meeting held on 27th September, 2018

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

9. Disclosures

There are certain transactions with Related Parties which have been disclosed at the relevant place in the Notes to the Financial Statements. No such Related Party Transactions may have potential conflict with the interests of the Company at large. There is no non-compliance on any capital market related matter for FY 2020-21 on Stock Exchanges. Further, no penalty has been imposed either by SEBI or Stock Exchanges or any Statutory Authority on any capital market related matter during the last three years.

10. Means of Communication

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

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

11. Code of Conduct

Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct and made it applicable to the Board Members and Senior Management of the Company, who have complied with the same during FY 2020-21. The Code of Conduct has also been posted on the website of the Company.

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

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

12. Vigil Mechanism

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

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

As required under regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Related Party Transactions Policy which has been disclosed on the website of the Company at https://www.gujaratgas.com/resources/downloads/policy-on-related-party-transaction-20082019.pdf on Materiality of Related Party Transactions and dealing with Related Party Transactions.

14. Appointment of Independent Directors

The Company has issued formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment have also been disclosed on the website of the Company at https://www.gujaratgas.com/pdf/terms-and-conditions-of-appointment-of-independent-directors.pdf The Board of Directors confirm that in the opinion of the board, the Independent Directors fulfill the conditions specified in SEBI (LODR) 2015 and are independent of the management.

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

List of core skills/ expertise/ competencies identified by the Board of Directors	Directors who possess those skills
Skills and expertise relating to energy, petrochemicals, oil and gas industry	**1. Shri Anil Mukim, IAS** **2. Smt. Sunaina Tomar, IAS** **3. Shri Milind Torawane, IAS** **4. Dr. Manjula Subramaniam, IAS (Retd.)** **5. Shri Jal Patel** **6. Shri K. D. Chatterjee** **7. Prof. P.K. Sinha** **8. Prof. Vishal Gupta** **9. Shri Sanjeev Kumar, IAS**
Strategic thinking, advisory skills and Governance	
Policy development	
Embrace the shared vision of the Company honesty and integrity leader and team objective	

The aforementioned skills are available with the Directors of Gujarat Gas Limited.

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

The financial Statements for the financial year 2020-21 are with unmodified audit opinion.

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

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

17. Compliance

Certificate regarding compliance with the Corporate Governance Code for the FY 2020-21 is annexed to this report.

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

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

18. General Shareholder Information

A. Schedule & Venue of the 9th Annual General Meeting of the Company :

Day & Date	**Tuesday, 28th September, 2021**
Time	**12:00 p.m.**
Venue	**AGM through VC/eAGM**

B. Financial Year:

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

C. Record Date:

The Record Date for the purpose of payment of Dividend is Thursday, 9th September, 2021.

D. Dividend Payment:

Dividend if approved by the shareholders at the 9th Annual General Meeting will be paid on or before 27th October, 2021.

E. Listing on Stock Exchanges and Stock Code (w.e.f. 15th September 2015)

Details of listing of equity shares of your Company are given below along with stock codes:

National Stock Exchange of India Limited	GUJGASLTD
BSE Limited	GUJGAS -539336

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

National Stock Exchange of India Ltd.	**BSE Limited**
Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001

Your Company's equity shares have been listed and trading on BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Ahmedabad Stock Exchange Limited (ASE) and Vadodara Stock Exchange (VSE) with effect from 15th September, 2015. The ISIN of Equity Shares is INE844O01030. Further it is brought to the notice of Shareholders that SEBI vide its Order

No. WTM/RKA/MRD/144/2015, dated 9th November, 2015, had provided the exit to Vadodara Stock Exchange Limited and in view thereof, the Company is no longer listed on VSE. It is also brought to the notice of the Shareholders that the Company had received a letter dated 11/01/2017, from Ahmedabad Stock Exchange Limited, wherein it has been informed that Ahmedabad Stock Exchange Limited (ASEL) is undergoing its exit policy and because of that all the Companies listed with ASEL are shifted to NSE, BSE, or dissemination Board, NSE, so the Company is requested to do all the Compliance with relevant exchanges where the Company is further listed or with Dissemination Board, NSE and not with ASEL. As your Company is already listed with NSE and BSE, no additional compliance is required.

In view of the aforesaid, it is also informed to the Shareholders that Ahmedabad Stock Exchange Limited has not charged listing fees for FY 2017-18, FY 2018-19, FY 2019-20 and FY 2020-21 and is not providing the trading platform to the shareholders of the Company and there is not valid contract/agreement with the Company, in view of which your Company is no longer listed with Ahmedabad Stock Exchange Limited.

Listing fees have been paid for the financial year 2020-21 and 2021-22 as per the requirements with the respective Stock Exchanges.

The Company has also entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN no. for Company's securities is INE844O01030.

F. Market Price Data

The Market price data on the BSE and NSE for the FY 2020-21 is given below:

Equity Share Price on BSE			BSE Sensex		Equity Share Price on NSE		NSE Nifty	
Month	**High Price**	**Low Price**	**High Price**	**Low Price**	**High Price**	**Low Price**	**High Price**	**Low Price**
April-2020	274.8	219.2	33887.25	27500.79	274.9	219.1	9889.05	8055.8
May-2020	257.9	225	32845.48	29968.45	257.95	228	9598.85	8806.75
June-2020	324.35	244	35706.55	32348.1	324.4	244	10553.15	9544.35
July-2020	330	281.6	38617.03	34927.2	328.8	281.5	11341.4	10299.6
August-2020	334.65	289.75	40010.17	36911.23	334.4	289.3	11794.25	10882.25
September-2020	328.3	285	39359.51	36495.98	328	285.2	11618.1	10790.2
October-2020	316.9	281	41048.05	38410.2	316.7	281	12025.45	11347.05
November-2020	411.2	290.25	44825.37	39334.92	412.4	290.3	13145.85	11557.4
December-2020	387.45	335	47896.97	44118.1	387.7	335	14024.85	12962.8
January-2021	397.15	342.3	50184.01	46160.46	396.95	342.05	14753.55	13596.75
February-2021	526.9	357.1	52516.76	46433.65	526.8	357	15431.75	13661.75
March-2021	568	495.5	51821.84	48236.35	566.7	495.8	15336.3	14264.4

G. Distribution of shareholding

The Distribution of Shareholding as on 31/03/2021 is given below:

Distribution Schedule - Consolidated As on 31/03/2021					
Category (Amount)	**No. of Cases**	**% of Cases**	**Total Shares**	**Amount**	**% of Amount**
20001 - 30000	157	0.177201	20,23,093	40,46,186	0.293888
5001 - 10000	3,456	3.900677	1,56,04,869	3,12,09,738	2.266864
40001 - 50000	49	0.055305	11,26,035	22,52,070	0.163575
50001 - 100000	107	0.120767	39,74,950	79,49,900	0.577427
100001 & Above	235	0.265237	64,57,51,840	1,29,15,03,680	93.806087
10001 - 20000	611	0.689616	46,45,365	92,90,730	0.674816
30001 - 40000	71	0.080135	12,63,247	25,26,494	0.183507
1 - 5000	83,914	94.711061	1,40,00,726	2,80,01,452	2.033836
Total	**88,600**	**100.00**	**68,83,90,125**	**1,37,67,80,250**	**100.00**

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

I. Geographical Areas

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

J. Fees paid to the Statutory Auditors :

During the financial year 2020–2021, M/s. S R Goyal & Co, the Statutory Auditors of the Company were paid fees for audit and providing other services as per below details:

Name of the Company	Fees paid			Total
	For Statutory Audit	For Quarterly Limited review (Rs. 2,62,500*3 qtr)	For providing other services	
Gujarat Gas Limited	16,95,750	7,87,500	10,000	24,93,250

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

Your Company has always believed that appropriate standard of conduct should be maintained by the employees in their conduct and that there should be a safe, in discriminatory and harassment-free (including free of sexual harassment) work environment for every individual working in the Company. The Company has in place a Policy on Prevention of Sexual Harassment at workplace as a part of its Human Resource Policy. It aims at prevention of harassment of employees and lays down the guidelines for reporting and prevention of sexual harassment. During the year ended 31st March, 2021, NIL complaint has been received pertaining to sexual harassment. The Company has constituted internal complaint committee and has also complied with all applicable provisions of the said Act.

19. Details of Registrar & Share Transfer Agent

KFin Technologies Private Limited, Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032. Toll Free Number: 1800 319 4001, Fax Number: 040 -23001153

20. Dematerialisation of Shares and Share Transfer System

About 95.64% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards to transfer of shares held in physical form, the transfer documents can be lodged with KFin Technologies Private Limited. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. Shri Sanjeev Kumar, IAS, MD of the Company is authorized to approve the followings:

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

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

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

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

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

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

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

Further SEBI vide Circular dated 7th September, 2020 has clarified that it has been decided to fix 31st March, 2021 as the cut-off date for re-lodgement of transfer deeds. Further, the shares that are re-lodged for transfer (including those request that are pending with the listed Company / RTA, as on date) shall henceforth be issued only in demat mode.

21. Summary of Shareholding as on 31/03/2021

Summary of Shareholding As on 31/03/2021			
Category	**No. of Holders**	**Total Shares**	**% to Equity**
PHYSICAL	770	3,00,54,565	4.365920
NSDL	42,932	59,94,61,316	87.081626
CDSL	44,898	5,88,74,244	8.552453
Total	88,600	68,83,90,125	100.00

22. Address of Correspondence

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

23. Details of Credit Rating for Bank loan facilities:

Rating Agency	Instrument Type	Rating Type	Rating/Outlook As on 31-Mar-2021	Date of rating document
CRISIL Ratings Limited	Bank Loan Facilities	Long-term	CRISIL AA+ / Stable	04/03/2021
CARE Ratings Limited	Bank Facilities	Long-term/ Short-term	CARE AA +/ Stable / CARE A1+ (Revised from CARE AA; Positive / CARE A1+ on 10-Sep-2020)	10/09/2020
India Ratings and Research Pvt Ltd	Bank Loans	Long-term/ Short-term	IND AA +/ Stable / IND A1+ (Revised from IND AA; Positive / IND A1+ on 29-Apr-2020)	29/04/2020
	Commercial paper	Short-term	IND A1+	29/04/2020

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

i) The Company has a Non–Executive Chairman.

ii) The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.

iii) The internal auditors report to the Audit Committee.

For and on behalf of the Board of Directors

Anil Mukim, IAS
Chairman

Date : 22nd July, 2021
Place : Gandhinagar

ANNEXURE – 2
ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief Outline on CSR Policy of the Company:**

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and the amendments thereto. Pursuant to provisions of Section 135 of the Companies Act, 2013, the Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company at https://www.gujaratgas.com/resources/downloads/csr_policy_15062021.pdf This Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as Annexure - 2 to the Board's Report.

2. **Composition of CSR Committee:**

Corporate Social Responsible Committee		
1	Smt. Sunaina Tomar, IAS	Chairperson
2	Mr. K. D. Chatterjee	Member
3	Mr. Jal Patel	Member
Any two Directors shall form the Quorum of the Committee.		

3. **Provide weblink where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

The Company has framed a CSR Policy in compliance with the provisions of section 135 of the Companies Act, 2013 and the same is placed on the website of the Company and the web link for the same is www.gujaratgas.com

4. **Provide the Details of impact assessment of CSR Projects out in pursuance of sub-rule (3) of rule 8 of the companies (Corporate Social responsibility Policy) Rules, 2014 if applicable (attach the report) –**

Not applicable for the financial year 2020 - 21

5. **Detail of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the (Companies Corporate Social Responsibility Policy) rule 2014, and amount required for set off for the financial year, if any:**

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (in Rs.)	Amount required to be set off for financial year, if any (in Rs.)
1	2020-21	NIL	NIL
	TOTAL		

6. **Average net profit of the Company as per section 135(5):**

Average net profit of the company for last three financial years: INR 748.12 Crores

7. (a) **Two percent of average net profit of the Company as per section 135(5):** INR 14.96 Crores

   (b) **Surplus arising out of the CSR Projects or Programs or Activities of the previous financial years.: NIL**

   (c) **Amount required to be set-off for the financial year, if any: NIL**

   (d) **Total CSR Obligation for the Financial Year [7a+7b-7c]:** INR 14.96 Crores

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount spent for the financial year (in Rs.)	Amount Unspent (in Rs.)				
	Total amount transferred to unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of fund	Amount	Date of Transfer
INR 15.01 Crores	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) details of CSR amount spent against on-going projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl No.	Name of project	Items from the list of Activities in Schedule VII to the Act.	Local Area	Location of project		Project Duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in Rs.)	Mode of implement-tation -Direct (in Rs.)	Mode of implementation through implementation agency	
				State	District						Name	CSR Registration number
		Not Applicable										
	Total											

* Implementing Agencies includes various NGOs/Trusts.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl No.	Name of the project	Items from the list of activities in schedule VII to the act.	Local area Y/N	Location of project		Amount spent for the project (in Rs.)	Mode of implementation -Direct (Yes/No)	Mode of implementation through implementation agency	
				State	District			Name	CSR Registration number.
1	CM Relief Fund for Covid-19*	Preventive Healthcare/ Disaster Management	Yes	Gujarat	All	10,00,00,000/-	Yes		NA as the contribution is made in FY 2020 – 21 & obtaining CSR registration number is applicable from 01/04/2021
2	Free Gas to Crematoriums	Community Development	Yes	Gujarat	Operational districts of the company	1,76,41,827/-	Yes		"
3	Mid-Day Meal – Happiness Box Distribution	Health	Yes	Gujarat	Operational districts of the company	1,15,00,000/-	Yes		"
4	Tree Plantation & Construction of protective wall	Environment	Yes	Gujarat	Morbi	1,00,00,000/-	Yes		"

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
5	Blind People's Association	Healthcare/ Education/Co mmunity Development	Yes	Gujarat	Ahmedab ad	16,18,000	Yes		“
6	Computer training to specially challenged girls & boys	Education	Yes	Gujarat	Ahmedab ad	27,00,000/-	Yes		“
7	Samagra Shikhsha Gyankunj Project	Education	Yes	Gujarat	Morbi & Rajkot	58,30,000/-	Yes		“
8	Smart Class Room project – Educational content & Infrastructure support to Municipal School for girls from weaker section of the society	Education	Yes	Gujarat	Rajkot	5,08,232/-	Yes		“
9	Mobile Healthcare van	Health	Yes	Gujarat	Narmada	3,44,315/-	Yes		“
	TOTAL					**15,01,42,374/-**			

* MCA issued clarification dated 23rd March, 2020 that spending on various activities related to Covid – 19 will be considered as CSR under item No. (i) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of health care, including preventive health care and sanitation and Disaster Management. Considering this, the Company has obtained approval of CSR committee and contributed Rs. 10 Crores on 31 st March 2020 and additional Rs 10 Crores on 1 st April,2020 to "Chief Minister Relief Fund, Government of Gujarat" with special objective in the situation of Disaster Relief for helping COVID 19 affected areas and considered the same as CSR expenditure. Subsequently on 10th April, 2020, MCA had issued COVID-19 related Frequently Asked Questions (FAQs) on Corporate Social Responsibility (CSR) where in it was clarified that "'Chief Minister's Relief Fund' or 'State Relief Fund for COVID-19' is not included in Schedule VII of the Companies Act, 2013 and therefore any contribution to such funds shall not qualify as admissible CSR expenditure. The Company has made representation to Government for considering contribution to CM Relief Fund as eligible CSR expenditure. It may be noted that Company had made above contribution to Gujarat State CM Relief Fund for the financial year 2019-20 and 2020-21 under CSR activities prior to the FAQs dated 10th April, 2020, issued by MCA.

(d) Amount Spent in Administrative Overhead: NIL

(e) Amount spent on Impact assessment, if applicable: NIL

(f) Total amount spent for the financial year [8b+8c+8d+8e]: INR 15.01 Crores

(g) Excess amount for set off, if any:

Sl No.	**Particulars**	**Amount (in Rs.)**
(i)	Two percent of average net profit of the company as per section 135(5)	INR 14.96 Crores
(ii)	Total amount spent for the financial year	INR 15.01 Crores
(iii)	Excess amount spent for the financial year[(ii)-(i)]	INR 0.05 Crores
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial year, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Amount not available for set off in succeeding financial years

9. (a) details of Unspent CSR Amount for the preceding three financial years:

There is no unspent CSR amount from the preceding three financial years.

Sl No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding Financial year (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1	2017-2018	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2	2018-2019	"	"	"	"	"	"
3	2019-2020	"	"	"	"	"	"
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial years(s):

Not Applicable. There are no ongoing projects of preceding financial years.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl No.	Project ID	Name of The project	Project Duration	Total amount allocated for the project (in Rs.)	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial year (in Rs.)	Cumulative amount spent at the end of the reporting Financial Year (in Rs)	Status of the project- Completed/ Ongoing
	Not Applicable							
	Total							

10. In case of creation or acquisition of capital assets, furnish the details relating to the assets so created or acquired through CSR spent in the financial year:

(asset-wise details)

(a) Date of acquisition of the capital asset(s): Nil

(b) Amount of CSR spent for creation or acquisition of capital assets: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.: Nil

(d) Provide details of the capital assets(s) created or acquired (including complete address and location of the capital assets): Nil

11. Specify the reason(s), if the company has failed to spend two percent of the net profit as per section 135(5):

There is no unspent amount during the financial year 2020 -21.

Shri Sanjeev Kumar, IAS	**Smt. Sunaina Tomar, IAS**
Managing Director	**Chairperson, CSR Committee**

Date : 6th July, 2021

ANNEXURE – 3
SECRETARIAL AUDIT REPORT

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 **('SCRA')** and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **('SEBI Act')** to the extent applicable to the Company:

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

   I. Secretarial Standards issued by The Institute of Company Secretaries of India;

   II. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI-LODR);

We hereby report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above. In this regard, it is only reported that the Company has made appointment of Dr. Manjula Subramaniam, IAS (Retd.) as an Independent Woman Director w.e.f. 28th August, 2020 belatedly under proviso to Regulation 17(1)(a) of the SEBI-LODR, after obtaining requisite directions from the Government of Gujarat (being a State Government Company) for which the Stock Exchanges have also granted waiver under the Standard Operating Procedure.

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

a) The Petroleum and Natural Gas Regulatory Board Act, 2006

b) The Petroleum Act, 1934

c) The Explosives Act, 1884

d) The Inflammable Substances Act, 1952

We further report that:

a) The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice was given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all the Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) Majority decisions were carried through while the dissenting members' views, if any were captured and recorded as part of the minutes.

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

We further report that during the audit period, there are no material events/actions taken place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For, MANOJ HURKAT AND ASSOCIATES
Practicing Company Secretaries
FRN: P2011 GJ025800

MANOJ R HURKAT
Partner
FCS No.: 4287, C P No.: 2574
UDIN: F004287C000380971

Place: Ahmedabad
Date: 1st June, 2021

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

ANNEXURE – A

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

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

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

Thanking You,

For, MANOJ HURKAT AND ASSOCIATES
Practicing Company Secretaries
FRN: P2011GJ025800

MANOJ R HURKAT
Partner
FCS No.: 4287, C P No.: 2574
UDIN: F004287C000380971

Place: Ahmedabad
Date: 1st June, 2021

ANNEXURE – 4
FORM No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis for the FY.2020-21:

Name of the Related Party & Nature of Relationship	Nature of Contracts / Arrangements / transactions	Duration of Contracts / Arrangements / Transactions	Salient terms of Contracts /Arrangements / Transactions including value, if any	Date of Approval by the Board, if any	Amount paid as advances, if any
Gujarat State Petroleum Corporation Limited – GSPC – Intermediate Holding Company	Purchase of Natural Gas	Regular	Rs. 6881.40 Crores #	NA	NA
Gujarat State Financial Services Limited – GSFS – Associate of Ultimate Holding Company	Deposit - Placed/ Renewed	Regular	Rs. 7899.13 Crores #	NA	NA
	Deposit - Withdrawn / Redeemed	Regular	Rs. 8244.41 Crores #	NA	NA

Definition of Material Related Party Transactions (as disclosed in Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions): "Material Related Party Transaction" In accordance with Regulation 23 of the Listing Regulations, shall mean any related party transaction/transactions, to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

For and on behalf of the Board of Directors

Shri Anil Mukim, IAS
Chairman

Place: Gandhinagar
Date: 22nd July, 2021

ANNEXURE-5
AOC-1
Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures
Part "B": Associates

(Rs in Crores)

Name of Associates	Guj Info Petro Limited
1. Latest audited Balance Sheet Date	31/03/2021
2. Shares of Associate held by the company on the year end	25,000
Amount of Investment in Associate	0.03
Extend of Holding %	49.94%
3. Description of how there is significant influence	Through voting power
4. Reason why the associate is not consolidated	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	As per Ind-AS-28 equity method is followed
6. Profit / (Loss) for the year	
I. Considered in Consolidation	2.08
ii. Not Considered in Consolidation	-

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

A. K. Atolia
Partner
M. No. : 412538

Place : Jaipur
Date : 1st June, 2021

For and on behalf of Board of Directors

Anil Mukim, IAS
Chairman
DIN 02842064

Sanjeev Kumar, IAS
Managing Director
DIN - 03600655

K.D. Chatterjee
Director
DIN- 00421999

Nitesh Bhandari
Chief Financial Officer

Sandeep Dave
Company Secretary

Place : Gandhinagar
Date : 1st June, 2021

ANNEXURE-6

(A) Conservation of Energy-

(i) The steps taken or impact on conservation of energy;

- Started usage of LED light fixtures instead of CFL/MH type in Street lighting/Offices – 1260 nos.
- Implemented design of outdoor lighting system for CNG station with high mast lighting, which reduced installation of light poles/fixtures – 04 nos.
- Optimise the power requirement and reduced contract demand at few CNG stations
- Controlled power usage during peak time as specified in power tariff-DISCOM by changing refilling time of mobile CNG vehicles
- By use of LNG/LCNG as a product which help to reduce the electrical consumption-(Reduce Electrical consumption-0.15KWH/kg=1300unit/day energy saving)
- By setting up LCNG station, the CNG gas transport through vehicle is reduced 400km/day at Narmada GA which help to reduce the number of trip of mobile truck and reduce the fuel consumption accordingly.
- Instead of steel cascade cylinder (3000/4500WLC capacity), we are using light weight composite cylinder (8800WLC - 55nos., 6600WLC - 26nos.) during transport for higher volume of gas which will help to reduce the number of trip by half of mobile truck and reduce the fuel consumption accordingly.
- We are working for Type-IV-06 nos. and jumbo cascade-12nos. for transport arrangement which will help to reduce the number of trip of mobile truck etc. and reduce the fuel consumption accordingly.

(ii) The steps taken by the company for utilising alternate sources of energy;

- Maximised usage of VRF (Variable refrigerant flow) & VRV (Variable refrigerant Variant) & Invertor based AC systems instead of conventional DX (direct expansion) type for new offices
- Introduced Gas engine driven compressors at CNG stations- 7nos.

(iii) The capital investment on energy conservation equipment's **- Nil**

(B) Technology Absorption-

(i) the efforts made towards technology absorption:

Setting up LCNG hub at Narmada – Liquefied natural gas (LNG) is natural gas, predominantly methane (CH4) that have been liquefied for ease of storage or transportation.

In absence of natural gas source point in proximity of the area, this Liquefied Natural Gas (LNG) is being transported through Cryogenic Road Tanker from source LNG Terminal to GGL LNG / LCNG Stations. This LNG is pressurized & re-gasified through ambient vaporizer for dispensing to customer vehicles as automobile fuel and Piped natural gas to domestic commercial & industrial customers on priority.

Setting up Virtual Pipeline Network – In absence of natural gas source point in proximity of the area. CNG is transported using Mobile Cascade vehicle to remote locations with Virtual pipeline facility where CNG pressure is reduced to be supplied to domestic, commercial and industrial connections on priority.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution: **Nil**

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**- Nil**

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) the expenditure incurred on Research and Development. **Nil**

(C) Foreign Exchange Earnings and Outgo-

The Company has incurred expenditure in Foreign Exchange to the extent of ₹ 0.49 Crores during FY 2020-21 (Previous year FY 2019-20 ₹ 1.50 Crores) and the Foreign Exchange Earnings during FY 2020-21 were ₹ NIL (Previous year FY 2019-20 Rs. NIL)

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

We have examined all relevant records of GUJARAT GAS LIMITED (Earlier Know as GSPC Distribution Networks Limited) ("Company") for the purpose of certifying compliance of the conditions of Corporate Governance as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the financial year ended on 31st March, 2021. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the Corporate Governance, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and Paragraphs C, D and E of Schedule V of the Listing Regulations, during the year ended 31st March, 2020, subject to the following observation:

The Board of Directors of the Company was duly constituted in accordance with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. including the Regulation 17 of The SEBI (LODR) Regulations, 2015 except for having an Independent Woman Director on the Board of Directors of the Company upto 28th August, 2020 as required by the proviso to Regulation 17 (1)(a)) of the SEBI (LODR) Regulations, 2015.

As the Company is a Government Company, the appointment of Independent Woman Director requires the opinion/direction of the Government of Gujarat. After obtaining opinion/direction from Government of Gujarat, the Company has appointed Dr. Manjula Subramaniam, IAS (Retd.) as Independent Woman Director on the Board w.e.f. 28th August, 2020. The Company has further informed that the NSE Limited vide their letter dated 13th April, 2021 and BSE Limited vide their E-mail dated 19th April, 2021 have waived the penalty imposed by them for this delay in appointment of Independent Woman Director as the Company was entitled to carve out for this delay as per SEBI Standard Operating Procedure (SOP) circular dated 3rd May, 2018 for levy of penalties.

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 AND ASSOCIATES
Practicing Company Secretaries
FRN: P2011GJ025800

MANOJ R HURKAT
Partner
FCS No. : 4287, C P No.: 2574
UDIN : F004287C000673351

Place: Ahmedabad
Date: 22nd July, 2021

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s GUJARAT GAS LIMITED ("Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the financial year ended 31 st March, 2021.

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

In our opinion and to the best of our information and according to the verifications as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that for the financial year ended on 31 st March, 2021, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or such other statutory Authority.

For, MANOJ HURKAT & ASSOCIATES
Practicing Company Secretaries
FRN: P2011GJ025800

MANOJ R HURKAT
Partner
FCS No.: 4287, C P No.: 2574
UDIN: F004287C000381125

Date: 1st June, 2021
Place: Ahmedabad

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To,

The Shareholders,

Gujarat Gas Limited

Gujarat Gas Limited has in place a Code of Conduct ("the code") for its Board of Directors and Senior Management Personnel. I report that the code has been complied with by the Board of Directors and Senior Management of the Company for FY 2020-21.

For, Gujarat Gas Limited
Sanjeev Kumar, IAS
Managing Director

Date: 24/05/2021
Place: Ahmedabad

BUSINESS RESPONSIBILITY REPORT
Financial Year 2020-21

Section A : General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:**
L40200GJ2012SGC069118
2. **Name of the Company:**
Gujarat Gas Limited
3. **Registered Address:**
Gujarat Gas CNG Station, Sector 5/C, Gandhinagar – 382006, Gujarat.
4. **Website:**
www.gujaratgas.com
5. **E-mail id:**
contactbrr@gujaratgas.com
6. **Financial Year Reported:**
Financial Year 2020-21
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**
The NIC Code is 3520. The Company is engaged in City Gas Distribution including sale, purchase, supply, distribution, transport, trading in Natural Gas, CNG, LNG, LPG & other Gaseous form through Pipelines, Trucks/Trains or such other suitable mode for transportation/distribution of Natural Gas, CNG, LNG, LPG & other Gaseous Form.
8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**
Natural Gas
9. **Total number of locations where business activity is undertaken by the Company:**
The Company has total 27 CGD licenses and operates in 21 districts or part thereof in the State of Gujarat, 9 Districts or part thereof in the State of Punjab, 5 districts or part thereof in the State of Madhya Pradesh, 4 districts or part thereof in the State of Rajasthan, 2 districts of part thereof in the State of Maharashtra, 2 districts or part thereof in the State of Haryana and is also operating in Dadra and Nagar Haveli in the Union Territory of Dadra & Nagar Haveli and Daman & Diu.
10. **Markets served by the Company – local/state/national/international:**
The Company operates its business in the States of Gujarat, Maharashtra, Punjab, Madhya Pradesh, Rajasthan, Haryana and also in the UT of Dadra & Nagar Haveli and Daman & Diu.

Section B: Financial Details of the Company

1. Paid Up Capital (INR)	₹ 137.68 Crores
2. Total Turnover (INR)	₹ 10,042.28 Crores
3. Total Profit after Taxes (INR)	₹ 1,275.50 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	₹ 15.01 Crores (1.18 % of PAT)

5. **List of activities in which the expenditure in 4 above has been incurred.**
   1. Contribution in providing natural gas to Crematoriums across operating locations – ₹ 1.77 Crores.
   2. Contribution to Mobile Health Screening Van operating in Narmada District supporting the monthly operational expenses incurred – ₹ 3.44 lakhs.
   3. Contribution to Akshay Patra Foundation for distribution of Happiness Box for reaching out to mid-day meal beneficiary children to ensure their continued nutrition and to boost immunity as the schools are closed due to the current covid-19 situation – ₹ 1.15 Crores.
   4. Contribution to Blind People's Association (India) for the following initiatives – ₹ 16.18 lakhs.
      - 100 identified cataract cases – ₹ 3.10 lakh.
      - Up gradation of two smart classes at Naaz village school – ₹ 3.08 lakh.
      - Equipment for setting up of training & conference room facilities –₹ 10.00 lakh.
   5. Contribution to Apang Manav Mandal for imparting computer training to specially challenged boys and girls. One-year diploma in computer will be imparted as per the requisite age group. – ₹ 27 lakhs.
   6. Contribution to Shri Morbi Panjrapol for construction of protective wall to protect planted trees in Morbi and also

BUSINESS RESPONSIBILITY REPORT
Financial Year 2020-21

planting more trees in the available patches. – ₹ 1 Crores.

7. Contribution to Sarva (Samagra) Sikhsha Abhiyaan's Gyankunj scheme for upgrading 25 classrooms in the government schools of Morbi & surrounding areas and 30 classrooms in the government schools of Rajkot – ₹ 58.30 lakhs.
8. Contribution to Smart Classroom Project for providing educational content software like (Navneet Publication) and infrastructure support to Smt. Sarojini Naidu Girls High School, a municipal school at Rajkot – ₹ 5.08 lakhs.
9. Contribution to Chief Minister Relief Fund, Government of Gujarat with special objective in the situation of Disaster Relief for helping COVID 19 affected area's / people covering medical aid, food supply, sanitation including preventive health care through the relief operations undertaken by Government of Gujarat –₹ 10 Crores.
10. Others activities – NA.

Section C : Other Details

1. **Does the Company have any Subsidiary Company/Companies?**

   Gujarat Gas Limited (GGL) has no Subsidiary Company.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   GGL has no Subsidiary Company, hence this question is not applicable to the Company.

3. **Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)**

   No other entity/entities have taken part in BR initiative of GGL.

Section D: BR Information

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

a) The Board of Directors have constituted Business Responsibility Committee for reviewing and recommending the Business Responsibility Report to the Board of Directors, the committee consist of following members:

Name	DIN Number	Designation
Shri Jal Patel	00065021	Independent Director
Shri K.D. Chatterjee	00421999	Independent Director

b) Details of the Business Responsibility Head

DIN Number (if applicable)	03600655
Name	Shri Sanjeev Kumar, IAS
Designation	Managing Director
Telephone number	079-26462980
e-mail id	md@gujaratgas.com

BUSINESS RESPONSIBILITY REPORT
Financial Year 2020-21

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

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

SR. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for.....	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1 : Work Place Behavior Policy, Ethical Behavior & Vigil Mechanism Policy P2 : HSE Policy, Sustainable Development Policy, Work Place Behavior Policy P3 : Work Place Behavior Policy, Human Rights Policy, HSE Policy, Harassment Policy P4 : Sustainable Development Policy P5 : Human Rights Policy P6 : HSE Policy, Sustainable Development Policy P7 : Sustainable Development Policy P8 : CSR Policy, Sustainable Development Policy P9 : Sustainable Development Policy								
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been formulated in consultation with the Management of the Company.								
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are based on good corporate practices.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been signed.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	The BRR Committee of the Board of Directors will oversee the implementation of the Policy.								
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		http://www.gujaratgas.com/corporate-governance/policies/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	The queries regarding to BR polices can be sent to contactbrr@gujaratgas.com								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

BUSINESS RESPONSIBILITY REPORT
Financial Year 2020-21

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles	GGL has successfully completed re-certification audit of its Integrated Management System (IMS) by certification body with reference to the requirements of International Standards for Quality Management System - ISO 9001:2015, Environmental Management System - ISO 14001:2015 and Occupational Health & Safety Management System - ISO 45001:2018. The entire process of auditing in one way endorsed GGL's commitment for establishment of IMS and confirm its successful implementation by all functions and it's Geographic Areas across its operating areas.								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done in the next 6 months									
5	It is planned to be done in the next year									
6	Any other reason (please specify)									

3. Governance related to BR

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

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

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

The BR report is being published along with our Annual Report for FY 2020-21. Hyperlink https://www.gujaratgas.com/investors/annual-reports/

Section E: Principle Wise Performance

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

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

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

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

The Company had received 33 letters of various types of request, inquiries and complaints from its equity shareholders during FY 2020-21, which had been resolved and settled to the satisfaction of the shareholders.

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

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

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

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

GGL services do not have any major environmental impacts however GGL has identified Environmental aspects related to each of the business activities / processes – pipeline construction, maintenance, natural gas compression etc. and assessed Environmental Impacts related to these aspects and have taken ample mitigation steps in order to ensure that residual risks are as low as reasonably practicable or acceptable levels.

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

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

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

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

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

   Natural gas reduces around 50% greenhouse gas (GHG) emissions compared to coal used in various industrial applications including ceramic and tiles industry. It can also be transported through pipelines to various places replacing the carbon footprint generated by transporting liquid fuel/coal through roads.

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

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

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

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

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

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

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

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

Principle 3: Businesses should promote the wellbeing of all employees

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

   Total number of employees as on 31st March, 2021 is 1050.

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

   Total number of Fix-term contract employees as on 31st March, 2021 is 19.

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

   Total number of permanent women employees as on 31st March, 2021 is 58.

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

   Total number of permanent employees with disability as on 31st March, 2021 is 6.

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

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

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

   About 12.90 % of the employees are members of the above mentioned association.

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

   GGL has a policy on prevention of sexual harassment under which a Committee is formed that is dedicated to cases against sexual harassment in the Company. There has been no complaint received in the FY 2020-21. Due to stringent .

mechanisms in place for prevention and addressing issues related to sexual harassment, further "NO" such complaint is pending as on the end of financial year.

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

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

GGL has a well defined safety & functional induction training program for its new joining employees.

GGL always ensures that safety training programs are conducted periodically for employees and contractor staff which includes Basic safety, practical fire-fighting, first aid, defensive driving, Training for emergency preparedness for its Emergency Response Team and other technical competency trainings in various areas such as plumbing, CNG filling, Welding, Working at height etc. More than 628 Safety & Technical competency training programs have been conducted during FY 2020-21.

GGL also carries out various trainings in order to upgrade skills of its existing employees through organizing or nominating employees for various skill up-gradation online programs/e-conferences including technical, functional, behavioral, health & safety training programs, covering majority of employees.

GGL continuously endeavors to make employees aware about various safety practices through means of frequent mock-drill, safety instructions via sign boards, etc.

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

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

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

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

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

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

a) Women
b) Youth
c) Rural Communities

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

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

a) For Women in rural areas

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

b) For Youth in rural areas

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

Principle 5: Businesses should respect and promote human rights

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

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

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

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

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

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

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

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

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

   Celebration of Environmental Day

   In June 2020 GGL celebrated this day by conducting limited activities considering lock-down and social distancing requirements like Monthly HSE-AI online Quiz focusing on "Biodiversity", Pop up on e-connect homepage – Poster WED 2020, WED - Biodiversity E-messages / Posters sharing through electronic means and Tree / Sapling plantation at various location with social distancing and precautions against COVID 19.

   Reduction of Natural Gas emission:

   GGL endeavors to reduce Natural gas emission from its operations. Natural gas gets emitted into the atmosphere either as part of planned release or unplanned release. While major part of these emissions is due to un-planned release which is caused by network damage by third party, some emissions are due to network self-failure. Planned release emissions also contribute to a small part of these emissions and are notably during network or equipment commissioning or preventive maintenance activities. GGL in its bid to reduce these emissions focuses on various educational programs, utility coordination & campaigns such as dial before dig (detailed below) for third parties working in the same area as GGL. GGL has also put in penalization mechanism for each network damage against third parties causing the same as a deterrent to prevent damages. Apart from this GGL also takes various actions/improvements to reduce emissions, few are listed below:

   - Fast emergency response to reported damage cases for prompt isolation of the damaged section
   - Isolation valves at distances as defined by regulator to reduce emissions post isolation
   - Effective Preventive maintenance plan and compliance to same to reduce breakdown instances
   - Efficient commissioning procedure to reduce natural gas emissions etc.

   GGL monitors Natural Gas emission per 10,000 scm of gas purchase cumulative month on month in comparison to the last financial year.

   Dial Before Dig Campaign

   In this campaign, GGL educates and influences stakeholders such as local municipal authorities, other utilities, their contractors and their field staff including heavy machine like JCB, HDD operators etc.) who undertake digging & horizontal directional drilling (HDD) activities as part of their laying or construction activity. The campaign is done to bring their focus on safety and environmental risks of natural gas release in the atmosphere which can occur as a result of damage to GGL's natural gas pipeline network during their digging & HDD operations. The third parties are urged to dial in to GGL to confirm the location prior to starting any digging / excavation / HDD activities so that damage to Natural gas pipeline network can be prevented.

   Promoting Clean fuel

   GGL is influencing the automobile users in its operational areas through various campaigns to use Compressed Natural Gas as a clean automotive fuel. It helps for the reduction of environmental impact caused by vehicular emission due to use of other polluting fuels. GGL has a dedicated business focus to increase CNG transportation and dispensing infrastructure and facilities.

With the vision to promote CNG as the most preferred green fuel amongst potential 4 wheeler users, aggressive marketing of CNG by organizing CNG Car Melas 'CNG CARAVAN' across various locations in Gujarat to engage directly with the target audience. This initiative was also supported by advertisements in mass media which includes newspapers and Radio FM, further supported by simultaneous campaign on Social Media platform like Google, Facebook, Instagram and YouTube.

GGL promotes Natural Gas as a clean fuel for industrial & commercial purposes. GGL as a responsible utility dealing in clean fuel ensures supply of Natural Gas as an environment friendly fuel and related pipeline network setup while managing all challenges effectively in shortest possible duration.

Other Initiatives and compliances

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

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

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

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

a) Air pollution

b) Water pollution

c) Noise pollution

d) Land contamination

e) Health effects

f) Others

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

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

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

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

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

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

b) Utilization of energy efficient lighting

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

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

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

There are no pending show cause or legal notices as on 31st March 2021, the end of the financial year 2020-21.

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

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

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

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

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

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

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

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

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

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

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

   GGL has incurred a total expenditure of INR 15.01 Crores for its CSR activities during FY 2020 – 2021. Details of these activities are mentioned below:

1. Contribution in providing natural gas to Crematoriums across operating locations – Rs. 1.77 Crores.
2. Contribution to Mobile Health Screening Van operating in Narmada District supporting the monthly operational expenses incurred – Rs. 3.44 lakhs
3. Contribution to Akshay Patra Foundation for distribution of Happiness Box for reaching out to mid-day meal beneficiary children to ensure their continued nutrition and to boost immunity as the schools are closed due to the current covid-19 situation – Rs. 1.15 Crores
4. Contribution to Blind People's Association (India) for the following initiatives – Rs. 16.18 lakhs
   - 100 identified cataract cases – Rs. 3.10 lakh
   - Up gradation of two smart classes at Naaz village school – Rs. 3.08 lakh
   - Equipment for setting up of training & conference room facilities – Rs. 10.00 lakh
5. Contribution to Apang Manav Mandal for imparting computer training to specially challenged boys and girls. One-year diploma in computer will be imparted as per the requisite age group. – Rs. 27 lakhs
6. Contribution to Shri Morbi Panjrapol for construction of protective wall to protect planted trees in Morbi and also planting more trees in the available patches. – Rs. 1 Crores
7. Contribution to Sarva (Samagra) Sikhsha Abhiyaan's Gyankunj scheme for upgrading 25 classrooms in the government schools of Morbi & surrounding areas and 30 classrooms in the government schools of Rajkot – Rs. 58.30 lakhs.
8. Contribution to Smart Classroom Project for providing educational content software like (Navneet Publication) and infrastructure support to Smt. Sarojini Naidu Girls High School, a municipal school at Rajkot – Rs. 5.08 lakhs

9. Contribution to Chief Minister Relief Fund, Government of Gujarat with special objective in the situation of Disaster Relief for helping COVID 19 affected area's / people covering medical aid, food supply, sanitation including preventive health care through the relief operations undertaken by Government of Gujarat –Rs. 10 Crores
10. Others activities – NA

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

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

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

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

The pending complaints in all customer segments for disposal are 6,929 of overall 1,35,003 i.e. 5.13% as on 31st March 2021 as per the requirement of the SLA under the Quality of Services obligations of the Petroleum and Natural Gas Regulatory Board.

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

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

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

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

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

NIL.

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

GGL has appointed a third-party agency to conduct customer satisfaction survey in its operating areas. The survey for the same has been completed and the findings have been shared with GGL Top management team in December 2019. Actions identified from the survey are being progressed.

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

For, Gujarat Gas Limited

Sanjeev Kumar, IAS

Date : 29/06/2021 **Managing Director**

Standalone Financial Statements

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF GUJARAT GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of standalone financial statements of **Gujarat Gas Limited** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 01 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the standalone financial statements of **Gujarat Gas Limited** for the year ended 31 March 2021 under Section 143 (6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 143 (6)(b) of the Act.

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

(H. K. Dharmadarshi)
Principal Accountant General (Audit II), Gujarat

Place : Ahmedabad

Date : 10/08/2021

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Gujarat Gas Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2021** the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs (financial position) of the Company as at March 31, 2021 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
1	**Evaluation of Impact of COVID-19 on the business operations/ revenues/ cash flows/ Trade Receivables / Impairment of Assets etc.** The Company generates revenue from supply of Natural Gas of various kinds to customers and different jurisdictions within India which includes large numbers of Industrial and commercial Customers. Customers in different category and jurisdictions are subject to their independent business risks due to COVID-19. Management has assessed the business continuity, revenue from sale of natural gas and cash flows from operations and Company has prepared cash flow projections and believes it has sufficient liquidity based on the available liquid cash and available credit facilities the expected cash to be generated from operations to meet its financial obligations as they fall due for the following twelve months. Management has also considered the possible effects of the pandemic on the carrying amount of property, plant and equipment, investments, inventories, and other current assets. The impairment test model also includes sensitivity testing of key assumptions. Further, management has factored impact of second wave of COVID-19 on the same considering as one Cash Generating Unit (CGU). Accordingly, the above assessment factoring impact of COVID-19 on continuity of its operations and the recoverability of trade receivables post COVID-19 environment has been identified as a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the standalone financial statements as a whole. Refer note no. 55 Of Standalone Financial Statement.	**Principal Audit Procedures** As a part of our audit we have, carried out the following procedures: • Obtained an understanding of the process and testing the operating effectiveness of internal controls over the impairment and preparation of the cash flow forecast based on assumptions and inputs to the model used to estimate the future cash flows. • We assessed the Company's methodology applied in determining the Cash Generating Unit (CGU), it's key assumptions and valuation method used and the accuracy of the inputs used for the same. • Compared the cash flow forecasts to recent trend of sales volume and management estimates and other relevant market and economic information, as well as testing the underlying calculations. • We discussed the potential changes in key drivers as compared to previous year / actual performance with management and considering impact of COVID-19 in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. • We evaluated disclosures related to management assessment on impact of COVID-19 for the continuity of operations and on the annual impairment tests and as required under Indian Accounting Standard (Ind-AS) -36 Impairment of Assets.
2	**Accuracy of Recognition, measurement, presentation and disclosure of Ind AS 116 Leases** The Ind AS 116 Leases requires a new lease accounting model, wherein lessees are required to recognize a right-to-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The Company has a large number of leases with different contractual terms and it involves complexity and requires significant judgements and estimates including, determination of discounting rates and the lease term. Refer note 50 of the Standalone Ind AS Financial Statements.	**Principal Audit Procedures** We evaluated the accounting policy and internal controls followed by the Company in respect of lease accounting standard (Ind AS 116). On a sample basis, we have assessed the key terms and conditions of lease contracts and verified the computation of lease liabilities. Assessed and tested the presentation and disclosures relating to Ind AS 116.

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
3	**Evaluation of material claims against the company not acknowledge as debt.** There are various claims disputed by the Company including matters under dispute with one of the suppliers in respect of use of domestic allocated gas other than specified purpose which involves significant judgment to determine the possible outcome and Future Cash outflow of these disputes. Refer note 42.2 (iii) of the Standalone Ind AS Financial Statements	**Principal Audit Procedures** Obtained details of all the claims disputed by the company as on 31st March 2021 from the management. We have discussed the management's underlying assumptions in estimating that the claims are erroneous and the possible outcome of the disputes. We have also evaluated these underlying assumptions to determine the Legal Liability / Obligation of the company as defined in applicable Indian Accounting Standards (Ind AS 37) and also evaluated whether any change was required to management's position on these uncertainties' vis a vis past year with reference to new claims disputed by the company.
4	**Accuracy of Recognition, measurement, presentation and disclosure of revenues and other related balance in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"** Refer note 49 of the Standalone Ind AS Financial Statements	**Principal Audit Procedures** We evaluated the accounting policy and internal controls followed by the Company while accounting of connection charges from customers, which is deferred over the period when the performance obligation is satisfied, as per the Indian Accounting Standard (Ind AS) 115. Further, we test checked some of the contracts and carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls. We also performed analytical procedures for reasonableness of revenues disclosed as per the new accounting standard (Ind AS 115).

INDEPENDENT AUDITOR'S REPORT

Other Matters

In view of the Government imposed travel restrictions, we have performed the audit from remote location, on the basis of data, scan copies of key records, documents, management approvals, estimates, assumptions and other information's supplied electronically by the management on online platform. We were not able to participate in physical verification of inventories that was carried out by the management and also not able to perform the requisite audit procedure including inquiries, external confirmations and test of controls in respect of certain receivables, etc. as prescribed in various Standards of Auditing issued by the ICAI.

We have relied on Management Assurance of the authenticity, completeness and accuracy of these records electronically submitted to us and have performed additional audit procedures to satisfy ourselves that these records are appropriate to gain the reasonable assurance that the Statement as a whole are free from material misstatement, whether due to fraud and error, and to issue an Auditor's Report that includes our opinion.

Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) As the company is a Government Company, in terms of notification no. G.S.R. 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs, the sub-section (2) of section 164 of the Act is not applicable to the company.

INDEPENDENT AUDITOR'S REPORT

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) As the company is a Government Company, in terms of notification no. G.S.R. 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs, the sub-section (16) of section 197 of the Act is not applicable to the company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 42 to the standalone Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3) In terms of section 143(5) of the Act, we give our report in **"Annexure – C"** by taking into consideration the information, explanations and written representations received from the management on the matters specified in the directions and sub directions issued under the aforesaid section by the Comptroller and Auditor General of India.

For, S. R. Goyal & Co.
Chartered Accountants
FRN: 001537C

A.K. Atolia
(Partner)
M. No.: 077201

Place : Jaipur
Date : 01st June 2021
UDIN : 21077201AAAAAT6447

INDEPENDENT AUDITOR'S REPORT

ANNEXURE – A
TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report, of even date, to the Members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) on Standalone Ind AS Financial Statements for the year ended 31st March 2021)

i. In respect of the Company's fixed assets:

a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items, other than underground gas pipelines which are not physically verifiable, over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in respect of the following freehold land as on 31st March 2021 :

Sr. No.	Asset description	Book value (Amount in INR)
1	Survey No. 306-A-/1 paiki 3, Post-Hazira, Taluka Choryasi, District-Surat13,057 Sq. Mtrs	Rs. 15.88 Crores
2	Survey No. 150 Mora village District-Surat 13,557 Sq. Mtrs District-Surat13,557 Sq. Mtrs	Re. 1/-.

ii. The inventory has been physically verified by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii) [(a) to (c)] of the said Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

vi. We have broadly reviewed the books of account maintained by the Company in respect of products (Natural Gas) pursuant to the rules made by the Central Government of India, where the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, income tax, goods and services tax (GST), sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable ***except delay in payment of VAT liability including interest amounting to Rs. 4,90,80,258/- arising due to change in the tax rates in the Union Territory of Dadra and Nagar Haveli.***

b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of

INDEPENDENT AUDITOR'S REPORT

provident fund, goods and services tax (GST), sales tax, wealth tax, duty of customs, value added tax, cess and other material statutory dues, as applicable which have not been deposited on account of any dispute.

The particulars of dues of service tax, duty of excise and income tax as at 31st March 2021 which have not been deposited on account of a dispute, are as follows:

Sr. No.	Name of statute	Nature of dues	Amount (in INR Crores)	Period to which the amount relates	Forum where the dispute is pending
1	Income Tax Act, 1961	Income Tax & Interest thereon	0.003	Assessment Year_2012-13	Assessing Officer
2	Income Tax Act, 1961	Income Tax & Interest thereon	0.069	Assessment Year_2008-09	High Court of Gujarat
3	Central Excise Act, 1944	Service Tax and Duty of Excise	11.86	April-2010 to March-2015	The Customs, Excise and Service Tax Appellate Tribunal
4	Central Excise Act, 1944	Service Tax and Duty of Excise	1.05	April-2015 to Nov-2015	Dy. Commissioner, The Central Excise & CGST
5	Central Excise Act, 1944	Service Tax and Duty of Excise	3.17	2009-10 to 2014-15 (up to Aug-2014)	The Customs, Excise and Service Tax Appellate Tribunal
6	Central Excise Act, 1944	Service Tax and Duty of Excise	0.81	Sept-2014 to 14th May-2015	The Customs, Excise and Service Tax Appellate Tribunal
7	Central Excise Act, 1944	Service Tax and Duty of Excise	1.51	May'10 (2010-11) to Feb-2016 (up to 02.02.2016)	Excise & Service Tax Commissioner
8	Central Excise Act, 1944	Service Tax and Duty of Excise	0.18	2006-07 & 2007-08	The Customs, Excise and Service Tax Appellate Tribuna
9	Finance Act, 1994	Service Tax and Duty of Excise	0.10	2006-07 to 2009-10	The Customs, Excise and Service Tax Appellate Tribunal
10	Finance Act, 1994	Service Tax and Duty of Excise	37.66	2005-06 to 2012-13	The Customs, Excise and Service Tax Appellate Tribunal
11	Finance Act, 1994	Service Tax and Duty of Excise	2.65	2013-14	The Customs, Excise and Service Tax Appellate Tribunal
12	Finance Act, 1994	Service Tax and Duty of Excise	0.59	2006-07 to 2011-12	The Customs, Excise and Service Tax Appellate Tribunal

viii. The Company has not defaulted in repayment of loans or borrowing dues to financial institution or bank or dues to debenture holders.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. During the year money raised from term loans were applied for the purpose for which they were raised.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and as per the alternate audit procedures performed by us due to COVID -19 restrictions as narrated in Other Matters Paragraph to our Independent Auditor Report and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. As the company is a Government Company, in terms of notification no. G.S.R. 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs, section 197 of the Act is not applicable to the company. Therefore, the provisions of Clause 3 (xi) of the said Order are not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 of the Act and Company being a government company, transactions with other government companies are exempt for the compliance of Section 188 of the Act, in terms of

INDEPENDENT AUDITOR'S REPORT

notification no. G.S.R 463(E) dated 5th June 2015, issued by Ministry of Corporate Affairs. Details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company and as per the alternate audit procedures performed by us due to COVID -19 restrictions as narrated in Other Matters Paragraph to our Independent Auditor Report, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934.

For, S. R. Goyal & Co.
Chartered Accountants
FRN: 001537C

A.K. Atolia
(Partner)
M. No.: 077201

Place : Jaipur
Date : 01st June 2021
UDIN : 21077201AAAAAT6447

INDEPENDENT AUDITOR'S REPORT

ANNEXURE – B
TO INDEPENDENT AUDITOR'S REPORT
REPORT ON INTERNAL FINANCIAL CONTROLS

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report, of even date, to the members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) on Standalone Ind AS Financial Statements for the year ended 31st March 2021)

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

We have audited the internal financial controls over financial reporting of **Gujarat Gas Limited ("the Company")** as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

In view of the Government imposed lockdown and travel restrictions, we have performed the audit from remote location, on the basis of data, scan copies of key records, documents, management approvals, estimates, assumptions and other information's supplied electronically by the management on online platform. We were not able to perform the requisite test of controls in respect of various financial control systems over financial reporting as prescribed in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting.

We have relied on Management Assurance of the authenticity, completeness and accuracy of these records electronically submitted to us and have performed additional audit procedures to satisfy ourselves that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being

INDEPENDENT AUDITOR'S REPORT

made only in accordance with authorisations of management and directors of the company; and

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

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, further described in the ***Auditor's Responsibilities*** section of this report, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, S. R. Goyal & Co.
Chartered Accountants
FRN: 001537C

A.K. Atolia
(Partner)
M. No.: 077201

Place : Jaipur
Date : 01st June 2021
UDIN : 21077201AAAAAT6447

INDEPENDENT AUDITOR'S REPORT

ANNEXURE – C

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report, of even date, to the Members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) on Standalone Ind AS Financial Statements for the year ended 31st March 2021)

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

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

Sr. No.	Directions / Sub- Directions Issued by Comptroller and Auditor General of India	Response
(1)	Whether the Company has system in place to process all the accounting transaction through IT system If yes, the implication of processing of accounting transaction outside IT system on the integrity of accounts along with the financial implication, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT System i.e. SAP. All the financial transactions including customer related transactions are integrated in SAP system. We have not come across any accounting transaction outside the SAP system.
(2)	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As per information and explanations given to us and based on examination of the records of the Company, there are no cases of restructuring of any existing loan or any waiver of loan / debt / interest during the year.
(3)	Whether funds received / receivable for specific scheme from Central/State agencies were properly accounted for/ utilised as per its term and conditions?List the cases of deviation.	Funds received/receivable for specific schemes from central/state agencies, if any ,were properly accounted for/utilized as per its term and conditions.
(4)	Whether the company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?	As per the information and explanations given to us and based on the examination of the policies in respect of recovery of dues from customers, the Company has a policy and procedure for effective monitoring of credit exposure and recovery of dues from its customers in respect of its sales activities. In our opinion and according to the information andexplanation given to us, the recoveries against the dues have been properly recorded in the books of accounts.
(5)	Whether the company has effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/ excess noticed during physical verification.	In our opinion and according to the information and explanations given to us, the procedures and systems, in relation to physical verification of inventories, valuation of stock, treatment of non-moving items and accounting the effect of shortage / excess noticed during physical verification, are reasonable and adequate in relation to the size of the Company and the nature of its business.
(6)	The effectiveness of the system followed in recovery of dues in respect of sale activities may be examined and reported.	In our opinion and according to the information and explanations given to us, the Company has a policy and procedure for effective monitoring of credit exposure and recovery of dues from its customers in respect of its sales activities. There are no significant instances of its failure observed for the year under audit. Based on Expected credit loss model, Company has maintained the provision of ₹ 9.85 Crores towards allowance for bad and doubtful debts.

For, S. R. Goyal & Co.
Chartered Accountants
FRN: 001537C

A.K. Atolia
(Partner)
M. No.: 077201

Place : Jaipur
Date : 01st June, 2021
UDIN : 21077201AAAAAT6447

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2021

(₹ in Crores)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
I. ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	3.1	5,445.18	5,102.54
(b) Capital work in progress	3.2	687.59	568.57
(c) Investment property	4	1.30	1.30
(d) Intangible assets	5.1	351.62	335.15
(e) Intangible assets under development	5.2	0.23	0.92
(f) Right-of-use assets	5.3	167.60	146.09
(g) Investment in associates	6	0.03	0.03
(h) Financial assets			
(i) Investments	7	19.74	17.22
(ii) Loans	8	71.19	60.96
(iii) Other financial assets	9	0.88	1.43
(i) Other non-current assets	10	294.39	224.99
Total Non-Current Assets		**7,039.75**	**6,459.20**
2 Current Assets			
(a) Inventories	11	52.21	46.26
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	12	783.09	510.14
(iii) Cash and cash equivalents	13	276.41	547.19
(iv) Bank balances other than (iii) above	14	42.25	144.53
(v) Loans	15	1.29	0.92
(vi) Other financial assets	16	69.49	81.67
(c) Other current assets	17	184.91	107.36
Total Current Assets		**1,409.65**	**1,438.07**
TOTAL ASSETS		**8,449.40**	**7,897.27**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	18	137.68	137.68
(b) Other Equity	19	4,344.97	3,152.94
Total Equity		**4,482.65**	**3,290.62**
2 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	769.95	1,834.36
(ii) Lease Liabilities	21	64.99	45.02
(iii) Other financial liabilities			
(b) Provisions	22	51.77	45.33
(c) Deferred tax liabilities (Net)	23	806.31	800.49
(d) Other non-current liabilities	24	62.94	63.60
Total Non-Current Liabilities		**1,755.96**	**2,788.80**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises		5.04	7.51
Total outstanding dues of creditors other than micro enterprises and small enterprises		440.76	336.73
(ii) Lease Liabilities	21	14.50	12.00
(iii) Other financial liabilities	26	1,657.07	1,373.49
(b) Other current liabilities	27	68.88	52.39
(c) Provisions	28	24.54	35.73
(d) Current Tax Liabilities (Net)	29	-	-
Total Current Liabilities		**2,210.79**	**1,817.85**
Total Liabilities		**3,966.75**	**4,606.65**
TOTAL EQUITY AND LIABILITIES		**8,449.40**	**7,897.27**
See accompanying notes to the financial statements			

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

A. K. Atolia
Partner
M. No.: 077201

Place : Jaipur
Date : 1st June, 2021

For and on behalf of Board of Directors

Anil Mukim, IAS
Chairman
DIN - 02842064

Sanjeev Kumar, IAS
Managing Director
DIN - 03600655

K.D. Chatterjee
Director
DIN- 00421999

Nitesh Bhandari
Chief Financial Officer

Sandeep Dave
Company Secretary
Place : Gandhinagar
Date : 1st June, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in Crores)

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue			
I. Revenue from Operations	30	10,042.28	10,526.49
II. Other income	31	74.03	83.66
III. Total Income (I+II)		**10,116.31**	**10,610.15**
IV. Expenses			
Cost of materials consumed	32	6,991.09	7,881.62
Changes in inventories of natural gas	33	(1.33)	0.16
Employee Benefits Expenses	34	177.49	175.36
Finance Costs	35	116.31	192.17
Depreciation and Amortization Expenses	36	340.84	317.98
Excise Duty		188.03	226.15
Other Expenses	37	599.18	608.93
Total Expenses (IV)		**8,411.61**	**9,402.37**
V. Profit/(Loss) Before Exceptional Items and Tax(III-IV)		1,704.70	1,207.78
VI. Exceptional Items	38	-	-
VII. Profit/(Loss) Before Tax (V-VI)		**1,704.70**	**1,207.78**
VIII. Tax expense:	39		
Current Tax		424.14	294.25
Deferred Tax		5.06	(279.79)
Total Tax Expense (VIII)		**429.20**	**14.46**
IX. Profit/(Loss) for the period (VII-VIII)		**1,275.50**	**1,193.32**
X. Other comprehensive income	40		
(i) Items that will not be reclassified to profit or loss		3.33	(5.01)
(ii) Income tax related to items that will not be reclassified to profit or loss		(0.76)	1.31
Total other comprehensive income (X)		**2.57**	**(3.70)**
XI. Total comprehensive income for the period(IX+X)		**1,278.07**	**1,189.62**
Earnings per equity share of Face Value of ₹ 2 each	41		
Basic		18.53	17.33
Diluted		18.53	17.33
See accompanying notes to the financial statements			

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

A. K. Atolia
Partner
M. No. : 077201

Place : Jaipur
Date : 1st June, 2021

For and on behalf of Board of Directors

Anil Mukim, IAS
Chairman
DIN - 02842064

Sanjeev Kumar, IAS
Managing Director
DIN - 03600655

K.D. Chatterjee
Director
DIN- 00421999

Nitesh Bhandari
Chief Financial Officer

Sandeep Dave
Company Secretary
Place : Gandhinagar
Date : 1st June, 2021

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in Crores)

	Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Tax	1,704.70	1,207.78
	Adjustments for:		
	Depreciation and Amortization Expenses	340.84	317.98
	Loss on sale/disposal of Property, plant and equipment	3.41	1.64
	(Profit)/Loss on sale as scrap and diminution in Capital Inventory	7.00	(0.69)
	Bad Debts Written Off	0.01	-
	Provision for Doubtful Trade Receivables / Advances / Deposits etc.	1.58	4.25
	Finance Costs	116.31	192.17
	Provision/liability no longer required written back	(6.77)	(4.24)
	Interest Income	(41.58)	(58.07)
	Operating Profit before Working Capital Changes	**2,125.50**	**1,660.82**
	Adjustments for changes in Working Capital		
	(Increase)/Decrease in Trade Receivables	(274.55)	(1.57)
	(Increase)/Decrease in Other - Non Current Assets	(25.36)	(56.03)
	(Increase)/Decrease in Other financial assets-Non-current	0.55	0.23
	(Increase)/Decrease in Loans and Advances-Current	(0.37)	0.27
	(Increase)/Decrease in Other Current Assets	(77.56)	(44.15)
	(Increase)/Decrease in Other financial assets-Current	12.18	(2.55)
	(Increase)/Decrease in Inventories	(5.95)	23.15
	(Increase)/Decrease in Loan and advances-Non current	(9.00)	4.84
	Changes in Trade and Other Receivables	**(380.06)**	**(75.81)**
	Increase/(Decrease) in Trade Payables	102.86	18.04
	Increase/(Decrease) in Other financial liabilities-Current	206.15	80.23
	Increase/(Decrease) in Other current liabilities	16.49	9.88
	Increase/(Decrease) in Other Non current Liabilities	(0.66)	4.06
	Increase/(Decrease) in Short-term provisions	(4.94)	(0.69)
	Increase/(Decrease) in Long-term provisions	6.44	5.65
	Changes in Trade and Other Payables	**326.34**	**117.17**
	Cash Generated from Operations	**2,071.78**	**1,702.18**
	Income tax refund	1.18	37.80
	Income tax paid	(417.78)	(318.08)
	Net Cash from Operating Activities	**1,655.18**	**1,421.90**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payments for Property, plant and equipments/Intangible assets including capital work in progress and capital advances.	(751.32)	(595.55)
	Other Bank balances in Earmark funds	0.26	0.74
	Deposits with original maturity of more than three months (Net)	99.55	70.48
	Interest received	43.06	57.55
	Proceeds from sale of Property, plant and equipments	0.16	0.08
	Dividend received	-	-
	Net Cash used in Investing Activities	**(608.29)**	**(466.70)**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in Crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease liabilities	(13.43)	(13.11)
Repayment of Long-term borrowings	(1,101.61)	(214.88)
Interest Paid (including interest on lease liability)	(116.30)	(190.64)
Dividend Paid (including tax thereon)	(86.33)	(83.74)
Net Cash from/(used in) Financing Activities	**(1,317.67)**	**(502.37)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(270.78)**	**452.83**
Cash and Cash Equivalents at the beginning of the year	547.19	94.36
Cash and Cash Equivalents at the end of the year	276.41	547.19
Closing Cash and Cash Equivalents comprise:		
Cash in hand	1.11	0.38
Balances with Banks	14.28	40.21
Balances in Fixed / Liqiud Deposits	261.02	506.60
Total	**276.41**	**547.19**

Notes to Cash Flow Statement:

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard IND AS - 7 on Cash Flow Statements.

(ii) Purchase of fixed assets are stated inclusive of movements of capital work in progress, assets under development and capital advances.

(iii) Interest received is classified as investing cash flows and considered and presented as 'cash flows from investing activities' to the extent, it represents time value of money.

(iv) Previous year figures have been regrouped and reclassified wherever considered necessary to conform to the current year's figures.

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

A. K. Atolia
Partner
M. No. : 077201

Place : Jaipur
Date : 1st June, 2021

For and on behalf of Board of Directors

Anil Mukim, IAS
Chairman
DIN - 02842064

Sanjeev Kumar, IAS
Managing Director
DIN - 03600655

K.D. Chatterjee
Director
DIN- 00421999

Nitesh Bhandari
Chief Financial Officer

Sandeep Dave
Company Secretary
Place : Gandhinagar
Date : 1st June, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED 31ST MARCH 2021

(a) Equity Share Capital

(₹ in Crores)

Equity share capital	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the reporting period	137.68	137.68
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	137.68	137.68

(b) Other equity

(₹ in Crores)

Other equity	Attributable to the equity holders of the Company			Items of Other Comprehensive Income	Total Other Equity
	Reserves & Surplus				
	Amalgamation & Arrangement Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	
Balance at April 1, 2019 (a)	**879.59**	**2.72**	**1,276.66**	**(112.66)**	**2,046.31**
Changes in accounting policy / prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	**879.59**	**2.72**	**1,276.66**	**(112.66)**	**2,046.31**
Profit for the year	-	-	1,193.32	-	1,193.32
Other comprehensive income for the year	-	-	-	0.95	0.95
Items of OCI recognised directly in retained earnings					
Remeasurements of post-employment benefit obligation, net of tax	-	-	(4.65)	-	(4.65)
Total comprehensive income for the year (b)	**-**	**-**	**1,188.67**	**0.95**	**1,189.62**
Dividend	-	-	(68.84)	-	(68.84)
Dividend Distribution Tax (DDT)	-	-	(14.15)	-	(14.15)
Total (c)	**-**	**-**	**(82.99)**	**-**	**(82.99)**
Balance at March 31, 2020 (a+b+c)	**879.59**	**2.72**	**2,382.34**	**(111.71)**	**3,152.94**
Changes in accounting policy / prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period (d)	**879.59**	**2.72**	**2,382.34**	**(111.71)**	**3,152.94**
Profit for the year	-	-	1,275.50	-	1,275.50
Other comprehensive income for the year	-	-	-	1.96	1.96
Items of OCI recognised directly in retained earnings					
Remeasurements of post-employment benefit obligation, net of tax	-	-	0.61	-	0.61
Total comprehensive income for the year (e)	**-**	**-**	**1,276.11**	**1.96**	**1,278.07**
Dividend	-	-	(86.05)	-	(86.05)
Total (f)	**-**	**-**	**(86.05)**	**-**	**(86.05)**
Balance at March 31, 2021 (d+e+f)	**879.59**	**2.72**	**3,572.40**	**(109.75)**	**4,344.97**

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

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

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

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

For and on behalf of Board of Directors

Anil Mukim, IAS
Chairman
DIN - 02842064

Sanjeev Kumar, IAS
Managing Director
DIN - 03600655

K.D. Chatterjee
Director
DIN- 00421999

A. K. Atolia
Partner
M. No. : 077201

Nitesh Bhandari
Chief Financial Officer

Sandeep Dave
Company Secretary

Place : Jaipur
Date : 1st June, 2021

Place : Gandhinagar
Date : 1st June, 2021

Notes to Standalone Financial statements for the year ended 31st March, 2021

Note 1 – Corporate Information

1. Corporate Information

a) Gujarat Gas Limited (GGL or "Company") (CIN : L40200GJ2012SGC069118) formerly known as GSPC Distribution Networks Limited (GDNL) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. GGL is a Government Company u/s 2(45) of Companies Act 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India.

The registered office is located at Gujarat Gas CNG Station, Sector 5/C, Gandhinagar - 382006

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

The scheme of amalgamation and arrangement was sanctioned by the Hon'ble Gujarat High Court at Ahmedabad vide its order dated 30th March 2015 between the following transferor companies -

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

(Collectively called Transferor Companies)

with Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited-GDNL) (the transferee) under the Scheme of Amalgamation and Arrangement with an appointed date of 1st April, 2013. Subsequently, the company's name has been changed from GSPC Distribution Networks Limited to Gujarat Gas Limited (GGL) with effect from 15th May 2015.

b) Authorization of financial statements

The Standalone Financial Statements were approved and authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 1st June, 2021.

c) Functional and Presentation Currency

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

Note 2 Significant Accounting Policies

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

Basis of Preparation

(i) Statement of Compliance with Ind AS

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

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss for the year ended 31 March 2021, the Statement of Cash Flows for the year ended 31 March 2021 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

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

(ii) Historical cost convention

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

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

Use of estimates and judgements

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

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

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

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

Note 3.1 & 5.1:	Useful lives of property, plant and equipment and intangible assets
Note 16:	Recognition and measurement of unbilled gas sales revenue
Note 25, 26, 27 & 28:	Recognition and measurement of other provisions
Note 39:	Current/deferred tax expense (Including estimates for Uncertain tax treatments)
Note 42 :	Contingent liabilities and assets
Note 44:	Expected credit loss for receivables
Note 44:	Fair valuation of unlisted securities
Note 47:	Measurement of defined benefit obligations
Note 5.3 & 50:	Definition of Lease, lease term and discount rate

(a) Property, Plant and Equipment

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

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

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

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

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

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

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

Capital work in Progress:

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

All the directly identifiable and ascertainable expenditure, incidental and related to construction incurred during the period of construction on a project, till it is commissioned, are kept as Capital work in progress (CWIP)and disclosed under 'Capital work-in-progress' and after commissioning the same is transferred / allocated to the respective category of property, plant and equipment.

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

(b) Investment Properties

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

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

(c) Intangible Assets

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

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

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

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

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

i. The Schedule specifies useful life of Pipelines as 30 years for those used in exploration, production and refining of oil and gas. The Company has considered the useful life of 30 years for the pipelines used in city gas distribution business.

ii. City gas stations, skids, pressure regulating stations, meters and regulators are estimated to have useful life of 18 years based on technical assessment made by technical expert and management.

iii. Cost of mobile phones, are expensed off in the year of purchase.

iv. Temporary building structures are estimated to have useful life of 1 year.

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

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

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

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

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

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

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

I. Right of Way (ROW) Permissions 30 Years

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

II. Software 6 Years.

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

The Company has constructed / installed CNG stations' buildings and machineries, on land taken on lease from various lessor under lease deed for periods ranging from 35 years to 99 years. However, assets constructed / installed on such land have been depreciated at useful lives as referred above.

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

(e) Impairment of Non-Financial Assets

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

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

(f) Revenue recognition

i) Revenue from operation

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

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

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

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

Change of Estimate for unbilled revenue and its impact on P&L:

Till the financial year 2018-19, unbilled revenue was calculated based on customers' city/area wise previous average consumption (in case of domestic customers) and individual customer wise previous average consumption (in case of non-domestic customers). For more accurate unbilled revenue accounting, from the financial year 2019-20 onwards, Company had aligned the practices for domestic and non-domestic customers and have considered individual customer wise previous average consumption in case of domestic customer as well. The impact of that change was INR 0.70 Crores for the financial year 2019-20 (reduction in value of unbilled revenue amount) which is not material and not significant.

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

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

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

ii) Other income

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

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

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

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

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

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

(g) Borrowing

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

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

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

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

(h) Borrowing Cost

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

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

(i) Investment in associate

The Company accounts for the investment in associate at cost.

(j) Financial Instruments

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

Financial Asset

Initial Recognition

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

Initial Measurement

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

Subsequent Measurement

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

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

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

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

- The contractual cash flows characteristics of the financial asset.

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

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

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

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

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

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

Equity Investments:

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

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

De-recognition

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

1. The contractual rights to the cash flows from the financial asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

i) The Company has transferred substantially all the risks and rewards of the asset, or

ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Embedded foreign currency derivative

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

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

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

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

Impairment of Financial Assets

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

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

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

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

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

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

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

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

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

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

Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

Financial guarantee contracts

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

Loan and borrowings

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

Derecognition

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

(k) Offsetting financial instruments

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

(l) Fair Value Measurement

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director and Chief Financial Officer are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (Refer note 44)

1. Disclosures for valuation methods, significant estimates and assumptions.
2. Quantitative disclosures of fair value measurement hierarchy.
3. Investment in unquoted equity shares.
4. Financial instruments (including those carried at amortised cost).

(m) Inventories

Inventory of Gas (including inventory in pipeline and CNG cascades) is valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Stores, spares and consumables are valued at lower of cost and net realizable value. Cost is determined on moving weighted average basis.

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

(n) Non-current assets held for sale and discontinued operation

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

(o) Foreign Currency Transactions

(i) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in profit or loss.

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(p) Employee Benefits

Employees Benefits are provided in the books as per Ind AS - 19 on "Employee Benefits" in the following manner:

A. Post-employment benefit plans

I. Defined Contribution Plan

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

The Company contributes under the National Pension System scheme for eligible employees at a rate specified in the rules of the scheme and deposited with concerned agency/authority.

The Company's contribution is recognised as an expenses in the statement of Profit and Loss during the period in which the employee renders the related service.

II. Defined benefit plan

The company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is separately administered through a Trust/Scheme. Contributions in respect of gratuity are made to the approved Gratuity Fund.

The Company's liability is actuarially determined by qualified actuary (using the Projected Unit Credit method) at the end of each year and is recognized in the Balance sheet as reduced by the fair value of Gratuity Fund. Actuarial losses/ gains are recognized in the Statement of Other Comprehensive Income in the year in which they arise.

III. Long term employee benefits

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

The Company's liability for leave benefits are actuarially determined by qualified actuary at balance sheet date by using the Projected Unit Credit method. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

B. Other Long Term Service benefits

- Long Service Award (LSA):

On completion of specified period of service with the company, employees are rewarded with Cash Reward of different amount based on the duration of service completed.

The Company's liability is actuarially determined by qualified actuary at balance sheet date at the present value of the amount payable for the same. Actuarial losses/ gains are recognized in the Statement of profit and loss in the year in which they arise.

C. Short term employee benefits

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

D. Employee Stock Option Plan

Share-based compensation benefits are provided to employees via Employee Stock Option Plan. For the stock options granted, the fair value as of the date of grant of option is recognised as employee benefit expenses with a corresponding increase in Stock Options Outstanding Account. The total expense is recognised on straight line basis over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

(q) Leases

The Company has applied Ind AS 116 Leases using the modified retrospective approach with effect from 1st April 2019. (For Transition to Ind AS 116 Leases refer note 50)

The Company's leased asset classes primarily consist of leases for land, buildings, plant & machinery equipment's and vehicles.

Under Ind AS 116, the Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- the contract involves the use of identified asset;
- the Company has substantially all of the economic benefits from the use of the asset through the period of lease; and
- the Company has right to direct the use of the asset.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals/termination options) and the applicable discount rate.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Certain lease arrangement includes the options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities includes these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit & Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

Lease liability and ROU lease asset have been separately presented in the Balance Sheet and lease payments have been classified as cash flows from financing activities.

Short-term leases, low-value assets and others:

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases.

The Company recognises the lease payments associated with leases assets that have lease period of 12 month or less, remaining lease period of 12 months or less as on transition date, rental charges of low value assets, component of taxes of ROU lease charges, non- lease component viz. manpower, fuel cost, repair and maintenance is recognised as an expense in the Statement of Profit and Loss over the lease term. The related cash flows are classified as operating activities.

As a lessor

Finance lease

Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts is adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

Operating lease

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the term of the relevant lease. In case of modification of contractual terms, the same is accounted as a new lease, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

(r) Taxation

Income tax expenses comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expenses are recognised in statement of profit or loss except tax expenses related to items recognised directly in reserves (including statement of other comprehensive income) which are recognised with the underlying items.

Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961 , as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation including amount expected to be paid / recovered for uncertain tax positions. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred Taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in financial statements at the reporting date. Deferred tax are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods., the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit available including Minimum Alternative Tax (MAT) under the provision of the Income Tax Act, 1961 is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(s) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(t) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision for contractual obligation is disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Provisions are not recognised for future operating losses. Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period and are not discounted to present value. The estimates of outcome and financial effect are determined by the judgment of the management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for and if material, are disclosed by way of notes to financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is disclosed by way of notes to financial statements, where an inflow of economic benefits is probable.

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

(u) Segment Reporting

The Company primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The Managing Director of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed.

(v) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Company considers all highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(w) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(x) Dividends

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(y) Insurance Claims

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

- In case of loss of asset /goods by transferring, either the carrying cost of the relevant asset / goods or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance".
- In case insurance claim is, less than carrying cost the difference is charged to Profit and Loss statement. As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

(z) Events occurring after the Reporting Date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Board's Report.

(aa) Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

(ab) Prior Period Adjustments and Pre-paid Expenses.

Income / expenditure in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively. Prepaid expenses up to threshold limit in each case, are charged to revenue as and when incurred.

(ac) Rounding off

All amounts disclosed / presented in Indian Rupees (INR) in the financial statements and notes have been rounded off to the nearest two decimals of Crores as per the requirements of Schedule III, unless otherwise stated.

Notes to Standalone financial statements for the year ended on 31st March 2021

NOTE 3.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, Plant and Equipment (PPE) as at 31st March 2021 (₹ in Crores)

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at 1st April 2020	Addition	Disposal/ Adjustment	Other Adjustments	As at 31st March2021	As at 1st April 2020	For the Year	Disposal/ Adjustment	Other Adjustment	As at 31st March2021	As at 31st March 2021	As at 31st March 2020
Freehold Land	385.42	2.79	-	-	388.21	-	-	-	-	-	388.21	385.42
Buildings	193.54	10.75	-	-	204.29	25.15	3.82	-	-	28.97	175.32	168.39
Plant and Equipments	6,154.26	634.42	8.55	-	6,780.13	1,637.11	295.30	5.01	-	1,927.40	4,852.73	4,517.15
Furniture and Fixture	19.30	0.75	0.41	-	19.64	11.13	1.37	0.36	-	12.14	7.50	8.17
Computer Equipment	46.58	2.79	2.14	-	47.23	29.75	4.20	2.07	-	31.88	15.35	16.83
Office Equipments	21.14	1.26	0.47	-	21.93	16.55	1.36	0.44	-	17.47	4.46	4.59
Vehicles	9.05	-	-	-	9.05	7.06	0.38	-	-	7.44	1.61	1.99
Books and Periodicals	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
Total PPE	**6,829.39**	**652.76**	**11.57**	**-**	**7,470.58**	**1,726.85**	**306.43**	**7.88**	**-**	**2,025.40**	**5,445.18**	**5,102.54**

Property, Plant and Equipment (PPE) as at 31st March 2020 (₹ in Crores)

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at 1st April 2019	Addition	Disposal/ Adjustment	Other Adjustments	As at 31st March2020	As at 1st April 2019	For the Year	Disposal/ Adjustment	Other Adjustment	As at 31st March2020	As at 31st March 2020	As at 31st March 2019
Lease hold Land	38.51	-	-	(38.51)	-	2.35	-	-	(2.35)	-	-	36.16
Freehold Land	384.07	1.35	-	-	385.42	-	-	-	-	-	385.42	384.07
Buildings	183.85	9.71	0.02	-	193.54	21.40	3.75	-	-	25.15	168.39	162.45
Plant and Equipments	5,710.28	445.90	1.92	-	6,154.26	1,362.80	275.17	0.86	-	1,637.11	4,517.15	4,347.48
Furniture and Fixture	18.04	1.73	0.47	-	19.30	10.00	1.50	0.37	-	11.13	8.17	8.04
Computer Equipment	46.57	2.56	2.55	-	46.58	27.65	4.53	2.43	-	29.75	16.83	18.92
Office Equipments	20.14	1.31	0.31	-	21.14	15.20	1.64	0.29	-	16.55	4.59	4.94
Vehicles	9.07	-	0.02	-	9.05	6.50	0.58	0.02	-	7.06	1.99	2.57
Books and Periodicals	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
Total PPE	**6,410.63**	**462.56**	**5.29**	**(38.51)**	**6,829.39**	**1,446.00**	**287.17**	**3.97**	**(2.35)**	**1,726.85**	**5,102.54**	**4,964.63**

Note 3.1.1 - Impairment of Assets: There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

Note 3.1.2 - Borrowing Cost: Additions to the PPE includes borrowing costs Nil (Previous Year ₹ 3.86 Crores) pertaining to borrowings for qualifying assets as per the requirements of Ind AS - 23 "Borrowing Costs".

Note 3.1.3 - Security Pledge of Assets: Refer to Note 20 on borrowings for details in terms of pledge of assets as security.

Note 3.1.4 - Refer to note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Note 3.1.5 - There is no restriction on the title of property, plant and equipments.

Note 3.1.6 - Other adjustments in previous year includes Lease hold land reclassified to ROU assets on account of adoption of Ind AS 116 -'Leases'(effective from 1st April, 2019)(Refer note 5.3)

Notes to Standalone financial statements for the year ended on 31st March 2021

NOTE 3.2 CAPITAL WORK IN PROGRESS (₹ in Crores)

Capital work in progress	As at 31st March 2021	As at 31st March2020
Capital Inventory	242.81	218.53
Capital Work-in-Progress (project under construction)	444.78	350.04
Total	**687.59**	**568.57**

Note:- Security Pledge of Assets : Refer to Note 20 on borrowings for details of security pledge of assets.

NOTE 4 - INVESTMENT PROPERTY (₹ in Crores)

Investment property	As at 31st March 2021	As at 31st March 2020
Freehold land		
Balance at the beginning of the period	1.30	1.30
Add:- Acquisition during the year	-	-
Less:- Deletion during the year	-	-
Balance at the end of the period	**1.30**	**1.30**

(i) Amount recognised in profit and loss for investment properties (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Rental Income	0.20	0.20
Profit from investment properties	0.20	0.20

The Company had recognized the rental - facilitation fees on Investment property for the financial year 2016-17 and 2017-18 on the basis of provisional working of rental -facilitation fees submitted by tenants. As the company is defending the issue of valuation of land for rental -facilitation fees with tenants and not recognize the rental -facilitation fees on fair value of land because no such decision is arrived at by both the parties (company & tenants) till end of the financial year.

On similar line, company has recognized rental -facilitation fees on Investment property for the financial year 2018-19, 2019-20 and 2020-21 on the basis of previous years working as no further working of rental -facilitation fees has been submitted by tenants for the financial year 2020-21.

(ii) Contractual Obligations

The Company has no contractual obligations to purchase, construct or develop investment property or for its repair, maintenance or enhancements.

(iii) Leasing Arrangements

The investment property is leased to tenants under long term operating leases with rentals payable annually as per the formula given in the agreement executed by both the parties. The lease period is 10 years(extendable as mutually agreed). Either party can terminate the agreement by giving 6 months notice(Non cancellable period). The future minimum lease payments receivables for 6 months can not be determined as the amount of rent is dependent on various other factors.

(iv) Fair Value (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Investment Properties	3.20	2.40

Estimation of Fair Value

The Company obtains independent valuations for its investment properties once in every three to five years interval. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

1. Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties have been determined by based on independent valuer's valuation certificate. The main inputs used are the rental growth rates, jantry value guideline and sales comparison approach based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

(v) Security Pledge : Refer to Note 20 on borrowings for details in terms of pledge of assets as security.

(vi) There is no restriction on the title and realisability of investment property or remittance of income and proceeds of disposals.

Notes to Standalone financial statements for the year ended 31st March 2021

Note 5.1 INTANGIBLE ASSETS
Intangible assets as at as at 31st March 2021 (₹ in Crores)

Particulars	Gross Block					Amortization					Net Block	
	As at 1st April 2020	Addition	Disposal/ Adjustment	Other Adjustments	As at 31st March2021	As at 1st April 2020	For the Year	Disposal/ Adjustment	Other Adjustment	As at 31st March2021	As at 31st March 2021	As at 31st March 2020
ROW Permissions	342.74	30.49	-	-	373.23	48.92	11.94	-	-	60.86	312.37	293.83
ROU	14.65	0.33	-	-	14.98	-	-	-	-	-	14.98	14.65
Software and other Intangibles	92.46	5.68	0.15	-	97.99	65.79	8.08	0.15	-	73.72	24.27	26.67
Total Intangible Assets	**449.85**	**36.50**	**0.15**	**-**	**486.20**	**114.71**	**20.02**	**0.15**	**-**	**134.58**	**351.62**	**335.15**

Intangible assets as at as at 31st March 2020 (₹ in Crores)

Particulars	Gross Block					Amortization					Net Block	
	As at 1st April 2019	Addition	Disposal/ Adjustment	Other Adjustments	As at 31st March2020	As at 1st April 2019	For the Year	Disposal/ Adjustment	Other Adjustment	As at 31st March2020	As at 31st March 2020	As at 31st March 2019
ROW Permissions	317.79	24.95	-	-	342.74	37.85	11.07	-	-	48.92	293.83	279.94
ROU	13.20	1.45	-	-	14.65	-	-	-	-	-	14.65	13.20
Software and other Intangibles	99.71	3.52	10.76	-	92.46	68.79	7.77	10.76	-	65.79	26.67	30.92
Total Intangible Assets	**430.70**	**29.92**	**10.76**	**-**	**449.85**	**106.64**	**18.83**	**10.76**	**-**	**114.71**	**335.15**	**324.06**

Note 5.1.1. Right of Way (ROW) Permissions: The useful lives of Right of Way (ROW) Permissions as estimated by the management for the amortization is 30 years. The useful lives of ROW Permission are inextricably linked with the pipeline networks being laid, which corresponds with the useful life of 30 years of Plant and Machinery - Pipelines network for which the Right of Way (ROW) Permission has been obtained. The Useful life of 30 years of the Right of Way (ROW) Permissions is dependent on the useful life of Plant and Machinery - Pipelines i.e. Pipeline network of the company.

Note 5.1.2 Right of Use (ROU) : The company acquires the 'Right of Use' (hereinafter referred to as 'ROU') for the purpose of laying and maintenance of the underground pipeline and vests in the company and the company has the right to use the same in the manner for which it has been acquired. The acquisition of ROU is governed by the legal process as per the Act, the company has paid the compensation /consideration of the ROU -land determined by the competent authority under the Act and any person authorised by the company, have unrestricted right of entry and lay pipeline or do any other act necessary for the purpose of laying of pipeline.

The company has disclosed the cost incurred for acquisition of ROU as 'Right of Use' in the Intangible Asset schedule. Since the ROU does not have a defined life, it is perpetual in nature. Accordingly based on requirements of Ind AS 38 – Intangible Assets, the same is tested for impairment and not amortised.

Note 5.1.3- Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

Note 5.1.4 - Security Pledge of Assets : Refer to Note 20 on borrowings for details in terms of pledge of assets as security.

Note 5.1.5 - Refer to note 42 for disclosure of contractual commitments for the acquisition of intangible assets.

Note 5.1.6 - There is no restriction on the title of intangible assets.

NOTE 5.2 INTANGIBLE ASSETS UNDER DEVELOPMENT (₹ in Crores)

Intangible assets under development	As at 31st March 2021	As at 31st March2020
Software under development	0.23	0.92
Total	**0.23**	**0.92**

Notes to Standlone financial statements for the year ended 31st March 2021

NOTE 5.3:

RIGHT-OF-USE ASSETS
Right-of-use assets as at 31st March 2021

(₹ in Crores)

Particulars	Gross Block					Amortization				Net Block	
	As at 1st April 2020	Others / Reassessment	Additions	Disposal/ Adjustments	As at 31st March2021	As at 1st April 2020	For the Year	Disposal/ Adjustment	As at 31st March2021	As at 31st March2021	As at 31st March 2020
Land	109.63	0.10	9.09	0.21	118.61	4.01	2.17	0.21	5.97	112.64	105.62
Buildings	7.02	-	0.50	0.27	7.25	1.41	1.40	0.27	2.54	4.71	5.61
Plant and Equipments	31.30	-	-	-	31.30	1.79	2.09	-	3.88	27.42	29.51
Vehicles	12.47	-	26.21	12.47	26.21	7.12	8.73	12.47	3.38	22.83	5.35
Total	**160.42**	**0.10**	**35.80**	**12.95**	**183.37**	**14.33**	**14.39**	**12.95**	**15.77**	**167.60**	**146.09**

Right-of-use assets (Leases) as at 31st March 2020

(₹ in Crores)

Particulars	Gross Block					Amortization				Net Block	
	As at 1st April 2019	Others / Reassessment	Additions	Disposal/ Adjustments	As at 31st March2020	As at 1st April 2019	For the Year	Disposal/ Adjustment	As at 31st March2020	As at 31st March2020	As at 31st March 2019
Land	38.51	7.51	63.60	-	109.63	2.35	1.66	-	4.01	105.62	-
Buildings	-	6.97	0.05	-	7.02	-	1.41	-	1.41	5.61	-
Plant and Equipments	-	6.47	24.83	-	31.30	-	1.79	-	1.79	29.51	-
Vehicles	-	12.47	-	-	12.47	-	7.12	-	7.12	5.35	-
Total	**38.51**	**33.42**	**88.48**	**-**	**160.42**	**2.35**	**11.98**	**-**	**14.33**	**146.09**	**-**

Note 5.3.1 - Lease hold land reclassified from PPE to ROU assets on account of adoption of Ind AS 116- 'Leases on 1st April, 2019 (Refer note 50)
Note 5.3.2 -"Others/ Reassessment" includes additions on account of transition to Ind AS 116 (on April 01, 2019) in Previous year (Refer note 50)
Note 5.3.3 -"Others/ Reassessment" includes reassessment on account of modification of lease agreements ₹ 0.10 Crs in Current year (Previous year Nil)

Notes to Standalone financial statements for the year ended on 31st March 2021

NOTE 6 INVESTMENT IN ASSOCIATE

(₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Investments in equity shares carried at cost (fully paid)		
Unquoted Equity Shares		
25000 (Previous year: 25,000) Fully Paid up Equity Shares of ₹ 10 each of Guj Info Petro Limited	0.03	0.03
Extent of Holding	49.94%	49.94%
Place of business/ country of incorporation	India	India
Description of method used to account for the investments (Cost or fair value)	At Cost	At Cost
Total	**0.03**	**0.03**

(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	0.03	0.03
(c) Aggregate amount of impairment in value of investments.	Nil	Nil

NOTE 7 NON-CURRENT FINANCIAL ASSETS : INVESTMENTS

(₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Investments in equity shares accounted through OCI (fully paid)		
Unquoted Equity Shares		
2,00,00,000 (Previous year: 2,00,00,000) Fully Paid Up Equity Shares of ₹ 1 each of Gujarat State Petroleum Corporation Limited	19.74	17.22
200 (Previous year: 200) Fully Paid Up Equity Shares of ₹ 25 each of Kalupur Co Op Comm Bank Limited	₹ 5000/-	₹ 5000/-
Total	**19.74**	**17.22**

Particulars	Extent of Holding	
	31st March 2021	**31st March 2020**
Gujarat State Petroleum Corporation Limited (current year :- Intermediate holding company and previous year :-Intermediate holding company)	0.19%	0.19%
The Kalupur Comm. Co. Op. Bank Ltd. (Others)	0.001%	0.001%

(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	19.74	17.22
(c) Aggregate amount of impairment in value of investments.	Nil	Nil

*Refer Note no. 44 for financial Instruments, fair value and measurements

NOTE 8 NON- CURRENT FINANCIAL ASSETS : LOANS

(₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March2020
Security Deposits (Refer Note 8.1)		
To Related Parties [Unsecured, considered good]	65.59	41.61
Less :Security Deposits adjustment for amortised cost -Related party	(52.84)	(33.99)
Net Security deposits to related parties	**12.75**	**7.62**
To Others [Unsecured, considered good]	56.27	53.13
To Others [Credit impaired]	13.38	13.62
Less: Allowance for bad and doubtful	(13.38)	(13.62)
Total Security Deposits (a)	**69.02**	**60.75**
Loan to Employees [Unsecured, considered good] (b)	2.17	0.21
Total (a+b)	**71.19**	**60.96**

Refer Note no. 44 for financial Instruments, fair value and measurements

Refer Note 20 on borrowings for details in terms of pledge of assets as security.

Notes to Standalone financial statements for the year ended 31st March 2021

Note no. 8.1: The Company has given refundable security deposits in form of fixed deposits to various project authorities to be held in their name and custody. It will be refunded after satisfactory completion of work. The company has therefore shown these fixed bank deposits amounting ₹ 34.05 Crores (Previous Year ₹ 32.19 Crores) and interest accrued on such fixed bank deposits ₹ 6.99 Crores (Previous Year ₹ 6.61 Crores), till they are in custody with project authorities as "Security Deposits" under the Note- "Loans (including Security Deposits)" in the balance sheet.

NOTE 9 NON- CURRENT FINANCIAL ASSETS : OTHERS **(₹ in Crores)**

Particulars	As at 31st March 2021	As at 31st March 2020
Receivable from employee [Unsecured, considered good]	0.88	1.43
Other Receivable [Considered Doubtful]	0.36	0.36
Less: Allowance for bad and doubtful	(0.36)	(0.36)
Total	**0.88**	**1.43**

Refer Note 44 for financial Instruments, fair value and measurements

Refer Note 20 on borrowings for details in terms of pledge of assets as security.

NOTE 10 OTHER NON - CURRENT ASSETS **(₹ in Crores)**

Particulars	As at 31st March 2021	As at 31st March 2020
Capital advances		
Capital advances [Unsecured, considered good]	76.12	24.55
Capital advances [Credit Impaired]	2.11	1.88
	78.23	26.43
Less: Allowance for bad and doubtful	(2.11)	(1.88)
Total	**76.12**	**24.55**
Advance against expenses		
Other advances - [Unsecured, considered good]	0.78	-
Other advances - [Credit Impaired]	-	-
	0.78	**-**
Less: Allowance for bad and doubtful	-	-
Total	**0.78**	**-**
Advance payment of income tax [Net of provisions](Refer Note 29)	27.07	34.60
Prepaid Expenses	108.01	91.81
Balances with Government authorities for Litigations	18.11	18.11
Balances with Government authorities - VAT credit refundable	59.85	48.92
Deferred employee benefit cost	4.42	6.97
Other non-current assets	0.03	0.03
Total	**294.39**	**224.99**

Refer Note 48 for Related party balances

Refer Note 20 on borrowings for details in terms of pledge of assets as security.

NOTE 11 INVENTORIES **(₹ in Crores)**

Particulars	As at 31st March 2021	As at 31st March 2020
Natural Gas	6.66	5.33
Stores and spares	37.57	37.62
Deferred delivery-Natural Gas (Goods in transit)	7.98	3.31
Total	**52.21**	**46.26**

For Valuation- Refer note 2(m)

Refer Note 20 on borrowings for details in terms of pledge of assets as security.

Notes to Standalone financial statements for the year ended 31st March 2021

NOTE 12 CURRENT FINANCIAL ASSETS : TRADE RECEIVABLES **(₹ in Crores)**

Particulars	As at 31st March 2021	As at 31st March 2020
Trade Receivables considered good - Secured	198.60	103.46
Trade Receivables considered good - Unsecured (Backed by Bank guarantee)	503.50	341.67
Trade Receivables considered good - Unsecured (Others)	80.99	65.01
Trade Receivables - credit impaired	9.85	8.27
Total	**792.94**	**518.41**
Less: Allowance for bad and doubtful	9.85	8.27
Total	**783.09**	**510.14**

Refer Note 44 for financial Instruments, fair value and measurements
Refer Note 48 for Related party balances
Refer Note 20 on borrowings for details in terms of pledge of assets as security.

NOTE 13 CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS **(₹ in Crores)**

Particulars	As at 31st March 2021	As at 31st March 2020
(a) Balance with banks		
Balance in account [with Sweep -In deposit facility]	14.28	40.21
(b) Balance with financial Institutions		
Deposits with maturity of less than three months	261.02	506.60
(c) Cash on hand	1.11	0.38
Total	**276.41**	**547.19**

Refer Note 44 for financial Instruments, fair value and measurements
Refer Note 20 on borrowings for details in terms of pledge of assets as security.

NOTE 14 CURRENT FINANCIAL ASSETS : OTHER BANK BALANCES **(₹ in Crores)**

Particulars	As at 31st March 2021	As at 31st March 2020
Earmarked balances in unclaimed dividend accounts (Refer Note 14.1)	1.31	1.59
Margin money or security against borrowings & guarantees	40.02	40.00
Deposits (with banks/ financial Institutions) with maturity having more than 3 months but less than 12 months	0.92	102.94
Total	**42.25**	**144.53**

Refer Note 44 for financial Instruments, fair value and measurements
Refer Note 20 on borrowings for details in terms of pledge of assets as security.

Note 14.1 : The balances in dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment. No amount is due at the end of the period for credit to Investor Protection and Education fund.

NOTE 15 CURRENT FINANCIAL ASSETS : LOANS (INCLUDING SECURITY DEPOSITS) **(₹ in Crores)**

Particulars	As at 31st March 2021	As at 31st March 2020
Loans to employees	1.29	0.91
Amount Receivable from ESOP Trust	-	0.01
Total	**1.29**	**0.92**

Refer Note 20 on borrowings for details in terms of pledge of assets as security.

NOTE 16 CURRENT FINANCIAL ASSETS : OTHERS **(₹ in Crores)**

Particulars	As at 31st March 2021	As at 31st March 2020
Unbilled Revenue and Income	57.77	76.73
Staff - Employee Advance	0.01	0.04
Receivable from employee	0.59	0.59
Other receivables [Unsecured, considered good]:-		
From Related parties	10.75	4.21
From Others	0.37	0.10
Total	**69.49**	**81.67**

Refer Note 48 for Related party balances
Refer Note 20 on borrowings for details in terms of pledge of assets as security.

Notes to Standalone financial statements for the year ended 31st March 2021

Note 17 CURRENT ASSETS : OTHERS (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances for expenses[Unsecured, considered good]		
To Related parties	0.02	0.10
To Others	10.85	7.14
	10.87	7.24
Prepaid Expenses	30.90	26.85
Indirect Tax credit receivable (Excise, VAT, GST etc.)	18.05	9.83
Balances with Government authorities - VAT credit refundable	122.20	60.56
Deferred employee benefit cost	2.89	2.88
Total	**184.91**	**107.36**

Refer Note 48 for Related party balances

Refer Note 20 on borrowings for details in terms of pledge of assets as security.

NOTE 18 SHARE CAPITAL

Note 18.1 Authorised, issued, subscribed, fully paid up share capital (₹ in Crores)

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Shares of ₹2 each	8,67,55,00,000	1,735.10	8,67,55,00,000	1,735.10
7.5% Redeemable preference Shares of ₹ 10 each	1,70,00,000	17.00	1,70,00,000	17.00
Preference shares of ₹ 10 each	50,00,000	5.00	50,00,000	5.00
Issued, Subscribed and Paid up				
Equity Shares of ₹ 2 each (fully paid-up)	68,83,90,125	137.68	68,83,90,125	137.68
Total	**68,83,90,125**	**137.68**	**68,83,90,125**	**137.68**

NOTE 18.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period (₹ in crores)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Equity Shares of ₹ 2 each fully paid		Equity Shares of ₹ 2 each fully paid	
	No. of shares	Amount	No. of shares	Amount
Shares face value of ₹ 2 each outstanding at the beginning of the period	68,83,90,125	137.68	68,83,90,125	137.68
Add: Shares issued during the period	-	-	-	-
Less: Changes during the period	-	-	-	-
Shares outstanding at the end of the period	**68,83,90,125**	**137.68**	**68,83,90,125**	**137.68**

Note 18.3 : Terms/ rights attached to equity shares

The company has only one class of equity shares having a face value of ₹ 2 per share (previous year ₹ 2 each). Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.In the event of liquidation of the company, the holders of equity shares will be entitled to receive residual assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Standalone financial statements for the year ended 31st March 2021

Note 18.4 Share holding by prescribed entities

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

(₹ in Crores)

Share Holder (Nature of Relationship)	As at 31st March 2021		As at 31st March 2020	
	No. of Equity Shares of ₹ 2 each fully paid	Amount	No. of Equity Shares of ₹ 2 each fully paid	Amount
(i) Gujarat State Petroleum Corporation Limited (current year :- Intermediate holding company and previous year :-Intermediate holding company)	-	-	-	-
(ii) Gujarat State Petronet Limited (current year :- Holding Company and previous year :- Holding Company)	37,28,73,995	74.57	37,28,73,995	74.57
(iii) Gujarat State Energy Generation Limited (current year :- Associate of Intermediate Holding Company and previous year :- Associate of Intermediate Holding Company)	13,32,235	0.27	13,32,235	0.27
(iv) Gujarat State Fertilizers and Chemicals Limited (current year :- Associate of Ultimate Holding Company and previous year :- Associate of Ultimate Holding Company)*	4,69,14,475	9.38	4,69,14,475	9.38
(v) Gujarat Alkalies & Chemicals Limited (current year :-Associate of Ultimate Holding Company and previous year :- Associate of Ultimate Holding Company)*	2,13,15,785	4.26	2,13,15,785	4.26
(vi) Gujarat Narmada Vally Fertilizers and Chemicals Limited (current year :-Associate of Ultimate Holding Company and previous year :- Associate of Ultimate Holding Company)*	2,66,445	0.05	2,66,445	0.05

* Consequent to change in shareholding pattern of Gujarat State Petroleum Corporation Ltd (GSPC) pursuant to Scheme of Arrangement with Gujarat State Investments Ltd (GSIL) during the year 2019-20, GSIL has become ultimate holding company of Gujarat Gas Limited (with effect from 18th May, 2019). Accordingly, equity shares held by Gujarat State Fertilizers and Chemicals Limited, Gujarat Alkalies & Chemicals Limited and Gujarat Narmada Valley Fertilisers and Chemicals Ltd. (being associate of GSIL) has been disclosed.

Note 18.5 Shareholders holding more than 5 % of total share capital

Name of Shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Equity Shares of ₹ 2 each fully paid		Equity Shares of ₹ 2 each fully paid	
Gujarat State Petronet Limited	37,28,73,995	54.17%	37,28,73,995	54.17%
Gujarat State Fertilizers and Chemicals Limited	4,69,14,475	6.82%	4,69,14,475	6.82%
Government of Gujarat	4,49,77,310	6.53%	4,49,77,310	6.53%

Note 18.6 Details of Bought back of shares, Bonus Shares and Shares issue without payment being received in Cash:

The company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares during the period of five years immediately preceding the date of balance sheet. Further, there are no shares which are reserved for issue under options and contracts or commitments for the sale of shares or disinvestment.

Note 18.7 Proposed Dividend:

The Board of Directors, in its meeting on 1st June, 2021, have proposed a final dividend of ₹ 2.00 per equity share (Face value of ₹ 2/- each) for the financial year ended on 31st March,2021. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in a cash outflow of approximately ₹ 137.68 crores.

The Board of Directors, in its meeting on 5th June, 2020, had proposed a final dividend of ₹ 1.25 per equity share (Face value of ₹ 2/- each) for the financial year ended on 31st March,2020. The proposal was approved by shareholders at the Annual General Meeting and this resulted in a cash outflow of approximately ₹ 86.05 crores.

Notes to Standalone financial statements for the year ended 31st March 2021

Note-19 OTHER EQUITY **(₹ in Crores)**

Particulars	As at 31st March 2021	As at 31st March 2020
(A) Reserves & Surplus		
General Reserve		
Opening Balance	2.72	2.72
Add/Less : Adjustment during the year	-	-
Closing Balance	**2.72**	**2.72**
Amalgamation and arrangement Reserve		
Opening Balance	879.59	879.59
Add/Less : Adjustment during the year	-	-
Closing Balance	**879.59**	**879.59**
Retained Earnings		
Opening balance	2,382.34	1,276.66
Add: Profit during the year	1,275.50	1,193.32
Remeasurement of post employment benefit obligation (net of tax)	0.61	(4.65)
Total	3,658.45	2,465.33
Less : Appropriations		
Dividend	(86.05)	(68.84)
Corporate Tax on Dividend	-	(14.15)
Closing Balance	**3,572.40**	**2,382.34**
Total (A)	**4,454.71**	**3,264.65**
(B) Equity instrument through OCI		
Opening Balance	(111.71)	(112.66)
Add/Less : Change in fair value of equity instrument	2.52	1.20
Add/Less : Income tax relating to above item	(0.56)	(0.25)
Closing Balance (B)	**(109.75)**	**(111.71)**
Total other equity (A+B)	**4,344.97**	**3,152.94**

Nature and purpose of reserves:

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

Amalgamation and Arrangement Reserve

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

Retained Earnings

Retained earnings represents surplus / accumulated earnings of the company available for distribution to shareholders.

Equity instrument through OCI

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instrument through OCI reserve within equity.

Notes to Standalone financial statements for the year ended 31st March 2021

NOTE 20 NON- CURRENT FINANCIAL LIABILITIES: BORROWINGS

(₹ in Crores)

	As at 31st March 2021		As at 31st March 2020	
Secured borrowings	**Non-Current**	**Current***	**Non-Current**	**Current***
Term Loan from Banks (Refer Note 20.1)	769.95	127.31	1,834.36	163.98
Total secured borrowings	**769.95**	**127.31**	**1,834.36**	**163.98**

*For current maturities of long term borrowing amount disclosed under the head "Current financial liabilities : Others" (Note 26)
The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

20.1 Term Loan from Banks

(₹ in Crores)

Particulars	Terms of repayment	Interest Rate $	Maturity	As at 31st March 2021		As at 31st March 2020	
				Non-Current	Current	Non-Current	Current
From banks							
HDFC Bank Term Loan I #	Quarterly Installment from March 2018 to December 2027	5.50% p.a	Dec-27	292.10	40.43	453.72	34.48
HDFC Bank Term Loan II **	Quarterly Installment from March 2021 to September 2027	5.50% p.a	Sep-27	477.85	86.88	-	-
State Bank of India Term Loan I #	NA (for Previous year : Quarterly Installment from December 2017 to September 2027)	NA	NA	-	-	341.89	32.08
State Bank of India Term Loan II ** #	NA (for Previous year : Quarterly Installment from December 2017 to September 2027)	NA	NA	-	-	1,038.75	97.42
Total				**769.95**	**127.31**	**1,834.36**	**163.98**

During this financial year 2020-21, Company made pre-payment of total term loans of INR 988.18 Crores out of internal accruals of the company. (State Bank of India Term Loan I - INR 363.18, State Bank of India Term Loan II - INR 500.00 Crores and HDFC Bank Term Loan I - INR 125.00 Crores).
** HDFC Bank Term Loan II of Rs. 586.45 Crores was disbursed on February 15, 2021 by HDFC Bank Limited towards refinance of the State Bank of India Term Loan II outstanding as on February 15, 2021.
$ Interest rate is as on balance sheet date and interest on borrowing is payable on monthly basis.
Refer Note 44 for financial Instruments, fair value and measurements.

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

Type of Loan	As at 31st March 2021	As at 31st March 2020
Secured Borrowings	For HDFC Bank Rupee Term Loan I: 1. A first pari passu charge on the fixed assets (movable and immovable properties) of the Borrower, both present and future (except for ROU/ROW rights). 2. A second pari passu charge on current assets, both present and future with other secured term lenders of the Borrower. The working capital lenders will have first pari passu charge on the above current assets. For HDFC Bank Rupee Term Loan II: A first ranking pari passu charge over moveable fixed assets (both present and future) of the Borrower (except any ROU, ROW, any immovable fixed assets, lease assets and all other assets which are not permitted to be transferred in the name of the Borrower and/or creation of charge is not permissible in favor of the Bank).	For all Rupee Term Loan: 1. A first pari passu charge on the fixed assets (movable and immovable properties) i.e. property, plant & equipment (PPE), investment property of the company except for ROU/ROW rights, both present and future. 2. A second pari passu charge on current assets (financial and non financial assets) of the company, both present and future. The working capital lenders will have first pari passu charge on the current assets.

Notes to Standalone financial statements for the year ended on 31st March 2021

NOTE 21 LEASE LIABILITIES **(₹ in Crores)**

Particulars	As at 31st March 2021		As at 31st March 2020	
	Non-Current	Current	Non-Current	Current
Lease Liabilities (Refer note 50)	64.99	14.50	45.02	12.00
Total	**64.99**	**14.50**	**45.02**	**12.00**

NOTE 22 NON-CURRENT PROVISIONS **(₹ in Crores)**

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits (Refer note 47)		
Provision for Long service benefits	0.90	0.80
Provision for leave encashment	50.77	44.43
Provision for Superannuation	0.10	0.10
Total	**51.77**	**45.33**

NOTE 23 DEFERRED TAX LIABILITIES (Net) **(₹ in Crores)**

Particulars	As at 31st March 2021	As at 31st March 2020
A. Deferred tax Liabilities		
Tax effect of items constituting :		
Property, plant and equipment & Intangible assets	847.80	833.58
Investments	3.90	3.34
Loans and borrowings	-	0.14
Total - A	**851.70**	**837.06**
B. Deferred tax asset		
Tax effect of items constituting :		
Employee benefits	13.28	11.62
Provisions	12.67	7.52
Other items*	19.44	17.43
Total - B	**45.39**	**36.57**
Deferred tax Liabilities (Net) (A-B)	**806.31**	**800.49**

*Other items includes effects of Leases (IND AS 116), Deferred revenue (IND AS115), financial instruments measurement etc.

(a) Deferred tax balances and movement for FY 2020-21 **(₹ in Crores)**

Particulars	Net balance 1st April 2020	Recognised in profit or loss		Recognised in OCI	Other Adjustments	As at 31st March 2021
		Due to change in Tax rate	Others			
Deferred tax Liabilities - Tax effect of items constituting -						
Property, plant and equipment & Intangible assets	833.58		14.22	-		847.80
Investments	3.34		-	0.56	-	3.90
Loans and borrowings	0.14		(0.14)	-		-
Total	**837.06**	**NA**	**14.08**	**0.56**	**-**	**851.70**
Deferred tax asset- Tax effect of items constituting -						
Employee benefits	11.62		1.86	(0.20)		13.28
Provisions	7.52		5.15	-		12.67
Other items	17.43		2.01	-		19.44
Total	**36.57**	**NA**	**9.02**	**(0.20)**	**-**	**45.39**
Net deferred tax Liabilities	**800.49**	**NA**	**5.06**	**0.76**	**-**	**806.31**

Notes to Standalone financial statements for the year ended on 31st March 2021

(b) Deferred tax balances and movement for FY 2019-20 (₹ in Crores)

Particulars	Net balance 1st April 2019	Recognised in profit or loss		Recognised in OCI	Other Adjustments	As at 31st March 2020
		Due to change in Tax rate**	Others			
Deferred tax Liabilities - Tax effect of items constituting -						
Property, plant and equipment & Intangible assets	1,128.27	(301.10)	6.41	-	-	833.58
Investments	3.10	-	-	0.24	-	3.34
Loans and borrowings	0.23	(0.06)	(0.03)	-	-	0.14
Total	**1,131.60**	**(301.16)**	**6.38**	**0.24**	**-**	**837.06**
Deferred tax asset - Tax effect of items constituting -						
Employee benefits	14.07	(3.93)	(0.07)	1.55	-	11.62
Provisions	7.42	(2.08)	2.18	-	-	7.52
Other items	28.51	(7.98)	(3.10)	-		17.43
Total	**50.00**	**(13.99)**	**(0.99)**	**1.55**	**-**	**36.57**
Net deferred tax Liabilities	**1,081.60**	**(287.17)**	**7.37**	**(1.31)**	**-**	**800.49**

Notes:

**Pursuant to the Taxation Laws (Amendment) Ordinance 2019 dated 20th September 2019 (which subsequently became Act), tax rates have changed with effect from 1st April, 2019 as company has opted for concessional tax rate as permitted under section 115BAA of the Income Tax Act, 1961. The Company has first time opted concessional tax rate and re-measured its deferred tax liabilities and the full impact of these changes has been recognised in the Statement of Profit & Loss for the year ended on 31st March 2020.(tax rate for 2019-20 - 25.17% and tax rate for 2018-19 - 34.94%).

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

(c) Tax losses carried forward

Particulars	31st March 2021	Expiry date	31st March 2020	Expiry date
Expire	Nil	NA	Nil	NA
Never Expire	Nil	NA	Nil	NA

NOTE 24 OTHER NON-CURRENT LIABILITIES (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Revenue (Refer Note 49)	62.94	63.60
Total	**62.94**	**63.60**

NOTE 25 CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Total outstanding dues of micro enterprises and small enterprises -		
Trade payables others (Refer Note 43)	5.04	7.51
Total outstanding dues of creditors other than micro enterprises and small enterprises:-		
Trade payables - Gas Purchase / Transmission	318.69	240.80
Trade payables - Others & Provisions	122.07	95.93
Total	**445.80**	**344.24**

Refer Note 44 for financial Instruments, fair value and measurements
Refer Note 48 for Related party balances
Refer Note 53 for Reclassification of previous year figures

Notes to Standalone financial statements for the year ended 31st March 2021

NOTE 26 CURRENT FINANCIAL LIABILITIES : OTHERS (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Current maturities of long term borrowings - (Please refer Note 20):-		
Term Loan		
-From Banks (Secured)	127.31	163.98
	127.31	**163.98**
Capital creditors and other payables (Including retentions):-		
- Total outstanding dues of micro enterprises and small enterprises (Refer note 43)	28.69	19.44
- Total outstanding other than dues of micro enterprises and small enterprises	246.44	140.78
	275.13	**160.22**
Security Deposits from customers	1,049.28	907.56
Interest accrued on security deposits from customers	8.01	8.54
Security deposit from customers towards MGO	127.05	83.47
Security deposit from collection centres and others	4.90	4.73
Security Deposits from Suppliers	64.03	43.33
Unclaimed dividend (Refer Note 26.1)	1.31	1.59
Others:		
BG Asia Pacific Holdings Limited	464.78	464.78
Less : Amount deposited in Escrow Account with Citi Bank (Refer Note 26.2)	(464.78)	(464.78)
Net Payable	-	-
Other current financial liabilities	0.05	0.07
Total	**1,657.07**	**1,373.49**

Refer Note 44 for financial Instruments, fair value and measurements

Refer Note 48 for Related party balances

Note 26.1: The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 after the expiry of seven years from the date of declaration of dividend. No amount is due at the end of the period for credit to Investors education and protection fund.

Note 26.2: The Company deposited Rs. 464.78 crores on 12th June, 2013 into the escrow account (""named BG Asia Pacific Holdings Pte. Limited GSPC Distribution Networks Limited Escrow Account"") opened with Citibank N.A., acting as the escrow agent, pursuant to the escrow agreement executed between the BG Asia Pacific Holdings Pte. Limited (the Seller), Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) (the Purchaser) and Citibank N.A. The Payment of said amount into Escrow Account was 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.

During the year, the Company has received the ruling from the Hon'ble Authority for Advance Ruling ("AAR"), vide consolidated ruling order dated 25th February 2021 wherein the Hon'ble AAR has held that the Purchaser is not required to withhold tax since the capital gains is not subject to tax in India under India Singapore Double Tax Avoidance Agreement in the hands of the Seller. Pursuant to the ruling of the Hon'ble AAR and as per the terms of the Escrow Agreement, Escrow Account amount Rs. 464.78 crores will be remitted to the BG Asia Pacific Holdings Pte. Limited (the Seller). Accordingly, Escrow Account amount have been paid to BG Asia Pacific Holdings Pte Ltd's bank account in Singapore on 7th April 2021.

NOTE 27 CURRENT LIABILITIES : OTHERS (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances from customer towards connection	12.67	9.75
Advances from customers-Others	10.35	8.99
Deferred Revenue (Refer Note 49)	9.30	8.65
Statutory dues payable (Includes Excise duty,VAT,GST,TDS,PF etc.)	24.26	19.75
Provision Revenue Contract	12.19	5.25
Other Current Liabilities	0.11	-
Total	**68.88**	**52.39**

Notes to Standalone financial statements for the year ended 31st March 2021

NOTE 28 CURRENT PROVISIONS (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits (Refer note 47)		
Provision for gratuity	0.52	11.77
Provision for leave encashment	1.28	1.12
Provision for bonus & incentives (Refer note 53)	22.68	22.75
Provision for long service benefits	0.06	0.09
Total	**24.54**	**35.73**

NOTE 29 CURRENT TAX LIABILITIES (NET) (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Current income tax liabilities (Net of advance tax, TDS and TCS)	-	-
Total	**-**	**-**

INCOME TAX LIABILITIES (NET)
Details of Income tax assets and income tax liabilities (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
(a) Income tax assets (Refer Note 10)	27.07	34.61
(b) Current income tax liabilities	-	-
Net Asset (a-b)	**27.07**	**34.61**

Movement in income tax asset/(liability) (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Net current income tax asset/(liability) at the beginning of the period	34.61	48.57
Movement during the year on account of :		
Income tax paid for the year	417.61	317.82
Provision for Income tax for the year (Refer Note 39(a))	(415.07)	(293.74)
Prior year tax paid /refund adjusted with tax / other items	(9.07)	(0.51)
Prior year tax paid	0.17	0.27
Income tax refund received	(1.18)	(37.80)
Net current income tax asset/(liability) at the end of the period	**27.07**	**34.61**

Note 30 REVENUE FROM OPERATIONS (₹ in Crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Sale of Product (Including excise duty)		
Natural Gas	**9,997.68**	**10,488.15**
Other operating revenue		
Gas transmission / Compression income (Including excise duty)	1.89	0.70
Contract Renewal Charges	14.45	10.30
Take or Pay Income	10.20	7.41
Connection, Service and Fitting Income	16.49	17.91
Other Operating Income	1.57	2.02
	44.60	**38.34**
Total	**10,042.28**	**10,526.49**

Notes to Standalone financial statements for the year ended 31st March 2021

Note 31 OTHER INCOME **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest Income (including interest on tax refunds ₹ 3.52 Crores, Previous year ₹ 8.24 Crores)*	41.58	58.07
Late payment charges	8.14	8.24
Provisions no longer required written back	6.77	4.24
Profit/(Loss) on sale as scrap and diminution in Capital Inventory	0.24	0.69
Other Non-Operating Income	17.30	12.42
Total	**74.03**	**83.66**

*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.

Note 32 COST OF MATERIALS CONSUMED **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Natural Gas - Purchase	6,518.42	7,360.87
Gas Transportation Charges	477.35	496.64
Change in Deferred delivery of natural gas (GIT):-		
Add :- Opening balance	3.31	27.42
Less:- Closing balance	(7.98)	(3.31)
Net Change in Deferred delivery of natural gas (GIT)	**(4.68)**	**24.11**
Total	**6,991.09**	**7,881.62**

Note 33 CHANGES IN INVENTORIES OF NATURAL GAS **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Changes in inventories of finished goods, stock in trade and work in progress - Natural Gas		
Inventory at the beginning of the year	5.33	5.49
Less: Inventory at the end of the year	6.66	5.33
Total	**(1.33)**	**0.16**

Note 34 EMPLOYEE BENEFIT EXPENSE **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and Wages	142.13	140.85
Contribution to Provident and Other Funds- Gratuity(Refer note 47)	19.06	16.58
Leave Encashment & Other benefits	10.05	11.31
Staff Welfare Expenses	12.02	13.09
	183.26	181.83
Less: Amount capitalised during the period*	(5.77)	(6.47)
Total	**177.49**	**175.36**

*Salary & wages of employees directly involved in capital projects are capitalised in Property, plant and equipment (PPE).

Note 35 FINANCE COSTS **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March2020
Interest on Borrowings	102.17	178.07
Interest on Security Deposits & Others	8.96	9.76
Interest expenses on lease liability (Refer note 50)	4.77	4.20
Interest on Income Tax	0.41	0.14
Total	**116.31**	**192.17**

Notes to Standalone financial statements for the year ended 31st March 2021

Note 36 DEPRECIATION AND AMORTISATION EXPENSE (₹ in Crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March2020
Depreciation/Amortisation of property, plant and equipment (Refer note 3.1)	306.43	287.17
Amortisation of intangible assets (Refer note 5.1)	20.02	18.83
Amortisation of ROU assets (Refer note 5.3)	14.39	11.98
Total	**340.84**	**317.98**

Note 37 OTHER EXPENSES (₹ in Crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March2020
Consumption of Stores & Spares Parts	15.18	13.12
Power and Fuel	75.14	88.10
Repairs and Maintenance:		
- Buildings	2.56	1.82
- Plant and Machinery	185.67	182.14
- Others	13.88	14.73
Lease charges-Others (Refer Note 37.1)	24.53	18.05
LCV/HCV Hiring, Operating and Maintenance Charges (Refer Note 37.1)	48.96	51.51
Franchisee and other Commission	29.08	35.33
Agency & Contract Staff Expenses	28.22	29.78
Legal and Professional Charges	27.31	40.69
ROW running charges	48.82	43.67
Loss on sale / write-off of Fixed Assets (net)	3.41	1.64
Bank Charges	17.55	12.78
Billing and Collection expenses	9.66	9.49
Vehicles Exps	5.45	6.19
Office Expenses	8.22	9.79
Postage and Telephone Expenses	4.18	5.07
Allowance for Doubtful Trade Receivables/Advances/Deposits	1.58	4.25
Business Promotion expenses	6.26	2.26
Insurance	10.21	5.52
Rates, taxes and duties	1.31	4.88
Travelling and Conveyance	0.62	2.33
Stationery & Printing Expenses	1.80	1.79
Corporate social responsibility / Donation exp. (Refer Note no. 51)	15.01	11.95
Payment to Auditors (Refer Note 37.2)	0.29	0.28
Imbalance and overrun charges (Refer Note 37.4)	-	6.95
Diminution in Capital Inventory/Loss on sale as scrap	7.24	-
Miscellaneous Expenses	7.03	4.84
Net (gain) or loss on foreign currency transaction(Refer Note 37.3)	0.01	(0.02)
Total	**599.18**	**608.93**

Note 37.1 Leases charges-Others includes rental charges of all assets that have lease period of 12 month or less, remaining lease period of 12 months or less as on transition date, rental charges of low value assets, variable lease payments and component of taxes of ROU lease charges.

LCV/HCV Hiring, Operating and Maintenance Charges includes non lease component viz. manpower, fuel cost, repair and maintenance and rental charges of LCV/HCV lease assets that have lease period of 12 month or less. (Refer note 50).

Note 37.2 Payment to Auditors (₹ in Crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
For Statutory Audit	0.29	0.28
Others (Certification charges paid ₹ 11,800/- , Previous year ₹ 23,586/-)	0.00	0.00
Total	**0.29**	**0.28**

Notes to Standalone financial statements for the year ended 31st March 2021

Note 37.3 Net (gain) or loss on foreign currency transaction (₹ in Crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Loss on foreign currency transaction	0.01	0.01
Gain on foreign currency transaction	-	(0.03)
Net (gain) or loss on foreign currency transaction	**0.01**	**(0.02)**

Note 37.4 The amount pertains to the appropriation of accumulated amount of imbalance and overrun charges collected from customer lying in the escrow account operated by the Company as during previous financial year, the said amount has been deposited into the escrow account established by Petroleum and Natural Gas Regulatory Board (PNGRB) in compliance with amendment of Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Amendment Regulations, 2019.

Note 38 EXCEPTIONAL ITEMS (₹ in Crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March2021
Exceptional item	-	-
Total	**-**	**-**

Note 39 TAX EXPENSE

(a) Amounts recognised in statement of profit and loss (₹ in Crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Income Tax Expenses		
Current Tax		
(a) Current income tax*	415.07	293.74
(b) Short/(Excess) provision of income tax in respect of previous years	9.07	0.51
Total (A)	**424.14**	**294.25**
Deferred tax		
Deferred tax expense / (Income)- net		
(a) In respect of current year, Origination and reversal of temporary differences	14.16	7.76
(b) Short/(Excess) provision of income tax in respect of previous years	(9.10)	(0.38)
(c) Due to change in tax rate (Current year 25.17% and Previous Year 25.17%)*	-	(287.17)
Total (B)	**5.06**	**(279.79)**
Tax expense for the year (A+B)	**429.20**	**14.46**

(b) Reconciliation of effective tax rate and tax expense with accounting profit (₹ in Crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit before tax	**1,704.70**	**1,207.78**
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 25.17%)*	429.04	303.97
Tax effect of:		
Change in tax rate for Deferred tax (decrease in rate) *	-	(287.17)
Expenses not deductible or disallowances for tax purposes - Interest u/s. 234B / 234C , donation etc.	1.36	0.53
Other items	0.54	-
Impact of Long Term Capital Gain on Land	(1.71)	(3.00)
Impact of (Excess)/Short provisions of earlier year taxes	(0.03)	0.13
Total	**429.20**	**14.46**

Notes to Standalone financial statements for the year ended 31st March 2021

*Pursuant to the Taxation Laws (Amendment) Ordinance 2019 dated 20th September 2019 (which subsequently became Act), tax rates have changed with effect from 1st April, 2019 as company has opted for concessional tax rate as permitted under section 115BAA of the Income Tax Act, 1961. The Company has first time opted concessional tax rate and re-measured its deferred tax liabilities and the full impact of these changes has been recognised in the Statement of Profit & Loss for the year ended on 31st March 2020. (tax rate for 2019-20 - 25.17% and tax rate for 2018-19 - 34.94%).

Note 40 STATEMENT OF OTHER COMPREHENSIVE INCOME **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Items that will not be reclassified to profit or loss		
I. Equity Instruments through Other Comprehensive Income		
Fair value of unquoted investments - gain /(loss)	2.52	1.20
Tax impact on unquoted investments	(0.56)	(0.25)
II. Remeasurement gains/ (losses) on defined employee benefit plans		
Actuarial gains and losses - gain /(loss)	0.81	(6.21)
Tax impact on actuarial gains and losses	(0.20)	1.56
Total of Items that will not be reclassified to profit or loss	**3.33**	**(5.01)**
Total Tax impact	**(0.76)**	**1.31**
Total	**2.57**	**(3.70)**

Note 41 EARNING PER SHARE -(EPS)

EARNINGS PER EQUITY SHARE- FACE VALUE OF ₹ 2 EACH

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit for the year (Profit attributable to equity shareholders (₹ In Crores)	1,275.50	1,193.32
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	68,83,90,125	68,83,90,125
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	68,83,90,125	68,83,90,125
Face Value of equity share (₹)	2.00	2.00
Basic EPS (₹)	18.53	17.33
Diluted EPS (₹)	18.53	17.33

Note:- Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

Note 42 CONTINGENT LIABILITIES & CONTINGENT ASSETS

(A) CONTINGENT LIABILITIES **(₹ in Crores)**

Contingent liabilities and commitments (to the extent not provided for)	As at 31st March 2021	As at 31st March 2020
Contingent Liabilities		
(a) Contingent Liabilities - Statutory claims (Refer Note 42.1)	78.24	77.76
(b) Claims against the company not acknowledged as debt(Refer Note 42.2)	716.24	778.16
Total	**794.48**	**855.92**

The Company has reviewed all its pending claims, litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company does not expect the outcome of these claims, litigations and proceedings to have a materially adverse effect on its financial position.

Notes to Standalone financial statements for the year ended 31st March 2021

Note 42.1 - Contingent Liabilities - Statutory claims **(₹ in Crores)**

Sr.	Particulars	As at 31st March 2021	As at 31st March 2020
1	Disputed statutory dues in respect of which Appeals are filed against / by company :		
	(a) Excise Duty	18.58	18.24
	(b) Income Tax	18.66	18.66
	(c) Service Tax	41.00	40.86
	TOTAL	**78.24**	**77.76**

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

Note 42.2 - Claims against the company not acknowledged as debt includes the following major matters:

(i) UPL Limited (UPL) a customer of erstwhile Gujarat Gas Company Limited(now known as Gujarat Gas Limited) had filed a complaint before Petroleum and Natural Gas Regulatory Board (PNGRB) against erstwhile GGCL alleging charging of tariff illegally under the City Gas Network Distribution Agreement entered into between the Parties. The matter was decided against the company by PNGRB vide its Order dated 20.10.2014. The company had preferred an appeal at Appellate Tribunal for Electricity (APTEL) against the aforementioned PNGRB Order. The company had submitted a bank guarantee of ₹ 40.00 Crores in favour of UPL.

APTEL has delivered final judgement on 10.03.2021 in favour of the Company by setting aside the aforementioned PNGRB Order, and has recorded that invocation of HAPI tariff by PNGRB for the negotiated arrangement between the parties was not only against the letter and spirit of regulations defining tariff zone but also tantamount to rewriting of contract.

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

PGNRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal. The PLL Offtakers (GAIL) filed appeals against the said PNGRB orders before the Appellate Tribunal for Electricity (APTEL). On 23-February-2012 APTEL had issued an interim order for shifting the Delivery Point from GAIL-GSPL Delivery Point to GSPL-PLL Delivery Point. On 18-December-2013 APTEL issued its judgment and required GSPCL to pay the amount of the difference between ₹. 8.74/MMBTU (exclusive of Service Tax) – earlier connectivity charges and ₹ 19.83/MMBTU (Exclusive of Service Tax) – HVJ/DVPL Zone-1 tariff to GAIL for the period from 20th November 2008 to 29th February 2012.

GSPCL has filed an appeal against the APTEL’s above referred judgment before Hon’ble Supreme Court of India (GSPCL vs. GAIL & Others, Civil Appeal No. 2473-2476 of 2014) and the Hon’ble Supreme Court of India had passed the Interim Order on 28th February 2014. The Court has stated that the ends of justice would be met if as a matter of interim arrangement, the appellant is directed to pay interconnectivity charges at the rate of ₹ 12.00 per MMBTU (exclusive of Taxes). The Company has already provided and paid interconnectivity charges at the rate of ₹ 12.00 per MMBTU (exclusive of Taxes).

GGL has not received any bill / demand note for the amount over and above ₹ 12.00 per MMBTU from supplier till date. As the final liability would only be determined post the final order of the court, quantification of any amount as contingent liability in the interim is inappropriate due to the uncertainty involved and hence the same is not mentioned / disclosed in the financial statement.

(iii) One of the gas suppliers of the Company has submitted a claim of ₹ 523.82 Crores (P. Y. ₹ 508.24 Crores), for use of allocated gas for other than specified purpose, demand in earlier years related to FY 2013-14 to FY 2019-20 (H1) and no claim received from supplier for FY 2019-20 (H2) and FY 2020-21. The company has refuted this erroneous claim contending that there is gross error in actual domestic gas purchase and actual sales considered by supplier and also there is no contractual provisions of the agreement executed with GGL that allow such claim. The management is of the firm view that the company is not liable to pay any such claim. The company has already taken up the matter with concerned party/authorities to withdraw the claim.

(iv) The company has initiated an arbitration proceeding against one of the franchisee claiming compensation for loss of revenue While replying to the claim, the said franchisee has also filed a counter claim of ₹ 177.14 Crores (P. Y. ₹ 177.14 Crores) against the company claiming compensation for various losses. The company has filed necessary rejoinder to the counter claim strongly refuting the same mainly on the grounds that the counter claims are wrong and without merits and as are not flowing from the same agreement under which the arbitral tribunal has been constituted. Further, the tribunal does not have any jurisdiction to adjudicate the counter claim filed by the franchisee.

Notes to Standalone financial statements for the year ended 31st March 2021

B) CONTINGENT ASSETS

(i) Company has raised claim of ₹ 43.08 crores (Previous year ₹ 43.08 crores) for net credit of natural gas pipeline tariff as per PNGRB Order with one of the suppliers and supplier is disputing company's claim and indicating for adjusting the partial claim of ₹ 30.72 (Previous year ₹ 30.72 crores) crores out of total claim ₹ 43.08 crores (Previous year ₹ 43.08 crores) against disputed liability for use of allocated gas other than specified purpose, against demand in earlier year (Refer Point 42 A-(iii) above).

(ii) Company has filed an appeal before the Appellate Tribunal for Electricity (APTEL) against the PNGRB order related to the matter held that the Gas Swapping Arrangement Guidelines of PNGRB is applicable erroneously. APTEL has issued the order in favour of GGL. The said supplier has filed appeal at Hon'ble Supreme Court of India against the order of APTEL. Presently, the matter is pending in Hon'ble Supreme Court of India. Currently, GGL is paying ₹ 19.83 per mmbtu as transmission charges for domestic gas being purchased and delivered by GAIL at one of the delivery points . If verdict is in favour of GGL, GGL will get refund of ₹ 173.29 Crores (Previous year ₹ 163.58 Crores) from December 2013 till March 2021 and company shall endeavour to pass on the benefit to its customers.

(iii) The Company is having other certain claims, litigations and proceedings which are pursuing through legal processes. The management believe that probable outcome in all such claims, litigations and proceedings are uncertain. Hence, the disclosure of such claims, litigations and proceedings is not required in the financial statements.

C) COMMITMENTS **(₹ in Crores)**

Sr No.	Commitments (to the extent not provided for)	As at 31st March 2021	As at 31st March 2020
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	1,196.42	712.54
2	Estimated amount of contracts remaining to be executed on revenue account and not provided for	1,077.30	651.21
	Total	**2,273.73**	**1,363.74**

Other commitments

All term contracts for purchase of natural gas with suppliers, has contractual volume off take obligation of "Take or Pay" (ToP) as specified in individual contracts. Quantification of ToP amount is dependent on various factors like actual purchase quantity, gas purchase prices of respective contract etc. As these factors are not predictable, ToP commitment amount is not quantifiable.

Note 43 DISCLOSURE AS REQUIRED BY THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(₹ in Crores)

Sr. No.	Particulars	As at 31st March 2021	As at 31st March 2020
1	The principal amount outstanding as at the end of accounting year.		
	a) Trade payable	5.04	7.51
	b) Capital creditors	28.69	19.44
2	Principal amount due and remaining unpaid as at the end of accounting year.	-	-
3	Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during accounting year.	-	-
4	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
5	Interest accrued and remaining unpaid at the end of accounting year (Refer Note below)	-	0.02
6	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes to Standalone financial statements for the year ended 31st March 2021

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

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 44 FINANCIAL INSTRUMENTS (FAIR VALUE MEASUREMENTS) AND FINANCIAL RISK MANAGEMENT

The Company has various financial assets and liabilities. The disclosures regarding the classification, fair value hierarchy, markets risk, credit risks and liquidity risks are as follows:

A. ACCOUNTING CLASSIFICATION AND FAIR VALUES

(₹ in Crores)

	Carrying amount				Fair value#			
March 31, 2021	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1 - Quoted price in active markets**	**Level -2 Significant observable inputs**	**Level 3 - Significant unobservable inputs**	**Total**
Financial assets								
Investments	-	19.74	-	19.74	-	-	19.74	19.74
Financial assets measured at amortised cost								
Loans (Non-current)	-	-	71.19	71.19	-	-	-	-
Loans (Current)	-	-	1.29	1.29	-	-	-	-
Other financial assets (Non-current)	-	-	0.88	0.88	-	-	-	-
Other financial assets (Current)	-	-	69.49	69.49	-	-	-	-
Trade receivables	-	-	783.09	783.09	-	-	-	-
Cash and cash equivalents	-	-	276.41	276.41	-	-	-	-
Other bank balances	-	-	42.25	42.25	-	-	-	-
Total	**-**	**19.74**	**1,244.60**	**1,264.34**	**-**	**-**	**19.74**	**19.74**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	769.95	769.95	-	-	-	-
Non current-Lease Liabilities	-	-	64.99	64.99	-	-	-	-
Current borrowings	-	-	-	-	-	-	-	-
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	445.80	445.80	-	-	-	-
Lease Liabilities			14.50	14.50	-	-	-	-
Other financial liabilities	-	-	1,657.07	1,657.07	-	-	-	-
Total	**-**	**-**	**2,952.31**	**2,952.31**	**-**	**-**	**-**	**-**

Notes to Standalone financial statements for the year ended 31st March 2021

Note 44 FINANCIAL INSTRUMENTS (FAIR VALUE MEASUREMENTS) AND FINANCIAL RISK MANAGEMENT (continued)

	Carrying amount				Fair value#			
March 31, 2020	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1 - Quoted price in active markets**	**Level -2 Significant observable inputs**	**Level 3 - Significant unobservable inputs**	**Total**
Financial assets								
Investments	-	17.22	-	17.22	-	-	17.22	17.22
Financial assets measured at amortised cost								
Loans (Non-current)	-	-	60.96	60.96	-	-	-	-
Loans (Current)	-	-	0.92	0.92	-	-	-	-
Other financial assets (Non-current)	-	-	1.43	1.43	-	-	-	-
Other financial assets (Current)	-	-	81.67	81.67	-	-	-	-
Trade receivables	-	-	510.14	510.14	-	-	-	-
Cash and cash equivalents	-	-	547.19	547.19	-	-	-	-
Other bank balances	-	-	144.53	144.53	-	-	-	-
Total	**-**	**17.22**	**1,346.84**	**1,364.06**	**-**	**-**	**17.22**	**17.22**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	1,834.36	1,834.36	-	-	-	-
Non current-Lease Liabilities	-	-	45.02	45.02	-	-	-	-
Current borrowings	-	-	-	-	-	-	-	-
Non current financial liabilities- Others		-	-	-	-	-	-	-
Trade payables	-	-	344.24	344.24	-	-	-	-
Lease Liabilities			12.00	12.00	-	-	-	-
Other financial liabilities	-	-	1,373.49	1,373.49	-	-	-	-
Total	**-**	**-**	**3,609.11**	**3,609.11**	**-**	**-**	**-**	**-**

Fair Value Hierarchy of Financial Assets and Liabilities :

Investment in equity accounted investee i.e.. Guj Info Petro Limited (GIPL) carried at cost.

Fair value of financial assets and liabilities which are measured at amortised cost is not materially different from the carrying value (ie..amortised cost). Accordingly, the fair value has not been disclosed separately.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Notes to Standalone financial statements for the year ended 31st March 2021

Note 44 FINANCIAL INSTRUMENTS (FAIR VALUE MEASUREMENTS) AND FINANCIAL RISK MANAGEMENT (continued)
Financial instruments measured at fair value - FVTOCI in unquoted equity shares

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Market comparison technique: The valuation model is based on three approaches :- **1. Market approach :** This approach uses information generated by market transactions of the Company being valued or the transactions of comparable companies. The following market-linked information may be used for determining valuation under this approach. - Quoted price of the company being valued, - Past transaction value of the company being valued, - Listed comparable companies' trading multiples like price to earning ratio, enterprise value to earning before interest, tax, depreciation and amortisation, enterprise value to sales etc. - Transactions multiples for investment / M & A transaction of comparable companies. The valuation arrived at based on the market approach reflects the current value of the Company perceived in the active market. However, as the valuation arrived at using market multiples is based on the past/current transaction or traded values of comparable companies / businesses, it may not reflect the possible changes in future trend of cash flows being generated by a business.	Comparable unobservable entity has been taken as a base for the valuation of unquoted equity shares and its management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc. As stated , highest priority is given to unadjusted quoted price of listed entities andlowest priority to non-market linked inputs such as future cash flows used in income approach.	The estimated fair value would increase (decrease) if:There is a change in pricing multiple owing to change in earnings of the entity. Considering the diverse asset and investment base of the Company with differing risk/return profiles, a sum of the parts approach has been adopted for the valuation. Under this method, the value of each distinct business / asset / investment has been arrived at separately and total value estimate for the Company presented as the sum of all its business / investments /assets.
2. Income approach - The income approach reflects present value of future cash flows. For valuing a business, the discounted cash flow (DCF) methodology is used under this approach. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. This method is used to determine the present value of business on a going concern assumption. The DCF technique recognizes the time value of money. The value of the firm is arrived at by estimating the Free Cash Flow to Firm (FCFF) and discounting the same at the Weighted Average Cost of Capital (WACC). FCFF is estimated by forecasting free cash flows available to the firm (which are derived on the basis of the likely future earnings of the company).		
3. Cost approach -The cost approach essentially estimates the cost of replacing the tangible assets of the business. The replacement cost takes into account the market value of various assets or the expenditure required to create the infrastructure exactly similar to that of a company being valued.		

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods.

iii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March 2021 and 31st March 2020 is as below:

Notes to Standalone financial statements for the year ended 31st March 2021

Note 44 FINANCIAL INSTRUMENTS (FAIR VALUE MEASUREMENTS) AND FINANCIAL RISK MANAGEMENT (continued)

(₹ in Crores)

Particulars	Amount
As at 1 April 2019	**16.02**
Acquisitions/ (disposals	-
Gains/ (losses) recognised in other comprehensive income	1.20
Gains/ (losses) recognised in statement of profit or loss	-
Closing Balance as at 31 March 2020	**17.22**
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	2.52
Gains/ (losses) recognised in statement of profit or loss	-
Closing Balance as at 31 March 2021	**19.74**

Equity Instrument: Fair value of investment in GSPC shares is based on Market approach, Income approach and Asset approach.

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended 31st March 2021 and the year ended 31st March 2020.

Ind AS 101 allows an entity to designate certain investments in equity instruments as fair valued through the OCI on the basis of the facts and circumstances at the transition date to Ind AS.The Company has elected to apply this exemption for its investment in equity shares.

Sensitivity analysis

Based on the valuation report for investments in unquoted shares, the sensitivity as on 31st March 2021 is provided below.

(₹ in Crores)

Significant observable inputs	OCI	
	10% Increase	10% Decrease
Equity securities in unquoted investments measured through OCI		
Impact of variation in fluctuation in the market prices of subsidiary companies/Gas marketing business		
As on 31st March 2021	2.79	(2.79)
As on 31st March 2020	2.87	(2.87)

C. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company has a well-defined Risk Management framework for reviewing the major risks and has adopted a Business Risk Management Policy which also takes care of all the financial risks. Further, pursuant to the requirement of Regulation 21 of SEBI (Listing obligation and disclosure Requirements) Regulation, 2015, the company has constituted a Risk Management Committee inter - alia to monitor the Risk Management Plan of the Company.

The Group Heads Committee supported by Managing Director oversees the management of these risks. The Company's senior management is supported by Risk Management Committee that advises on financial risk and appropriate financial risk governance framework for the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Board of Directors reviews and agrees policies for managing each of these risks.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

Notes to Standalone financial statements for the year ended 31st March 2021

Note 44 FINANCIAL INSTRUMENTS (FAIR VALUE MEASUREMENTS) AND FINANCIAL RISK MANAGEMENT (continued)

The carrying amount of following financial assets represents the maximum credit exposure:

(a) Other financial assets

The company maintains its Cash and cash equivalents and deposits with banks / financial institutions having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

(b) Trade and other receivables

The Company's exposure to credit Risk is the exposure that Company has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial, Commercial-Non Commercial, Domestic and CNG.

The Commercial and Marketing department has established a credit policy for each category of customer viz. industrial, domestic and commercial.

The Company raises the invoice for quantities sold based on periodicity as per the agreement. Sales are subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the company's receivables are secured. In case of short/non receipt of security deposit/or bank guarantee, the Company is exposed to credit risk to that extent.

For sales to domestic customers for household purposes like cooking, geyser application, etc., invoices are raised periodically. Security deposits along with connection deposits are taken for mitigation of potential credit risk arising in the event of non-payment of invoices. Company is exposed to credit risk beyond the value of deposits.

CNG sales made through operators of the CNG stations owned by the Company and CNG Franchises outlet are exposed to credit risk as amounts so collected is deposited/transferred in company bank account on next working day. Bank Guarantee / Security Deposit is taken to mitigate the credit risk. In case of short/non receipt of security deposit/or bank guarantee, the Company is exposed to credit risk to that extent.

For CNG sales made through Oil Marketing Companies (OMCs), the Company raises the invoice for quantities sold based on periodicity as per the agreement. The OMCs are well established companies viz. HPCL, BPCL, IOCL, Nayara Energy (e-Essar Oil Ltd.) where no significant credit risk is anticipated.

The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. All trade receivables are reviewed and assessed for default on regular basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low. Credit risk is considered high when the counter party fails to make contractual payment within 180 days of when they fall due. The risk is determined by considering the business environment in which the company operates and other macro economic factors.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognised in profit and loss.

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

(₹ in Crores)

Particulars	Carrying amount	
	31st March 2021	**31st March 2020**
India	792.94	518.41
Other regions	-	-
Total	**792.94**	**518.41**

Expected credit loss for Trade receivables under Simplified Approach **(₹ in Crores)**

Particulars	Carrying amount	
	31st March 2021	**31st March 2020**
Neither past due nor impaired	707.95	331.12
Past due 1–90 days	61.82	166.18
Past due 91–180 days	5.12	6.62
Past due 181 to 1095 days	10.59	8.01
Greater than 1095 days	7.47	6.48
	792.94	518.41
Less: Expected credit losses (Allowance for bad and doubtful)	9.85	8.27
Carrying amount of Trade Receivable (net of impairment)	**783.09**	**510.14**

In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk and consequential defaults considering emerging situations due to COVID-19. The assessment is based on management estimates considering the nature of receivables and the market conditions.

Notes to Standalone financial statements for the year ended 31st March 2021

Note 44 FINANCIAL INSTRUMENTS (FAIR VALUE MEASUREMENTS) AND FINANCIAL RISK MANAGEMENT (continued)

Movement in Allowance for bad and doubtful Trade receivable **(₹ in Crores)**

Particulars	31st March, 2021	31st March, 2020
Opening Allowance for bad and doubtful Trade receivable	8.27	6.52
Add: Provision during the year	1.59	1.75
Less: Write off during the year	0.01	-
Closing Allowance for bad and doubtful Trade receivable	**9.85**	**8.27**

The impairment provisions above are based on management judgment / assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history as well as forward looking estimates at the end of each reporting period.

(c) Loans and deposits - security deposits

Company has given security deposit to various government authorities (like Municipal corporation, Nagarpalika, Grampanchayat, Road & building division and Irrigation department -of Govt. of Gujarat etc.) for the permission related to work of executing / laying pipeline network in their premises / jurisdiction. Being government authorities the Companies have no exposure to any credit risk.

Movement in Allowance for bad and doubtful Security deposits-Project authority **(₹ in Crores)**

Particulars	31st March, 2021	31st March, 2020
Opening Allowance for bad and doubtful Security deposits	13.62	12.06
Provision during the year	1.95	2.70
Recovery/Adjustment during the year	(2.19)	(1.14)
Write off during the year	-	-
Closing Allowance for bad and doubtful Security deposits	**13.38**	**13.62**

The impairment provisions for financial assets - Loan and advances - Security Deposit as disclosed above are based on management judgment / assumptions about risk of performance default . The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history as well as forward looking estimates at the end of each reporting period

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains the following lines of credit outstanding:

Term loans from banks and financial institution of ₹ 897.26 crores (Previous year: ₹ 1998.34 crores) that is secured by First pari - passu charge on all Present and future fixed assets & Property, plant, equipment (PPE)(Movable & Immovable) of the Company and Second pari -passu charge on Present & Future Current Assets (financial and non financial assets) of the Company. Interest rate payable @ 5.50% p.a. (for more details - Refer Note no. 20 Secured borrowings).

Financing arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crores)

Particulars	31st March, 2021	31st March, 2020
Floating rate		
Expiring within one year (term loans, bank overdraft and other facilities)	73.02	127.00
Expiring beyond one year (term loans, bank overdraft and other facilities)	-	-
Total	**73.02**	**127.00**

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Notes to Standalone financial statements for the year ended 31st March 2021

Note 44 FINANCIAL INSTRUMENTS (FAIR VALUE MEASUREMENTS) AND FINANCIAL RISK MANAGEMENT (continued)

(₹ in Crores)

31st March, 2021	Carrying amount	Undiscounted Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current borrowings	769.95	769.95	-	127.17	413.75	229.03
Non current-Lease Liabilities	116.86	116.86	-	12.03	33.59	71.24
Non current financial liabilities	-	-	-	-	-	-
Current financial liabilities	-	-	-	-	-	-
Trade and other payables	445.80	445.80	445.80	-	-	-
Lease Liabilities	18.74	18.74	18.74	-	-	-
Other current financial liabilities	1,657.07	1,657.07	1,657.07	-	-	-
Total	**3,008.42**	**3,008.42**	**2,121.61**	**139.20**	**447.34**	**300.27**

Other current financial liabilities include customer deposits which are considered repayable on demand.

(₹ in Crores)

31st March, 2020	Carrying amount	Undiscounted Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current borrowings	1,834.36	1,834.36	-	227.77	791.71	814.88
Non current-Lease Liabilities	100.19	100.19	-	6.81	20.39	72.99
Non current financial liabilities	-	-	-	-	-	-
Current financial liabilities	-	-	-	-	-	-
Trade and other payables	344.24	344.24	344.24	-	-	-
Lease Liabilities	12.44	12.44	12.44	-	-	-
Other current financial liabilities	1,373.49	1,373.49	1,373.49	-	-	-
Total	**3,664.72**	**3,664.72**	**1,730.17**	**234.58**	**812.10**	**887.87**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

a) Currency risk

The functional currency of the Company is Indian Rupee ( ). The Company's transactions are majorly denominated in INR and the quantum of the foreign currency transactions being immaterial, the company is not exposed to currency risk on account of payables and receivables in foreign currency. The company does not have any exports. Import amount to 0.85 % (Previous Year 1.30%) of total consumption of stores and spares, this is not perceived to be a major risk.

b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

On period under review the Company do not have any borrowings at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate.

(₹ in Crores)

Variable-rate instruments	31st March, 2021	31st March, 2020
Non current - Borrowings	769.95	1,834.36
Current portion of Long term borrowings	127.31	163.98
Total	**897.26**	**1,998.34**

Notes to Standalone financial statements for the year ended 31st March 2021

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps) . Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

Particulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
31st March 2021				
Non current - Borrowings	(7.70)	7.70	(5.76)	5.76
Current portion of Long term borrowings	(1.27)	1.27	(0.95)	0.95
Total	**(8.97)**	**8.97**	**(6.71)**	**6.71**
31st March 2020				
Non current - Borrowings	(18.34)	18.34	(13.73)	13.73
Current portion of Long term borrowings	(1.64)	1.64	(1.23)	1.23
Total	**(19.98)**	**19.98**	**(14.95)**	**14.95**

c) **Commodity Price Risk**

Risk arising on account of fluctuations in price of natural gas is mitigated by ability to pass on the fluctuations in prices to customers over period of time. The company monitors movements in the prices closely on regular basis.

d) **Equity Price Risk**

The Company do not have any investment in quoted equity shares hence not exposed to equity price risk.

Note 45 Capital Management

The Company's objectives when managing capital are to:-

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- Maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company has achieved a return on capital 28% in March 31, 2021 (Previous year: 36%). The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 6.88% p.a.(Previous year: 8.35% p.a.)

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and bank balances. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio is as follows.

	(₹ in Crores)	
Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings	897.26	1,998.34
Total equity	4,482.65	3,290.62
Debt equity ratio	**0.20**	**0.61**
Interest bearing borrowings	897.26	1,998.34
Less : Cash and bank balances	318.66	691.72
Adjusted net debt	**578.60**	**1,306.62**
Adjusted net debt to adjusted equity ratio	**0.13**	**0.40**

Note 46 EMPLOYEE STOCK OPTION PLAN :

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

Notes to Standalone financial statements for the year ended 31st March 2021

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

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

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

2 The above Revised Grants of Options-I has been on the basis of the Share Exchange Ratio of 1 (one) equity share of ₹ 10/- each of GGL, for every 1 (one) equity share of ₹ 2/- each of e-GGCL, pursuant to the Scheme of Amalgamation.

3 The Options-I bear the Exercise Price as per the ESOP 2008. The Exercise Price payable for Options-I under ESOP 2016 is based on the Exercise Price payable by such Eligible Employees under the ESOP 2008 that has been adjusted after taking into account the effect of the Share Exchange Ratio of 1:1 as mentioned above.

4 Upon such Revised Grant of Options-I to the Eligible Employees the Options Granted under the ESOP 2008 stand cancelled and the Eligible Employees shall continue to be bound by all the terms and conditions of the ESOP 2008 in addition to this ESOP 2016.

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

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

The ESOP 2008 Trust had purchased out of the funds advanced by the Company, the shares equivalent to the number of options granted. IDBI Trusteeship Services Limited are the Trustees. The Trustees can sell the shares in the market as per the approved scheme and for the year ended on 31st March 2021, there are no purchases from the market.

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

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

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

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. **There are no options outstanding as on 31 March 2021, 31 March 2020 and 31 March 2019.**

Note 47 Disclosure Of Employee Benefits

The Company has implemented Ind AS - 19 on "Employee Benefits".

(a) Contributions to Defined Contribution Plan, recognised as expense for the year are as under: **(₹ in Crores)**

Sr.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(i)	Provident Fund	9.19	9.02
(ii)	National Pension Scheme	3.72	1.94

(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:

Notes to Standalone financial statements for the year ended 31st March 2021

(₹ in Crores)

	Assumptions	31st March 2021 Gratuity	31st March 2021 Leave Encashment	31st March 2020 Gratuity	31st March 2020 Leave Encashment
A.	Discount rate	6.45%	6.45%	6.85%	6.85%
	Rate of return on plan assets	6.45%	N.A.	6.85%	N.A.
	Salary Escalation	10.00%	10.00%	10.00%	10.00%
B.	**Change in Defined Benefit Obligations**				
	Liability at the beginning of the year	67.96	45.54	55.28	39.71
	Interest Cost	4.58	3.08	4.12	2.97
	Current Service Cost	5.68	3.97	5.21	3.30
	Benefits Paid	(3.03)	(3.47)	(2.81)	(5.40)
	Actuarial loss/ (gain) due to experience adjustment	(2.39)	0.10	0.80	0.77
	Actuarial loss/ (gain) due to demographic assumption	-	-	0.03	0.03
	Actuarial (Gain) / Loss due to change in financial estimate	3.56	2.83	5.34	4.16
	Total Liability at the end of the year	**76.37**	**52.05**	**67.96**	**45.54**
C.	**Change in Fair Value of plan Assets**				
	Opening fair Value of plan assets	56.19	-	47.91	-
	Expected return on plan assets	3.96	-	3.74	-
	Return on plan assets excluding amounts included in interest income	1.98	-	(0.05)	-
	Contributions by employer	16.74	-	7.39	-
	Benefits Paid	(3.03)	-	(2.81)	-
	Closing fair Value of plan assets	**75.85**	**-**	**56.19**	**-**
D.	**Expenses Recognised in the Profit and Loss Statement**				
	Current Service Cost	5.68	3.97	5.21	3.30
	Interest Cost	4.58	3.08	4.12	2.97
	Expected return on plan assets	(3.96)	-	(3.74)	-
	Actuarial (Gain) / Loss	(0.81)	2.93	6.21	4.96
	Exps. charged to Statement of Profit & Loss	**5.49**	**9.97**	**11.80**	**11.23**
E.	**Balance Sheet Reconciliation**				
	Opening Net Liability	11.77	45.54	7.37	39.71
	Employee Benefit Expense	6.29	9.97	5.58	11.23
	Amounts recognized in Other Comprehensive Income	(0.81)	-	6.21	-
	Contributions by employer	(16.74)	-	(7.39)	-
	Benefits Paid	-	(3.47)	-	(5.40)
	Closing Liability	**0.52**	**52.05**	**11.77**	**45.54**
F.	**Current/Non-Current Liability :**				
	Current*	**0.52**	**1.28**	**11.77**	**1.12**
	Non-Current	**-**	**50.77**	**-**	**44.43**

*The Company expects that total outstanding gratuity liability payable as on 31.03.2021 will be paid to the gratuity trust within next 12 months.

(c) Amounts recognised in current year and previous four years (₹ in Crores)

		As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
A.	**Gratuity**					
	Present value of Defined Benefit Obligation	76.37	67.96	55.28	46.80	42.12
	Fair value of Plan Assets	75.85	56.19	47.91	42.88	34.11
	(Surplus) / Deficit in the plan	0.52	11.77	7.37	3.92	8.01
	Actuarial (Gain) / Loss on Plan Obligation	3.56	5.34	3.69	(2.27)	0.31
	Actuarial Gain / (Loss) on Plan Assets	1.98	(0.05)	(0.24)	(0.46)	0.68
B.	**Earned Leave**					
	Present value of Defined Benefit Obligation	52.05	45.54	39.71	33.17	30.70
	Actuarial (Gain) / Loss on Plan Obligation	2.83	4.16	3.10	(1.89)	0.27
C.	**Long Service Award**					
	Present value of Defined Benefit Obligation	0.97	0.89	0.81	0.83	0.94
	Actuarial (Gain) / Loss on Plan Obligation	-	-	-	-	-

Notes to Standalone financial statements for the year ended 31st March 2021

(d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Crores)

Particulars	As at 31st March 2021			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	71.96	48.54	81.21	55.92
Salary growth rate (0.5% movement)	81.02	55.78	72.09	48.64

(₹ in Crores)

Particulars	As at 31st March 2020			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	64.08	42.51	72.21	48.89
Salary growth rate (0.5% movement)	72.05	48.77	64.18	42.58

(e) Gratuity Benefits Plan:

The benefit is governed by the Payment of Gratuity Act, 1972 (as amended). The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	No ceiling
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	60 years

(i) Entity's responsibilities for the governance of the plan

Risk to the Plan

Following are the risk to which the plan exposes the entity : :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

- Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.
- Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
- Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Notes to Standalone financial statements for the year ended 31st March 2021

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(ii) The company has participated in Group Gratuity Scheme Plan with Life Insurance Corporation of India (LIC), HDFC Life Insurance Co. Ltd, Aditya Birla Sun Life Insurance Co. Ltd, ICICI Prudential Life Insurance Co. Ltd, SBI Life Insurance Co. Ltd., Bajaj Allianz Life Insurance Company Ltd, Kotak Mahindra Life Insurance Co. Ltd and Reliance Nippon Life Insurance Co. Ltd (collectively referred as Insurance Co. / Fund Managers) through Gratuity Trust to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year. The total value of plan assets is as certified by the various Insurance Co./ fund managers.

(a) Composition of the plan assets: -

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at31st March, 2019
Bank balance	0.00%	0.25%	0.20%
Policy of insurance	100.00%	99.73%	99.77%
Others	0.00%	0.02%	0.02%

(b) The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

(c) Expected benefit payments for gratuity as on 31st March 2021.

Particulars	1-3 years	4-5 years	6 year & Above
Cash flow (₹ in Crores)	11.01	7.67	177.80
Distribution (in %)	5.60%	4.00%	90.40%

(f) Expected benefit payments as on 31st March 2021 for Privilege Leave encashment benefits.

Particulars	1-3 years	4-5 years	6 year & Above
Cash flow (₹ in Crores)	5.53	3.96	143.97
Distribution (in %)	3.60%	2.60%	93.80%

(g) Other Notes:

(i) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.

(ii) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.

(iii) The company has provided long service award benefits to its employees who completed 15/20/25 Years of employment with company. Accordingly company has provided ₹ 0.97 Crores (Previous year ₹ 0.89 crores) on account of Long service award benefit. Current Liability as at 31st March 2021 is ₹ 0.07 Crores(Previous year ₹ 0.09 Crores) and Non- Current Liability is ₹ 0.90 Crores(Previous year ₹ 0.80 Crores) Discount rate considered for current year is 6.45% (previous year 6.85%).

(iv) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

Notes to Standalone financial statements for the year ended 31st March 2021

NOTE 48
RELATED PARTY TRANSACTIONS

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of parent & subsidiary of the Company are as follows.

(a) Parent Entity

Gujarat State Investment Limited (GSIL) - Ultimate Holding Company
Gujarat State Petroleum Corporation Limited (GSPC) -Intermediate Holding Company
Gujarat State Petronet Limited (GSPL) - Holding Company

(b) Subsidiary / Enterprise Controlled by the Company

Guj Info Petro Limited- GIPL - Associate
Gujarat Gas Limited Employee Stock Option Welfare Trust - Enterprise controlled by the company
Gujarat Gas Limited Employees Group Gratuity Scheme - Enterprise controlled by the company

Related Party Transactions for the year ended 31st March 2021 **(₹ in Crores)**

Sr. no.	Name of Related Party	Relationship	Nature of Transactions & Balances	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Gujarat State Petroleum Corporation Limited - GSPC	Intermediate Holding Company	Purchase of Natural Gas	6,881.40	7,392.34
			Rent Expense	0.03	0.13
			Reimbursement of Expenses	0.05	4.06
			Recharge of Salary - Expense	0.47	-
			Recharge of Salary - Income	-	0.11
			CNG Sales - Income	0.01	0.02
			Income from Material sale	0.02	-
			PNG Sales - Income	0.00	0.01
			Reimbursement of expenses - Income	0.07	-
			Balance as period end		
			Amount Receivable/(Payable)	(239.16)	(191.51)
			Investment at Period end	19.74	17.22
			Deposits Asset / (Liability) - Net	(0.00)	(0.00)
			Bank Guarantee by GGL to GSPC	642.30	396.44
			Letter of Credit - by GGL to GSPC	109.79	-
2	Gujarat State Petronet Limited - GSPL	Holding Company	Gas Transmission Expense	459.86	476.50
			Purchase of Natural Gas	0.31	-
			Right of Way Expense (ROW)	0.21	0.21
			Reimbursement of Expenses	0.10	0.003
			Dividend Paid	46.61	37.29
			Rent Expense	1.92	1.41
			Recharge of Salary - Expense	0.31	0.09
			Compression Charges	1.29	-
			Purchase of Material	0.17	-
			PNG Sales - Income	0.02	0.02
			O&M Charges Recovered - Income	0.05	0.04
			Rent - Income	0.03	0.03
			Reimbursement of Expenses - Income	4.60	3.02
			Recharge of Salary - Income	0.69	0.07
			Recharge of Capex (by GGL to GSPL)	-	1.73
			Recharge of Material - Income	-	0.68
			Facilitation Charges - Income	2.22	0.25
			Deposit Given - Paid / (Refund)	15.94	16.94
			Supervision Charges -Income	0.01	-
			Balance at the period end		
			Amount Receivable/(Payable)	(18.17)	(10.50)
			Deposits Asset / (Liability) - Net	37.35	21.39
			Bank Guarantee - by GGL to GSPL	52.92	48.31
			Letter of Credit - by GGL to GSPL	0.10	0.05
3	Sabarmati Gas Limited - SGL	Associate of Holding Company	Gas Transportation Expense	0.58	0.69
			Compression Charges	0.01	-
			Purchase of Material	2.27	-

Notes to Standalone financial statements for the year ended 31st March 2021

Note 48 Related Party Transactions
Related Party Transactions for the period (Continued .....)

(₹ in Crores)

Sr. no.	Name of Related Party	Relationship	Nature of Transactions & Balances	For theyear ended 31st March, 2021	For the year ended 31st March, 2020
			Supervision Charges Expense	0.01	-
			PNG Sales - Income	0.00	0.00
			Gas Transportation Charges - Income	0.06	0.10
			Reimbursement of Expenses - Income	0.03	-
			Income from Material sale	0.90	-
			Deposit Given - Paid / (Refund)	0.02	-
			Balance at the period end		
			Amount Receivable/(Payable)	0.06	(0.02)
			Deposits Asset / (Liability) - Net	(0.02)	(0.04)
			Bank Guarantee - by GGL to SGL	0.08	-
4	Guj Info Petro Limited- GIPL	Associate	Web Development / Bandwidth Charges	0.00	0.00
			Software Maintenance Expenses	0.05	-
			Reimbursement of Expenses - Income	0.02	-
			Balance at the period end		
			Investment at Period end	0.03	0.03
5	Gujarat State Energy Generation Limited - GSEG	Associate of Intermediate Holding Company	Dividend Paid	0.17	0.13
			PNG Sales - Income	0.01	0.00
			Balance at the period end		
			Amount Receivable/(Payable)	0.00	0.00
			Deposits Asset / (Liability) - Net	(0.10)	(0.10)
6	GSPL India Gasnet Limited - GIGL	Joint Venture of Holding Company	Rent Expenses	0.65	0.12
			Gas Transportation Expense	0.06	-
			Right of Way Expense (ROW)	-	0.06
			Reimbursement of Expenses - Income	0.05	-
			Deposit Given - Paid / (Refund)	8.00	20.10
			Balance at the period end		
			Amount Receivable/(Payable)	(0.01)	(0.11)
			Deposits Asset / (Liability) - Net	28.10	20.10
			Bank Guarantee - by GGL to GIGL	0.01	-
7	GSPL India Transco Limited - GITL	Joint Venture of Holding Company	Recharge of Salary - Income	0.56	0.12
			Reimbursement of Exp -Income	0.01	-
			Rent Expenses	0.04	-
			Balance at the period end		
			Amount Receivable/(Payable)	-	0.12
8	Gujarat State Fertilizers & Chemicals Limited	Associate of Ultimate Holding Company	Rent Paid	0.52	0.40
			Dividend Paid	5.86	4.69
			Maintainance Charges Paid	0.07	0.09
			Balance at the period end		
			Deposits Asset / (Liability) - Net	0.09	0.09
9	Gujarat Alkalies & Chemicals Limited	Associate of Ultimate Holding Company	PNG Sales - Income	0.01	0.03
			Dividend Paid	2.66	2.13
			Deposit Given / (Received)	(0.02)	-
			Balance at the period end		
			Amount Receivable/(Payable)	-	0.00
			Deposits Asset / (Liability) - Net	(0.02)	(0.01)

Notes to Standalone financial statements for the year ended 31st March 2021

Note 48 Related Party Transactions
Related Party Transactions for the period (Continued .....)

(₹ in Crores)

Sr. no.	Name of Related Party	Relationship	Nature of Transactions & Balances	For the year ended 31st March, 2021	For the year ended 31st March, 2020
10	Gujarat Narmada Valley Fertilizers & Chemicals Limited	Associate of Ultimate Holding Company	Rent Paid	0.05	0.06
			Technology Services	0.13	-
			Dividend Paid	0.03	0.03
			Balance at the period end		
			Amount Receivable/(Payable)	(0.01)	-
11	GSPC Pipavav Power Company Ltd.	Subsidiary of Intermediate Holding Company	Reimbursement of Expenses-Income	0.01	-
12	Gujarat State Financial Services Limited - GSFS	Associate of Ultimate Holding Company	Interest received - Income	23.35	28.04
			Deposit - Placed/ Renewed	7,899.13	7,540.69
			Deposit - Withdrawn / Redemed	8,244.41	7,330.41
			Balance at the period end		
			Deposits Asset	261.00	606.28
13	Gujarat Gas Limited Employee Stock Option Welfare Trust	Enterprise controlled by the company	**Balance at the period end**		
			Amount Receivable/(Payable)	-	0.01
14	Gujarat Gas Limited Employees Group Gratuity Scheme	Enterprise controlled by the company	Gratuity Contribution Paid	16.61	7.37
15	Shri. Sanjeev Kumar, IAS - Managing Director	Key Managerial Personnel	Sitting Fees (deposited in Govt. Treasury Account) - Nil (Previous Year- ₹ 0.01 Crore) Out of Pocket Expenses- Nil (Previous Year - ₹ 0.00 Crore)	-	0.01
16	Shri. Nitin Patil- CEO (Upto 19th Feb, 2020)	Key Managerial Personnel	Remuneration- Short Term Benefits - Nil (Previous Year -₹ 0.91 Crores) Post Employment Benefit - Nil (Previous Year- ₹ 0.14 Crores)	-	1.05

Notes

1 All transactions with related parties were carried out in the ordinary course of business and at arms length.

2 All transactions amount disclosed above are inclusive of tax.

3 Details of remuneration paid/payable to Chief Financial Officer & Company Secretary identified as key managerial personnel under Section 2(51) of Companies Act, 2013

(₹ in Crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Shri. Nitesh Bhandari – Chief Financial Officer Short Term Benefits – ₹1.01 Crores (Previous Year ₹ 0.82 Crores) Post-Employment Benefits – ₹ 0.13 Crores (Previous Year ₹ 0.13 Crores)	1.14	0.95
Shri. Sandeep Dave – Company Secretary (w.e.f. 30th March, 2020) *Short Term Benefits – ₹.0.33 Crores (Previous Year ₹ 0.00 Crores) Post-Employment Benefits– ₹. 0.06 Crores (Previous Year ₹.0.00 Crores) * Reimbursed to GSPC	0.39	0.00
Smt. Rajeshwari Sharma – Company Secretary (upto 19th February, 2020) Short Term Benefits – Nil (Previous Year ₹ 0.45 Crores) Post-Employment Benefits – Nil (Previous Year ₹ 0.07 Crores)	-	0.52

Notes to Standalone financial statements for the year ended 31st March 2021

Remuneration to Key Managerial Personnel does not include provision for leave encashment as it is provided in the books of accounts on the basis of actuarial valuation for the company as a whole and hence individual figures cannot be identified.

4. Details of Sitting Fees & Out of Pocket Expenses (in total) paid to Directors other than Managing Director : **(₹ in Crores)**

Sr. No.	Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
1.	Shri. Anil Mukim, IAS - Chairman (w.e.f 1st April, 2020) #	0.01	-
2.	Shri. J. N. Singh, IAS (Retd.) (upto 31st March 2020) #	-	0.01
3.	Smt. Sunaina Tomar, IAS (w.e.f 8th January, 2020) #	0.01	0.00
4.	Dr. Manjula Subramanium, IAS. (Retd.) (w.e.f 28th August, 2020)	0.00	-
5.	Dr. Manjula Devi Shroff (upto 22nd November, 2019)	-	0.02
6.	Dr. T. Natarajan, IAS (upto 21st August, 2019) #	-	0.01
7.	Shri. Milind Torawane, IAS #	0.02	0.01
8.	Shri. Pankaj Joshi, IAS (upto 15th December, 2019) #	-	0.00
9.	Shri. K. D. Chatterjee	0.04	0.04
10.	Shri. Jal Patel	0.03	0.02
11.	Prof. Piyush Kumar Sinha	0.02	0.01
12.	Prof. Vishal Gupta	0.03	0.01

Sitting fees payable are deposited in Government Treasury Account

5. Figures INR 0.00 denotes amount less than INR 50,000/-.

Note 49 RECEIVABLES, CONTRACT ASSETS AND CONTRACT LIABILITIES (WITH REFERENCE TO IND AS 115-REVENUE FROM CONTRACTS WITH CUSTOMERS)

Revenue recognised in the statement of profit and loss :

Revenue from contracts with customers (refer note 30):

Sale of Natural gas is the main activity of city gas distribution business and other operating income is incidental to sale of natural gas. Company sells and distributes natural gas in India.Sale of natural gas includes excise duty but excludes VAT and GST collected from the customers on behalf of the Government. All the revenue mentioned above are earned by transfer of goods or services at a point of time.

The following table provides information about receivables, contract assets and contract liabilities from contract with customers: **(₹ in Crores)**

Sr. No.	Particulars	As at 31st March 2021	As at 31st March 2020
(i)	**Contract assets**		
	Unbilled revenue	57.77	76.73
	Total contract assets	**57.77**	**76.73**
(ii)	**Contract liabilities**		
	Advance from customers	23.02	18.74
	Total contract liabilities	**23.02**	**18.74**
(iii)	**Receivables**		
	Trade receivables	783.09	510.14
	Total Trade receivables	**783.09**	**510.14**
(iv)	**Deferred Revenue**		
	Non Current	62.94	63.60
	Current	9.30	8.65
	Total Deferred Revenue	**72.24**	**72.25**
(V)	Income recognised during the year out of opening balance of deferred revenue	8.79	8.31

Notes to Standalone financial statements for the year ended 31st March 2021

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

Performance obligations -Connection, Service and Fitting Income

Connection charges from customers deferred over the period when the performance obligation is satisfied:

Industrial Customers: The performance obligations as per the contractual arrangement with the customer is to deliver gas over the tenure of the contract. Consequently, the connection charges is to be deferred over the contract period.

Domestic Customer: The connection charges is to be deferred over the period of delivery of gas. It is reasonably expected by the Company that the gas is procured by the customer and supplied by the Company on a perpetual basis. Consequently the connection charges are to be deferred over the useful life of the connection facility (i.e. 18 years).

NOTE 50 TRANSITION TO IND AS 116 LEASES

Transition to Ind AS 116 Leases (Effective from 1st April, 2019) The Company has adopted Ind AS 116 'Leases', effective from 1st April, 2019, using modified retrospective approach. This has resulted in recognizing a right of use lease assets of ₹ 33.42 Crores (an amount equal to lease liability ₹ 33.27 Crores and adjustment from pre-paid accrued rent ₹ 0.15 Crores) as at 1st April 2019.

In respect of leases that were classified as finance leases, applying Ind AS 17, an amount of ₹ 36.16 Crores has been reclassified from property, plant and equipment to right-of-use lease assets.

On transition to Ind AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17.

Note 50.1 The Company as a lessee

The Company has taken various assets on lease primarily consist of leases for land and buildings. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases.

On transition, for leases classified as operating leases under Ind AS 17, the lease liabilities are measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1st April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired. The weighted average incremental borrowing rate of 8.59% P.a. has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

50.1.1 The Company used a number of practical expedients summarised here below:

1) Grandfather their previous lease assessment for existing contracts.
2) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
3) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
4) Applied the exemption not to recognize right-of-use assets and liabilities for leases of low value assets;
5) Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
6) Used hindsight when determining the lease term.

50.1.2 Nature of the lease transaction:

Land Leases

The Company has taken several plots of land on lease for setting up CNG, City Gas Station, CPRS/DPRS station and for site office purpose. The lease term mentioned in the agreements ranges from 11 months to 99 years. Lease agreements are renewable on mutually agreed terms and do not contain any non-cancellable period.In certain contacts, the Company is restricted from assigning and subletting the leased assets.

Building Leases

The Company has taken various office/warehouse buildings on lease with monthly and annual payment terms. The lease term mentioned in the agreements ranges from 11 months to 9 years. Most of the agreements are renewable on mutually agreed terms, some of them are having non - cancellable period whereas few agreements are silent on renewal.In certain contacts, the Company is restricted from assigning and subletting the leased assets.

Other Leases

The Company has also taken various commercial vehicles, CNG Cascade, booster compressor and other equipments, IT equipment etc. on lease. The lease term mentioned in the agreements ranges from 6 months to 10 years. Some portion of the lease rentals is based on usage of the equipment considered as variable lease payment. Lease rentals include lease and non lease component viz. manpower, fuel cost, repair and maintenance etc and only hiring portion is considered for ROU accounting.

Notes to Standalone financial statements for the year ended 31st March 2021

50.1.3 The following is the carrying amounts of Company's Right of use assets and the movement in lease liabilities during the year ended March 31, 2021.

(₹ in Crores)

A

Particulars	Lease Assets* 2020-21	Lease Assets* 2019-20
Gross Carrying Value		
Opening balance	160.42	38.51
Additions on account of transition to Ind AS 116 (as on April 01, 2019)	-	33.42
Addition during the year	35.80	88.48
Adjustment on account of modification	0.10	-
Deductions	12.95	-
Closing Balance (A)	**183.37**	**160.42**
Accumulated amortization		
Opening balance	14.33	2.35
Addition during the year	14.39	11.98
Deduction during the year	12.95	-
Closing Balance (B)	**15.77**	**14.33**
Net Block (A-B)	**167.60**	**146.09**

* Refer note 5.3

B Movement in Lease liability with Current/Non current break up:- (₹ in Crores)

Particulars	Lease liabilities* 2020-21	Lease liabilities* 2019-20
Opening balance	57.02	-
Additions on account of transition to Ind AS 116 (on April 01, 2019)	-	33.27
Addition during the year	35.80	36.86
Adjustment on account of modification	0.10	-
Add: Interest Expenses	4.77	4.20
Less: Payments	(18.20)	(17.31)
Closing Balance	**79.49**	**57.02**
Current	14.50	12.00
Non current	64.99	45.02

* Refer note 21

50.1.4 Amounts recognized in profit or loss (₹ in Crores)

Particulars	2020-21	2019-20
Lease charges-Others* (Refer Note 37)	24.53	18.05
LCV/HCV HiringCharges** (Refer Note 37)	-	0.17
Interest expenses (Refer Note 35)	4.77	4.20
Depreciation charge for right-of-use assets (Refer Note 36)	14.39	11.98

*Leases charges-Others includes rental charges of all assets that have lease period of 12 month or less, remaining lease period of 12 months or less as on transition date, rental charges of low value assets, variable lease payments and component of taxes of ROU lease charges.

**LCV/HCV Hiring, Operating and Maintenance Charges includes lease component viz. rental charges of LCV/HCV lease assets that have lease period of 12 month or less.

50.1.5 The total Cash outflow for ROU assets is ₹ 13.43 Crores (Previous year ₹ 13.11 Crores) for the year ended 31st March, 2021. (excluding interest)

Notes to Standalone financial statements for the year ended 31st March 2021

50.1.6 Contratual maturity analysis of undiscounted lease liabilities is given below:
Maturity Analysis of lease liabilities (undiscounted): (₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Less than one year	18.74	12.44
One to two years	12.03	6.81
two to five years	33.59	20.39
More than five years	71.24	72.99
Total	**135.60**	**112.63**

50.2 The Company as a lessor

The Company is not required to make any material adjustments on transition to Ind AS 116 for leases in which it acts as a lessor.The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application.

Note 51 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per Section 135 of the Companies Act, 2013, a company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. CSR expenditure is contain the following:

Sr.no	Particulars	FY 2020-21	FY 2019- 20
(1)	Gross amount required to be spent by the company during the year.	14.96	8.72
(2)	Amount approved by the Board to be spent during the year	15.01	11.95
(3)	Amount spent during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	15.01	11.95

(₹ in Crores)

Sr.no	Particulars	FY 2020-21	FY 2019- 20
(1)	Providing gas(in kind) to Crematoriums (Community Development)	1.77	1.27
(2)	Contribution to support Mobile Health screening van(Medical)	0.03	0.02
(3)	Contribution to support Gujarat power energy research foundation (Research-Power and energy)	-	0.25
(4)	Contribution to support Smart class room project(Education)	0.90	0.41
(5)	Contribution to Chief Minister Relief Fund, Government of Gujarat (Disaster relief for COVID-19)*	10.00	10.00
(6)	Tree Plantation	1.00	-
(7)	Mid Day Meal	1.15	-
(8)	Blind People's Assocation	0.16	-
	Total	**15.01**	**11.95**

*MCA issued clarification dated 23rd March, 2020 that spending on various activities related to Covid – 19 will be considered as CSR under item No. (i) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of health care, including preventive health care and sanitation and Disaster Management. Considering this, the Company has obtained approval of CSR committee and contributed ₹ 10 Crores on 31st March 2020 and additional ₹ 10 Crores on 1st April,2020 to "Chief Minister Relief Fund, Government of Gujarat" with special objective in the situation of Disaster Relief for helping COVID 19 affected areas and considered the same as CSR expenditure. Subsequently on 10th April, 2020, MCA had issued COVID-19 related Frequently Asked Questions (FAQs) on Corporate Social Responsibility (CSR) where in it was clarified that 'Chief Minister's Relief Fund' or 'State Relief Fund for COVID-19' is not included in Schedule VII of the Companies Act, 2013 and therefore any contribution to such funds shall not qualify as admissible CSR expenditure. The Company has made representation to Government for considering contribution to CM Relief Fund as eligible CSR expenditure. It may be noted that Company had made above contribution to Gujarat State CM Relief Fund for the financial year 2019-20 and 2020-21 under CSR activities prior to the FAQs dated 10th April, 2020, issued by MCA.

Note 52-SEGMENT REPORTING

The Company primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The Managing Director of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment needs to be disclosed.

Notes to Standalone financial statements for the year ended 31st March 2021

Information about products and service:

The Company is in a single line of business of Sale of Natural Gas.

Information about geographical areas:

1. The Company does not have geographical distribution of revenue outside India and hence segmentwise disclosure is not applicable to the Company.
2. None of the Company's assets are located outside India hence segmentwise disclosure is not applicable to the Company.

Information about major customers:

None of the customer account for more than 10% of the total revenue of the Company.

Note 53 RECLASSIFICATION OF COMPARATIVE FIGURES

Certain reclassifications have been made to the comparative period's financial statements to:

- enhance comparability and ensure consistency with the current year's financial statements; and
- ensure compliance with the Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013.

The Company believes that such presentation is more relevant for understanding of the Company's performance. However, this does not have any impact on the profit, equity and cash flow statement for the comparative period.

Items of balance sheet before and after reclassification as at 31st March, 2020 **(₹ in Crores)**

Particulars	Balance before reclassification	Reclassification amount	Balance after Reclassification
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note 25)*	359.48	(22.75)	336.73
Current Provisions (Refer note 28)*	12.98	22.75	35.73
Other non-current assets (Refer note 10)**	224.83	0.16	224.99
Cash and cash equivalents (Refer note13)**	547.22	(0.03)	547.19
Bank balances (Refer note 14)**	144.66	(0.13)	144.53

* Provision for Bonus/ incentives reclassed from Trade payable to Current provisions.

** TDS Receivables for accured interest on deposits is reclassed from bank balance & cash & cash equivalents to Advance payment of income tax [Net of provisions]

Note 54 STATUS OF TRANSFER OF AUTHORIZATION IN FAVOUR OF GUJARAT GAS LIMITED FOR GEOGRAPHICAL AREAS OF AMRITSAR AND BHATINDA (PUNJAB)

Petroleum and Natural Gas Regulatory Board ("PNGRB") granted authorization in favour of Gujarat State Petronet Limited ("GSPL", parent company of Gujarat Gas Limited) for laying, building, operating or expanding City Gas Distribution network in GAs of Amritsar (May 2015) and Bhatinda (May 2016) District in the state of Punjab. In furtherance of overall strategic business objective and synergies, GSPL and Gujarat Gas Limited ("GGL" or "the Company") requested to PNGRB for transfer of these GAs authorizations to GGL in line with applicable PNGRB Regulations. After due examination, PNGRB provided approval dated 29 June 2020 for transfer of these authorization for Amritsar and Bhatinda GAs from GSPL to GGL subject to fulfilment of below three conditions:

1) Revised Performance Bank Guarantee (PBG)
2) Revised Gas Sale Agreement in name of GGL
3) Financial Closure

During the year, the Company fulfilled the above conditions and same has been duly acknowledged and accepted by PNGRB.

The Board of the Company has approved the valuation and transfer / purchase of CGD Business of Amritsar and Bhatinda GAs from GSPL to the Company for cash consideration of INR 163.31 Crores (subject to various transaction adjustments) by slump sale through business transfer agreement at its meeting held on 1st June 2021. Same is subject to approval of the Board of GSPL.

As on 31 March 2021, the Company has incurred total capital expenditure INR 197.46 Crores (previous year INR 122.19 Crores) with respect to GAs of Amritsar and Bhatinda and accounted the same as under in books of GGL for the year ended on 31.03.2021:

- Property, Plant and Equipment and intangible assets - INR 119.53 Crores (previous year INR 58.62 Crores)
- Capital Work in Progress (including capital inventory) - INR 77.93 Crores (previous year INR 63.57 Crores)

Until the transfer / purchase of CGD Business from GSPL to GGL, GSPL had contracted with GGL to use assets owned by GGL for limited period of time in exchange of facility service charges (equal to depreciation and all operating expenses) being paid by GSPL. Accordingly, GGL has recovered the operating expenditure amounting ₹ 5.79 Crores (Previous year ₹ 2.56 Crores) and facilitation fees income of ₹ 2.73 Crores (Previous year ₹ 0.21 Crores) from GSPL during the year for use of these assets. **[Refer note 3.1, 3.2 & 5.1 for PPE, CWIP & Intangible assets]**

Notes to Standalone financial statements for the year ended 31st March 2021

Note 55 IMPACT OF COVID-19 PANDEMIC

In view of the pandemic relating to Coronavirus (COVID-19), the Company has considered the possible effects including but not limited to assessment of going concern assumptions, the carrying amount of current assets and assessed the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets as evident so far in the preparation of these financial results. The Company currently has a comfortable liquidity position and continues to service its debt obligations.

The impact of the COVID-19 pandemic, if any, may be different from that estimated as at the date of approval of these financial statements.

Considering the second wave of COVID 19 across the country a definitive assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment. The Company is continuously monitoring material changes in such information and economic forecasts.Due to the COVID-19 impact, primarily in the first quarter, the results of the company for year ended on 31st March, 2021 are not comparable with corresponding period of FY 2019-20 to that extent.

Note 56 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As on date of approval of these financial statements, there are no subsequent events to be recognized or reported that are not already disclosed.

Note 57 PREVIOUS YEAR FIGURES

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

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

As per our report attached

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

A. K. Atolia
Partner
M. No. : 077201

Place : Jaipur
Date : 1st June, 2021

For and on behalf of Board of Directors

Anil Mukim, IAS
Chairman
DIN 02842064

Sanjeev Kumar, IAS
Managing Director
DIN - 03600655

K.D. Chatterjee
Director
DIN- 00421999

Nitesh Bhandari
Chief Financial Officer

Sandeep Dave
Company Secretary

Place : Gandhinagar
Date : 1st June, 2021

GUJARAT GAS LIMITED

Notes to Standalone financial statements for the year ended on 31st March 2021

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

Part "B": Associates

(₹ in Crores)

Name of Associates	Guj Info Petro Limited
1. Latest audited Balance Sheet Date	31-03-2021
2. Shares of Associate held by the company on the year end	25,000
Amount of Investment in Associate	0.03
Extend of Holding %	49.94%
3. Description of how there is significant influence	Through voting power
4. Reason why the associate is not consolidated	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	As per Ind-AS-28 equity method is followed
6. Profit / (Loss) for the year	
i. Considered in Consolidation	2.08
ii. Not Considered in Consolidation	-

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

As per our report attached

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

A. K. Atolia
Partner
M. No. : 077201

Place : Jaipur
Date : 1st June, 2021

For and on behalf of Board of Directors

Anil Mukim, IAS
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Director
DIN- 00421999

Nitesh Bhandari
Chief Financial Officer

Sandeep Dave
Company Secretary

Place : Gandhinagar
Date : 1st June, 2021

Consolidated Financial Statements

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of consolidated financial statements of **Gujarat Gas Limited** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 01 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) read with Section 129(4) of the Act of the consolidated financial statements of **Gujarat Gas Limited** for the year ended 31 March 2021. We conducted a supplementary audit of the financial statements of Gujarat Gas Limited but did not conduct supplementary audit of **Guj Info Petro Limited** for the year ended on that date. Further, section 139(5) and 143(6)(b) of the Act are not applicable to **Gujarat Gas Limited Employees Welfare Stock Option Trust** being private entities, neither for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C & AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of this private entity. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 143 (6)(b) of the Act.

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

(H. K. Dharmadarshi)
Principal Accountant General (Audit II), Gujarat

Place : Ahmedabad

Date : 10/08/2021

INDEPENDENT AUDITOR'S REPORT

To

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

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Gujarat Gas Limited** (Formerly known as GSPC Distribution Networks Limited)("the Holding Company") and Guj Info Petro Limited (Associate of the Holding company) and Gujarat Gas Limited Employee Stock Option Welfare Trust (Controlled Trust) (collectively referred to as "the Group"),comprising of the Consolidated Balance Sheet **as at March 31, 2021,** the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the consolidated Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the consolidated state of affairs (financial position) of the Group as at March 31, 2021 and their consolidated profit (financial performance including other comprehensive income), their consolidated cash flows and their consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
1	**Evaluation of Impact of COVID-19 on the business operations/ revenues/ cash flows/ Trade Receivables / Impairment of Assets etc.** The Company generates revenue from supply of Natural Gas of various kinds to customers and different jurisdictions within India which includes large numbers of Industrial and commercial Customers. Customers in different category and jurisdictions are subject to their independent business risks due to COVID-19. Management has assessed the business continuity, revenue from sale of natural gas and cash flows from operations and Company has prepared cash flow projections and believes it has sufficient liquidity based on the available liquid cash and available credit facilities the expected cash to be generated from operations to meet its financial obligations as they fall due for the following twelve months. Management has also considered the possible effects of the pandemic on the carrying amount of property, plant and equipment, investments, inventories, and other current assets. The impairment test model also includes sensitivity testing of key assumptions. Further, management has factored impact of second wave of COVID-19 on the same considering as one Cash Generating Unit (CGU). Accordingly, the above assessment factoring impact of COVID-19 on continuity of its operations and the recoverability of trade receivables post COVID-19 environment has been identified as a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the consolidated financial statements as a whole. Refer note no. 55 Of Consolidated Financial Statement.	**Principal Audit Procedures** As a part of our audit we have, carried out the following procedures: • Obtained an understanding of the process and testing the operating effectiveness of internal controls over the impairment and preparation of the cash flow forecast based on assumptions and inputs to the model used to estimate the future cash flows. • We assessed the Company's methodology applied in determining the Cash Generating Unit (CGU), it's key assumptions and valuation method used and the accuracy of the inputs used for the same. • Compared the cash flow forecasts to recent trend of sales volume and management estimates and other relevant market and economic information, as well as testing the underlying calculations. • We discussed the potential changes in key drivers as compared to previous year / actual performance with management and considering impact of COVID-19 in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. • We evaluated disclosures related to management assessment on impact of COVID-19 for the continuity of operations and on the annual impairment tests and as required under Indian Accounting Standard (Ind-AS) -36 Impairment of Assets.
2	**Accuracy of Recognition, measurement, presentation and disclosure of Ind AS 116 Leases** The Ind AS 116 Leases requires a new lease accounting model, wherein lessees are required to recognize a right-to-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The Company has a large number of leases with different contractual terms and it involves complexity and requires significant judgements	**Principal Audit Procedures** We evaluated the accounting policy and internal controls followed by the Company in respect of lease accounting standard (Ind AS 116). On a sample basis, we have assessed the key terms and conditions of lease contracts and verified the computation of lease liabilities. Assessed and tested the presentation and disclosures relating to Ind AS 116.

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
	and estimates including, determination of discounting rates and the lease term. Refer note 50 of the Consolidated Ind AS Financial Statements.	
3	**Evaluation of material claims against the company not acknowledge as debt.** There are various claims disputed by the Company including matters under dispute with one of the suppliers in respect of use of domestic allocated gas other than specified purpose which involves significant judgment to determine the possible outcome and Future Cash outflow of these disputes. Refer note 42.2 (iii) of the Consolidated Ind AS Financial Statements	**Principal Audit Procedures** Obtained details of all the claims disputed by the company as on 31st March 2021 from the management. We have discussed the management's underlying assumptions in estimating that the claims are erroneous and the possible outcome of the disputes. We have also evaluated these underlying assumptions to determine the Legal Liability / Obligation of the company as defined in applicable Indian Accounting Standards (Ind AS 37) and also evaluated whether any change was required to management's position on these uncertainties' vis a vis past year with reference to new claims disputed by the company.
4	**Accuracy of Recognition, measurement, presentation and disclosure of revenues and other related balance in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"** Refer note 49 of the Consolidated Ind AS Financial Statements	**Principal Audit Procedures** We evaluated the accounting policy and internal controls followed by the Company while accounting of connection charges from customers, which is deferred over the period when the performance obligation is satisfied, as per the Indian Accounting Standard (Ind AS) 115. Further, we test checked some of the contracts and carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls. We also performed analytical procedures for reasonableness of revenues disclosed as per the new accounting standard (Ind AS 115).

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

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

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

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

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

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

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

The Holding Company's Board of Directors is responsible for preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated Ind AS financial position, consolidated Ind AS financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for

INDEPENDENT AUDITOR'S REPORT

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its associate company which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and including its Associates and controlled entities to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

Other Matters

i. In view of the Government imposed travel restrictions, we have performed the audit from remote location, on the basis of data, scan copies of key records, documents, management approvals, estimates, assumptions and other information's supplied electronically by the management on online platform. In respect of Holding Company, we were not able to participate in physical verification of inventories that was carried out by the management and also not able to perform the requisite audit procedure including inquiries, external confirmations and test of controls in respect of certain receivables etc. as prescribed in various Standards of Auditing issued by the ICAI.

   We have relied on Management Assurance of the authenticity, completeness and accuracy of these records electronically submitted to us and have performed additional audit procedures to satisfy ourselves that these records are appropriate to gain the reasonable assurance that the Statement as a whole are free from material misstatement, whether due to fraud and error, and to issue an Auditor's Report that includes our opinion.

   Our opinion is not modified in respect of this matter.

ii. We did not audit the financial statements of Gujarat Gas Limited Employee Stock Option Welfare Trust (Controlled Trust), whose financial statements reflect total assets of Rs. 2.29 Crores as at 31st March 2021, total revenues of Rs.0.14 Crores and net cash outflow amounting to Rs 1.98 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements.

   The consolidated financial statements also includes the Group's share of total comprehensive income / (loss) of Rs. 2.08 Crores for the financial year 2020-21 and share of accumulated retained earnings of Rs. 25.95 Crores upto 31st March 2020, as considered in the consolidated Ind AS financial statements, in respect of the financial statements of Guj Info Petro Limited (associate of the holding company), whose financial statements have not been audited by us.

   The financial statement of the associate company and controlled trust have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate company and controlled trust, and our report in terms of sub-section (3) of section 143 of the Act, insofar as it relates to the aforesaid associate company and controlled trust, is based solely on the reports of other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) As the Holding Company and its Associate Company, both are Government Companies, in terms of notification no. G.S.R 463(E) dated 5th June 2015, issued by Ministry of Corporate Affairs, the sub-section (2) of section 164 of the Act is not applicable.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting.

g) As the Holding Company and its Associate Company, both are Government Companies, in terms of notification no. G.S.R 463(E) dated 5th June 2015, issued by Ministry of Corporate Affairs, the sub-section (16) of section 197 of the Act is not applicable.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated Ind AS financial statements disclose impact of pending litigations on the consolidated financial position of the Group. Refer Note 42 to the Consolidated Ind AS financial statements.

   ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and Associate Company incorporated in India.

For S. R. Goyal & Co.
Chartered Accountants
FRN: 001537C

Place: Jaipur
Date: 01st June 2021
UDIN: 21077201AAAAAS5077

A.K. Atolia
(Partner)
M. No.: 077201

INDEPENDENT AUDITOR'S REPORT

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under "Report on Other Legal and Regulatory Requirements" section of our Independent Auditor's Report, of even date, to the members of Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) on Consolidated Ind AS Financial Statements for the year ended 31st March 2021)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **Gujarat Gas Limited** (Formerly known as GSPC Distribution Networks Limited)**("the Holding Company")** and its Associate Company, **Guj Info Petro Limited (GIPL),** which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

In view of the Government imposed lockdown and travel restrictions, we have performed the audit from remote location, on the basis of data, scan copies of key records, documents, management approvals, estimates, assumptions and other information's supplied electronically by the management on online platform. In respect of Holding Company, we were not able to perform the requisite test of controls in respect of various financial control systems over financial reporting as prescribed in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting

We have relied on Management Assurance of the authenticity, completeness and accuracy of these records electronically submitted to us and have performed additional audit procedures to satisfy ourselves that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its associate company, which are companies incorporated in India.

INDEPENDENT AUDITOR'S REPORT

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, further described in the **Auditor's Responsibilities** section of this report, the Holding Company and its associate company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

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

For S. R. Goyal & Co.
Chartered Accountants
FRN: 001537C

Place: Jaipur
Date: 01st June 2021
UDIN: 21077201AAAAAS5077

A.K. Atolia
(Partner)
M. No.: 077201

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2021

(₹ in Crores)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
I. ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	3.1	5,445.18	5,102.54
(b) Capital work in progress	3.2	687.59	568.57
(c) Investment property	4	1.30	1.30
(d) Intangible assets	5.1	351.62	335.15
(e) Intangible assets under development	5.2	0.23	0.92
(f) Right-of-use assets	5.3	167.60	146.09
(g) Investment in equity accounted investee	6	28.06	25.99
(h) Financial assets			
(i) Investments	7	19.74	17.22
(ii) Loans	8	71.19	60.96
(iii) Other financial assets	9	0.88	1.43
(i) Other non-current assets	10	294.39	224.99
Total Non-Current Assets		**7,067.78**	**6,485.16**
2 Current Assets			
(a) Inventories	11	52.21	46.26
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	12	783.09	510.14
(iii) Cash and cash equivalents	13	276.60	549.38
(iv) Bank balances other than (iii) above	14	44.36	144.53
(v) Loans	15	1.29	0.91
(vi) Other financial assets	16	69.49	81.67
(c) Other current assets	17	184.91	107.36
Total Current Assets		**1,411.95**	**1,440.25**
TOTAL ASSETS		**8,479.73**	**7,925.41**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	18	137.68	137.68
(b) Other Equity	19	4,373.88	3,179.67
Total Equity		**4,511.56**	**3,317.35**
2 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	769.95	1,834.36
(ii) Lease Liabilities	21	64.99	45.02
(iii) Other financial liabilities			
(b) Provisions	22	51.77	45.33
(c) Deferred tax liabilities (Net)	23	806.31	800.49
(d) Other non-current liabilities	24	62.94	63.60
Total Non-Current Liabilities		**1,755.96**	**2,788.80**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises		5.04	7.51
Total outstanding dues of creditors other than micro enterprises and small enterprises		442.18	338.14
(ii) Lease Liabilities	21	14.50	12.00
(iii) Other financial liabilities	26	1,657.07	1,373.49
(b) Other current liabilities	27	68.88	52.39
(c) Provisions	28	24.54	35.73
(d) Current Tax Liabilities (Net)	29	-	-
Total Current Liabilities		**2,212.21**	**1,819.26**
Total Liabilities		**3,968.17**	**4,608.06**
TOTAL EQUITY AND LIABILITIES		**8,479.73**	**7,925.41**
See accompanying notes to the financial statements			

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

A. K. Atolia
Partner
M. No. : 077201

Place : Jaipur
Date : 1st June, 2021

For and on behalf of Board of Directors

Anil Mukim, IAS
Chairman
DIN - 02842064

Sanjeev Kumar, IAS
Managing Director
DIN - 03600655

K.D. Chatterjee
Director
DIN- 00421999

Nitesh Bhandari
Chief Financial Officer

Sandeep Dave
Company Secretary
Place : Gandhinagar
Date : 1st June, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in Crores)

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue			
I. Revenue from Operations	30	10,042.28	10,526.49
II. Other income	31	74.16	83.89
III. Total Income (I+II)		**10,116.44**	**10,610.38**
IV. Expenses			
Cost of materials consumed	32	6,991.09	7,881.62
Changes in inventories of natural gas	33	(1.33)	0.16
Employee Benefits Expenses	34	177.49	175.36
Finance Costs	35	116.31	192.17
Depreciation and Amortization Expenses	36	340.84	317.98
Excise Duty		188.03	226.15
Other Expenses	37	599.18	608.93
Total Expenses (IV)		**8,411.61**	**9,402.37**
V. Profit/(Loss) Before Exceptional Items and Tax(III-IV)		1,704.83	1,208.01
VI. Exceptional Items	38	-	-
VII. Profit/(Loss) Before Tax (V-VI)		**1,704.83**	**1,208.01**
Add: Share of net profit of equity accounted investee		2.11	(0.03)
Profit/(Loss) Before Tax		**1,706.94**	**1,207.98**
VIII. Tax expense:	39		
Current Tax		424.16	294.30
Deferred Tax		5.06	(285.14)
Total Tax Expense (VIII)		**429.22**	**9.16**
IX. Profit/(Loss) for the period(VII-VIII)		**1,277.72**	**1,198.82**
X. Other comprehensive income	40		
A (i) Items that will not be reclassified to profit or loss		3.33	(5.01)
(ii) Income tax related to items that will not be reclassified to profit or loss		(0.76)	1.31
B. Share of Other comprehensive income of equity accounted investee		(0.03)	(0.05)
Total other comprehensive income (X)		**2.54**	**(3.75)**
XI. Total comprehensive income for the period(IX+X)		**1,280.26**	**1,195.07**
Earnings per equity share of Face Value of ₹ 2 each	41		
Basic		18.56	17.41
Diluted		18.56	17.41
See accompanying notes to the financial statements			

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

For and on behalf of Board of Directors

A. K. Atolia
Partner
M. No. : 077201

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DIN- 00421999

Nitesh Bhandari
Chief Financial Officer

Sandeep Dave
Company Secretary

Place : Jaipur
Date : 1st June, 2021

Place : Gandhinagar
Date : 1st June, 2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in Crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	1,704.83	1,208.01
Adjustments for:		
Depreciation and Amortization Expenses	340.84	317.98
Loss on sale/disposal of Property, plant and equipment	3.41	1.64
(Profit)/Loss on sale as scrap and diminution in Capital Inventory	7.00	(0.69)
Bad Debts Written Off	0.01	-
Provision for Doubtful Trade Receivables / Advances / Deposits etc.	1.58	4.25
Finance Costs	116.31	192.17
Provision/liability no longer required written back	(6.77)	(4.24)
Interest Income	(41.71)	(58.30)
Operating Profit before Working Capital Changes	**2,125.50**	**1,660.82**
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(274.55)	(1.57)
(Increase)/Decrease in Other - Non Current Assets	(25.36)	(56.03)
(Increase)/Decrease in Other financial assets-Non-current	0.55	0.23
(Increase)/Decrease in Loans and Advances-Current	(0.38)	0.28
(Increase)/Decrease in Other Current Assets	(77.56)	(44.15)
(Increase)/Decrease in Other financial assets-Current	12.18	(2.55)
(Increase)/Decrease in Inventories	(5.95)	23.15
(Increase)/Decrease in Loan and advances-Non current	(9.00)	4.84
Changes in Trade and Other Receivables	**(380.07)**	**(75.80)**
Increase/(Decrease) in Trade Payables	102.87	16.01
Increase/(Decrease) in Other financial liabilities-Current	206.15	80.23
Increase/(Decrease) in Other current liabilities	16.49	9.88
Increase/(Decrease) in Other Non current Liabilities	(0.66)	4.06
Increase/(Decrease) in Short-term provisions	(4.94)	(0.69)
Increase/(Decrease) in Long-term provisions	6.44	5.65
Changes in Trade and Other Payables	**326.35**	**115.14**
Cash Generated from Operations	**2,071.78**	**1,700.16**
Income tax refund	1.18	37.80
Income tax paid	(417.80)	(318.13)
Net Cash from Operating Activities	**1,655.16**	**1,419.83**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Property, plant and equipments/Intangible assets including capital work in progress and capital advances.	(751.32)	(595.55)
Other Bank balances in Earmark funds	0.26	0.74
Deposits with original maturity of more than three months (Net)	97.44	70.48
Interest received	43.19	57.78
Proceeds from sale of Property, plant and equipments	0.16	0.08
Dividend received	-	-
Net Cash used in Investing Activities	**(610.27)**	**(466.47)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease liabilities	(13.43)	(13.11)
Repayment of Long-term borrowings	(1,101.61)	(214.88)
Interest Paid (including interest on lease liability)	(116.30)	(190.64)
Dividend Paid (including tax thereon)	(86.33)	(83.74)
Net Cash from/(used in) Financing Activities	**(1,317.67)**	**(502.37)**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in Crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(272.78)**	**450.99**
Cash and Cash Equivalents at the beginning of the year	549.38	98.39
Cash and Cash Equivalents at the end of the year	276.60	549.38
Closing Cash and Cash Equivalents comprise:		
Cash in hand	1.11	0.38
Balances with Banks	14.47	40.42
Balances in Fixed / Liqiud Deposits	261.02	508.58
Total	**276.60**	**549.38**

Notes to Cash Flow Statement:

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard IND AS - 7 on Cash Flow Statements.

(ii) Purchase of fixed assets are stated inclusive of movements of capital work in progress, assets under development and capital advances.

(iii) Interest received is classified as investing cash flows and considered and presented as 'cash flows from investing activities' to the extent, it represents time value of money.

(iv) Previous year figures have been regrouped and reclassified wherever considered necessary to conform to the current year's figures.

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

For and on behalf of Board of Directors

A. K. Atolia
Partner
M. No. : 077201

Anil Mukim, IAS
Chairman
DIN - 02842064

Sanjeev Kumar, IAS
Managing Director
DIN - 03600655

K.D. Chatterjee
Director
DIN- 00421999

Nitesh Bhandari
Chief Financial Officer

Sandeep Dave
Company Secretary

Place : Jaipur
Date : 1st June, 2021

Place : Gandhinagar
Date : 1st June, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED 31ST MARCH 2021

(a) Equity Share Capital

(₹ in Crores)

Equity share capital	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the reporting period	137.68	137.68
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	137.68	137.68

(b) Other equity

(₹ in Crores)

Other equity	Attributable to the equity holders of the Group			Items of Other Comprehensive Income	Total Other Equity
	Reserves & Surplus				
	Amalgamation & Arrangement Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	
Balance at April 1, 2019 (a)	**879.59**	**2.72**	**1,297.94**	**(112.66)**	**2,067.59**
Changes in accounting policy / prior period errors	-	-	-	-	-
Changes in accounting policy - Share of equity accounted investee			0.01		0.01
Restated balance at the beginning of the reporting period	**879.59**	**2.72**	**1,297.95**	**(112.66)**	**2,067.60**
Profit for the year	**-**	**-**	1,198.82	-	1,198.82
Other comprehensive income for the year	-	-	-	0.95	0.95
Items of OCI recognised directly in retained earnings					
Remeasurements of post-employment benefit obligation, net of tax	-	-	(4.70)	-	(4.70)
Total comprehensive income for the year (b)	**-**	**-**	**1,194.12**	**0.95**	**1,195.07**
Dividend	-	-	(68.84)	-	(68.84)
Dividend Distribution Tax (DDT)	-	-	(14.15)	-	(14.15)
Total (c)	**-**	**-**	**(82.99)**	**-**	**(82.99)**
Balance at March 31, 2020 (a+b+c)	**879.59**	**2.72**	**2,409.08**	**(111.71)**	**3,179.67**
Changes in accounting policy / prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period (d)	**879.59**	**2.72**	**2,409.08**	**(111.71)**	**3,179.67**
Profit for the year	**-**	**-**	1,277.72	-	1,277.72
Other comprehensive income for the year	-	-	-	1.96	1.96
Items of OCI recognised directly in retained earnings					
Remeasurements of post-employment benefit obligation, net of tax	-	-	0.58	-	0.58
Total comprehensive income for the year (e)	**-**	**-**	**1,278.30**	**1.96**	**1,280.26**
Dividend	-	-	(86.05)	-	(86.05)
Total (f)	**-**	**-**	**(86.05)**	**-**	**(86.05)**
Balance at March 31, 2021 (d+e+f)	**879.59**	**2.72**	**3,601.33**	**(109.75)**	**4,373.88**

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

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

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

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

A. K. Atolia
Partner
M. No. : 077201

Place : Jaipur
Date : 1st June, 2021

For and on behalf of Board of Directors

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DIN - 03600655

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Director
DIN- 00421999

Nitesh Bhandari
Chief Financial Officer

Sandeep Dave
Company Secretary

Date : 1st June, 2021
Place : Gandhinagar

Notes to Consolidated Financial statements for the year ended 31st March, 2021

Note 1 – Corporate Information

1. Corporate Information

a) Gujarat Gas Limited (GGL or "Company") (CIN : L40200GJ2012SGC069118) formerly known as GSPC Distribution Networks Limited (GDNL) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. GGL is a Government Company u/s 2(45) of Companies Act 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India.

The registered office is located at Gujarat Gas CNG Station, Sector 5/C, Gandhinagar - 382006.

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

The scheme of amalgamation and arrangement was sanctioned by the Hon'ble Gujarat High Court at Ahmedabad vide its order dated 30th March 2015 between the following transferor companies -

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

(Collectively called Transferor Companies)

with Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited-GDNL) (the transferee) under the Scheme of Amalgamation and Arrangement with an appointed date of 1st April, 2013. Subsequently, the company's name has been changed from GSPC Distribution Networks Limited to Gujarat Gas Limited (GGL) with effect from 15th May 2015.

b) Authorization of financial statements

The Consolidated Financial Statements were approved and authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 1st June, 2021.

c) Functional and Presentation Currency

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

Note 2 Significant Accounting Policies

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

Basis of Preparation

(i) Statement of Compliance with Ind AS

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

Accordingly, the Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss for the year ended 31 March 2021, the Statement of Cash Flows for the year ended 31 March 2021 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'financial statements').

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

(ii) Historical cost convention

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

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

(iii) Principles of consolidation and equity accounting

The consolidated Financial Statements of the Group represents consolidation of Company's Financial Statements with Guj Info Petro Limited (GIPL), an associate company and Gujarat Gas Limited Employees Welfare Stock Option Trust, 100% Sole beneficiary (collectively referred to as 'the Group').

Name of the Undertaking	Relationship	Country of Incorporation	Proportionate beneficial ownership interest/voting power
Guj Info Petro Limited (GIPL)	Associate	India	49.94%
Gujarat Gas Limited Employees Welfare Stock Option Trust	100% Sole beneficiary	India	100%

Associates

Investment in associate has been accounted for using Equity Method in accordance with Ind AS 28 - Investments in Associates and Joint Ventures. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Any excess / short of the amount of Investment in an associate over the cost of acquisition at the date of Investment is considered as Capital Reserve and has been included in carrying amount of Investment and disclosed separately. The carrying amount of Investment is adjusted thereafter for the post acquisition changes in the Share of net Asset of associate.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The financial statements of associates are prepared up to the same reporting date as that of the company i.e. 31st March 2021 for the current year, 31st March 2020 for the comparative year.

100% Sole beneficiary entity

100% Sole beneficiary entities are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. 100% Sole beneficiary entities are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its 100% Sole beneficiary entity line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of 100% Sole beneficiary entity have been aligned where necessary.

Use of estimates and judgements

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

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

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

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

Note 3.1 & 5.1:	Useful lives of property, plant and equipment and intangible assets
Note 16:	Recognition and measurement of unbilled gas sales revenue
Note 25, 26, 27 & 28:	Recognition and measurement of other provisions
Note 39:	Current/deferred tax expense (Including estimates for Uncertain tax treatments)
Note 42:	Contingent liabilities and assets
Note 44:	Expected credit loss for receivables
Note 44:	Fair valuation of unlisted securities
Note 47:	Measurement of defined benefit obligations
Note 5.3 & 50:	Definition of Lease, lease term and discount rate

(a) Property, Plant and Equipment

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

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

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

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

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

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

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

Capital Work in Progress:

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

All the directly identifiable and ascertainable expenditure, incidental and related to construction incurred during the period of construction on a project, till it is commissioned, are kept as Capital work in progress (CWIP)and disclosed under 'Capital work-in-progress' and after commissioning the same is transferred / allocated to the respective category of property, plant and equipment.

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

(b) Investment Properties

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

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

(c) Intangible Assets

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

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

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

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

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

i. The Schedule specifies useful life of Pipelines as 30 years for those used in exploration, production and refining of oil and gas. The Company has considered the useful life of 30 years for the pipelines used in city gas distribution business.

ii. City gas stations, skids, pressure regulating stations, meters and regulators are estimated to have useful life of 18 years based on technical assessment made by technical expert and management.

iii. Cost of mobile phones, are expensed off in the year of purchase.

iv. Temporary building structures are estimated to have useful life of 1 year.

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

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

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

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

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

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

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

I. Right of Way (ROW) Permissions 30 Years

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

II. Software 6 Years.

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

The Company has constructed / installed CNG stations' buildings and machineries, on land taken on lease from various lessor under lease deed for periods ranging from 35 years to 99 years. However, assets constructed / installed on such land have been depreciated at useful lives as referred above.

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

(e) Impairment of non-financial assets

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

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

(f) Revenue recognition

i) Revenue from operation

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

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

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

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

Change of Estimate for unbilled revenue and its impact on P&L:

Till the financial year 2018-19, unbilled revenue was calculated based on customers' city/area wise previous average consumption (in case of domestic customers) and individual customer wise previous average consumption (in case of non-domestic customers). For more accurate unbilled revenue accounting, from the financial year 2019-20 onwards, Company had aligned the practices for domestic and non-domestic customers and have considered individual customer wise previous average consumption in case of domestic customer as well. The impact of that change was INR 0.70 Crores for the financial year 2019-20 (reduction in value of unbilled revenue amount) which is not material and not significant.

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

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

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

ii) Other income

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

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

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

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

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

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

(g) Borrowing

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

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

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

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

(h) Borrowing Cost

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

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

(i) Financial Instruments

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

Financial Asset

Initial Recognition

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

Initial Measurement

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

Subsequent Measurement

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

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

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

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

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

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

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

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

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

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

Equity Investments:

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

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

De-recognition

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

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

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

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

Embedded foreign currency derivative

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

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency).

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

Impairment of Financial Assets

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

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

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

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

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

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

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

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

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

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

Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

Financial guarantee contracts

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

Loan and borrowings

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

Derecognition

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

(j) Offsetting financial instruments

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

(k) Fair Value Measurement

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (Refer note 44)

1. Disclosures for valuation methods, significant estimates and assumptions.
2. Quantitative disclosures of fair value measurement hierarchy.
3. Investment in unquoted equity shares.
4. Financial instruments (including those carried at amortised cost).

(l) Inventories

Inventory of Gas (including inventory in pipeline and CNG cascades) is valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Stores, spares and consumables are valued at lower of cost and net realizable value. Cost is determined on moving weighted average basis.

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

(m) Non-current assets held for sale and discontinued operation

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

(n) Foreign Currency Transactions

(i) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in profit or loss.

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(o) Employee Benefits

Employees Benefits are provided in the books as per Ind AS - 19 on “Employee Benefits” in the following manner:

A. Post-employment benefit plans

I. Defined Contribution Plan

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

The Company contributes under the National Pension System scheme for eligible employees at a rate specified in the rules of the scheme and deposited with concerned agency/authority.

The Company’s contribution is recognised as an expenses in the statement of Profit and Loss during the period in which the employee renders the related service.

II. Defined benefit plan

The company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is separately administered through a Trust/Scheme. Contributions in respect of gratuity are made to the approved Gratuity Fund.

The Company's liability is actuarially determined by qualified actuary (using the Projected Unit Credit method) at the end of each year and is recognized in the Balance sheet as reduced by the fair value of Gratuity Fund. Actuarial losses/ gains are recognized in the Statement of Other Comprehensive Income in the year in which they arise.

III. Long term employee benefits

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

The Company's liability for leave benefits are actuarially determined by qualified actuary at balance sheet date by using the Projected Unit Credit method. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

B. Other Long Term Service benefits

- **Long Service Award (LSA):**

On completion of specified period of service with the company, employees are rewarded with Cash Reward of different amount based on the duration of service completed.

The Company's liability is actuarially determined by qualified actuary at balance sheet date at the present value of the amount payable for the same. Actuarial losses/ gains are recognized in the Statement of profit and loss in the year in which they arise.

C. Short term employee benefits

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

D. Employee Stock Option Plan

Share-based compensation benefits are provided to employees via Employee Stock Option Plan. For the stock options granted, the fair value as of the date of grant of option is recognised as employee benefit expenses with a corresponding increase in Stock Options Outstanding Account. The total expense is recognised on straight line basis over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

(p) Leases

The Company has applied Ind AS 116 Leases using the modified retrospective approach with effect from 1st April 2019. (For Transition to Ind AS 116 Leases refer note 50)

The Company’s leased asset classes primarily consist of leases for land, buildings, plant & machinery equipment’s and vehicles.

Under Ind AS 116, the Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- the contract involves the use of identified asset;
- the Company has substantially all of the economic benefits from the use of the asset through the period of lease; and
- the Company has right to direct the use of the asset

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals/termination options) and the applicable discount rate.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Certain lease arrangement includes the options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities includes these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit & Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

Lease liability and ROU lease asset have been separately presented in the Balance Sheet and lease payments have been classified as cash flows from financing activities.

Short-term leases, low-value assets and others:

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases.

The Company recognises the lease payments associated with leases assets that have lease period of 12 month or less, remaining lease period of 12 months or less as on transition date, rental charges of low value assets, component of taxes of ROU lease charges, non- lease component viz. manpower, fuel cost, repair and maintenance is recognised as an expense in the Statement of Profit and Loss over the lease term. The related cash flows are classified as operating activities.

As a lessor

Finance Lease

Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts is adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

Operating lease

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the term of the relevant lease. In case of modification of contractual terms, the same is accounted as a new lease, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

(q) Taxation

Income tax expenses comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expenses are recognised in statement of profit or loss except tax expenses related to items recognised directly in reserves (including statement of other comprehensive income) which are recognised with the underlying items.

Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961 , as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation including amount expected to be paid / recovered for uncertain tax positions. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred Taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in financial statements at the reporting date. Deferred tax are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods., the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit available including Minimum Alternative Tax (MAT) under the provision of the Income Tax Act, 1961 is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(r) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Treasury Share

Treasury shares are not treated as outstanding ordinary equity shares and are therefore deducted from the number of equity shares outstanding during the period in consolidated financial statements.

(s) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision for contractual obligation is disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Provisions are not recognised for future operating losses. Provisions for restructuring are recognised by the Group when it has developed a detailed formal plan for restructuring and has raised a valid expectation that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period and are not discounted to present value. The estimates of outcome and financial effect are determined by the judgment of the management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for and if material, are disclosed by way of notes to financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is disclosed by way of notes to financial statements, where an inflow of economic benefits is probable.

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

(t) Segment Reporting

The Company primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The Managing Director of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed.

(u) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Group considers all highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(v) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(w) Dividends

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(x) Insurance Claims

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

- In case of loss of asset /goods by transferring, either the carrying cost of the relevant asset / goods or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance".
- In case insurance claim is, less than carrying cost the difference is charged to Profit and Loss statement. As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

(y) Events occurring after the Reporting Date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Board's Report.

(z) Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

(aa) Prior Period Adjustments and Pre-paid Expenses.

Income / expenditure in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively. Prepaid expenses up to threshold limit in each case, are charged to revenue as and when incurred.

(ab) Rounding off

All amounts disclosed / presented in Indian Rupees (INR) in the financial statements and notes have been rounded off to the nearest two decimals of Crores as per the requirements of Schedule III, unless otherwise stated.

Notes to Consolidated financial statements for the year ended on 31st March 2021

NOTE 3.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, Plant and Equipment (PPE) as at 31st March 2021 (₹ in Crores)

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at 1st April 2020	Addition	Disposal/ Adjustment	Other Adjustments	As at 31st March 2021	As at 1st April 2020	For the Year	Disposal/ Adjustment	Other Adjustment	As at 31st March2021	As at 31st March 2021	As at 31st March 2020
Freehold Land	385.42	2.79	-	-	388.21	-	-	-	-	-	388.21	385.42
Buildings	193.54	10.75	-	-	204.29	25.15	3.82	-	-	28.97	175.32	168.39
Plant and Equipments	6,154.26	634.42	8.55	-	6,780.13	1,637.11	295.30	5.01	-	1,927.40	4,852.73	4,517.15
Furniture and Fixture	19.30	0.75	0.41	-	19.64	11.13	1.37	0.36	-	12.14	7.50	8.17
Computer Equipment	46.58	2.79	2.14	-	47.23	29.75	4.20	2.07	-	31.88	15.35	16.83
Office Equipments	21.14	1.26	0.47	-	21.93	16.55	1.36	0.44	-	17.47	4.46	4.59
Vehicles	9.05	-	-	-	9.05	7.06	0.38	-	-	7.44	1.61	1.99
Books and Periodicals	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
Total PPE	**6,829.39**	**652.76**	**11.57**	**-**	**7,470.58**	**1,726.85**	**306.43**	**7.88**	**-**	**2,025.40**	**5,445.18**	**5,102.54**

Property, Plant and Equipment (PPE) as at 31st March 2020 (₹ in Crores)

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at 1st April 2019	Addition	Disposal/ Adjustment	Other Adjustments	As at 31st March 2020	As at 1st April 2019	For the Year	Disposal/ Adjustment	Other Adjustment	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Lease hold Land	38.51	-	-	(38.51)	-	2.35	-	-	(2.35)	-	-	36.16
Freehold Land	384.07	1.35	-	-	385.42	-	-	-	-	-	385.42	384.07
Buildings	183.85	9.71	0.02	-	193.54	21.40	3.75	-	-	25.15	168.39	162.45
Plant and Equipments	5,710.28	445.90	1.92	-	6,154.26	1,362.80	275.17	0.86	-	1,637.11	4,517.15	4,347.48
Furniture and Fixture	18.04	1.73	0.47	-	19.30	10.00	1.50	0.37	-	11.13	8.17	8.04
Computer Equipment	46.57	2.56	2.55	-	46.58	27.65	4.53	2.43	-	29.75	16.83	18.92
Office Equipments	20.14	1.31	0.31	-	21.14	15.20	1.64	0.29	-	16.55	4.59	4.94
Vehicles	9.07	-	0.02	-	9.05	6.50	0.58	0.02	-	7.06	1.99	2.57
Books and Periodicals	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
Total PPE	**6,410.63**	**462.56**	**5.29**	**(38.51)**	**6,829.39**	**1,446.00**	**287.17**	**3.97**	**(2.35)**	**1,726.85**	**5,102.54**	**4,964.63**

Note 3.1.1 - Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

Note 3.1.2 - Borrowing Cost : Additions to the PPE includes borrowing costs Nil (Previous Year ₹ 3.86 Crores) pertaining to borrowings for qualifying assets as per the requirements of Ind AS - 23 "Borrowing Costs".

Note 3.1.3 - Security Pledge of Assets : Refer to Note 20 on borrowings for details in terms of pledge of assets as security.

Note 3.1.4 - Refer to note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Note 3.1.5 - There is no restriction on the title of property, plant and equipments.

Note 3.1.6 - Other adjustments in previous year includes Lease hold land reclassified to ROU assets on account of adoption of Ind AS 116 -'Leases'(effective from 1st April, 2019)(Refer note 5.3)

Notes to Consolidated financial statements for the year ended on 31st March 2021

Note 3.2 CAPITAL WORK IN PROGRESS (₹ in Crores)

Capital work in progress	As at 31st March 2021	As at 31st March 2020
Capital Inventory	242.81	218.53
Capital Work-in-Progress (project under construction)	444.78	350.04
Total	**687.59**	**568.57**

Note:- Security Pledge of Assets : Refer to Note 20 on borrowings for details of security pledge of assets.

Note 4 INVESTMENT PROPERTY (₹ in Crores)

Investment Property	As at 31st March 2021	As at 31st March 2020
Freehold land		
Balance at the beginning of the period	1.30	1.30
Add:- Acquisition during the year	-	-
Less:- Deletion during the year	-	-
Balance at the end of the period	**1.30**	**1.30**

(i) Amount recognised in profit and loss for investment properties (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Rental Income	0.20	0.20
Profit from investment properties	**0.20**	**0.20**

The Company had recognized the rental - facilitation fees on Investment property for the financial year 2016-17 and 2017-18 on the basis of provisional working of rental -facilitation fees submitted by tenants. As the company is defending the issue of valuation of land for rental -facilitation fees with tenants and not recognize the rental -facilitation fees on fair value of land because no such decision is arrived at by both the parties (company & tenants) till end of the financial year.

On similar line, company has recognized rental -facilitation fees on Investment property for the financial year 2018-19, 2019-20 and 2020-21 on the basis of previous years working as no further working of rental -facilitation fees has been submitted by tenants for the financial year 2020-21.

(ii) Contractual Obligations

The Company has no contractual obligations to purchase, construct or develop investment property or for its repair, maintenance or enhancements.

(iii) Leasing Arrangements

The investment property is leased to tenants under long term operating leases with rentals payable annually as per the formula given in the agreement executed by both the parties. The lease period is 10 years(extendable as mutually agreed). Either party can terminate the agreement by giving 6 months notice(Non cancellable period). The future minimum lease payments receivables for 6 months can not be determined as the amount of rent is dependent on various other factors.

(iv) Fair Value (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Investment Properties	3.20	2.40

Estimation of Fair Value

The Company obtains independent valuations for its investment properties once in every three to five years interval. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

1. Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties have been determined by based on independent valuer's valuation certificate. The main inputs used are the rental growth rates, jantry value guideline and sales comparison approach based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

(v) Security Pledge : Refer to Note 20 on borrowings for details in terms of pledge of assets as security.

(vi) There is no restriction on the title and realisability of investment property or remittance of income and proceeds of disposals.

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 5.1 INTANGIBLE ASSETS
Intangible assets as at as at 31st March 2021

(₹ in Crores)

Particulars	Gross Block					Amortization					Net Block	
	As at 1st April 2020	Addition	Disposal/ Adjustment	Other Adjustments	As at 31st March2021	As at 1st April 2020	For the Year	Disposal/ Adjustment	Other Adjustment	As at 31st March2021	As at 31st March 2021	As at31st March2020
ROW Permissions	342.74	30.49	-	-	373.23	48.92	11.94	-	-	60.86	312.37	293.83
ROU	14.65	0.33	-	-	14.98	-	-	-	-	-	14.98	14.65
Software and other Intangibles	92.46	5.68	0.15	-	97.99	65.79	8.08	0.15	-	73.72	24.27	26.67
Total Intangible Assets	**449.85**	**36.50**	**0.15**	**-**	**486.20**	**114.71**	**20.02**	**0.15**	**-**	**134.58**	**351.62**	**335.15**

Intangible assets as at 31st March 2020

(₹ in Crores)

Particulars	Gross Block					Amortization					Net Block	
	As at 1st April 2019	Addition	Disposal/ Adjustment	Other Adjustments	As at 31st March2020	As at 1st April 2019	For the Year	Disposal/ Adjustment	Other Adjustment	As at 31st March 2020	As at 31st March 2020	As at31st March 2019
ROW Permissions	317.79	24.95	-	-	342.74	37.85	11.07	-	-	48.92	293.83	279.94
ROU	13.20	1.45	-	-	14.65	-	-	-	-	-	14.65	13.20
Software and other Intangibles	99.71	3.52	10.76	-	92.46	68.79	7.77	10.76	-	65.79	26.67	30.92
Total Intangible Assets	**430.70**	**29.92**	**10.76**	**-**	**449.85**	**106.64**	**18.83**	**10.76**	**-**	**114.71**	**335.15**	**324.06**

Note 5.1.1. Right of Way (ROW) Permissions: The useful lives of Right of Way (ROW) Permissions as estimated by the management for the amortization is 30 years. The useful lives of ROW Permission are inextricably linked with the pipeline networks being laid, which corresponds with the useful life of 30 years of Plant and Machinery – Pipelines network for which the Right of Way (ROW) Permission has been obtained. The Useful life of 30 years of the Right of Way (ROW) Permissions is dependent on the useful life of Plant and Machinery – Pipelines i.e. Pipeline network of the company.

Note 5.1.2 Right of Use (ROU): The company acquires the 'Right of Use' (hereinafter referred to as 'ROU') for the purpose of laying and maintenance of the underground pipeline and vests in the company and the company has the right to use the same in the manner for which it has been acquired. The acquisition of ROU is governed by the legal process as per the Act, the company has paid the compensation /consideration of the ROU -land determined by the competent authority under the Act and any person authorised by the company, have unrestricted right of entry and lay pipeline or do any other act necessary for the purpose of laying of pipeline.

The company has disclosed the cost incurred for acquisition of ROU as 'Right of Use' in the Intangible Asset schedule. Since the ROU does not have a defined life, it is perpetual in nature. Accordingly based on requirements of Ind AS 38 – Intangible Assets, the same is tested for impairment and not amortised.

Note 5.1.3- Impairment of Assets: There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

Note 5.1.4 - Security Pledge of Assets: Refer to Note 20 on borrowings for details in terms of pledge of assets as security.

Note 5.1.5 - Refer to note 42 for disclosure of contractual commitments for the acquisition of intangible assets.

Note 5.1.6 - There is no restriction on the title of intangible assets.

NOTE 5.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crores)

Intangible assets under development	As at 31st March 2021	As at 31st March 2020
Software under development	0.23	0.92
Total	**0.23**	**0.92**

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 5.1 RIGHT-OF-USE ASSETS

Right-of-use assets (Leases) as at 31st March 2021

(₹ in Crores)

Particulars	Gross Block					Amortization				Net Block	
	As at 1st April 2020	Other/ Reassessment	Addition	Disposal/ Adjustment	As at 31st March2021	As at 1st April 2020	For the Year	Disposal/ Adjustment	As at 31st March2021	As at 31st March 2021	As at 31st March 2020
Land	109.63	0.10	9.09	0.21	118.61	4.01	2.17	0.21	5.97	112.64	105.62
Buildings	7.02	-	0.50	0.27	7.25	1.41	1.40	0.27	2.54	4.71	5.61
Plant and Equipments	31.30	-	-	-	31.30	1.79	2.09	-	3.88	27.42	29.51
Vehicles	12.47	-	26.21	12.47	26.21	7.12	8.73	12.47	3.38	22.83	5.35
Total	**160.42**	**0.10**	**35.80**	**12.95**	**183.37**	**14.33**	**14.39**	**12.95**	**15.77**	**167.60**	**146.09**

Right-of-use assets (Leases) as at 31st March 2020

(₹ in Crores)

Particulars	Gross Block					Amortization				Net Block	
	As at 1st April 2019	Other/ Reassessment	Addition	Disposal/ Adjustment	As at 31st March 2020	As at 1st April 2019	For the Year	Disposal/ Adjustment	As at 31st March2020	As at 31st March 2020	As at 31st March 2019
Land	38.51	7.51	63.60	-	109.63	2.35	1.66	-	4.01	105.62	-
Buildings	-	6.97	0.05	-	7.02	-	1.41	-	1.41	5.61	-
Plant and Equipments	-	6.47	24.83	-	31.30	-	1.79	-	1.79	29.51	-
Vehicles	-	12.47	-	-	12.47	-	7.12	-	7.12	5.35	-
Total	**38.51**	**33.42**	**88.48**	**-**	**160.42**	**2.35**	**11.98**	**-**	**14.33**	**146.09**	**-**

Note 5.3.1 - Lease hold land reclassified from PPE to ROU assets on account of adoption of Ind AS 116- 'Leases on 1st April, 2019 (Refer note 50)

Note 5.3.2 -"Others/ Reassessment" includes additions on account of transition to Ind AS 116 (on April 01, 2019) in Previous year (Refer note 50)

Note 5.3.3 -"Others/ Reassessment" includes reassessment on account of modification of lease agreements ₹ 0.10 Crs in Current year (Previous year Nil)

Notes to Consolidated financial statements for the year ended on 31st March 2021

Note 6 INVESTMENT IN ASSOCIATE (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Investments in equity shares carried at cost (fully paid)		
Unquoted Equity Shares		
25000 (Previous year: 25,000) Fully Paid up Equity Shares of ₹ 10 each of Guj Info Petro Limited	0.03	0.03
Add: Share of profit	28.03	25.96
Extent of Holding	49.94%	49.94%
Place of business/ country of incorporation	India	India
Description of method used to account for the investments (Cost or fair value)	At Cost	At Cost
Total	**28.06**	**25.99**
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	28.06	25.99
(c) Aggregate amount of impairment in value of investments.	Nil	Nil

Note 7 NON- CURRENT FINANCIAL ASSETS : INVESTMENTS (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Investments in equity shares accounted through OCI (fully paid)		
Unquoted Equity Shares		
2,00,00,000 (Previous year: 2,00,00,000) Fully Paid Up Equity Shares of ₹ 1 each of Gujarat State Petroleum Corporation Limited	19.74	17.22
200 (Previous year: 200) Fully Paid Up Equity Shares of ₹ 25 each of Kalupur Co Op Comm Bank Limited	₹ 5000/-	₹ 5000/-
Total	**19.74**	**17.22**

Particulars	Extent of Holding	
	31 st March 2021	**31st March 2020**
Gujarat State Petroleum Corporation Limited (current year :-Intermediate holding company and previous year :-Intermediate holding company)	0.19%	0.19%
The Kalupur Comm. Co. Op. Bank Ltd. (Others)	0.001%	0.001%
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	19.74	17.22
(c) Aggregate amount of impairment in value of investments.	Nil	Nil

Refer Note no. 44 for financial Instruments, fair value and measurements

Note 8 NON- CURRENT FINANCIAL ASSETS : LOANS* (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Security Deposits (Refer Note 8.1)		
To Related Parties [Unsecured, considered good]	65.59	41.61
Less :Security Deposits adjustment for amortised cost -Related party	(52.84)	(33.99)
Net Security deposits to related parties	**12.75**	**7.62**
To Others [Unsecured, considered good]	56.27	53.13
To Others [Credit impaired]	13.38	13.62
Less: Allowance for bad and doubtful	(13.38)	(13.62)
Total Security Deposits (a)	69.02	60.75
Loan to Employees [Unsecured, considered good] (b)	2.17	0.21
Total (a+b)	**71.19**	**60.96**

Refer Note no. 44 for financial Instruments, fair value and measurements
Refer Note 20 on borrowings for details in terms of pledge of assets as security.

Notes to Consolidated financial statements for the year ended on 31st March 2021

Note no. 8.1: The Company has given refundable security deposits in form of fixed deposits to various project authorities to be held in their name and custody. It will be refunded after satisfactory completion of work. The company has therefore shown these fixed bank deposits amounting ₹ 34.05 Crores (Previous Year ₹ 32.19 Crores) and interest accrued on such fixed bank deposits ₹ 6.99 Crores (Previous Year ₹ 6.61 Crores), till they are in custody with project authorities as "Security Deposits" under the Note- "Loans (including Security Deposits)" in the balance sheet.

NOTE 9 NON- CURRENT FINANCIAL ASSETS : OTHERS (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Receivable from employee [Unsecured, considered good]	0.88	1.43
Other Receivable [Considered Doubtful]	0.36	0.36
Less: Allowance for bad and doubtful	(0.36)	(0.36)
Total	**0.88**	**1.43**

Refer Note 44 for financial Instruments, fair value and measurements
Refer Note 20 on borrowings for details in terms of pledge of assets as security.

NOTE 10 OTHER NON- CURRENT ASSETS (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Capital advances		
Capital advances [Unsecured, considered good]	76.12	24.55
Capital advances [Credit Impaired]	2.11	1.88
	78.23	26.43
Less: Allowance for bad and doubtful	(2.11)	(1.88)
Total	76.12	24.55
Advance against expenses		
Other advances - [Unsecured, considered good]	0.78	-
Other advances - [Credit Impaired]	-	-
	0.78	-
Less: Allowance for bad and doubtful	-	-
Total	0.78	-
Advance payment of income tax [Net of provisions] (Refer Note 29)	27.07	34.60
Prepaid Expenses	108.01	91.81
Balances with Government authorities for Litigations	18.11	18.11
Balances with Government authorities - VAT credit refundable	59.85	48.92
Deferred employee benefit cost	4.42	6.97
Other non-current assets	0.03	0.03
Total	**294.39**	**224.99**

Refer Note 48 for Related party balances
Refer Note 20 on borrowings for details in terms of pledge of assets as security.

NOTE 11 INVENTORIES (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Natural Gas	6.66	5.33
Stores and spares	37.57	37.62
Deferred delivery-Natural Gas (Goods in transit)	7.98	3.31
Total	**52.21**	**46.26**

For Valuation- Refer note 2(l)
Refer Note 20 on borrowings for details in terms of pledge of assets as security.

NOTE 12 CURRENT FINANCIAL ASSETS : TRADE RECEIVABLES (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Trade Receivables considered good - Secured	198.60	103.46
Trade Receivables considered good - Unsecured (Backed by Bank guarantee)	503.50	341.67
Trade Receivables considered good - Unsecured (Others)	80.99	65.01
Trade Receivables - credit impaired	9.85	8.27
Total	**792.94**	**518.41**
Less: Allowance for bad and doubtful	9.85	8.27
Total	**783.09**	**510.14**

Refer Note 44 for financial Instruments, fair value and measurements
Refer Note 48 for Related party balances
Refer Note 20 on borrowings for details in terms of pledge of assets as security.

Notes to Consolidated financial statements for the year ended on 31st March 2021

Note 13 CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
(a) Balance with banks		
Balance in account [with Sweep -In deposit facility]	14.47	40.42
Deposits with maturity of less than three months	-	1.98
(b) Balance with financial Institutions		
Deposits with maturity of less than three months	261.02	506.60
(c) Cash on hand	1.11	0.38
Total	**276.60**	**549.38**

Refer Note 44 for financial Instruments, fair value and measurements
Refer Note 20 on borrowings for details in terms of pledge of assets as security.

Note 14 CURRENT FINANCIAL ASSETS : OTHER BANK BALANCES (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Earmarked balances in unclaimed dividend accounts (Refer Note 14.1)	1.31	1.59
Margin money or security against borrowings & guarantees	40.02	40.00
Deposits (with banks/ financial Institutions) with maturity having more than 3 months but less than 12 months	3.03	102.94
Total	**44.36**	**144.53**

Refer Note 44 for financial Instruments, fair value and measurements
Refer Note 20 on borrowings for details in terms of pledge of assets as security.

Note 14.1 : The balances in dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment. No amount is due at the end of the period for credit to Investor Protection and Education fund.

Note 15 CURRENT FINANCIAL ASSETS : LOANS (INCLUDING SECURITY DEPOSITS) (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Loans to employees	1.29	0.91
Amount Receivable from ESOP Trust	-	-
Total	**1.29**	**0.91**

Refer Note 20 on borrowings for details in terms of pledge of assets as security.

Note 16 CURRENT FINANCIAL ASSETS : OTHERS (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Unbilled Revenue and Income	57.77	76.73
Staff - Employee Advance	0.01	0.04
Receivable from employee	0.59	0.59
Other receivables [Unsecured, considered good]:-		
From Related parties	10.75	4.21
From Others	0.37	0.10
Total	**69.49**	**81.67**

Refer Note 48 for Related party balances
Refer Note 20 on borrowings for details in terms of pledge of assets as security.

Note 17 CURRENT ASSETS : OTHERS (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances for expenses[Unsecured, considered good]		
To Related parties	0.02	0.10
To Others	10.85	7.14
Total	10.87	7.24
Prepaid Expenses	30.90	26.85
Indirect Tax credit receivable (Excise, VAT, GST etc.)	18.05	9.83
Balances with Government authorities - VAT credit refundable	122.20	60.56
Deferred employee benefit cost	2.89	2.88
Total	**184.91**	**107.36**

Refer Note 48 for Related party balances
Refer Note 20 on borrowings for details in terms of pledge of assets as security.

Notes to Consolidated financial statements for the year ended on 31st March 2021

Note 18 SHARE CAPITAL

Note 18.1 Authorised, issued, subscribed, fully paid up share capital

(₹ in Crores)

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Shares of ₹2 each	8,67,55,00,000	1,735.10	8,67,55,00,000	1,735.10
7.5% Redeemable preference Shares of ₹ 10 each	1,70,00,000	17.00	1,70,00,000	17.00
Preference shares of ₹ 10 each	50,00,000	5.00	50,00,000	5.00
Issued, Subscribed and Paid up				
Equity Shares of ₹ 2 each (fully paid-up)	68,83,90,125	137.68	68,83,90,125	137.68
Total	**68,83,90,125**	**137.68**	**68,83,90,125**	**137.68**

Note 18.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

(₹ in Crores)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Equity Shares of ₹ 2 each fully paid		Equity Shares of ₹ 2 each fully paid	
	No. of shares	Amount	No. of shares	Amount
Shares face value of ₹ 2 each outstanding at the beginning of the period	68,83,90,125	137.68	68,83,90,125	137.68
Add: Shares issued during the period	-	-	-	-
Less: Changes during the period	-	-	-	-
Shares outstanding at the end of the period	68,83,90,125	137.68	68,83,90,125	137.68

Note 18.3 : Terms/ rights attached to equity shares

The company has only one class of equity shares having a face value of ₹ 2 per share (previous year ₹ 2 each). Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.In the event of liquidation of the company, the holders of equity shares will be entitled to receive residual assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 18.4 Share holding by prescribed entities

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

(₹ in Crores)

Share Holder (Nature of Relationship)	As at 31st March 2021		As at 31st March 2020	
	No. of Equity Shares of ₹ 2 each fully paid	Amount	No. of Equity Shares of ₹ 2 each fully paid	Amount
(i) Gujarat State Petroleum Corporation Limited (current year :-Intermediate holding company and previous year :- Intermediate holding company)	-	-	-	-
(ii) Gujarat State Petronet Limited (current year :- Holding Company and previous year :- Holding Company)	37,28,73,995	74.57	37,28,73,995	74.57
(iii) Gujarat State Energy Generation Limited (current year :- Associate of Intermediate Holding Company and previous year :- Associate of Intermediate Holding Company)	13,32,235	0.27	13,32,235	0.27
(iv) Gujarat State Fertilizers and Chemicals Limited (current year :-Associate of Ultimate Holding Company and previous year :- Associate of Ultimate Holding Company)*	4,69,14,475	9.38	4,69,14,475	9.38
(v) Gujarat Alkalies & Chemicals Limited (current year :- Associate of Ultimate Holding Company and previous year :- Associate of Ultimate Holding Company)*	2,13,15,785	4.26	2,13,15,785	4.26
(vi) Gujarat Narmada Vally Fertilizers and Chemicals Limited (current year :-Associate of Ultimate Holding Company and previous year :- Associate of Ultimate Holding Company)*	2,66,445	0.05	2,66,445	0.05

Notes to Consolidated financial statements for the year ended on 31st March 2021

* Consequent to change in shareholding pattern of Gujarat State Petroleum Corporation Ltd (GSPC) pursuant to Scheme of Arrangement with Gujarat State Investments Ltd (GSIL) during the year 2019-20, GSIL has become ultimate holding company of Gujarat Gas Limited (with effect from 18th May, 2019). Accordingly, equity shares held by Gujarat State Fertilizers and Chemicals Limited, Gujarat Alkalies & Chemicals Limited and Gujarat Narmada Valley Fertilisers and Chemicals Ltd. (being associate of GSIL) has been disclosed.

Note 18.5 Shareholders holding more than 5 % of total share capital

Name of Shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Equity Shares of ₹ 2 each fully paid		Equity Shares of ₹ 2 each fully paid	
Gujarat State Petronet Limited	37,28,73,995	54.17%	37,28,73,995	54.17%
Gujarat State Fertilizers and Chemicals Limited	4,69,14,475	6.82%	4,69,14,475	6.82%
Government of Gujarat	4,49,77,310	6.53%	4,49,77,310	6.53%

Note 18.6

Details of Bought back of shares, Bonus Shares and Shares issue without payment being received in Cash:

The company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares during the period of five years immediately preceding the date of balance sheet. Further, there are no shares which are reserved for issue under options and contracts or commitments for the sale of shares or disinvestment.

Note 18.7

Proposed Dividend:

The Board of Directors, in its meeting on 1st June, 2021, have proposed a final dividend of ₹ 2.00 per equity share (Face value of ₹ 2/- each) for the financial year ended on 31st March,2021. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in a cash outflow of approximately ₹ 137.68 crores.

The Board of Directors, in its meeting on 5th June, 2020, had proposed a final dividend of ₹ 1.25 per equity share (Face value of ₹ 2/- each) for the financial year ended on 31st March,2020. The proposal was approved by shareholders at the Annual General Meeting and this resulted in a cash outflow of approximately ₹ 86.05 crores.

Note-19 OTHER EQUITY (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
(A) Reserves & Surplus		
General Reserve		
Opening Balance	2.72	2.72
Add/Less : Adjustment during the year	-	-
Closing Balance	**2.72**	**2.72**
Amalgamation and arrangement Reserve		
Opening Balance	879.59	879.59
Add/Less : Adjustment during the year	-	-
Closing Balance	**879.59**	**879.59**
Retained Earnings		
Opening balance	2,409.08	1,297.94
Changes in accounting policy- share of equity accounted investee	-	0.01
Restated balance at the beginning	2,409.08	1,297.95
Add: Profit during the year	1,277.72	1,198.82
Remeasurement of post employment benefit obligation (net of tax)	0.58	(4.70)
Total	3,687.38	2,492.07
Less : Appropriations		
Dividend	(86.05)	(68.84)
Corporate Tax on Dividend	-	(14.15)
Closing Balance	**3,601.33**	**2,409.08**
Total (A)	**4,483.64**	**3,291.39**
(B) Equity instrument through OCI		
Opening Balance	(111.71)	(112.66)
Add/Less : Change in fair value of equity instrument	2.52	1.20
Add/Less : Income tax relating to above item	(0.56)	(0.25)
Closing Balance (B)	**(109.75)**	**(111.71)**
Total other equity (A+B)	**4,373.88**	**3,179.67**

Notes to Consolidated financial statements for the year ended on 31st March 2021

Nature and purpose of reserves :

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

Amalgamation and Arrangement Reserve

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

Retained Earnings

Retained earnings represents surplus / accumulated earnings of the company available for distribution to shareholders.

Equity instrument through OCI

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instrument through OCI reserve within equity.

Notes to Consolidated financial statements for the year ended on 31st March 2021

Note 20 NON- CURRENT FINANCIAL LIABILITIES : BORROWINGS

(₹ in Crores)

	As at 31st March 2021		As at 31st March 2020	
Secured borrowings	**Non-Current**	**Current***	**Non-Current**	**Current***
Term Loan from Banks (Refer Note 20.1)	769.95	127.31	1,834.36	163.98
Total secured borrowings	**769.95**	**127.31**	**1,834.36**	**163.98**

*For current maturities of long term borrowing amount disclosed under the head "Current financial liabilities : Others" (Note 26)

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

20.1 Secured Loans

(₹ in Crores)

	Terms of repayment	Current InterestRate $	Maturity	As at 31st March 2021		As at 31st March 2020	
				Non-Current	Current	Non-Current	Current
From banks HDFC Bank Term Loan I #	Quarterly Installment from March 2018 to December 2027	5.50% p.a	Dec-27	292.10	40.43	453.72	34.48
HDFC Bank Term Loan II **	Quarterly Installment from March 2021 to September 2027	5.50% p.a	Sep-27	477.85	86.88	-	-
State Bank of India Term Loan I #	NA (for Previous year : Quarterly Installment from December 2017 to September 2027)	NA	NA	-	-	341.89	32.08
State Bank of India Term Loan II ** #	NA (for Previous year : Quarterly Installment from December 2017 to September 2027)	NA	NA	-	-	1,038.75	97.42
Total				**769.95**	**127.31**	**1,834.36**	**163.98**

During this financial year 2020-21, Company made pre-payment of total term loans of INR 988.18 Crores out of internal accruals of the company. (State Bank of India Term Loan I - INR 363.18, State Bank of India Term Loan II - INR 500.00 Crores and HDFC Bank Term Loan I - INR 125.00 Crores).

** HDFC Bank Term Loan II of Rs. 586.45 Crores was disbursed on February 15, 2021 by HDFC Bank Limited towards refinance of the State Bank of India Term Loan II outstanding as on February 15, 2021.

$ Interest rate is as on balance sheet date and interest on borrowing is payable on monthly basis.

Refer Note 44 for financial Instruments, fair value and measurements.

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

Type of Loan	As at 31st March 2021	As at 31st March 2020
Secured Loan	For HDFC Bank Rupee Term Loan I: 1. A first pari passu charge on the fixed assets (movable and immovable properties) of the Borrower, both present and future (except for ROU/ROW rights). 2. A second pari passu charge on current assets, both present and future with other secured term lenders of the Borrower. The working capital lenders will have first pari passu charge on the above current assets. For HDFC Bank Rupee Term Loan II : A first ranking pari passu charge over moveable fixed assets (both present and future) of the Borrower (except any ROU, ROW, any immovable fixed assets, lease assets and all other assets which are not permitted to be transferred in the name of the Borrower and/or creation of charge is not permissible in favor of the Bank).	For all Rupee Term Loan : 1. A first pari passu charge on the fixed assets (movable and immovable properties) i.e. property, plant & equipment (PPE), investment property of the company except for ROU/ROW rights, both present and future. 2. A second pari passu charge on current assets (financial and non financial assets) of the company, both present and future. The working capital lenders will have first pari passu charge on the current assets.

Notes to Consolidated financial statements for the year ended on 31st March 2021

Note 21 LEASE LIABILITIES (₹ in Crores)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Non-Current	Current	Non-Current	Current
Lease Liabilities (Refer note 50)	64.99	14.50	45.02	12.00
Total	**64.99**	**14.50**	**45.02**	**12.00**

Note 22 NON-CURRENT PROVISIONS (₹ in Crores)

Particulars	As at 31st March 2021	As at31st March 2020
Provision for employee benefits (Refer note 47)		
Provision for Long service benefits	0.90	0.80
Provision for leave encashment	50.77	44.43
Provision for Superannuation	0.10	0.10
Total	**51.77**	**45.33**

Note 23 DEFERRED TAX LIABILITIES (Net) (₹ in Crores)

Particulars	As at 31st March 2021	As at31st March 2020
A. Deferred tax Liabilities		
Tax effect of items constituting :		
Property, plant and equipment & Intangible assets	847.80	833.58
Investments	3.90	3.34
Loans and borrowings	-	0.14
Total - A	**851.70**	**837.06**
B. Deferred tax asset		
Tax effect of items constituting :		
Employee benefits	13.28	11.62
Provisions	12.67	7.52
Other items*	19.44	17.43
Total - B	**45.39**	**36.57**
Deferred tax Liabilities (Net) (A-B)	**806.31**	**800.49**

*Other items includes effects of Leases (IND AS 116), Deferred revenue (IND AS 115), financial instruments measurement etc.

(a) Deferred tax balances and movement for FY 2020-21 (₹ in Crores)

Particulars	Net balance 1st April 2020	Recognised in profit or loss		Recognised in OCI	Other Adjustments	As at31st March 2021
		Due to change in Tax rate	Others			
Deferred tax Liabilities -						
Tax effect of items constituting-						
Property, plant and equipment & Intangible assets	833.58		14.22	-		847.80
Investments	3.34		-	0.56	-	3.90
Loans and borrowings	0.14		(0.14)	-		-
Total	**837.06**	**NA**	**14.08**	**0.56**	**-**	**851.70**
Deferred tax asset - Tax effect of items constituting -						
Employee benefits	11.62		1.86	(0.20)		13.28
Provisions	7.52		5.15	-		12.67
Other items	17.43		2.01	-		19.44
Total	**36.57**	**NA**	**9.02**	**(0.20)**	**-**	**45.39**
Net deferred tax Liabilities	**800.49**	**NA**	**5.06**	**0.76**	**-**	**806.31**

Notes to Consolidated financial statements for the year ended on 31st March 2021

(b) Deferred tax balances and movement for FY 2019-20 (₹ in Crores)

Particulars	Net balance 1st April 2019	Recognised in profit or loss		Recognised in OCI	Other Adjustments	As at 31st March 2020
		Due to change in Tax rate	Others			
Deferred tax Liabilities - Tax effect of items constituting -						
Property, plant and equipment & Intangible assets	1,128.27	(301.10)	6.41	-	-	833.58
Investments	3.10	-	-	0.24	-	3.34
Share of net profit of associate	5.34	(5.34)		-	-	-
Loans and borrowings	0.23	(0.06)	(0.03)	-	-	0.14
Total	**1,136.94**	**(306.50)**	**6.38**	**0.24**	**-**	**837.06**
Deferred tax asset - Tax effect of items constituting -						
Employee benefits	14.07	(3.93)	(0.07)	1.55	-	11.62
Provisions	7.42	(2.08)	2.18	-	-	7.52
Other items	28.51	(7.98)	(3.10)	-		17.43
Total	**50.00**	**(13.99)**	**(0.99)**	**1.55**	**-**	**36.57**
Net deferred tax Liabilities	**1,086.94**	**(292.51)**	**7.37**	**(1.31)**	**-**	**800.49**

**Pursuant to the Taxation Laws (Amendment) Ordinance 2019 dated 20th September 2019 (which subsequently became Act), tax rates have changed with effect from 1st April, 2019 as company has opted for concessional tax rate as permitted under section 115BAA of the Income Tax Act, 1961. The Company has first time opted concessional tax rate and re-measured its deferred tax liabilities and the full impact of these changes has been recognised in the Statement of Profit & Loss for the year ended on 31st March 2020.(tax rate for 2019-20 - 25.17% and tax rate for 2018-19 - 34.94%).

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

(c) Tax losses carried forward

Particulars	31st March 2021	Expiry date	31st March 2020	Expiry date
Expire	Nil	NA	Nil	NA
Never Expire	Nil	NA	Nil	NA

Note 24 OTHER NON-CURRENT LIABILITIES (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Revenue (Refer Note 49)	62.94	63.60
Total	**62.94**	**63.60**

Note 25 CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Total outstanding dues of micro enterprises and smallenterprises -		
Trade payables others (Refer Note 43)	5.04	7.51
Total outstanding dues of creditors other than micro enterprises and small enterprises:-		
Trade payables - Gas Purchase / Transmission	318.69	240.79
Trade payables - Others & Provisions	123.49	97.35
Total	**447.22**	**345.65**

Refer Note 44 for financial Instruments, fair value and measurements
Refer Note 48 for Related party balances
Refer Note 53 for Reclassification of previous year figures

Notes to Consolidated financial statements for the year ended on 31st March 2021

Note 26 CURRENT FINANCIAL LIABILITIES : OTHERS (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Current maturities of long term borrowings - (Please refer Note 20):-		
Term Loan		
-From Banks (Secured)	127.31	163.98
	127.31	**163.98**
Capital creditors and other payables (Including retentions):-		
-Total outstanding dues of micro enterprises and small enterprises (Refer note 43)	28.69	19.44
-Total outstanding other than dues of micro enterprises and small enterprises	246.44	140.78
	275.13	**160.22**
Security Deposits from customers	1,049.28	907.56
Interest accrued on security deposits from customers	8.01	8.54
Security deposit from customers towards MGO	127.05	83.47
Security deposit from collection centres and others	4.90	4.73
Security Deposits from Suppliers	64.03	43.33
Unclaimed dividend (Refer Note 26.1)	1.31	1.59
Others:		
BG Asia Pacific Holdings Limited	464.78	464.78
Less : Amount deposited in Escrow Account with Citi Bank (Refer Note 26.2)	(464.78)	(464.78)
Net Payable	-	-
Other current financial liabilities	0.05	0.07
Total	**1,657.07**	**1,373.49**

Refer Note 44 for financial Instruments, fair value and measurements

Refer Note 48 for Related party balances

Note 26.1: The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 after the expiry of seven years from the date of declaration of dividend. No amount is due at the end of the period for credit to Investors education and protection fund.

Note 26.2: The Company deposited ₹ 464.78 crores on 12th June, 2013 into the escrow account (""named BG Asia Pacific Holdings Pte. Limited GSPC Distribution Networks Limited Escrow Account"") opened with Citibank N.A., acting as the escrow agent, pursuant to the escrow agreement executed between the BG Asia Pacific Holdings Pte. Limited (the Seller), Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) (the Purchaser) and Citibank N.A. The Payment of said amount into Escrow Account was 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.

During the year, the Company has received the ruling from the Hon'ble Authority for Advance Ruling ("AAR"), vide consolidated ruling order dated 25th February 2021 wherein the Hon'ble AAR has held that the Purchaser is not required to withhold tax since the capital gains is not subject to tax in India under India Singapore Double Tax Avoidance Agreement in the hands of the Seller. Pursuant to the ruling of the Hon'ble AAR and as per the terms of the Escrow Agreement, Escrow Account amount ₹ 464.78 crores will be remitted to the BG Asia Pacific Holdings Pte. Limited (the Seller). Accordingly, Escrow Account amount have been paid to BG Asia Pacific Holdings Pte Ltd's bank account in Singapore on 7th April 2021.

Note 27 CURRENT LIABILITIES : OTHERS (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances from customer towards connection	12.67	9.75
Advances from customers-Others	10.35	8.99
Deferred Revenue (Refer Note 49)	9.30	8.65
Statutory dues payable (Includes Excise duty,VAT,GST,TDS,PF etc.)	24.26	19.75
Provision Revenue Contract	12.19	5.25
Other Current Liabilities	0.11	-
Total	**68.88**	**52.39**

Notes to Consolidated financial statements for the year ended on 31st March 2021

Note 28 CURRENT PROVISIONS (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits (Refer note 47)		
Provision for gratuity	0.52	11.77
Provision for leave encashment	1.28	1.12
Provision for bonus & incentives (Refer note 53)	22.68	22.75
Provision for long service benefits	0.06	0.09
Total	**24.54**	**35.73**

Note 29 CURRENT TAX LIABILITIES (NET) (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 20120
Current income tax liabilities (Net of advance tax, TDS and TCS)	-	-
Total	**-**	**-**

INCOME TAX LIABILITIES (NET)
Details of Income tax assets and income tax liabilities (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
(a) Income tax assets (Refer Note 10)	27.07	34.61
(b) Current income tax liabilities	-	-
Net Asset (a-b)	**27.07**	**34.61**

Movement in income tax asset/(liability) (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Net current income tax asset/(liability) at the beginning of the period	34.61	48.57
Movement during the year on account of :		
Income tax paid for the year	417.63	317.87
Provision for Income tax for the year (Refer Note 39(a))	(415.09)	(293.79)
Prior year tax paid /refund adjusted with tax / other items	(9.07)	(0.51)
Prior year tax paid	0.17	0.27
Income tax refund received	(1.18)	(37.80)
Net current income tax asset/(liability) at the end of the period	**27.07**	**34.61**

Note 30 REVENUE FROM OPERATIONS (₹ in Crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Sale of Product (Including excise duty)		
Natural Gas	9,997.68	10,488.15
Other operating revenue		
Gas transmission / Compression income (Including excise duty)	1.89	0.70
Contract Renewal Charges	14.45	10.30
Take or Pay Income	10.20	7.41
Connection, Service and Fitting Income	16.49	17.91
Other Operating Income	1.57	2.02
	44.60	**38.34**
Total	**10,042.28**	**10,526.49**

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 31 OTHER INCOME **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest Income (including interest on tax refunds ₹ 3.52 Crores, Previous year ₹ 8.24 Crores)*	41.71	58.30
Late payment charges	8.14	8.24
Provisions no longer required written back	6.77	4.24
Profit/(Loss) on sale as scrap and diminution in Capital Inventory	0.24	0.69
Other Non-Operating Income	17.30	12.42
Total	**74.16**	**83.89**

*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.

Note 32 COST OF MATERIALS CONSUMED **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Natural Gas - Purchase	6,518.42	7,360.87
Gas Transportation Charges	477.35	496.64
Change in Deferred delivery of natural gas (GIT):-		
Add :- Opening balance	3.31	27.42
Less:- Closing balance	(7.98)	(3.31)
Net Change in Deferred delivery of natural gas(GIT)	**(4.68)**	**24.11**
Total	**6,991.09**	**7,881.62**

Note 33 CHANGES IN INVENTORIES OF NATURAL GAS **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Changes in inventories of finished goods, stock in trade and work in progress - Natural Gas		
Inventory at the beginning of the year	5.33	5.49
Less: Inventory at the end of the year	6.66	5.33
Total	**(1.33)**	**0.16**

Note 34 EMPLOYEE BENEFIT EXPENSE **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and Wages	142.13	140.85
Contribution to Provident and Other Funds- Gratuity(Refer note 47)	19.06	16.58
Leave Encashment & Other benefits	10.05	11.31
Staff Welfare Expenses	12.02	13.09
	183.26	181.83
Less: Amount capitalised during the period*	(5.77)	(6.47)
Total	**177.49**	**175.36**

*Salary & wages of employees directly involved in capital projects are capitalised in Property, plant and equipment (PPE).

Note 35 FINANCE COSTS **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest on Borrowings	102.17	178.07
Interest on Security Deposits & Others	8.96	9.76
Interest expenses on lease liability (Refer note 50)	4.77	4.20
Interest on Income Tax	0.41	0.14
Total	**116.31**	**192.17**

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 36 DEPRECIATION AND AMORTISATION EXPENSE **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation/Amortisation of property, plant and equipment (Refer note 3.1)	306.43	287.17
Amortisation of intangible assets (Refer note 5.1)	20.02	18.83
Amortisation of ROU assets (Refer note 5.3)	14.39	11.98
Total	**340.84**	**317.98**

Note 37 OTHER EXPENSES **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Consumption of Stores & Spares Parts	15.18	13.12
Power and Fuel	75.14	88.10
Repairs and Maintenance:		
- Buildings	2.56	1.82
- Plant and Machinery	185.67	182.14
- Others	13.88	14.73
Lease charges-Others (Refer Note 37.1)	24.53	18.05
LCV/HCV Hiring, Operating and Maintenance Charges (Refer Note 37.1)	48.96	51.51
Franchisee and other Commission	29.08	35.33
Agency & Contract Staff Expenses	28.22	29.78
Legal and Professional Charges	27.31	40.69
ROW running charges	48.82	43.67
Loss on sale / write-off of Fixed Assets (net)	3.41	1.64
Bank Charges	17.55	12.78
Billing and Collection expenses	9.66	9.49
Vehicles Exps	5.45	6.19
Office Expenses	8.22	9.79
Postage and Telephone Expenses	4.18	5.07
Allowance for Doubtful Trade Receivables/Advances/Deposits	1.58	4.25
Business Promotion expenses	6.26	2.26
Insurance	10.21	5.52
Rates, taxes and duties	1.31	4.88
Travelling and Conveyance	0.62	2.33
Stationery & Printing Expenses	1.80	1.79
Corporate social responsibility / Donation exp. (Refer Note no. 51)	15.01	11.95
Payment to Auditors (Refer Note 37.2)	0.29	0.28
Imbalance and overrun charges (Refer Note 37.4)	-	6.95
Diminution in Capital Inventory/Loss on sale as scrap	7.24	-
Miscellaneous Expenses	7.03	4.84
Net (gain) or loss on foreign currency transaction(Refer Note 37.3)	0.01	(0.02)
Total	**599.18**	**608.93**

Note 37.1 Leases charges-Others includes rental charges of all assets that have lease period of 12 month or less, remaining lease period of 12 months or less as on transition date, rental charges of low value assets, variable lease payments and component of taxes of ROU lease charges.

LCV/HCV Hiring, Operating and Maintenance Charges includes non lease component viz. manpower, fuel cost, repair and maintenance and rental charges of LCV/HCV lease assets that have lease period of 12 month or less. (Refer note 50).

Note 37.2 Payment to Auditors **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
For Statutory Audit	0.29	0.28
Others (Certification charges paid ₹ 11,800/- , Previous year ₹ 23,586/-)	0.00	0.00
Total	**0.29**	**0.28**

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 37.3 Net (gain) or loss on foreign currency transaction **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Loss on foreign currency transaction	0.01	0.01
Gain on foreign currency transaction	-	(0.03)
Net (gain) or loss on foreign currency transaction	**0.01**	**(0.02)**

Note 37.4 The amount pertains to the appropriation of accumulated amount of imbalance and overrun charges collected from customer lying in the escrow account operated by the Company as during previous financial year, the said amount has been deposited into the escrow account established by Petroleum and Natural Gas Regulatory Board (PNGRB) in compliance with amendment of Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Amendment Regulations, 2019.

Note 38 EXCEPTIONAL ITEMS **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Exceptional item	-	-
Total	**-**	**-**

Note 39 TAX EXPENSE

(a) Amounts recognised in statement of profit and loss **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current Tax		
(a) Current income tax*	415.09	293.79
(b) Short/(Excess) provision of income tax in respect of previous years	9.07	0.51
Total (A)	**424.16**	**294.30**
Deferred tax		
Deferred tax expense / (Income)- net		
(a) In respect of current year, Origination and reversal of temporary differences	14.16	7.76
(b) Short/(Excess) provision of income tax in respect of previous years	(9.10)	(0.38)
(c) Due to change in tax rate (Current year 25.17% and Previous Year 25.17%)*	-	(292.52)
Total (B)	**5.06**	**(285.14)**
Tax expense for the year (A+B)	**429.22**	**9.16**

(b) Reconciliation of effective tax rate and tax expense with accounting profit **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit before tax	**1,706.94**	**1,207.98**
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 25.17%)*	429.60	304.02
Tax effect on account of:		
Change in tax rate for Deferred tax (decrease in rate) *	-	(292.52)
Expenses not deductible or disallowances for tax purposes - Interest u/s. 234B / 234C , donation etc.	1.36	0.53
Impact of Tax on share of profit of subsidiary/sole controlled entity and associate	(0.54)	0.00
Other items	0.54	-
Impact of Long Term Capital Gain on Land	(1.71)	(3.00)
Impact of (Excess)/Short provisions of earlier year taxes	(0.03)	0.13
Total	**429.22**	**9.16**

Notes to Consolidated financial statements for the year ended 31st March 2021

*Pursuant to the Taxation Laws (Amendment) Ordinance 2019 dated 20th September 2019 (which subsequently became Act), tax rates have changed with effect from 1st April, 2019 as company has opted for concessional tax rate as permitted under section 115BAA of the Income Tax Act, 1961. The Company has first time opted concessional tax rate and re-measured its deferred tax liabilities and the full impact of these changes has been recognised in the Statement of Profit & Loss for the year ended on 31st March 2020. (tax rate for 2019-20 - 25.17% and tax rate for 2018-19 - 34.94%)

Note 40 STATEMENT OF OTHER COMPREHENSIVE INCOME **(₹ in Crores)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Items that will not be reclassified to profit or loss		
I. Equity Instruments through Other Comprehensive Income		
Fair value of unquoted investments - gain /(loss)	2.52	1.20
Tax impact on unquoted investments	(0.56)	(0.25)
II. Remeasurement gains/ (losses) on defined employee benefit plans		
Actuarial gains and losses - gain /(loss)	0.81	(6.21)
Tax impact on actuarial gains and losses	(0.20)	1.56
Share of Other comprehensive income of equity accounted investee	**(0.03)**	**(0.05)**
Total of Items that will not be reclassified to profit or loss	**3.30**	**(5.06)**
Total Tax impact	**(0.76)**	**1.31**
Total	**2.54**	**(3.75)**

Note 41 EARNINGS PER SHARE (EPS)

EARNINGS PER EQUITY SHARE- FACE VALUE OF ₹ 2 EACH

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit for the year (Profit attributable to equity shareholders (₹ in Crores)	1,277.72	1,198.82
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	68,83,90,125	68,83,90,125
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	68,83,90,125	68,83,90,125
Face Value of equity share (₹)	2.00	2.00
Basic EPS (₹)	18.56	17.41
Diluted EPS (₹)	18.56	17.41

Note:- Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

Note 42 CONTINGENT LIABILITIES & CONTINGENT ASSETS

(A) CONTINGENT LIABILITIES **(₹ in Crores)**

Contingent liabilities (to the extent not provided for)	As at 31st March 2021	As at 31st March 2020
Contingent Liabilities		
(a) Contingent Liabilities - Statutory claims (Refer Note 42.1)	78.35	78.21
(b) Claims against the company not acknowledged as debt(Refer Note 42.2)	716.24	792.11
Total	**794.60**	**870.31**

The Group has reviewed all its pending claims, litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these claims, litigations and proceedings to have a materially adverse effect on its financial position.

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 42.1 - Contingent Liabilities - Statutory claims (₹ in Crores)

Sr. no.	Particulars	As at 31st March 2021	As at 31st March 2020
1	Disputed statutory dues in respect of which Appeals are filed against / by company :		
	(a) Excise Duty	18.58	18.24
	(b) Income Tax	18.77	19.11
	(c) Service Tax	41.00	40.86
TOTAL		**78.35**	**78.21**

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

Note 42.2 - Claims against the company not acknowledged as debt includes the following major matters:

(i) UPL Limited (UPL) a customer of erstwhile Gujarat Gas Company Limited(now known as Gujarat Gas Limited) had filed a complaint before Petroleum and Natural Gas Regulatory Board (PNGRB) against erstwhile GGCL alleging charging of tariff illegally under the City Gas Network Distribution Agreement entered into between the Parties. The matter was decided against the company by PNGRB vide its Order dated 20.10.2014. The company had preferred an appeal at Appellate Tribunal for Electricity (APTEL) against the aforementioned PNGRB Order. The company had submitted a bank guarantee of Rs. 40.00 Crores in favour of UPL.APTEL has delivered final judgement on 10.03.2021 in favour of the Company by setting aside the aforementioned PNGRB Order, and has recorded that invocation of HAPI tariff by PNGRB for the negotiated arrangement between the parties was not only against the letter and spirit of regulations defining tariff zone but also tantamount to rewriting of contract.

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

PGNRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal. The PLL Offtakers (GAIL) filed appeals against the said PNGRB orders before the Appellate Tribunal for Electricity (APTEL). On 23-February-2012 APTEL had issued an interim order for shifting the Delivery Point from GAIL-GSPL Delivery Point to GSPL-PLL Delivery Point. On 18-December-2013 APTEL issued its judgment and required GSPCL to pay the amount of the difference between ₹ 8.74/MMBTU (exclusive of Service Tax) – earlier connectivity charges and ₹ 19.83/MMBTU (Exclusive of Service Tax) – HVJ/DVPL Zone-1 tariff to GAIL for the period from 20th November 2008 to 29th February 2012.

GSPCL has filed an appeal against the APTEL’s above referred judgment before Hon’ble Supreme Court of India (GSPCL vs. GAIL & Others, Civil Appeal No. 2473-2476 of 2014) and the Hon’ble Supreme Court of India had passed the Interim Order on 28th February 2014. The Court has stated that the ends of justice would be met if as a matter of interim arrangement, the appellant is directed to pay interconnectivity charges at the rate of ₹ 12.00 per MMBTU (exclusive of Taxes). The Company has already provided and paid interconnectivity charges at the rate of ₹12.00 per MMBTU (exclusive of Taxes). GGL has not received any bill / demand note for the amount over and above ₹ 12.00 per MMBTU from supplier till date. As the final liability would only be determined post the final order of the court, quantification of any amount as contingent liability in the interim is inappropriate due to the uncertainty involved and hence the same is not mentioned / disclosed in the financial statement.

(iii) One of the gas suppliers of the Company has submitted a claim of ₹ 523.82 Crores (P. Y. ₹ 508.24 Crores), for use of allocated gas for other than specified purpose, demand in earlier years related to FY 2013-14 to FY 2019-20 (H1) and no claim received from supplier for FY 2019-20 (H2) and FY 2020-21. The company has refuted this erroneous claim contending that there is gross error in actual domestic gas purchase and actual sales considered by supplier and also there is no contractual provisions of the agreement executed with GGL that allow such claim. The management is of the firm view that the company is not liable to pay any such claim. The company has already taken up the matter with concerned party/authorities to withdraw the claim.

(iv) The company has initiated an arbitration proceeding against one of the franchisee claiming compensation for loss of revenue While replying to the claim, the said franchisee has also filed a counter claim of ₹ 177.14 Crores (P. Y. ₹ 177.14 Crores) against the company claiming compensation for various losses. The company has filed necessary rejoinder to the counter claim strongly refuting the same mainly on the grounds that the counter claims are wrong and without merits and as are not flowing from the

Notes to Consolidated financial statements for the year ended 31st March 2021

same agreement under which the arbitral tribunal has been constituted. Further, the tribunal does not have any jurisdiction to adjudicate the counter claim filed by the franchisee.

B) CONTINGENT ASSETS

(i) Company has raised claim of ₹ 43.08 crores (Previous year ₹ 43.08 crores) for net credit of natural gas pipeline tariff as per PNGRB Order with one of the suppliers and supplier is disputing company's claim and indicating for adjusting the partial claim of ₹ 30.72 (Previous year ₹ 30.72 crores) crores out of total claim ₹ 43.08 crores (Previous year ₹ 43.08 crores) against disputed liability for use of allocated gas other than specified purpose, against demand in earlier year (Refer Point 42 A-(iii) above).

(ii) Company has filed an appeal before the Appellate Tribunal for Electricity (APTEL) against the PNGRB order related to the matter held that the Gas Swapping Arrangement Guidelines of PNGRB is applicable erroneously. APTEL has issued the order in favour of GGL. The said supplier has filed appeal at Hon'ble Supreme Court of India against the order of APTEL. Presently, the matter is pending in Hon'ble Supreme Court of India. Currently, GGL is paying ₹ 19.83 per mmbtu as transmission charges for domesticgas being purchased and delivered by GAIL at one of the delivery points . If verdict is in favour of GGL, GGL will get refund of ₹173.29 Crores (Previous year ₹ 163.58 Crores) from December 2013 till March 2021 and company shall endeavour to pass on the benefit to its customers.

(iii) The Company is having other certain claims, litigations and proceedings which are pursuing through legal processes. The management believe that probable outcome in all such claims, litigations and proceedings are uncertain. Hence, the disclosure of such claims, litigations and proceedings is not required in the financial statements.

C) COMMITMENTS **(₹ in Crores)**

Sr. No.	Commitments (to the extent not provided for)	As at 31st March 2021	As at 31st March 2020
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	1,196.42	712.54
2	Estimated amount of contracts remaining to be executed on revenue account and not provided for	1,077.30	651.21
Total		**2,273.73**	**1,363.74**

Other commitments

All term contracts for purchase of natural gas with suppliers, has contractual volume off take obligation of "Take or Pay" (ToP) as specified in individual contracts. Quantification of ToP amount is dependent on various factors like actual purchase quantity, gas purchase prices of respective contract etc. As these factors are not predictable, ToP commitment amount is not quantifiable.

Note 43 Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006 **(₹ in Crores)**

Sr. No.	Particulars	As at 31st March 2021	As at 31st March 2020
1	The principal amount outstanding as at the end of accounting year.		
	a) Trade payable	5.04	7.51
	b) Capital creditors	28.69	19.44
2	Principal amount due and remaining unpaid as at the end of accounting year.	-	-
3	Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during accounting year.	-	
4	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
5	Interest accrued and remaining unpaid at the end of accounting year (Refer Note below).	-	0.02
6	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes to Consolidated financial statements for the year ended 31st March 2021

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

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE 44 FINANCIAL INSTRUMENTS (FAIR VALUE MEASUREMENTS) AND FINANCIAL RISK MANAGEMENT

The Company has various financial assets and liabilities. The disclosures regarding the classification, fair value hierarchy, markets risk, credit risks and liquidity risks are as follows:

A. Accounting classification and fair values **(₹ in Crores)**

	Carrying amount				Fair value			
March 31, 2021	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1 - Quoted price in active markets**	**Level -2 Significant observable inputs**	**Level 3 - Significant unobservable inputs**	**Total**
Financial assets								
Investments	-	19.74	-	19.74	-	-	19.74	19.74
Financial assets measured at amortised cost								
Loans (Non-current)	-	-	71.19	71.19	-	-	-	-
Loans (Current)	-	-	1.29	1.29	-	-	-	-
Other financial assets (Non-current)	-	-	0.88	0.88	-	-	-	-
Other financial assets (Current)	-	-	69.49	69.49	-	-	-	-
Trade receivables	-	-	783.09	783.09	-	-	-	-
Cash and cash equivalents	-	-	276.60	276.60	-	-	-	-
Other bank balances	-	-	44.36	44.36	-	-	-	-
Total	**-**	**19.74**	**1,246.90**	**1,266.64**	**-**	**-**	**19.74**	**19.74**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	769.95	769.95	-	-	-	-
Non current-Lease Liabilities	-	-	64.99	64.99	-	-	-	-
Current borrowings	-	-	-	-	-	-	-	-
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	447.22	447.22	-	-	-	-
Lease Liabilities			14.50	14.50	-	-	-	-
Other financial liabilities	-	-	1,657.07	1,657.07	-	-	-	-
Total	**-**	**-**	**2,953.73**	**2,953.73**	**-**	**-**	**-**	**-**

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)

(₹ in Crores)

	Carrying amount				Fair value			
March 31, 2020	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1 - Quoted price in active markets**	**Level -2 Significant observable inputs**	**Level 3 - Significant unobservable inputs**	**Total**
Financial assets								
Investments	-	17.22	-	17.22	-	-	17.22	17.22
Financial assets measured at amortised cost								
Loans (Non-current)	-	-	60.96	60.96	-	-	-	-
Loans (Current)	-	-	0.91	0.91	-	-	-	-
Other financial assets (Non-current)	-	-	1.43	1.43	-	-	-	-
Other financial assets (Current)	-	-	81.67	81.67	-	-	-	-
Trade receivables	-	-	510.14	510.14	-	-	-	-
Cash and cash equivalents	-	-	549.38	549.38	-	-	-	-
Other bank balances	-	-	144.53	144.53	-	-	-	-
Total	**-**	**17.22**	**1,349.02**	**1,366.24**	**-**	**-**	**17.22**	**17.22**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	1,834.36	1,834.36	-	-	-	-
Non current-Lease Liabilities	-	-	45.02	45.02	-	-	-	-
Current borrowings	-	-	-	-	-	-	-	-
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	345.65	345.65	-	-	-	-
Lease Liabilities			12.00	12.00	-	-	-	-
Other financial liabilities	-	-	1,373.49	1,373.49	-	-	-	-
Total	**-**	**-**	**3,610.52**	**3,610.52**	**-**	**-**	**-**	**-**

Fair Value Hierarchy of Financial Assets and Liabilities :

Fair value of financial assets and liabilities which are measured at amortised cost is not materially different from the carrying value (ie..amortised cost). Accordingly, the fair value has not been disclosed separately.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

B. MEASUREMENT OF FAIR VALUES

i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value - FVTOCI in unquoted equity shares

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputsand fair value measurement
Market comparison technique: The valuation model is based on three approaches :- **1. Market approach :** This approach uses information generated by market transactions of the Company being valued or the transactions of comparable companies. The following market-linked information may be used for determining valuation under this approach. - Quoted price of the company being valued, - Past transaction value of the company being valued, - Listed comparable companies' trading multiples like price to earning ratio, enterprise value to earning before interest, tax, depreciation and amortisation, enterprise value to sales etc. - Transactions multiples for investment / M & A transaction of comparable companies. The valuation arrived at based on the market approach reflects the current value of the Company perceived in the active market. However, as the valuation arrived at using market multiples is based on the past/current transaction or traded values of comparable companies / businesses, it may not reflect the possible changes in future trend of cash flows being generated by a business.	Comparable unobservable entity has been taken as a base for the valuation of unquoted equity shares and its management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc. As stated , highest priority is given to unadjusted quoted price of listed entities andlowest priority to non-market linked inputs such as future cash flows used in incomeapproach.	The estimated fair value would increase (decrease) if: There is a change in pricing multiple owing to change in earnings of the entity. Considering the diverse asset and investment base of the Company with differing risk/return profiles, a sum of the parts approach has been adopted for the valuation. Under this method, the value of each distinct business / asset / investment has been arrived at separately and total value estimate for the Company presented as the sum of all its business / investments /assets.
2. Income approach – The income approach reflects present value of future cash flows. For valuing a business, the discounted cash flow (DCF) methodology is used under this approach. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. This method is used to determine the present value of business on a going concern assumption. The DCF technique recognizes the time value of money. The value of the firm is arrived at by estimating the Free Cash Flow to Firm (FCFF) and discounting the same at the Weighted Average Cost of Capital (WACC). FCFF is estimated by forecasting free cash flows available to the firm (which are derived on the basis of the likely future earnings of the company).		
3. Cost approach –The cost approach essentially estimates the cost of replacing the tangible assets of the business. The replacement cost takes into account the market value of various assets or the expenditure required to create the infrastructure exactly similar to that of a company being valued.		

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods.

iii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March 2021 and 31st March 2020 is as below:

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)

(₹ in Crores)

Particulars	Amount
As at 1 April 2019	**16.02**
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	1.20
Gains/ (losses) recognised in statement of profit or loss	-
Closing Balance as at 31 March 2020	**17.22**
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	2.52
Gains/ (losses) recognised in statement of profit or loss	-
Closing Balance as at 31 March 2021	**19.74**

Equity Instrument: Fair value of investment in GSPC shares is based on Market approach, Income approach and Asset approach.

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended 31st March 2021 and the year ended 31st March 2020.

Ind AS 101 allows an entity to designate certain investments in equity instruments as fair valued through the OCI on the basis of the facts and circumstances at the transition date to Ind AS.The Company has elected to apply this exemption for its investment in equity shares.

Sensitivity analysis

Based on the valuation report for investments in unquoted shares, the sensitivity as on 31st March 2021 is provided below.

(₹ in Crores)

Significant observable inputs	OCI	
	10% Increase	10% Decrease
Equity securities in unquoted investments measured through OCI		
Impact of variation in fluctuation in the market prices of subsidiary companies/Gas marketing business		
As on 31st March 2021	2.79	(2.79)
As on 31st March 2020	2.87	(2.87)

C. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- **Credit risk;**
- **Liquidity risk; and**
- **Market risk**

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company has a well-defined Risk Management framework for reviewing the major risks and has adopted a Business Risk Management Policy which also takes care of all the financial risks. Further, pursuant to the requirement of Regulation 21 of SEBI (Listing obligation and disclosure Requirements) Regulation, 2015, the company has constituted a Risk Management Committee inter - alia to monitor the Risk Management Plan of the Company.

The Group Heads Committee supported by Managing Director oversees the management of these risks. The Company's senior management is supported by Risk Management Committee that advises on financial risk and appropriate financial risk governance framework for the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Board of Directors reviews and agrees policies for managing each of these risks.

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

(a) Other financial assets

The company maintains its Cash and cash equivalents and deposits with banks / financial institutions having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

(b) Trade and other receivables

The Company's exposure to credit Risk is the exposure that Company has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial, Commercial-Non Commercial, Domestic and CNG.

The Commercial and Marketing department has established a credit policy for each category of customer viz. industrial, domestic and commercial.

The Company raises the invoice for quantities sold based on periodicity as per the agreement. Sales are subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the company's receivables are secured. In case of short/non receipt of security deposit/or bank guarantee, the Company is exposed to credit risk to that extent.

For sales to domestic customers for household purposes like cooking, geyser application, etc., invoices are raised periodically. Security deposits along with connection deposits are taken for mitigation of potential credit risk arising in the event of non-payment of invoices. Company is exposed to credit risk beyond the value of deposits.

CNG sales made through operators of the CNG stations owned by the Company and CNG Franchises outlet are exposed to credit risk as amounts so collected is deposited/transferred in company bank account on next working day. Bank Guarantee / Security Deposit is taken to mitigate the credit risk. In case of short/non receipt of security deposit/or bank guarantee, the Company is exposed to credit risk to that extent.

For CNG sales made through Oil Marketing Companies (OMCs), the Company raises the invoice for quantities sold based on periodicity as per the agreement. The OMCs are well established companies viz. HPCL, BPCL, IOCL, Nayara Energy (e-Essar Oil Ltd.) where no significant credit risk is anticipated.

The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. All trade receivables are reviewed and assessed for default on regular basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low. Credit risk is considered high when the counter party fails to make contractual payment within 180 days of when they fall due. The risk is determined by considering the business environment in which the company operates and other macro economic factors.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognised in profit and loss.

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

(₹ in Crores)

Particulars	Carrying amount	
	31st March 2021	**31st March 2020**
India	792.94	518.41
Other regions	-	-
Total	**792.94**	**518.41**

Expected credit loss for Trade receivables under Simplified Approach **(₹ in Crores)**

Particulars	Carrying amount	
	31st March 2021	**31st March 2020**
Neither past due nor impaired	707.95	331.12
Past due 1–90 days	61.82	166.18
Past due 91–180 days	5.12	6.62
Past due 181 to 1095 days	10.59	8.01
Greater than 1095 days	7.47	6.48
	792.94	518.41
Less: Expected credit losses (Allowance for bad and doubtful)	9.85	8.27
Carrying amount of Trade Receivable (net of impairment)	**783.09**	**510.14**

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)

In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk and consequential defaults considering emerging situations due to COVID-19. The assessment is based on management estimates considering the nature of receivables and the market conditions.

Movement in Allowance for bad and doubtful Trade receivable **(₹ in Crores)**

Particulars	31st March, 2021	31st March, 2020
Opening Allowance for bad and doubtful Trade receivable	8.27	6.52
Add: Provision during the year	1.59	1.75
Less: Write off during the year	0.01	-
Closing Allowance for bad and doubtful Trade receivable	**9.85**	**8.27**

The impairment provisions above are based on management judgment / assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history as well as forward looking estimates at the end of each reporting period.

(c) Loans and deposits - security deposits

Company has given security deposit to various government authorities (like Municipal corporation, Nagarpalika, Grampanchayat, Road & building division and Irrigation department -of Govt. of Gujarat etc.) for the permission related to work of executing / laying pipeline network in their premises / jurisdiction. Being government authorities the Companies have no exposure to any credit risk.

Movement in Allowance for bad and doubtful Security deposits-Project authority **(₹ in Crores)**

Particulars	31st March, 2021	31st March, 2020
Opening Allowance for bad and doubtful Security deposits	13.62	12.06
Provision during the year	1.95	2.70
Recovery/Adjustment during the year	(2.19)	(1.14)
Write off during the year	-	-
Closing Allowance for bad and doubtful Security deposits	**13.38**	**13.62**

The impairment provisions for financial assets - Loan and advances - Security Deposit as disclosed above are based on management judgment / assumptions about risk of performance default . The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history as well as forward looking estimates at the end of each reporting period.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains the following lines of credit outstanding:

The Company maintains the following lines of credit outstanding:Term loans from banks and financial institution of ₹ 897.26 crores (Previous year: ₹ 1998.34 crores) that is secured by First pari - passu charge on all Present and future fixed assets & Property, plant, equipment (PPE)(Movable & Immovable) of the Company and Second pari -passu charge on Present & Future Current Assets (financial and non financial assets) of the Company. Interest rate payable @ 5.50% p.a. (for more details - Refer Note no. 20 Secured borrowings).

Financing arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crores)

Particulars	31st March, 2021	31st March, 2020
Floating rate		
Expiring within one year (term loans, bank overdraft and other facilities)	73.02	127.00
Expiring beyond one year (term loans, bank overdraft and other facilities)	-	-
Total	**73.02**	**127.00**

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)

(₹ in Crores)

31st March, 2021	Carrying amount	Undiscounted Contractual cash flows Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current borrowings	769.95	769.95	-	127.17	413.75	229.03
Non current-Lease Liabilities	116.86	116.86	-	12.03	33.59	71.24
Non current financial liabilities	-	-	-	-	-	-
Current financial liabilities	-	-	-	-	-	-
Trade and other payables	447.22	447.22	447.22	-	-	-
Lease Liabilities	18.74	18.74	18.74	-	-	-
Other current financial liabilities	1,657.07	1,657.07	1,657.07	-	-	-
	3,009.84	**3,009.84**	**2,123.03**	**139.20**	**447.34**	**300.27**

Other current financial liabilities include customer deposits which are considered repayable on demand.

(₹ in Crores)

31st March, 2020	Carrying amount	Undiscounted Contractual cash flows Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current borrowings	1,834.36	1,834.36	-	227.77	791.71	814.88
Non current-Lease Liabilities	100.19	100.19	-	6.81	20.39	72.99
Non current financial liabilities	-	-	-	-	-	-
Current financial liabilities	-	-	-	-	-	-
Trade and other payables	345.65	345.65	345.65	-	-	-
Lease Liabilities	12.44	12.44	12.44	-	-	-
Other current financial liabilities	1,373.49	1,373.49	1,373.49	-	-	-
	3,666.13	**3,666.13**	**1,731.58**	**234.58**	**812.10**	**887.87**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

a) Currency risk

The functional currency of the Company is Indian Rupee (₹). The Company's transactions are majorly denominated in INR and the quantum of the foreign currency transactions being immaterial, the company is not exposed to currency risk on account of payables and receivables in foreign currency. The company does not have any exports. Import amount to 0.85 % (Previous Year 1.30%) of total consumption of stores and spares, this is not perceived to be a major risk.

b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

On period under review the Company do not have any borrowings at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate.

(₹ in Crores)

Variable-rate instruments	31st March, 2021	31st March, 2020
Non current - Borrowings	769.95	1,834.36
Current portion of Long term borrowings	127.31	163.98
Total	**897.26**	**1,998.34**

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 44 Financial Instruments (Fair Value Measurements) and Financial Risk Management (continued...)

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps) . Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

(₹ in Crores)

Particulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
31st March 2021				
Non current - Borrowings	(7.70)	7.70	(5.76)	5.76
Current portion of Long term borrowings	(1.27)	1.27	(0.95)	0.95
Total	**(8.97)**	**8.97**	**(6.71)**	**6.71**
31st March 2020				
Non current - Borrowings	(18.34)	18.34	(13.73)	13.73
Current portion of Long term borrowings	(1.64)	1.64	(1.23)	1.23
Total	**(19.98)**	**19.98**	**(14.95)**	**14.95**

c) Commodity Price Risk

Risk arising on account of fluctuations in price of natural gas is mitigated by ability to pass on the fluctuations in prices to customers over period of time. The company monitors movements in the prices closely on regular basis

d) Equity Price Risk

The Company do not have any investment in quoted equity shares hence not exposed to equity price risk.

Note 45 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- Maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company has achieved a return on capital 28% in March 31, 2021 (Previous year: 36%). The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 6.88% p.a.(Previous year: 8.35% p.a.)

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and bank balances. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio is as follows.

Particulars	(₹ in Crores) As at 31st March 2021	As at 31st March 2020
Borrowings	897.26	1,998.34
Total equity	4,511.56	3,317.35
Debt equity ratio	**0.20**	**0.60**
Interest bearing borrowings	897.26	1,998.34
Less : Cash and bank balances	320.96	693.91
Adjusted net debt	**576.30**	**1,304.43**
Adjusted net debt to adjusted equity ratio	**0.13**	**0.39**

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 46-EMPLOYEE STOCK OPTION PLAN:

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

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

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

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

2 The above Revised Grants of Options-I has been on the basis of the Share Exchange Ratio of 1 (one) equity share of Rs.10/- each of GGL, for every 1 (one) equity share of Rs.2/- each of e-GGCL, pursuant to the Scheme of Amalgamation.

3 The Options-I bear the Exercise Price as per the ESOP 2008. The Exercise Price payable for Options-I under ESOP 2016 is based on the Exercise Price payable by such Eligible Employees under the ESOP 2008 that has been adjusted after taking into account the effect of the Share Exchange Ratio of 1:1 as mentioned above.

4 Upon such Revised Grant of Options-I to the Eligible Employees the Options Granted under the ESOP 2008 stand cancelled and the Eligible Employees shall continue to be bound by all the terms and conditions of the ESOP 2008 in addition to this ESOP 2016.

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

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

The ESOP 2008 Trust had purchased out of the funds advanced by the Company, the shares equivalent to the number of options granted. IDBI Trusteeship Services Limited are the Trustees. The Trustees can sell the shares in the market as per the approved scheme and for the year ended on 31st March 2021, there are no purchases from the market.

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

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

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

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. **There are no options outstanding as on 31 March 2021, 31 March 2020 and 31 March 2019.**

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 47 DISCLOSURE OF EMPLOYEE BENEFITS

The Company has implemented Ind AS - 19 on "Employee Benefits".

(a) Contributions to Defined Contribution Plan, recognised as expense for the year are as under: **(₹ in Crores)**

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
(i) Provident Fund	9.19	9.02
(ii) National Pension Scheme	3.72	1.94

(b) Gratuity and Leave Encashment - Defined Benefit Plans (payable in future)

Provision has been made for gratuity and leave encashment as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

(₹ in Crores)

	Assumptions	31st March 2021		31st March 2020	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
A.	**Discount rate**	6.45%	6.45%	6.85%	6.85%
	Rate of return on plan assets	6.45%	N.A.	6.85%	N.A.
	Salary Escalation	10.00%	10.00%	10.00%	10.00%
B.	**Change in Defined Benefit Obligations**				
	Liability at the beginning of the year	67.96	45.54	55.28	39.71
	Interest Cost	4.58	3.08	4.12	2.97
	Current Service Cost	5.68	3.97	5.21	3.30
	Benefits Paid	(3.03)	(3.47)	(2.81)	(5.40)
	Actuarial loss/ (gain) due to experience adjustment	(2.39)	0.10	0.80	0.77
	Actuarial loss/ (gain) due to demographic assumption	-	-	0.03	0.03
	Actuarial (Gain) / Loss due to change in financial estimate	3.56	2.83	5.34	4.16
	Total Liability at the end of the year	**76.37**	**52.05**	**67.96**	**45.54**
C.	**Change in Fair Value of plan Assets**				
	Opening fair Value of plan assets	56.19	-	47.91	-
	Expected return on plan assets	3.96	-	3.74	-
	Return on plan assets excluding amounts included in interest income	1.98	-	(0.05)	-
	Contributions by employer	16.74	-	7.39	-
	Benefits Paid	(3.03)	-	(2.81)	-
	Closing fair Value of plan assets	**75.85**	**-**	**56.19**	**-**
D.	**Expenses Recognised in the Profit and Loss Statement**				
	Current Service Cost	5.68	3.97	5.21	3.30
	Interest Cost	4.58	3.08	4.12	2.97
	Expected return on plan assets	(3.96)	-	(3.74)	-
	Actuarial (Gain) / Loss	(0.81)	2.93	6.21	4.96
	Exps. charged to Statement of Profit & Loss	**5.49**	**9.97**	**11.80**	**11.23**
E.	**Balance Sheet Reconciliation**				
	Opening Net Liability	11.77	45.54	7.37	39.71
	Employee Benefit Expense	6.29	9.97	5.58	11.23
	Amounts recognized in Other Comprehensive Income	(0.81)	-	6.21	-
	Contributions by employer	(16.74)	-	(7.39)	-
	Benefits Paid	-	(3.47)	-	(5.40)
	Closing Liability	**0.52**	**52.05**	**11.77**	**45.54**
F.	Current/Non-Current Liability :				
	Current*	0.52	1.28	11.77	1.12
	Non-Current	-	50.77	-	44.43

*The Company expects that total outstanding gratuity liability payable as on 31.03.2021 will be paid to the gratuity trust within next 12 months.

Notes to Consolidated financial statements for the year ended 31st March 2021

(c) Amounts recognised in current year and previous four years **(₹ in Crores)**

	Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
A.	**Gratuity**					
	Present value of Defined Benefit Obligation	76.37	67.96	55.28	46.80	42.12
	Fair value of Plan Assets	75.85	56.19	47.91	42.88	34.11
	(Surplus) / Deficit in the plan	0.52	11.77	7.37	3.92	8.01
	Actuarial (Gain) / Loss on Plan Obligation	3.56	5.34	3.69	(2.27)	0.31
	Actuarial Gain / (Loss) on Plan Assets	1.98	(0.05)	(0.24)	(0.46)	0.68
B.	**Earned Leave**					
	Present value of Defined Benefit Obligation	52.05	45.54	39.71	33.17	30.70
	Actuarial (Gain) / Loss on Plan Obligation	2.83	4.16	3.10	(1.89)	0.27
C.	**Long Service Award**					
	Present value of Defined Benefit Obligation	0.97	0.89	0.81	0.83	0.94
	Actuarial (Gain) / Loss on Plan Obligation	-	-	-	-	-

(d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Crores)

Particulars	As at 31st March 2021			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	71.96	48.54	81.21	55.92
Salary growth rate (0.5% movement)	81.02	55.78	72.09	48.64

Particulars	As at 31st March 2020			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	64.08	42.51	72.21	48.89
Salary growth rate (0.5% movement)	72.05	48.77	64.18	42.58

(e) Gratuity Benefits Plan:

The benefit is governed by the Payment of Gratuity Act, 1972 (as amended). The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	No ceiling
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	60 years

(i) Entity's responsibilities for the governance of the plan

Risk to the Plan

Following are the risk to which the plan exposes the entity :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

- Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.
- Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
- Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Notes to Consolidated financial statements for the year ended 31st March 2021

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(ii) The company has participated in Group Gratuity Scheme Plan with Life Insurance Corporation of India (LIC), HDFC Life Insurance Co. Ltd, Aditya Birla Sun Life Insurance Co. Ltd, ICICI Prudential Life Insurance Co. Ltd, SBI Life Insurance Co. Ltd., Bajaj Allianz Life Insurance Company Ltd, Kotak Mahindra Life Insurance Co. Ltd and Reliance Nippon Life Insurance Co. Ltd (collectively referred as Insurance Co. / Fund Managers) through Gratuity Trust to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year. The total value of plan assets is as certified by the various Insurance Co./ fund managers.

(a) Composition of the plan assets: -

Particulars	31st March, 2021	31st March, 2020	31st March, 2019
Bank balance	0.00%	0.25%	0.20%
Policy of insurance	100.00%	99.73%	99.77%
Others	0.00%	0.02%	0.02%

(b) The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

(c) Expected benefit payments for gratuity as on 31st March 2021.

Particulars	1-3 years	4-5 years	6 year & Above
Cash flow (₹ in Crores)	11.01	7.67	177.80
Distribution (in %)	5.60%	4.00%	90.40%

(f) Expected benefit payments as on 31 March 2021 for Privilege Leave encashment benefits.

Particulars	1-3 years	4-5 years	6 year & Above
Cash flow (₹ in Crores)	5.53	3.96	143.97
Distribution (in %)	3.60%	2.60%	93.80%

(g) Other Notes:

(i) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.

(ii) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.

(iii) The company has provided long service award benefits to its employees who completed 15/20/25 Years of employment with company. Accordingly company has provided ₹ 0.97 Crores (Previous year ₹ 0.89 crores) on account of Long service award benefit. Current Liability as at 31st March 2021 is ₹ 0.07 Crores(Previous year ₹ 0.09 Crores) and Non- Current Liability is ₹ 0.90 Crores(Previous year ₹ 0.80 Crores) Discount rate considered for current year is 6.45% (previous year 6.85%).

Notes to Consolidated financial statements for the year ended 31st March 2021

(iv) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

Note 48 RELATED PARTY TRANSACTIONS

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of parent & subsidiary of the Company are as follows.

(a) Parent Entity

Gujarat State Investment Limited (GSIL) - Ultimate Holding Company
Gujarat State Petroleum Corporation Limited (GSPC) -Intermediate Holding Company
Gujarat State Petronet Limited (GSPL) - Holding Company

(b) Subsidiary / Enterprise Controlled by the Company

Guj Info Petro Limited- GIPL - Associate
Gujarat Gas Limited Employees Group Gratuity Scheme - Enterprise controlled by the company

Related Party Transactions for the Year Ended 31st March 2021 **(₹ in Crores)**

Sr. no.	Name of Related Party	Relationship	Nature of Transactions & Balances	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Gujarat State Petroleum Corporation Limited - GSPC	Intermidiate Holding Company	Purchase of Natural Gas	6,881.40	7,392.34
			Rent Expense	0.03	0.13
			Reimbursement of Expenses	0.05	4.06
			Recharge of Salary - Expense	0.47	-
			Recharge of Salary - Income	-	0.11
			CNG Sales - Income	0.01	0.02
			Income from Material sale	0.02	-
			PNG Sales - Income	0.00	0.01
			Reimbursement of expenses - Income	0.07	-
			Balance as period end		
			Amount Receivable/(Payable)	(239.16)	(191.51)
			Investment at Period end	19.74	17.22
			Deposits Asset / (Liability) - Net	(0.00)	(0.00)
			Bank Guarantee by GGL to GSPC	642.30	396.44
			Letter of Credit - by GGL to GSPC	109.79	-
2	Gujarat State Petronet Limited - GSPL	Holding Company	Gas Transmission Expense	459.86	476.50
			Purchase of Natural Gas	0.31	-
			Right of Way Expense (ROW)	0.21	0.21
			Reimbursement of Expenses	0.10	0.003
			Dividend Paid	46.61	37.29
			Rent Expense	1.92	1.41
			Recharge of Salary - Expense	0.31	0.09
			Compression Charges	1.29	-
			Purchase of Material	0.17	-
			PNG Sales - Income	0.02	0.02
			O&M Charges Recovered - Income	0.05	0.04
			Rent - Income	0.03	0.03
			Reimbursement of Expenses - Income	4.60	3.02
			Recharge of Salary - Income	0.69	0.07
			Recharge of Capex (by GGL to GSPL)	-	1.73
			Recharge of Material - Income	-	0.68
			Facilitation Charges - Income	2.22	0.25
			Deposit Given - Paid / (Refund)	15.94	16.94
			Supervision Charges -Income	0.01	-
			Balance at the period end		
			Amount Receivable/(Payable)	(18.17)	(10.50)
			Deposits Asset / (Liability) - Net	37.35	21.39
			Bank Guarantee - by GGL to GSPL	52.92	48.31
			Letter of Credit - by GGL to GSPL	0.10	0.05

Notes to Consolidated financial statements for the year ended 31st March 2021

(₹ in Crores)

Sr. no.	Name of Related Party	Relationship	Nature of Transactions & Balances	For the year ended 31st March, 2021	For the year ended 31st March, 2020
3	Sabarmati Gas Limited - SGL	Associate of Holding Company	Gas Transportation Expense	0.58	0.69
			Compression Charges	0.01	-
			Purchase of Material	2.27	-
			Supervision Charges Expense	0.01	-
			PNG Sales - Income	0.00	0.00
			Gas Transportation Charges - Income	0.06	0.10
			Reimbursement of Expenses - Income	0.03	-
			Income from Material sale	0.90	-
			Deposit Given - Paid / (Refund)	0.02	-
			Balance at the period end		
			Amount Receivable/(Payable)	0.06	(0.02)
			Deposits Asset / (Liability) - Net	(0.02)	(0.04)
			Bank Guarantee - by GGL to SGL	0.08	-
4	Guj Info Petro Limited- GIPL	Associate	Web Development / Bandwidth Charges	0.00	0.00
			Software Maintenance Expenses	0.05	-
			Reimbursement of Expenses - Income	0.02	-
			Balance at the period end		
			Investment at Period end	0.03	0.03
5	Gujarat State Energy Generation Limited - GSEG	Associate of Intermediate Holding Company	Dividend Paid	0.17	0.13
			PNG Sales - Income	0.01	0.00
			Balance at the period end		
			Amount Receivable/(Payable)	0.00	0.00
			Deposits Asset / (Liability) - Net	(0.10)	(0.10)
6	GSPL India Gasnet Limited - GIGL	Joint Venture of Holding Company	Rent Expenses	0.65	0.12
			Gas Transportation Expense	0.06	-
			Right of Way Expense (ROW)	-	0.06
			Reimbursement of Expenses - Income	0.05	-
			Deposit Given - Paid / (Refund)	8.00	20.10
			Balance at the period end		
			Amount Receivable/(Payable)	(0.01)	(0.11)
			Deposits Asset / (Liability) - Net	28.10	20.10
			Bank Guarantee - by GGL to GIGL	0.01	-
7	GSPL India Transco Limited - GITL	Joint Venture of Holding Company	Recharge of Salary - Income	0.56	0.12
			Reimbursement of Exp -Income	0.01	-
			Rent Expenses	0.04	-
			Balance at the period end		
			Amount Receivable/(Payable)	-	0.12
8	Gujarat State Fertilizers & Chemicals Limited	Associate of Ultimate Holding Company	Rent Paid	0.52	0.40
			Dividend Paid	5.86	4.69
			Maintainance Charges Paid	0.07	0.09
			Balance at the period end		
			Deposits Asset / (Liability) - Net	0.09	0.09

Notes to Consolidated financial statements for the year ended 31st March 2021

(₹ in Crores)

Sr. no.	Name of Related Party	Relationship	Nature of Transactions & Balances	For the year ended 31st March, 2021	For the year ended 31st March, 2020
9	Gujarat Alkalies & Chemicals Limited	Associate of Ultimate Holding Company	PNG Sales - Income	0.01	0.03
			Dividend Paid	2.66	2.13
			Deposit Given / (Received)	(0.02)	-
			Balance at the period end		
			Amount Receivable/(Payable)	-	0.00
			Deposits Asset / (Liability) - Net	(0.02)	(0.01)
10	Gujarat Narmada Valley Fertilizers & Chemicals Limited	Associate of Ultimate Holding Company	Rent Paid	0.05	0.06
			Technology Services	0.13	-
			Dividend Paid	0.03	0.03
			Balance at the period end		
			Amount Receivable/(Payable)	(0.01)	-
11	GSPC Pipavav Power Company Ltd.	Subsidiary of Intermediate Holding Company	Reimbursement of Expenses-Income	0.01	-
12	Gujarat State Financial Services Limited - GSFS	Associate of Ultimate Holding Company	Interest received - Income	23.35	28.04
			Deposit - Placed/ Renewed	7,899.13	7,540.69
			Deposit - Withdrawn / Redemed	8,244.41	7,330.41
			Balance at the period end		
			Deposits Asset	261.00	606.28
13	Gujarat Gas Limited Employees Group Gratuity Scheme	Enterprise controlled by the company	Gratuity Contribution Paid	16.61	7.37
14	Shri. Sanjeev Kumar, IAS - Managing Director	Key Managerial Personnel	Sitting Fees (deposited in Govt. Treasury Account) - Nil (Previous Year- ₹ 0.01 Crore) Out of Pocket Expenses - Nil (Previous Year - ₹ 0.00 Crore)	-	0.01
15	Shri. Nitin Patil- CEO (Upto 19th Feb, 2020)	Key Managerial Personnel	Remuneration- Short Term Benefits - Nil (Previous Year - ₹ 0.91 Crores) Post Employment Benefit - Nil (Previous Year- ₹ 0.14 Crores)	-	1.05

Notes

1 All transactions with related parties were carried out in the ordinary course of business and at arms length.

2 All transactions amount disclosed above are inclusive of tax.

3 Details of remuneration paid/payable to Chief Financial Officer & Company Secretary identified as key managerial personnel under Section 2(51) of Companies Act, 2013

(₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Shri. Nitesh Bhandari – Chief Financial Officer Short Term Benefits – Rs.1.01 Crores (Previous Year Rs.0.82 Crores) Post-Employment Benefits – Rs. 0.13 Crores (Previous Year Rs.0.13 Crores)	1.14	0.95
Shri. Sandeep Dave – Company Secretary (w.e.f. 30th March, 2020) *Short Term Benefits – Rs.0.33 Crores (Previous Year Rs.0.00 Crores) Post-Employment Benefits – Rs. 0.06 Crores (Previous Year Rs.0.00 Crores) * Reimbursed to GSPC	0.39	0.00
Smt. Rajeshwari Sharma – Company Secretary (upto 19th February, 2020) Short - Term Benefits – Nil (Previous Year Rs.0.45 Crores) Post-Employment Benefits – Nil (Previous Year Rs.0.07 Crores)	-	0.52

Notes to Consolidated financial statements for the year ended 31st March 2021

Remuneration to Key Managerial Personnel does not include provision for leave encashment as it is provided in the books of accounts on the basis of actuarial valuation for the company as a whole and hence individual figures cannot be identified.

4 Details of Sitting Fees & Out of Pocket Expenses (in total) paid to Directors other than Managing Director

(₹ in Crores)

Sr. no.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1.	Shri. Anil Mukim, IAS - Chairman (w.e.f 1st April, 2020) #	0.01	-
2.	Shri. J. N. Singh, IAS (Retd.) (upto 31st March 2020) #	-	0.01
3.	Smt. Sunaina Tomar, IAS (w.e.f 8th January, 2020) #	0.01	0.00
4.	Dr. Manjula Subramanium, (Retd.) IAS (w.e.f 28th August, 2020)	0.00	-
5.	Dr. Manjula Devi Shroff (upto 22nd November, 2019)	-	0.02
6.	Dr. T. Natarajan, IAS (upto 21st August, 2019) #	-	0.01
7.	Shri. Milind Torawane, IAS #	0.02	0.01
8.	Shri. Pankaj Joshi, IAS (upto 15th December, 2019) #	-	0.00
9.	Shri. K. D. Chatterjee	0.04	0.04
10.	Shri. Jal Patel	0.03	0.02
11.	Prof. Piyush Kumar Sinha	0.02	0.01
12.	Prof. Vishal Gupta	0.03	0.01

Sitting fees payable are deposited in Government Treasury Account

5 Figures INR 0.00 denotes amount less than INR 50,000/-.

Note 49 "RECEIVABLES, CONTRACT ASSETS AND CONTRACT LIABILITIES (WITH REFERENCE TO IND AS 115-REVENUE FROM CONTRACTS WITH CUSTOMERS)"

Revenue recognised in the statement of profit and loss : Revenue from contracts with customers (refer note 30):

Sale of Natural gas is the main activity of city gas distribution business and other operating income is incidental to sale of natural gas. Company sells and distributes natural gas in India.Sale of natural gas includes excise duty but excludes VAT and GST collected from the customers on behalf of the Government. All the revenue mentioned above are earned by transfer of goods or services at a point of time.

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

(₹ in Crores)

Sr. No.	Particulars	31st March, 2021	31st March, 2020
(i)	Contract assets		
	Unbilled revenue	57.77	76.73
	Total contract assets	**57.77**	**76.73**
(ii)	Contract liabilities		
	Advance from customers	23.02	18.74
	Total contract liabilities	**23.02**	**18.74**
(iii)	Receivables		
	Trade receivables	783.09	510.14
	Total Trade receivables	**783.09**	**510.14**
(iv)	Deferred Revenue		
	Non Current	62.94	63.60
	Current	9.30	8.65
	Total Deferred Revenue	**72.24**	**72.25**
(v)	Income recognised during the year out of opening balance of deferred revenue	8.79	8.31

Notes to Consolidated financial statements for the year ended 31st March 2021

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

Performance obligations -Connection, Service and Fitting Income

Connection charges from customers deferred over the period when the performance obligation is satisfied:

Industrial Customers: The performance obligations as per the contractual arrangement with the customer is to deliver gas over the tenure of the contract. Consequently, the connection charges is to be deferred over the contract period.

Domestic Customer: The connection charges is to be deferred over the period of delivery of gas. It is reasonably expected by the Company that the gas is procured by the customer and supplied by the Company on a perpetual basis. Consequently the connection charges are to be deferred over the useful life of the connection facility (i.e. 18 years).

Note 50

Transition to Ind AS 116 Leases (Effective from 1st April, 2019)

The Company has adopted Ind AS 116 'Leases', effective from 1st April, 2019, using modified retrospective approach. This has resulted in recognizing a right of use lease assets of ₹ 33.42 Crores (an amount equal to lease liability ₹ 33.27 Crores and adjustment from pre-paid accrued rent ₹ 0.15 Crores) as at 1st April 2019.In respect of leases that were classified as finance leases, applying Ind AS 17, an amount of ₹ 36.16 Crores has been reclassified from property, plant and equipment to right-of-use lease assets.

On transition to Ind AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17.

50.1 The Company as a lessee

The Company has taken various assets on lease primarily consist of leases for land and buildings. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases.

On transition, for leases classified as operating leases under Ind AS 17, the lease liabilities are measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1st April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired. The weighted average incremental borrowing rate of 8.59% p.a. has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

50.1.1 The Company used a number of practical expedients summarised here below:

1) Grandfather their previous lease assessment for existing contracts.
2) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
3) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
4) Applied the exemption not to recognize right-of-use assets and liabilities for leases of low value assets;
5) Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
6) Used hindsight when determining the lease term.

50.1.2 Nature of the lease transaction:

Land Leases -

The Company has taken several plots of land on lease for setting up CNG, City Gas Station, CPRS/DPRS station and for site office purpose. The lease term mentioned in the agreements ranges from 11 months to 99 years. Lease agreements are renewable on mutually agreed terms and do not contain any non-cancellable period.In certain contacts, the Company is restricted from assigning and subletting the leased assets.

Building Leases -

The Company has taken various office/warehouse buildings on lease with monthly and annual payment terms. The lease term mentioned in the agreements ranges from 11 months to 9 years. Most of the agreements are renewable on mutually agreed terms, some of them are having non - cancellable period whereas few agreements are silent on renewal.In certain contacts, the Company is restricted from assigning and subletting the leased assets.

Other Leases

The Company has also taken various commercial vehicles, CNG Cascade, booster compressor and other equipments, IT equipment etc. on lease. The lease term mentioned in the agreements ranges from 6 months to 10 years. Some portion of the lease rentals is based on usage of the equipment considered as variable lease payment. Lease rentals include lease and non lease component viz. manpower, fuel cost, repair and maintenance etc and only hiring portion is considered for ROU accounting.

50.1.3 The following is the carrying amounts of Company's Right of use assets and the movement in lease liabilities during the year ended March 31, 2021.

Notes to Consolidated financial statements for the year ended 31st March 2021

(₹ in Crores)

A

Particulars	Lease Assets*	
	2020-21	2019-20
Gross Carrying Value		
Opening balance	160.42	38.51
Additions on account of transition to Ind AS 116 (as on April 01, 2019)	-	33.42
Addition during the year	35.80	88.48
Adjustment on account of modification	0.10	-
Deductions	12.95	-
Closing Balance (A)	**183.37**	**160.42**
Accumulated amortization		
Opening balance	14.33	2.35
Addition during the year	14.39	11.98
Deduction during the year	12.95	-
Closing Balance (B)	**15.77**	**14.33**
Net Block (A-B)	**167.60**	**146.09**

* Refer note 5.3

B-Movement in Lease liability with Current/Non current break up:- (₹ in Crores)

Particulars	Lease liabilities*	
	2020-21	2019-20
Opening balance	57.02	-
Additions on account of transition to Ind AS 116 (on April 01, 2019)	-	33.27
Addition during the year	35.80	36.86
Adjustment on account of modification	0.10	-
Add: Interest Expenses	4.77	4.20
Less: Payments	(18.20)	(17.31)
Closing Balance	**79.49**	**57.02**
Current	14.50	12.00
Non current	64.99	45.02

* Refer note 21

50.1.4 Amounts recognized in profit or loss (₹ in Crores)

Particulars	2020-21	2019-20
Lease charges-Others* (Refer Note 37)	24.53	18.05
LCV/HCV HiringCharges** (Refer Note 37)	-	0.17
Interest expenses (Refer Note 35)	4.77	4.20
Depreciation charge for right-of-use assets (Refer Note 36)	14.39	11.98

* Leases charges-Others includes rental charges of all assets that have lease period of 12 month or less, remaining lease period of 12 months or less as on transition date, rental charges of low value assets, variable lease payments and component of taxes of ROU lease charges.

* LCV/HCV Hiring, Operating and Maintenance Charges includes lease component viz. rental charges of LCV/HCV lease assets that have lease period of 12 month or less.

50.1.5 The total Cash outflow for ROU assets is ₹ 13.43 Crores (Previous year ₹ 13.11 Crores) for the year ended 31st March, 2021. (excluding interest)

50.1.6 Contratual maturity analysis of undiscounted lease liabilities is given below:

Maturity Analysis of lease liabilities (undiscounted): (₹ in Crores)

Particulars	As at 31st March 2021	As at 31st March 2020
Less than one year	18.74	12.44
One to two years	12.03	6.81
two to five years	33.59	20.39
More than five years	71.24	72.99
Total	**135.60**	**112.63**

Notes to Consolidated financial statements for the year ended 31st March 2021

50.2 The Company as a lessor

The Company is not required to make any material adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application.

Note 51 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per Section 135 of the Companies Act, 2013, a company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. CSR expenditure is contain the following:

(₹ in Crores)

Sr no.	Particulars	FY 2020-21	FY 2019-20
(1)	Gross amount required to be spent by the company during the year.	14.96	8.72
(2)	Amount approved by the Board to be spent during the year	15.01	11.95
(3)	Amount spent during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	15.01	11.95

(₹ in Crores)

Sr.no.	Particular of Expenditure during the year	FY 2020-21	FY 2019-20
(1)	Providing gas(in kind) to Crematoriums (Community Development)	1.77	1.27
(2)	Contribution to support Mobile Health screening van(Medical)	0.03	0.02
(3)	Contribution to support Gujarat power energy research foundation (Research- Power and energy)	-	0.25
(4)	Contribution to support Smart class room project(Education)	0.90	0.41
(5)	Contribution to Chief Minister Relief Fund, Government of Gujarat (Disaster relief for COVID-19)*	10.00	10.00
(6)	Tree Plantation	1.00	-
(7)	Mid Day Meal	1.15	-
(8)	Blind People's Assocation	0.16	-
	Total	**15.01**	**11.95**

* MCA issued clarification dated 23rd March, 2020 that spending on various activities related to Covid – 19 will be considered as CSR under item No. (i) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of health care, including preventive health care and sanitation and Disaster Management. Considering this, the Company has obtained approval of CSR committee and contributed Rs. 10 Crores on 31st March 2020 and additional Rs 10 Crores on 1st April,2020 to "Chief Minister Relief Fund, Government of Gujarat" with special objective in the situation of Disaster Relief for helping COVID 19 affected areas and considered the same as CSR expenditure. Subsequently on 10th April, 2020, MCA had issued COVID-19 related Frequently Asked Questions (FAQs) on Corporate Social Responsibility (CSR) where in it was clarified that "'Chief Minister's Relief Fund' or 'State Relief Fund for COVID-19' is not included in Schedule VII of the Companies Act, 2013 and therefore any contribution to such funds shall not qualify as admissible CSR expenditure. The Company has made representation to Government for considering contribution to CM Relief Fund as eligible CSR expenditure. It may be noted that Company had made above contribution to Gujarat State CM Relief Fund for the financial year 2019-20 and 2020-21 under CSR activities prior to the FAQs dated 10th April, 2020, issued by MCA.

Note 52 SEGMENT REPORTING

The Company primarily operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The Managing Director of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment needs to be disclosed.

Information about products and service:

The Company is in a single line of business of Sale of Natural Gas.

Information about geographical areas:

1. The Company does not have geographical distribution of revenue outside India and hence segmentwise disclosure is not applicable to the Company.
2. None of the Company's assets are located outside India hence segmentwise disclosure is not applicable to the Company.

Information about major customers:

None of the customer account for more than 10% of the total revenue of the Company.

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 53 RECLASSIFICATION OF COMPARATIVE FIGURES

Certain reclassifications have been made to the comparative period's financial statements to:

- enhance comparability and ensure consistency with the current year's financial statements; and
- ensure compliance with the Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013.

The Company believes that such presentation is more relevant for understanding of the Company's performance. However, this does not have any impact on the profit, equity and cash flow statement for the comparative period.

Items of balance sheet before and after reclassification as at 31st March, 2020 **(₹ in Crores)**

Particulars	Balance before reclassification	Reclassification amount	Balance after Reclassification
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note 25)*	360.89	(22.75)	338.14
Current Provisions (Refer note 28)*	12.98	22.75	35.73
Other non-current assets (Refer note 10)**	224.83	0.16	224.99
Cash and cash equivalents (Refer note13)**	549.41	(0.03)	549.38
Bank balances (Refer note 14)**	144.66	(0.13)	144.53

* Provision for Bonus/ incentives reclassed from Trade payable to Current provisions.

** TDS Receivables for accured interest on deposits is reclassed from bank balance & cash & cash equivalents to Advance payment of income tax [Net of provisions]

Note 54 STATUS OF TRANSFER / PURCHASE OF CITY GAS DISTRIBUTION (CGD) BUSINESS OF AMRITSAR AND BHATINDA GEOGRAPHICAL AREAS (GAs)

Petroleum and Natural Gas Regulatory Board ("PNGRB") granted authorization in favour of Gujarat State Petronet Limited ("GSPL", parent company of Gujarat Gas Limited) for laying, building, operating or expanding City Gas Distribution network in GAs of Amritsar (May 2015) and Bhatinda (May 2016) District in the state of Punjab. In furtherance of overall strategic business objective and synergies, GSPL and Gujarat Gas Limited ("GGL" or "the Company") requested to PNGRB for transfer of these GAs authorizations to GGL in line with applicable PNGRB Regulations. After due examination, PNGRB provided approval dated 29 June 2020 for transfer of these authorization for Amritsar and Bhatinda GAs from GSPL to GGL subject to fulfilment of below three conditions:

1) Revised Performance Bank Guarantee (PBG)
2) Revised Gas Sale Agreement in name of GGL
3) Financial Closure

During the year, the Company fulfilled the above conditions and same has been duly acknowledged and accepted by PNGRB.

The Board of the Company has approved the valuation and transfer / purchase of CGD Business of Amritsar and Bhatinda GAs from GSPL to the Company for cash consideration of INR 163.31 Crores (subject to various transaction adjustments) by slump sale through business transfer agreement at its meeting held on 1st June 2021. Same is subject to approval of the Board of GSPL.

As on 31 March 2021, the Company has incurred total capital expenditure INR 197.46 Crores (previous year INR 122.19 Crores) with respect to GAs of Amritsar and Bhatinda and accounted the same as under in books of GGL for the year ended on 31.03.2021:

- Property, Plant and Equipment and intangible assets - INR 119.53 Crores (previous year INR 58.62 Crores)
- Capital Work in Progress (including capital inventory) - INR 77.93 Crores (previous year INR 63.57 Crores)

Until the transfer / purchase of CGD Business from GSPL to GGL, GSPL had contracted with GGL to use assets owned by GGL for limited period of time in exchange of facility service charges (equal to depreciation and all operating expenses) being paid by GSPL. Accordingly, GGL has recovered the operating expenditure amounting Rs. 5.79 Crores (Previous year Rs. 2.56 Crores) and facilitation fees income of Rs. 2.73 Crores (Previous year Rs. 0.21 Crores) from GSPL during the year for use of these assets. **[Refer note 3.1, 3.2 & 5.1 for PPE, CWIP & Intangible assets]**

Note 55 IMPACT OF COVID-19 PANDEMIC

In view of the pandemic relating to Coronavirus (COVID-19), the Company has considered the possible effects including but not limited to assessment of going concern assumptions, the carrying amount of current assets and assessed the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets as evident so far in the preparation of these financial results. The Company currently has a comfortable liquidity position and continues to service its debt obligations.

The impact of the COVID-19 pandemic, if any, may be different from that estimated as at the date of approval of these financial statements.

Notes to Consolidated financial statements for the year ended 31st March 2021

Considering the second wave of COVID 19 across the country, a definitive assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment. The Company is continuously monitoring material changes in such information and economic forecasts.

Due to the COVID-19 impact, primarily in the first quarter, the results of the company for year ended on 31st March, 2021 are not comparable with corresponding period of FY 2019-20 to that extent.

Note 56 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As on date of approval of these financial statements, there are no subsequent events to be recognized or reported that are not already disclosed.

Note 57 INTEREST IN OTHER ENTITIES

a) 100% sole controlled entity

Set out below is the 100% sole controlled entity of the Company as at 31st March 2021. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of business	Principal Activity	Relationship	% of ownership	
				31st March 2021	31st March 2020
Gujarat Gas Limited Employees Welfare Stock Option Trust	India	ESOP Trust	100% sole controlled entity	100%	100%

b) Associates

Set out below is the associate of the Company as at 31st March 2021 which, in the opinion of the directors, are material to the Company. The entity listed below has share capital consisting solely of equity shares, which are held directly by the Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Crores)

Name of Entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amount	
					31st March 2021	31st March 2020
Guj Info Petro Limited (GIPL)*	India	49.94%	Associate	Equity Method	28.06	25.99
Total equity accounted investments					**28.06**	**25.99**

* Unlisted entity - no quoted price available

GIPL is primarily engaged in the marketing, selling value distribution of internet bandwidth and added services like web hosting, designing, development & maintenance of websites, IT consultancy services, software development, server co-location, mailing solutions, operation & maintenance of systems/networks, trading in hardware equipments, facility management services etc. to various organisations across Gujarat.

Commitments and contingent liabilities in respect of associates **(₹ in Crores)**

Particulars	31st March 2021	31st March 2020
Contingent liabilities - associates		
For direct tax	0.11	0.45
Performance guarantee*	1.04	1.05
For disputed adjusted gross revenue DOT**	-	13.95
Bank guarantee & Corporate guarantee*	0.10	0.10
Total commitments and contingent liabilities	**1.25**	**15.54**

*Not included in group contingent liabilities as per group accounting policy.

** With reference to dues regarding Adjusted Gross Revenue (AGR) in respect of an associate company, Guj Info Petro Limited (GIPL), Department of Telecom (DoT) has carried out assessment of license fees liability for the period from F.Y. 2009-10 to F.Y. 2013-14 and issued assessment order vide letter CCA/GUJ/ISP-IT/LF Assess/GIPL/2019-20/89 dated 04/12/2020, As per the assessment order from DOT, there is a refund of AGR Licence fees of ₹ 5.27 Crores including ad-hoc payment of ₹ 5.00 Crores paid under protest in February, 2020 against earlier disputed demand of AGR dues. Accordingly, there is no liability on the associate company in respect of AGR licenses fees and the refund / advance payment is recoverable from DoT.

Notes to Consolidated financial statements for the year ended 31st March 2021

Summarised financial information for associate

The tables below provide summarised financial information for those associates that are material to the Company. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Company's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(₹ in Crores)

Particulars	GIPL	
	31st March 2021	31st March 2020
Non-current assets	5.48	6.84
Current Assets	60.61	66.03
Non-current liabilities	2.04	1.87
Current liabilities	7.87	18.98
Net Assets	**56.18**	**52.02**

Reconciliation to carrying amounts **(₹ in Crores)**

Particulars	GIPL	
	31st March 2021	31st March 2020
Net assets	56.18	52.02
Company's Share in %	49.94%	49.94%
Company's Share in INR	28.06	25.98
Goodwill/Capital Reserve	-	-
Carrying amount	**28.06**	**25.98**

Summarised statement of profit and loss **(₹ in Crores)**

Particulars	GIPL	
	31st March 2021	31st March 2020
Revenue	19.77	18.03
Profit / (Loss) for the year	**4.23**	**(0.06)**
Other comprehensive income	(0.07)	(0.11)
Total comprehensive income	**4.16**	**(0.17)**
Dividend received (Current year Nil, Previous year Nil)	-	-

Notes to Consolidated financial statements for the year ended 31st March 2021

Note 58 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III (₹ in Crores)

Sr. no.	Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or Loss	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
A	**Parent**								
	Gujarat Gas Limited								
	31 March 2021	99.36%	4,482.62	99.83%	1,275.50	101.18%	2.57	99.83%	1,278.07
	31 March 2020	99.19%	3,290.59	99.99%	1,193.32	98.67%	(3.70)	99.99%	1,189.62
B	**Subsidiaries/ 100% sole controlled entity**								
(i)	**Indian**								
	Gujarat Gas Limited Employees Welfare Stock Option Trust								
	31 March 2021	0.02%	0.88	0.01%	0.11	-	-	0.01%	0.11
	31 March 2020	0.02%	0.77	0.01%	0.18	-	-	0.01%	0.18
(ii)	**Foreign**	-	-	-	-	-	-	-	-
	Non-controlling interest in all subsidiaries	-	-	-	-	-	-	-	-
C	**Associates (Investments as per the equity method)**								
(i)	**Indian**								
	Guj Info Petro Limited (GIPL)								
	31 March 2021	0.62%	28.06	0.17%	2.11	-1.18%	(0.03)	0.16%	2.08
	31 March 2020	0.78%	25.99	0.00%	(0.03)	1.33%	(0.05)	-0.01%	(0.08)
(ii)	**Foreign**	-	-	-	-	-	-	-	-
D	**Joint Ventures (Investments as per the equity method)**								
(i)	**Indian**	-	-	-	-	-	-	-	-
(ii)	**Foreign**	-	-	-	-	-	-	-	-
	Total								
	31 March 2021	**100%**	**4,511.56**	**100%**	**1,277.72**	**100%**	**2.54**	**100%**	**1,280.26**
	31 March 2020	**100%**	**3,317.35**	**100%**	**1,193.47**	**100%**	**(3.75)**	**100%**	**1,189.72**

NOTE 59 PREVIOUS YEAR FIGURES

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

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

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

A. K. Atolia
Partner
M. No. : 077201

Place : Jaipur
Date : 1st June, 2021

For and on behalf of Board of Directors

Anil Mukim, IAS
Chairman
DIN - 02842064

Sanjeev Kumar, IAS
Managing Director
DIN - 03600655

K.D. Chatterjee
Director
DIN- 00421999

Nitesh Bhandari
Chief Financial Officer

Sandeep Dave
Company Secretary
Place : Gandhinagar
Date : 1st June, 2021

GUJARAT GAS

Gujarat Gas Limited

(A GSPC Group Company - Government of Gujarat Undertaking)

CIN: L40200GJ2012SGC069118

Corporate Office

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